

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

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 \$67 billion in net revenue in 2019, driven by a complementary food and beverage portfolio that includes 22 brands that generate more than \$1 billion each in estimated annual retail sales (e.g., Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana). Our new vision is to be the global leader in convenient foods and beverages by Winning with Purpose. To advance this vision, we will focus on becoming Faster, Stronger and Better in everything we do. We will become better by continuing to integrate our purpose agenda into our business strategy and doing even more for the planet and our people. Winning with Purpose acknowledges PepsiCo’s leadership in integrating sustainability with strategy for more than a decade, and conveys our belief that sustainability can be an even greater contributor to our success in the marketplace. Winning with Purpose aims to build a more sustainable food system by intensifying our efforts on critical initiatives including climate change.

This CDP Climate Questionnaire 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,” “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.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Belgium
Bosnia & Herzegovina
Brazil
Canada
Chile
China
Colombia
Costa Rica
Cyprus
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
France
Georgia
Germany
Greece
Guatemala
Honduras
India
Ireland
Israel
Italy
Kyrgyzstan
Mexico
Netherlands
New Zealand
Pakistan
Panama
Peru
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
Serbia
Singapore
South Africa
Spain
Taiwan, Greater China
Thailand
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

PepsiCo owns/manages some agricultural land within our direct operations. Lands are usually used to grow crops for our products. The amount of land this represents in our overall agricultural supply chain is judged to be small and, therefore, de-Minimis. Due to internal complexities in collecting this data we are not reporting emissions from company-owned agricultural land.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Palm Oil

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Sugar

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Wheat

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Other, please specify (Potatoes)

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Other, please specify (Corn)

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

This includes High Fructose Corn Syrup sourcing. Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Under PepsiCo's By-Laws and Corporate Governance Guidelines, the board has responsibility to manage the business of the Company. Sustainability matters, including climate change, are integrated into our business. Therefore, the board considers them an integral part of its oversight. The Public Policy and Sustainability Committee assists the Board in providing more focused oversight of the company's policies, programs and related risks that concern key sustainability and climate matters. The Risk Committee (PRC) of the Board, including PepsiCo's Chairman and CEO, assists to identify, assess, prioritize and address our top strategic, operating, and business risks. The PRC is also responsible for reporting progress on our risk mitigation efforts to the Board, including with respect to climate-related risks. The PepsiCo Executive Committee (PEC) has direct oversight of the sustainability and climate agenda, including strategic decisions and performance management. The PEC is made up of the chairman & CEO, the CFO, sector CEOs and functional heads, ensuring that sustainability is a key accountability for every member of our senior leadership team. In 2019, the PEC took the decision to create the Sustainability Sub-Committee comprising the CEO, the CFO and functional heads for additional direct oversight of sustainability and climate matters.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	The Public Policy and Sustainability Committee assists the Board in providing focused oversight of the company's policies, programs and related risks that concern key sustainability matters. The committee, which meets four times per year, is comprised entirely of independent directors and reflects expertise in the scientific, financial, technological and non-profit sectors. The primary agenda item for these meetings is a review of PepsiCo's company-wide progress on our goals, including progress against our goal to reduce greenhouse gas (GHG) emissions across our value chain by 20% in absolute terms by 2030. The PepsiCo Risk Committee (PRC) is a cross-functional diverse group that meets regularly and is responsible for reporting progress on risk mitigation efforts to the Board. Agendas for these meetings include various governance mechanisms including reviewing PepsiCo's progress on climate-related risks and risk mitigation strategy. The Risk Committee also reviews potential impacts to agricultural commodity supplies and production disruptions due to climate-related physical and transition risks that may impact PepsiCo's business. The Board receives regular updates on key risks throughout the year. Key risks related to climate change and water scarcity identified by the Company are included in our 2019 Annual Report on Form 10-K. At one level below the board, the PepsiCo Executive Committee (PEC - made up of the Chairman & CEO, the CFO, sector CEOs and functional heads), meets quarterly to review progress against goals; progress against broader environmental risk mitigation (such as our efforts to mitigate the impacts of climate change); and to ensure that we are adapting our sustainability strategy to changes in science, stakeholder expectations and marketplace conditions. In addition the PepsiCo Sustainability Sub-Committee of the PEC comprised of the CEO, the CFO and functional heads takes further responsibility for sustainability matters and meets every month to discuss strategy and progress.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

In 2019, PepsiCo's CEO convened a PepsiCo Executive Committee Sustainability Subcommittee, which he chairs and which includes Executives, including PepsiCo's Chief Sustainability Officer. The members of this committee were selected to ensure that key business functions that influence our sustainability performance are engaged in overseeing our sustainability efforts at the highest level. The Sustainability Subcommittee meets every month and climate topics addressed include reviewing progress against our strategy as well as assessing and approving improvements to our strategy. One example of this is our recent commitment to raising our ambition in climate change mitigation by signing the Business Ambition for 1.50C pledge.

In addition, PepsiCo's Chief Sustainability Officer (CSO) oversees the company's sustainability program. The CSO brings deep business knowledge and insights to guide the company's sustainability led business transformation efforts, as well as an intimate understanding of the challenges and opportunities that lie at the intersection of food, the environment and people. The CSO is involved in the day-to-day management of our strategy toward delivery of our sustainability agenda, and their responsibilities include providing strategic direction, guidance and leadership on critical climate-related issues facing the company and actions the company must take. Climate-related issues monitoring and overseeing the delivery of our climate goal fall directly under the responsibilities of the Chief Sustainability Officer. The CSO is regularly apprised of our progress towards our climate goal and related issues. Based on this, the CSO is involved in aligning the PepsiCo Executive Committee (PEC) and the board on strategic decisions toward mitigating climate risks, enhancing PepsiCo's reputation and positioning the business for future success.

The PepsiCo Risk Committee (PRC) comprised of the chairman & CEO, the CFO, the CSO and functional heads meet every quarter to identify, assess, prioritize, address, manage, monitor and communicate our top enterprise risks of which climate-related risks is one. The PRC is also responsible for reporting progress on our risk mitigation efforts to the Board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Our corporate executive team has strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	Our corporate executive team has strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Our executive officers, including our chairman and CEO, have strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	Our executive officers, including our chairman and CEO, have strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.
Business unit manager	Monetary reward	Emissions reduction target	Business unit managers have objectives based on their roles and accountabilities that are aligned with our sustainability agenda including climate. Performance against these objectives impacts a portion of both annual and long-term incentives.
Energy manager	Monetary reward	Emissions reduction target	Energy managers have annual energy and fuel reduction (as a proxy for greenhouse gas (GHG) emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.
Facilities manager	Monetary reward	Emissions reduction target	Some facility managers have annual energy and fuel reduction (as a proxy for GHG emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.
Process operation manager	Monetary reward	Emissions reduction target	Some process operation managers have annual energy and fuel reduction (as a proxy for GHG emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	
Medium-term	5	10	
Long-term	10	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At PepsiCo, risk impact is evaluated based on the ability to achieve operational, financial and strategic objectives and/or potential for creating a sustained adverse impact on the business' profit, or the company's shareholder value and/or reputation. It leverages a five point scale (Minimal, Low, Medium, High, Critical) depending on its intensity. For quantitative purposes, one example is to use % of NOPBT (Net Operating Profit Before Taxes). Once climate risks have been identified, the next step in our process is to prioritize each risk based on the likelihood that it will occur, the financial impact to PepsiCo should it occur (any impact over \$1 million could be considered substantive), and whether the activities needed to mitigate the risk are aligned with our overall climate strategy and business plan. For example, we incorporate environmental sustainability criteria into our Capital Expenditure Filter and is applied to all capital expenditure requests over \$5 million. Each request is reviewed not only against business financial metrics and value to advancing our business strategy but also for the impact (positive or negative) that it will have on our environmental performance, including energy use and GHG emissions, and its contribution to our efforts to achieve our climate goal.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

- Short-term
- Medium-term
- Long-term

Description of process

To identify, assess, prioritize, address, manage, monitor and communicate climate risks across the Company's operations, we leverage an integrated risk management framework. This framework includes the following: PepsiCo's Board of Directors has oversight responsibility for PepsiCo's integrated risk management framework. One of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of the Company's business, including risk assessment and risk mitigation of the Company's top risks. The Board receives updates on key risks throughout the year, including risks related to climate change. Top climate risks are identified based on the physical or transition risk that PepsiCo is facing over various climate scenarios coupled with the business value at risk which results in a view of the financial impact to the business due to the climate-related risks. For instance a physical risk such as temperature extremes or a transition risk such as carbon pricing is examined at the granular level of each PepsiCo physical asset or agricultural sourcing region. Depending on the value of that particular asset or sourced commodity to PepsiCo, they are then prioritized for developing resiliency plans. The PepsiCo Risk Committee (PRC), which is comprised of a cross-functional, geographically diverse, senior management group, including PepsiCo's Chairman of the Board and Chief Executive Officer, meets regularly to identify, assess, prioritize and address top strategic, financial, operating, compliance, safety, reputational and other risks. The PRC is also responsible for reporting progress on our risk mitigation efforts to the Board. PepsiCo's Risk Management Office, which manages the overall risk management process, provides ongoing guidance, tools and analytical support to the PRC, identifies and assesses potential risks and facilitates ongoing communication between the parties, as well as with PepsiCo's Board of Directors and other Committees of the Board. As an example of process, PepsiCo's Public Policy and Government Affairs (PPGA) teams spend a considerable amount of time monitoring and evaluating current and upcoming regulations related to climate change, as well as monitoring industry trends and engaging with our stakeholders. For example, current and emerging cap and trade regulations are flagged by our PPGA teams as a transition risk so that the Company can take appropriate steps to mitigate impacts. As a result, our facilities measure their greenhouse gas emissions and document in our internal Environmental Health and Safety (EHS) system. This allows PepsiCo to then make informed decisions about energy efficiency, conservation efforts and investments to be made in order to manage risks from these regulations. As an example of how we manage physical risk and opportunity, our Sustainable Farming Program (SFP), which reflects industry best practice, helps position us and our farmers to compete more effectively in a resource constrained future. Through the program, we are working with our farmers to reduce physical climate change impacts of farming practices, improve soil health, and improve water use efficiency. The acute and chronic physical risks posed by climate change in our upstream supply chain for the commodities that our business largely relies on, are managed through this program. In collaboration with our supply chain partners and growers, we are building a more resilient ingredients supply chain.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation, such as cap and trade schemes under the European Union Emission Trading System (EU ETS) and the California cap and trade mechanisms, impact certain PepsiCo facilities located in Europe and California. Our Public Policy and Government Affairs (PPGA) global and sector teams continuously monitor these regulations through subscriptions to regulatory services, engagement with industry stakeholders, attendance at events, etc. We invest in energy efficiency and emission mitigation strategies in our covered facilities. We operate our facilities at the highest environmental performance standards and continuously monitor our emissions performance. In addition, our Environmental Health and Safety (EHS) teams ensure our facilities are operated in compliance with relevant local regulations.
Emerging regulation	Relevant, always included	Our PPGA team monitors new regulations around the globe to better prepare PepsiCo and mitigate the inherent financial risks associated with fuel/energy taxes and regulations. Additionally, team members engage with lawmakers and other stakeholders in the regulatory process and also submit official comments to achieve desired environmental goals while avoiding detrimental impacts on the business community. For example, we are involved in providing feedback and responding to consultations with the European Commission on the EU Green Deal and Climate Law. We joined vehicle fleet operators, vehicle manufacturers, fuel producers, and industry groups, in expressing our strong support for the California Low Carbon fuel Standard (LCFS). The letter sent to former Governor Jerry Brown and others expressed how the LCFS gives us the incentive to invest in vehicle, as well as fuel technologies today in order to bring down costs in the future. In addition, our climate-related scenario analysis exercise includes an assessment of transition risks into the future that includes carbon pricing and other regulatory risks.
Technology	Relevant, always included	We assess new technological risk that would be required to adapt to climate change in the future (electric vehicles, high-efficiency computing and cooling infrastructure, high-efficiency manufacturing with less water & materials waste) as part of our climate risk assessment. In addition, technological developments are closely monitored by PepsiCo's Research & Development (R&D) teams focused on external innovation. Any emerging technological advancements on the horizon with the ability to aid PepsiCo in delivering our goals are evaluated and internally deliberated upon for appropriate action. For example, we joined the NaturAll Bottle Alliance with our peer companies to advance the development of renewable bio-based materials for our plastic bottles.
Legal	Relevant, always included	Litigation risk is included in our climate risk assessment drawing on data from Columbia University's Sabin Center for Climate Change Law, coupled with a parameterization of litigation risk against temperature risk. The rationale is that temperature risk is a first-order indicator of local/regional tendencies toward litigation with regard to climate impacts and mitigation/adaptation responsibilities. Our PPGA teams monitor legal and regulatory developments around the globe for example, the European Climate Law to advise PepsiCo on the best course of action to avoid legal risks.
Market	Relevant, always included	Market-specific risks are monitored and evaluated by our local PPGA teams. For example, climate-related risks arising from packaging and the specific mitigation strategy for each market and business unit are discussed at that level in order to prioritize activities. Our climate risk assessment for example helps us evaluate particular facilities and commodities that are at higher risk for physical and transition impacts which helps us identify important markets and sourcing geographies.
Reputation	Relevant, always included	Any negative perception (whether valid or not) of PepsiCo's response to climate change or water scarcity could result in adverse publicity and could adversely affect PepsiCo's business, financial condition or results of operations. We monitor this risk through our global and local PPGA teams who work with governments, as well as nongovernmental organizations to understand relevant issues and advise accordingly. We make efforts to reduce this risk by communicating about our sustainability goals and activities related to climate and packaging, as well as water, through various avenues such as the updated 2019 Sustainability Report and detailed Environmental, Social and Governance Topics on our website.
Acute physical	Relevant, always included	Physical climate-related hazards such as temperature extremes, drought, wildfire, coastal flooding, severe storms, etc. are modeled in our climate scenario analysis assessment for our physical assets, third party physical assets as well as our agricultural supply chain. We have a robust Business Continuity Planning and Management (BCPM) process for our manufacturing facilities as well as our sourced commodities. The BCPM process ensures there is internal understanding of risks as well as of processes and capabilities to manage the risk. The BCPM also includes programs and protocols for crisis management and recovery. We have a robust environmental, health and safety (EHS) monitoring system deployed in all of our manufacturing sites, and we collect and analyze our EHS data on a regular basis to gain insights on management of environmental resources. We implement several energy efficiency, water efficiency and water quality measures within our facilities to mitigate this risk. In addition, we have a rigorous process for water risk assessment which helps identify our facilities at most risk of water scarcity issues and we have a robust program on water stewardship that aims for better water governance and availability at the local watershed level.
Chronic physical	Relevant, always included	Physical climate-related hazards such as temperature extremes, drought, wildfire, coastal flooding, severe storms, etc. are modeled in our climate scenario analysis assessment for our physical assets, third party physical assets as well as our agricultural supply chain. We have a robust Business Continuity Planning and Management (BCPM) process for our manufacturing facilities as well as our sourced commodities. The BCPM process ensures there is internal understanding of risks as well as of processes and capabilities to manage the risk. The BCPM also includes programs and protocols for crisis management and recovery. PepsiCo has undertaken several initiatives to lessen our dependence upon climate-sensitive commodities. For example, we work with several of our agricultural suppliers to assess on-farm GHG emissions through various tools like the Cool Farm Tool. To mitigate the risk in temperature and precipitation impact, PepsiCo has implemented our Sustainable Farming Program (SFP), which enables our company-owned and contract growers to compete in a resource constrained future.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Temperature extremes could result in direct impacts such as increased cooling costs at our facilities for example in Saudi Arabia and Mexico or through rising utility prices, equipment degradation such as IT infrastructure, as well as transportation and supply chain infrastructure. In addition, indirect impacts could occur such as employee productivity, regional market attractiveness and health concerns. Temperature extremes could also lead to yield impacts for our key agricultural commodities like corn and potatoes leading to supply disruptions. Temperature extremes are modeled in our scenario analysis exercise to help us better understand these impacts.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1500000000

Potential financial impact figure – maximum (currency)

1700000000

Explanation of financial impact figure

Financial impact is estimated based on a modeling of temperature extremes specific to our physical location of company-owned assets (manufacturing plants, warehouses, etc.) and third party assets (like franchises). Financial impacts are based on a modeling of the vulnerability or productivity decline of the assets and sourced commodities due to temperature extremes linked to the value of the physical assets. The range provided here is based on two emissions scenarios RCP 4.5 and RCP 8.5 for the current decadal period from 2015-2025. These financial impact estimates are larger for longer time frames.

Cost of response to risk

2125000000

Description of response and explanation of cost calculation

Business Continuity Planning (BCP) is an integral part of PepsiCo's risk management process for business disruptions. It consists of crisis management as well as recovery programs to build a strong resiliency plan and an understanding and acceptance of residual risk to the business. For example, for our manufacturing sites this means considering spare capacity as well as investing in increasing capacity and efficiency at nearby sites and building strategic relationships with third party manufacturers, ensuring people accountability and planning for data and IT recovery. The cost of response is estimated based on evaluations of investments required for business continuity planning (BCP) for one of our US facilities and scaled up to cover our top high risk sites for temperature extremes across the globe. Current BCP plan includes investments related to developing new third party manufacturers, investments in new lines as well as in throughput efficiencies. In 2019, BCP enhancements were conducted for some of our top risk sites in North America, Asia and Europe. In the coming years, we will further refine this estimate by integrating climate risks within our existing BCPs and developing new BCPs for our high risk sites.

Comment

Our current estimates of financial impact are based on high-level estimates to gain an understanding of focus areas or hotspots in our operations and agricultural supply chain. Deeper dive analysis of these hotspot areas will refine our estimates in the future.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Changes in precipitation patterns leading to droughts and extreme variability in weather patterns (convective storms) could result in direct impacts such as reduced water availability for growing of crops as well as increased price of water, reduction in water quality and yield impacts due to increasing likelihood of drought for our key commodities such as corn, potatoes, and sugarcane in the US, Brazil, Turkey, India and Thailand. We may also experience indirect impacts such as regional economic impacts. These impacts are all modeled in our scenario analysis to better understand the implications for our business.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

212000000

Potential financial impact figure – maximum (currency)

241000000

Explanation of financial impact figure

Financial impact is estimated based on a modeling of the probability of drought at our sourcing locations for most of our agricultural commodities like grains, sugars and vegetable oils. Financial impacts are based on a modeling of the probable yield decline of the sourced commodities due to drought or moisture availability for the crop. The

range provided here is based on two emissions scenarios RCP 4.5 and RCP 8.5 for the current decadal period from 2015-2025. These financial impact estimates are larger for longer time frames.

Cost of response to risk

10500000

Description of response and explanation of cost calculation

Management efforts of our Global Public Policy and Government Affairs (PPGA) teams are to inform regulatory process and facilitate effective rule implementation within PepsiCo. The teams monitor new regulations around the globe to better prepare PepsiCo and help mitigate the inherent financial risks associated with fuel/energy taxes and regulations. Additionally, team members engage with lawmakers and other stakeholders in the regulatory process and also submit official comments in an effort to achieve desired environmental goals while avoiding detrimental impacts on the business community. For example, we are one of the founding members of the Climate Leadership Council which aims to promote a carbon dividends framework as the most cost-effective, equitable and politically-viable climate solution. No additional management costs. These costs are embedded into our global policy monitoring process.

Comment

PepsiCo recognizes that climate change will impact its agricultural value chain in the near term. Such impacts will extend well beyond the farm gate and into factory operations and logistics. Our procurement team creates business continuity plans (BCPs) for our commodities that aims to build supply chain resiliency (approvals of new oils, blends, flex labeling options, new supplier approvals and qualifications, new growing areas, risk management for reputational risk). In addition, informed by our climate risk assessment analysis our sustainable agriculture team is working on deep dive climate risk assessment for high risk areas and building adaptation strategies. This work was started in 2019 and continues in 2020. Our work underway in Thailand and Vietnam for our agricultural supply has led to an understanding of crop growing suitability at our specific farms and the value of business at risk if we did nothing. We are currently in the process of developing adaptation strategies around suitable variety characteristics, farm management changes as well as sourcing strategies. The cost of management of this risk is based on our costs in Thailand and Vietnam and scaling that up for all of our high risk commodities and geographies.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Future carbon pricing mechanisms are modeled in our scenario analysis exercise as a transition risk. Our analysis utilizes carbon price projections for each of our physical assets and the actual emissions associated with them are used to then understand carbon pricing risk for different temperature scenarios. Biofuel mandates, gasoline taxes and other taxes and regulations designed to lower the carbon profile of primary energy may affect our costs for energy and/or raw material inputs. For example emerging clean fuel standard regulation in Canada can impact our operating costs for our company-owned fleet in this country, as well as increase costs for third party logistics procurement for distribution of our products.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

54000000

Potential financial impact figure – maximum (currency)

84000000

Explanation of financial impact figure

Financial impact is estimated based on the projected carbon pricing probability by region and the operational asset specific greenhouse gas emissions information. The range provided here is based on two emissions scenarios RCP 4.5 and RCP 8.5 for the current decadal period from 2015-2025. These financial impact estimates are larger for longer time frames.

Cost of response to risk

172000000

Description of response and explanation of cost calculation

To reduce carbon emissions and address the inherent financial risks of carbon pricing, PepsiCo invests in renewable energy and energy efficiency. We also ensure that our facilities have strong environmental management systems in place such as PepsiCo's Global Environmental Health & Safety Management System (GEHMS). We expect these management methods to reduce the risk to our business concerning increased operating costs over the next several years as we become more energy and carbon efficient through our investments and resource conservation program (ReCon). For example, in 2019 we completed analysis and internal consultation that led to the approval in early 2020, of a new commitment to achieve 100% renewable electricity for our U.S. direct operations starting in 2020. Our Global Public Policy and Government Affairs (PPGA) teams monitor new regulations around the globe to better prepare PepsiCo and help mitigate the inherent financial risks associated with fuel/energy taxes and climate regulations. Additionally, team members engage with lawmakers and other stakeholders in the regulatory process and also submit official comments in an effort to achieve desired environmental goals while avoiding detrimental impacts on the business community. For example, we are actively involved in communicating with the European Commission on the EU Green Deal and associated Climate Law. We are one of the founding members of the Climate Leadership

Council which aims to promote a carbon dividends framework as the most cost-effective, equitable and politically-viable climate solution. The cost estimate is based on our internal fund that provides Capex relief to business units for implementing energy efficiency and renewable energy projects as well as projects that lead to sustainable packaging and greenhouse gas emission reductions.

Comment

In addition to future carbon pricing mechanisms, our PPGA team also keeps track of current regulations such as the European Union Emissions Trading Scheme (EU ETS) and California cap and trade.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

Concepts espoused in voluntary agreements on climate change mitigation, such as the Paris Climate Agreement and We Mean Business, present opportunities for PepsiCo to make our operations and supply chains more energy efficient and therefore more resilient through efforts to reduce emissions. Under PepsiCo's sustainability strategy we are implementing programs to reduce greenhouse gas (GHG) emissions. Through our GHG mitigation programs, such as our Resource Conservation (ReCon) program within our own facilities and our supplier outreach programs we will likely be able to rapidly meet the requirements of voluntary programs and our own goals.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

234000000

Potential financial impact figure – maximum (currency)

258000000

Explanation of financial impact figure

Financial benefits of positioning our business to rapidly implement voluntary agreements, such as the Paris Climate Agreement, include savings from energy efficiency projects and reputational benefits that translate into increased sales, and potential for increased investor goodwill. This assessment is included in our climate-related scenario analysis recently conducted for our company-owned assets (manufacturing plants, warehouses and offices) and third party assets such as our franchise and JV locations. Our modeling currently includes cost benefits from using energy efficiently at our various locations. The current assumption is linked to the temperature risk by facility and assumes 2% of the financial risk imposed by temperature rise as the opportunity for energy efficiency.

Cost to realize opportunity

172000000

Strategy to realize opportunity and explanation of cost calculation

Energy efficiency is core to our efforts at reducing resource intensity at our own operations. We are continuing to mitigate our Scope 1 and 2 emissions by focusing our energy strategy on improving efficiency in our manufacturing and fleet operations. Our Resource Conservation (ReCon) program, a comprehensive, global platform of resources, tools and programs designed to improve energy, water and waste efficiencies in our manufacturing processes, leverages training and technology to identify opportunities to reduce fuel and electricity consumption in our operations. Deployment of energy efficient lighting, heating and cooling systems, boilers, and motors, combined with operator training, are key to driving energy efficiency in our manufacturing and warehousing operations. For example, in 2019, energy efficient LED lighting was deployed across three sites in South Africa, lowering our electricity consumption and reducing scope 2 emissions. Additionally, continued developments in fleet technology, including aerodynamics, more efficient powertrains, and GPS/telematics will further drive fleet fuel economy. While energy efficiency is built into our business strategy as productivity, we have also created a global capital fund to fund energy efficiency as well as other resource efficiency projects. The value of this fund was \$172 million in 2019, approximately 74% of it was allocated to our North American food and beverage businesses and the rest to other business units across the globe. This is how we calculated the cost of response.

Comment

The global capital fund is a central fund where each year business units submit efficiency projects for funding. These projects are evaluated based on sustainability impacts as well as return on investment.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

Moving towards renewable sources of electricity and fuels is part of our overall strategy to reduce our operational emissions as well as proactively hedging against rising future costs of fossil fuels due to carbon pricing. To that end we have already made good progress – early in 2020, we announced our commitment to source 100% renewable electricity for our US direct operations. This represents nearly half of our global electricity load. This builds on our global progress in switching to 100% renewable electricity like 9 countries in Europe already meet 100% of their demand through renewable sources and since 2019 65% of electricity needs for our PepsiCo Mexico Foods business is supplied by wind energy. In addition to renewable electricity we are also increasingly exploring renewable fuels for our company-owned fleet as well as manufacturing. In 2019, Frito-Lay North America's (FLNA) Compressed Natural Gas (CNG) fleet drove 58 million miles, and we continue to increase the use of natural gas that is sourced from renewable sources. We have established fueling contracts to ensure that starting in 2020, all future fleet natural gas will be sourced from renewable sources. In Europe we have created an initial strategy for sourcing renewable energy for our manufacturing plants.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

78000000

Potential financial impact figure – maximum (currency)

86000000

Explanation of financial impact figure

Financial assessments for opportunities such as energy resilience and renewable price stability are included in our climate-related scenario analysis. Energy resilience includes increased reliability of energy sources derived from renewable sources and those more resistant to other climate hazards, such as wildfire, and renewable price stability includes benefits of sourcing electricity from renewables, including the price stability provided by long-term Power Purchase Agreements, and the avoidance of risk of fluctuations in both price and potentially availability from fossil sources. In order to make financial estimates, assumptions for opportunities are tied to temperature risk at particular locations. For energy resilience an estimate of 15% of temperature risk and for renewable price stability an estimate of 3% of temperature risk is considered.

Cost to realize opportunity

1700000

Strategy to realize opportunity and explanation of cost calculation

PepsiCo plans to transition to 100% renewable electricity for our U.S. direct operations in 2020. As our largest market, and where we use nearly half of our total global electricity consumption, this shift will help us make a significant reduction to our global climate footprint. To achieve this, we are targeting a portfolio of solutions. In 2020, we will primarily use renewable energy certificates (RECs), credits that support green electricity generation from renewable sources. Over the next five years, PepsiCo plans to enter into multi-year Power Purchase Agreements (PPAs) that finance the development of new renewable electricity projects, such as solar or wind farms. We are also scaling up our onsite renewable electricity generation in the U.S. with new solar panels at our global headquarters in Purchase, NY installed in 2019. This complements other solar energy installations throughout the country including our Frito-Lay facilities in Modesto, CA and Casa Grande, AZ, as well as PepsiCo beverage facilities in Fresno, CA and Tolleson, AZ, among others. The efforts in the U.S. build upon our global progress around the world. As of 2019, nine countries in Europe have achieved 100% renewable electricity for their direct operations, and our Mexico Foods business used wind energy to meet 65% of their electricity needs in 2019. As an example, the cost estimate here represents the estimated renewable energy certificate purchase price of transitioning our US business to 100% renewable electricity this year.

Comment

PepsiCo is taking action to address climate change throughout our entire value chain. The shift to 100% renewable electricity in the U.S. is significant, as it represents nearly half of the company's total electricity consumption. This builds on actions we're taking in other parts of the world and is further progress toward our goal to reduce absolute emissions across our global value chain by 20% by 2030 (2015 baseline). There is more work to be done, but this is another step forward in our journey to building a better company and a more sustainable food system.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

According to recent research sustainability-marketed products have led to 50% growth of consumer packaged goods between 2013 and 2018. This is new opportunity that our R&D organization is keenly aware of and working towards. New products and exciting innovations drive PepsiCo's success, and PepsiCo's R&D organization is where those innovations are born. The organization is connected to consumers' evolving needs, preferences and taste experiences, and use deep technical skills and insights to develop more enjoyable and nutritious foods and beverages for more people, in more places. Product innovation towards lower environmental impact is an area continuously explored by our R&D teams including supporting our journey towards our sustainability goals like our product nutrition goals around reducing added sugars, sodium and saturated fat, our sustainable packaging goals including researching recyclability solutions and incorporation of recycled content in our product packaging, all of which are also closely tied with our climate strategy and lead to GHG emission reductions. Improving product specifications to move towards increasingly energy efficient vending and cooling machines that we deploy in the marketplace. Our R&D organization is integral to our sustainability agenda

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1900000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market cap and revenue generation of the Company. The 2019 net revenues for PepsiCo were more than \$67 billion. PepsiCo revenues are sensitive to changes in consumer preferences. For example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to ~\$1.8billion. Changes in consumer preferences, for example, due to a positive reaction to PepsiCo's reputation, and the reputation of its products relative to the environment, could positively affect PepsiCo's business, financial condition or results of operations although it would be difficult to precisely identify the driving factors causing a change in consumer behavior.

Cost to realize opportunity

148000

Strategy to realize opportunity and explanation of cost calculation

PepsiCo has positioned itself advantageously versus competitors by adopting and implementing our sustainability program. We have an industry-leading goal to reduce emissions across our value chain. We continue to report against this goal annually in our Sustainability Report. We believe that continuing to deliver on these goals will lead to enhanced reputation, more sustainable growth and financial performance that will outperform our competitors. In 2019, we introduced Sustainable from the Start, an environmental sustainability impact assessment, including GHG impact assessment, into our new product development process. The program includes a toolkit and business processes that help to build the capability within our various functions involved in product innovation (like R&D, marketing and insights) to understand the environmental and climate impacts of product design, and to make sustainable choices. In doing so, they are supporting our strategic, long-term vision to decouple our business from fossil fuels. Our estimated management cost is conservatively based on the development and maintenance of our tools related to the sustainable from the start program. In addition, 2 full time employees and several other partners spend time on developing and implementing the program within the business.

Comment

Our management cost estimate only covers the development and maintenance of our toolkit under the sustainable from the start program.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 4.5 RCP 8.5	Description of scope and method: PepsiCo completed its first phase of climate-related scenario analysis in 2019 and we are in the process of further refining it this year. Our first phase of assessment covered our manufacturing footprint including all company owned plants, many warehouses and distribution centers, all offices and R&D sites as well as key franchise and JV locations. For the second phase this year we are assessing our entire agricultural supply chain. The assessment allows us to evaluate impacts to our business from physical and transition risks based on varying temperature scenarios (RCP 8.5 and RCP 4.5) and different time frames (by decadal period up to 2100). This helps us identify high risk areas to focus on and build resiliency plan We selected the two scenarios of RCP 8.5 and RCP 4.5 as the two relevant and probable future climate scenarios relevant for informing our business strategies. The first scenario gives us a view of business as usual and very little limitation on emissions while the second one gives us a view of how regulations on emissions may play out in the future. Inputs into the analysis are location information for our more than 1100 sites and over 1300 sourcing regions, the greenhouse gas emissions related to each site and emissions intensities of our agricultural commodities as well as the asset value of our physical sites and crop volumes sourced translated to crop prices using FAO data. The analysis we conducted allows us to view risks and opportunities in financial terms by decade starting with the current decade we’re in going all the way to 2100. It was important for our business to understand short-term risks while taking a pulse of long-term risks. Short-term or current decadal period risks are important for planning purposes and for internal stakeholders to act upon. Results and how the scenario analysis is informing our objectives & strategy: The results of the analysis helps us understand the overall financial impact to our business by scenario and time period. The results provide directional focus in terms of top 10-20 locations to focus on in the coming years for conducting deeper dives and refining the understanding of what needs to be done to protect these locations. For example, several of our facilities located in coastal areas in North America are at risk of coastal flooding which is an exponential risk over time while our facilities located in the Middle East are at risk from extreme temperatures. In addition to overall global top sites, the analysis also helps us drill down by business unit to look at specific sites at risk and major risk drivers and the financial value at risk based on the asset value. Currently we are in the process of socializing the risk assessment results with each of our business units and providing an understanding of risk drivers. These will then be taken by each business unit to develop business continuity plans specific to the sites but the business overall as well. On our agricultural value chain side work is currently underway in Thailand and Vietnam to specifically and at a further granular level identify impacts to our key ingredient supply chains and develop mitigation strategies.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	How our strategy is influenced: Any positive or negative perception (whether valid or not) of PepsiCo’s response to climate change, sustainable packaging or water scarcity could result in favorable or adverse publicity and could affect PepsiCo’s business, financial condition or results of operations. For example, a one percent impact on PepsiCo’s market value (defined as our market capitalization) would equate to ~\$1.8 billion. To address these risks and opportunities we are investing to integrate sustainability into our new product development processes in order to trend our portfolio towards lower impact products and address increasing customer and consumer interest in low impact product Case study: We have made tremendous progress in moving our vending and cooling equipment that we place in our customer locations towards more energy efficient units. Since these machines use energy at the customer locations, by making these units more efficient we have enabled an approximately \$90 million savings in average annual energy costs for our customers Time horizon This is relevant over the short, medium and long term time horizons.
Supply chain and/or value chain	Yes	How our strategy is influenced: Climate related risks within our agricultural supply chain could be as high as \$9 billion in the medium term while opportunities could be around \$0.8 billion expressed in financial terms. Extreme temperatures, changes in precipitation patterns leading to drought, extreme weather patterns like storm damage and carbon pricing are the main risks within our agricultural supply chain. The unique knowledge PepsiCo has of potatoes, oranges, sugar and oats could be a strategic opportunity for PepsiCo in locations such as the UK and the U.S., as we develop new strains of our core commodities, allowing us to realize a positive impact from our sustainable agriculture activities. Our business strategy therefore includes developing business continuity plans for our commodities that includes qualifying new suppliers and changing commodity specifications for our products and building redundancy and resilience within our supply base. Case Study: Our sustainable farming program (SFP) and sustainable sourcing strategy champion and advance positive social, environmental and economic outcomes among the farmers from which we source crops. Our growing global network of more than 230 Demonstration Farms that span nearly 110,000 hectares across 9 countries, measure environmental and social criteria as well as core business metrics like farm performance and crop quality as a result of implementation of best practices. In just one example, we found that select potato demonstration farms in India achieved an 8% increase in average yield and a 15% reduction in average GHG emissions over the 2018-2019 crop year. Time horizon This is relevant over the short, medium and long term time horizons.
Investment in R&D	Yes	How our strategy is influenced: According to recent research, sustainability-marketed products have led to 50% growth of consumer packaged goods between 2013 and 2018. This is new opportunity that our R&D organization is keenly aware of and working towards. New products and exciting innovations drive PepsiCo’s success, and PepsiCo’s R&D organization is where those innovations are born. The organization is connected to consumers’ evolving needs, preferences and taste experiences, and use deep technical skills and insights to develop more enjoyable and nutritious foods and beverages for more people, in more places, than any other company in the world. Product innovation towards lower environmental impact is an area continuously explored by our R&D teams including supporting our journey towards our sustainability goals like our product nutrition goals around reducing added sugars, sodium and saturated fat, our sustainable packaging goals including researching recyclability solutions and incorporation of recycled content in our product packaging all of which are tied to our climate strategy and reducing emissions. Case study: Our R&D organization is integral to our sustainability agenda. In 2019, we introduced Sustainable from the Start, an environmental sustainability impact assessment, including GHG impact assessment, into our new product development process. The program includes a toolkit and business processes that help to build the capability within our various functions involved in product innovation (like R&D, marketing and insights) to understand the environmental and climate impacts of product design, and to make sustainable choices. In doing so, they are supporting our strategic, long-term vision to decouple our business from fossil fuels. Time horizon This is relevant over the short, medium and long term time horizons.
Operations	Yes	How our strategy is influenced: To reduce carbon emissions and address the potential financial risks of cap and trade, PepsiCo invests in energy efficiency and other alternative energy technologies. We also work to see that our facilities have environmental management systems in place and are aligned with ISO 14001. We expect these efforts to reduce the risk to our business from increased operational costs over the next several years as we become more energy and carbon efficient through our investments. Case study: We have integrated monitoring systems to collect and analyze environmental data, which are then subjected to external auditing by Bureau Veritas. This data is also used to understand efficiency opportunities. In 2019, our internal fund for efficiency improvements across the globe amounted to \$172 million. This has led to a 9% improvement in our operations emissions since 2015. Time horizon This is relevant over the short, medium and long term time horizons.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Assets	Financial planning elements influenced by climate risks and opportunities include revenues, direct costs, indirect costs, capital expenditures, capital allocation, acquisitions and divestments and assets. Climate-related physical risks such as extreme temperatures, probability of drought, extreme weather patterns and transition risks such as carbon pricing could impact PepsiCo's agricultural supply chain. Opportunities such as favorable yield impacts of higher temperatures for certain commodities and resource efficiency opportunities for our suppliers could also impact our agricultural supply chain. These impacts influence our direct costs for the commodities we use to make our products. PepsiCo's procurement team conducts a planning process where they work with suppliers to ensure supply of our commodities for a reasonable period of time into the future. In addition to this procurement teams spend an estimated 10% of their time on business continuity planning (BCP) for the next 3-5 years. BCP involves creating a strategy for each commodity that ensures supply in the event of a disruption including climate-related risks and ultimately protects our business, brands and reputation. BCPs are managed by our procurement centers of excellence and aligned to with procurement leadership. It involves assessing the criticality of all suppliers using filters such as spend, key material and sole source. We then identify specific areas of risks including climate-related risks for the critical suppliers. A high level strategy or action plan is then drawn up with the supplier to mitigate the exposure. Action items are then executed and maintained on an ongoing basis. Based on the BCPs our annual financial planning process is influenced depending on the particular need of the BCP that is to be implemented in the next 1-5 years. An example is the qualification of new suppliers or alternate supply locations for existing suppliers. This requires investment, time and resources from our R&D and procurement organizations and needs to be incorporated in our annual planning process.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) +3 (upstream & downstream)

Base year

2015

Covered emissions in base year (metric tons CO2e)

58755109

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

20

Covered emissions in target year (metric tons CO2e) [auto-calculated]

47004087.2

Covered emissions in reporting year (metric tons CO2e)

55442735

% of target achieved [auto-calculated]

28.1879657477956

Target status in reporting year

Underway

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

PepsiCo announced in 2016 our goal to reduce our absolute emissions across our entire value chain by 20% by 2030 (against a 2015 baseline). This goal has been approved by the Science Based Targets Initiative (SBTi) and is aligned to a 2C pathway. In April 2020, we signed the Business Ambition for 1.5C pledge committing to raise our ambition towards a long-term net zero goal. We are currently actively working on our new target.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	31	2044
Implementation commenced*	13	14694
Implemented*	110	3118357
Not to be implemented	29	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change	Change in procurement practices
-------------------------------------	---------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

256828

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

9600000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material recycling
--	--------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

177609

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

2300000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency
-------------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1941999

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material reuse
--	----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

17593

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Company policy or behavioral change	Supplier engagement
-------------------------------------	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

133308

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Other, please specify	Other, please specify (Product reformulation)
-----------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

460779

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction
--	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

30107

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Other, please specify (All Scope 1 & 2 activities)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

15380

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Included in Scope 1&2 costs and savings and payback period

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

11448

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1534810

Investment required (unit currency – as specified in C0.4)

9312619

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

2912

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

349537

Investment required (unit currency – as specified in C0.4)

2169005

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

3288

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

553746

Investment required (unit currency – as specified in C0.4)

3088108

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Motors and drives
--------------------------------	-------------------

Estimated annual CO2e savings (metric tonnes CO2e)

682

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2700

Investment required (unit currency – as specified in C0.4)

20000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Combined heat and power (cogeneration)
---	--

Estimated annual CO2e savings (metric tonnes CO2e)

918

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

178750

Investment required (unit currency – as specified in C0.4)

1250000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air
---	----------------

Estimated annual CO2e savings (metric tonnes CO2e)

756

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

39326

Investment required (unit currency – as specified in C0.4)

294241

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement
---	-------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

10323

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1190763

Investment required (unit currency – as specified in C0.4)

10201168

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)

20361

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1306186

Investment required (unit currency – as specified in C0.4)

10347072

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Waste heat recovery
---	---------------------

Estimated annual CO2e savings (metric tonnes CO2e)

4239

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

665400

Investment required (unit currency – as specified in C0.4)

4514983

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption	Biogas
-------------------------------	--------

Estimated annual CO2e savings (metric tonnes CO2e)

911

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

72

Investment required (unit currency – as specified in C0.4)

600

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

12285

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1201222

Investment required (unit currency – as specified in C0.4)

16678913

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement
----------------	-----------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

16631

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1525700

Investment required (unit currency – as specified in C0.4)

36263718

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	PepsiCo's policy is to comply with relevant regulatory standards, including climate change mitigation requirements.
Employee engagement	The Company's sustainability agenda drives employee engagement and is supported by our Resource Conservation (ReCon) training program, which develops the environmental sustainability skills of our front line resources. Our internal communications teams also deliver engagement through internal channels.
Financial optimization calculations	Certain business units drive energy efficiency by allocating budget reductions for available energy spends.
Internal incentives/recognition programs	PepsiCo has many internal incentives and recognition programs such as the Chairman's Award, Circle of Champion's Award, amongst others, all of which can be awarded to individuals and sites that make a difference to our business operations and sustainability agenda.
Internal finance mechanisms	PepsiCo has established a global Capital Expenditures (Capex) fund for investment in projects that advance our sustainability agenda but which may not meet desired internal rate of return hurdles.
Lower return on investment (ROI) specification	PepsiCo has established a global Capital Expenditures (Capex) fund for investment in projects that advance our sustainability agenda but which may not meet desired internal rate of return hurdles.
Partnering with governments on technology development	State level projects and partnering with the National Renewable Energy Laboratory in the U.S. have been examples of partnering with government. Our external collaboration also extends to other Non-Governmental Organizations (NGOs) and institutions such as joining the Business Renewable Center and signing the World Resources Institute's (WRI) Corporate Renewable Energy Buyers' Principles.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

PepsiCo provides refrigeration equipment, including coolers and vending machines, at the point of sale to our retail customers around the world. Although PepsiCo retains ownership of the equipment, the electricity use is the responsibility of the retailer. Implementation of our Higher Efficiency Coolers and Vending Machine Program is positively impacting Scope 3 emissions through the replacement of retired units with more efficient point of sale equipment. During this reporting year, we estimate that replacement of existing units at customer locations with more energy efficient units resulted in an energy savings of 3.2 billion kwh and a GHG reduction of 39% across our entire portfolio of units from the baseline year of 2015.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Climate Registry and US EPA)

% revenue from low carbon product(s) in the reporting year

6

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Calculation of emissions using Climate Registry or U.S. EPA emissions factors for the electricity grids available in country of deployment applied against average estimated usage for each type and compared to models available in previous years. The % revenue figure is total revenue from the vending category of our foodservice business.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

3682437

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

1786848

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

Scope 2 (market-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

1802330

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Energy Information Administration 1605B
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
Other, please specify (See C5.2a for details)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

UK Department for Business, Energy & Industrial Strategy Greenhouse Gas Reporting – Conversion Factors 2019
WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)
IEA CO2 Emissions from Fuel Combustion

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

3552415

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Start date: 1/1/2019 End date: 12/31/2019

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We are reporting against both methodologies; however we are measuring progress against our goals using the market based methodology. We do not currently have access to electricity supplier emissions factors or residual emissions factors for all markets, however, where they have been available (for example, in Europe) we have applied them to our market-based Scope 2 reporting figure. We have also calculated our Scope 2 emissions based on location-based methodology so that we are able to judge the impact of our reduction efforts against both methodologies.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1556523

Scope 2, market-based (if applicable)

1425255

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Start date: 1/1/2019 End date: 12/31/2019

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Venezuela

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

We determined that the inclusion of data for our Sustainability reporting should align with the reporting framework used, i.e. GHG Protocol, as well as any exclusions in our financial reporting. Because Venezuela is excluded from our financial report and its emissions represent 0.1% of our global Scope 1 and Scope 2 inventory, it is considered de minimis and we can meet the required alignment with both the Protocol and the financial reporting boundaries.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

33599797

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using procurement data and material specific emission factors. Some procurement data is available only as spend where EPA's Extended Economic Input Output (EEIO) methodology emission factors are used.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

Emissions from our agricultural sourcing, packaging materials sourcing, non-product related sourcing as well as our co-manufacturing service is included

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

600278

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using spend data on capital goods and EPA's Extended Economic Input Output (EEIO) methodology emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital equipment spend is used as proxy for emissions calculations

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

946616

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using actual fuel use data in our internal operations and using DEFRA upstream emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel use information collected internally and used in our Scope 1&2 calculations are also used for this purpose

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

720951

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using a combination of actual miles and weight moved data and using EPA Smartway transportation emission factors as well as spend data and EPA EEIO methodology emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

5

Please explain

In North America we keep track of inbound transportation data which was used for calculations. Most of our global inbound transportation data is not available and therefore spend data was used to fill gaps

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

25353

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using waste generated and disposal methods that we keep track of internally and EPA WARM Tool waste emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We keep track of our waste generation and disposal data as part of our zero waste to landfill efforts

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

140452

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using internal employee air travel data obtained from various systems around the globe and EPA emission factors for air travel. Rental car data obtained from suppliers or internal time & expense reports were used along with EPA EEIO emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

10

Please explain

Information on travel mileage and length of leg was used to calculate emissions. Rental car emissions are calculated by vendor and provided to PepsiCo for North America

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

201663

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using employee headcount data and estimations of commuting modes, distances and annual working days and DEFRA emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions were not calculated based on an analysis that emissions associated with upstream leased assets did not contribute greater than 1% of overall Scope 3 emissions.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11088559

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using distance traveled and weight moved data collected internally through our transportation management system as well as manual data collection. EPA Smartway emission factors are used for North American data and DEFRA emission factors are used for other regions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

Data is available internally sometimes for only distance traveled and sometimes both weight and distance. Weight and distance data was prioritized over only distance data.

Processing of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

231426

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using information on the volume of products manufactured by our co-packers and an estimation of fuel & energy used based on company-owned KPIs on energy use per unit production and IEA electricity grid factors and DEFRA fuel emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We do not currently monitor fuel and energy use data for our co-packing business

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

There are some emissions from the use of sold products for PepsiCo mainly from energy use from refrigerating or cooking our products. However, per the GHG protocol these emissions are not relevant to our inventory

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

811130

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using our packaging data and end of life emission factors developed by Franklin Associates for PepsiCo that takes into account energy mix differences in various regions as well as recycling rates.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

End of life emission factors are available by material type for all of our packaging materials

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from downstream leased assets were not calculated based on an analysis that emissions associated with downstream leased assets did not contribute greater than 1% of overall Scope 3 emissions.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1843424

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using a combination of actual fuel and energy use data within our franchise operations and DEFRA emission factors and IEA electricity factors and estimations based on franchise volume produced and company owned operations KPI of energy use per unit production and IEA plus DEFRA emission factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

Fuel and energy use data for our franchise bottling operations is not available across the globe. Where available this actual data is utilized

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO2e

255417

Emissions calculation methodology

Calculated according to the GHG Protocol Scope 3 Standard using a combination of actual fuel and energy use data within our joint venture operations and DEFRA emission factors and IEA electricity factors and estimations based on franchise volume produced and company owned operations KPI of energy use per unit production and IEA plus DEFRA emission factors. The proportion of our equity investment is taken into consideration.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Please explain

Fuel and energy use data for our joint venture operations is not available across the globe.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other sources of upstream emissions

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other sources of downstream emissions

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

18880614

Please explain

Emissions from our purchased agricultural commodities are calculated using procurement data on volume purchased and commodity specific emission factors obtained from several credible external sources like the World Food Lifecycle Database as well as supplier specific data for example potatoes in the UK.

Activity

Processing/Manufacturing

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

1092653

Please explain

Emissions from our co-manufacturing services are included in this category and are calculated using total spend data on these services and using the EPA's EEIO emission factors.

Activity

Processing/Manufacturing

Scope 3 category

Processing of sold products

Emissions (metric tons CO2e)

231426

Please explain

Emissions from our co-packing services are included in this category and are estimated using the total volume of products manufactured through our co-packers and applying an energy use KPI based on company owned manufacturing processes.

Activity

Distribution

Scope 3 category

Upstream transportation and distribution

Emissions (metric tons CO2e)

720951

Please explain

All emissions from inbound transportation for our company owned operations as well as our franchise operations are included. In North America we track inbound transportation mileage and weights moved from our carriers and this data is used for emissions calculations. Internationally, we use transportation spend data and EPA EEIO emission factors.

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

11088559

Please explain

All emissions from outbound transportation including distribution related to our vending and cooling equipment and for our franchise business are included. Outbound transportation emissions are calculated using distance and weight moved data collected from across the globe. For our vending and cooling equipment data on annual equipment purchases, their energy consumption information and refrigerant leakage estimates are used for emissions calculations.

Activity

Consumption

Scope 3 category

End of life treatment of sold products

Emissions (metric tons CO2e)

811130

Please explain

Emissions related to the end of life treatment of our packaging materials by region is included. Packaging data by material is collected annually by our operating regions and this data is used along with packaging end of life estimates by region to calculate emissions.

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Palm Oil

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity using procurement data and country or geography specific emission factors

Agricultural commodities

Sugar

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate emissions from all types of sugar including cane sugar and beet sugar and country or geography specific emission factors

Agricultural commodities

Wheat

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity using procurement data and country or geography specific emission factors

Agricultural commodities

Other (Potato)

Do you collect or calculate GHG emissions for this commodity?

Please select

Please explain

We calculate GHG emissions from this commodity using procurement data and country or geography specific emission factors

Agricultural commodities

Other (Corn)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate emissions from all types of corn-derived commodities like HFCS, cornmeal, whole corn and country or geography specific emission factors

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Palm Oil

Reporting emissions by

Total

Emissions (metric tons CO2e)

1730541

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

Please explain

In 2019, we started conducting a comprehensive bottom-up inventory of our Scope 3 emissions using procurement data and material specific emission factors.

Sugar

Reporting emissions by

Total

Emissions (metric tons CO2e)

2511595

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

Please explain

In 2019, we started conducting a comprehensive bottom-up inventory of our Scope 3 emissions using procurement data and material specific emission factors. This includes our beet sugar as well as cane sugar emissions for company owned operations as well as our franchise business.

Wheat

Reporting emissions by

Total

Emissions (metric tons CO2e)

621711

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

Please explain

In 2019, we started conducting a comprehensive bottom-up inventory of our Scope 3 emissions using procurement data and material specific emission factors.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

7512199

Denominator: unit of production

<Not Applicable>

Change from last reporting year

This is our first year of measurement

Please explain

In 2019, we started conducting a comprehensive bottom-up inventory of our Scope 3 emissions using procurement data and material specific emission factors. This includes all our emissions from potatoes and corn-derived commodities like HFCS, cornmeal and whole corn for our company owned and franchise businesses.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00007412

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4977669

Metric denominator

unit total revenue

Metric denominator: Unit total

6716100000

Scope 2 figure used

Market-based

% change from previous year

6

Direction of change

Decreased

Reason for change

Our overall Scope 1&2 emissions have declined by 4% while our revenue increased by 3.86%. PepsiCo has managed to increase our revenue while reducing carbon emissions through projects such as using solar panels to generate renewable electricity onsite, installing energy efficient lighting and HVAC equipment, as well as recovering and reusing waste heat from thermal applications to reduce the amount of fuel we consume.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	12939
Australia	24913
Belgium	32021
Bosnia & Herzegovina	2326
Brazil	102464
Canada	205559
Chile	13710
China	41673
Colombia	28292
Costa Rica	288
Cyprus	1765
Dominican Republic	8454
Ecuador	3904
Egypt	135010
El Salvador	1603
Estonia	103
France	257
Georgia	2618
Germany	3181
Greece	7449
Guatemala	17749
Honduras	3197
India	15885
Ireland	2624
Italy	955
Kyrgyzstan	175
Mexico	372907
Netherlands	17649
New Zealand	6295
Pakistan	27340
Panama	428
Peru	7715
Poland	46081
Portugal	12092
Romania	13349
Russian Federation	257087
Saudi Arabia	33655
Serbia	6904
Singapore	437
South Africa	37997
Spain	35462
Taiwan, Greater China	4954
Thailand	17048
Turkey	38775
Ukraine	20298
United Kingdom of Great Britain and Northern Ireland	69287
United States of America	1852069
Uruguay	1269
Viet Nam	4194
Israel	8
Paraguay	2

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Africa, Middle East and South Asia	249533
Asia Pacific, Australia and New Zealand and China	99076
Europe	568366
Frito-Lay North America	1078322
Latin America	568710
PepsiCo Beverages North America	936978
PepsiCo Global Concentrate Solutions	3840
Quaker Foods North America	47588

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

2167540

Methodology

Region-specific emissions factors

Please explain

Scope 1 emissions from our manufacturing operations are included here

Activity

Distribution

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

1384874

Methodology

Region-specific emissions factors

Please explain

Scope 1 emissions from our company owned fleet fuel use are included here

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Argentina	7024	6700	19957	0
Australia	27618	26959	37021	883
Belgium	6750	98	39781	39235
Bosnia & Herzegovina	1509	1509	1851	0
Brazil	12558	12553	106397	0
Canada	22453	22453	147489	0
Chile	8468	8010	19189	1038
China	39575	39575	66860	0
Colombia	3999	3999	29697	0
Costa Rica	1	1	460	0
Cyprus	564	564	877	0
Dominican Republic	5647	5647	10804	0
Ecuador	714	714	3981	0
Egypt	49450	49450	111755	0
El Salvador	132	132	783	0
Georgia	290	290	3078	0
Germany	3614	0	9203	9203
Greece	3025	31	5688	4250
Guatemala	4468	4468	14152	0
Honduras	837	837	2632	0
Hungary	0	0	0	0
India	54072	52627	74718	2000
Ireland	4413	7367	11617	0
Italy	186	65	609	395
Kyrgyzstan	3227	3227	4668	0
Mexico	152667	97586	319445	103043
Netherlands	7715	1341	19843	17314
New Zealand	822	822	7120	0
Pakistan	10981	10981	26243	0
Panama	563	563	3001	0
Peru	2346	2346	10547	0
Poland	31696	3182	52693	48801
Portugal	3354	17	9591	8446
Romania	10937	13510	33674	0
Russian Federation	132741	132741	412318	0
Saudi Arabia	28687	28687	40384	0
Serbia	6716	6716	13312	0
Singapore	2303	2303	5808	0
South Africa	22661	22661	25074	0
Spain	12520	2309	31748	26599
Taiwan, Greater China	4246	4241	7196	0
Thailand	11894	11894	24929	0
Turkey	33336	33336	71818	0
Ukraine	14688	14688	454112	0
United Kingdom of Great Britain and Northern Ireland	21112	4235	84502	72986
United States of America	781132	781009	1702043	0
Uruguay	150	150	8202	0
Viet Nam	2605	2605	7205	0
Israel	54	54	96	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Africa, Middle East and South Asia	164843	163397
Asia Pacific, Australia and New Zealand and China	84941	84277
Europe	294036	217914
Frito-Lay North America	350452	350452
Latin America	195896	140027
PepsiCo Beverages North America	362361	362361
PepsiCo Global Concentrate Solutions	12700	15531
Quaker Foods North America	91295	91295

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
 Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	23649	Decreased	0.46	Through these activities we reduced our emissions by 23649 tons CO2e and our total scope 1 and Scope 2 emissions from the previous year were 5,120,051 tons CO2e, therefore we arrived at 0.46% decrease in emissions. $(23649/5,120,051) \times 100 = 0.46\%$ decrease
Other emissions reduction activities	84754	Decreased	1.7	Through a number of new fleet and manufacturing efficiency projects we reduced our emissions by 86,907 tons CO2e and our total scope 1 and scope 2 emissions in the previous year were 5,120,051 tons CO2e, therefore we arrived at 1.7% through $(84754/5,120,051) \times 100 = 1.7\%$ decrease.
Divestment	39355	Decreased	0.77	Divestment of multiple sites.
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	96783	Decreased	1.89	Decrease in total production, inclusive of divestment
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
 Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
 More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	605947	16492214	17098161
Consumption of purchased or acquired electricity	<Not Applicable>	349852	3345449	3695302
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	140768	140768
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	18464	<Not Applicable>	18464
Total energy consumption	<Not Applicable>	974263	19978431	20952695

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Biodiesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

340

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00345

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Biogas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

104563

MWh fuel consumed for self-generation of electricity

85100

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00021

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Solid Biomass Waste

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

478400

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.01563

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

25

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.33225

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4765999

MWh fuel consumed for self-generation of electricity

26755

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.24675

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 4

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

68814

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.25231

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 6

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

13

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.25647

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

523740

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.2678

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

10583234

MWh fuel consumed for self-generation of electricity

972454

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.31507

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

481127

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.18386

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

22644

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

1.52261

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

CommentThis is renewable compressed natural gas

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating valueHHV (higher heating value)

Total fuel MWh consumed by the organization

69263

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

2.54229

Unit

kg CO2e per kWh

Emissions factor source

UK Government GHG Conversion Factors for Company Reporting, Version 1.2, 2019

Comment**C8.2d****(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	326543	316902	53766	53766
Heat	0	0	0	0
Steam	431803	431803	53453	53453
Cooling	0	0	0	0

C8.2e**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.****Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Mexico

MWh consumed accounted for at a zero emission factor

115500.2

Comment**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

73372.55

Comment**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Poland

MWh consumed accounted for at a zero emission factor

49146.31

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

39234.93

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Spain

MWh consumed accounted for at a zero emission factor

26598.73

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Biomass

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Netherlands

MWh consumed accounted for at a zero emission factor

17313.98

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Portugal

MWh consumed accounted for at a zero emission factor

9535.9

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Germany

MWh consumed accounted for at a zero emission factor

9202.52

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Greece

MWh consumed accounted for at a zero emission factor

5630.48

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

2000

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, not supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Chile

MWh consumed accounted for at a zero emission factor

1038.2

Comment

Sourcing method

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Australia

MWh consumed accounted for at a zero emission factor

883.05

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Italy

MWh consumed accounted for at a zero emission factor

395.5

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo RY2019_CDP Verification Statement Limited Final 06-15-2020.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo RY2019_CDP Verification Statement Limited Final 06-15-2020.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo RY2019_CDP Verification Statement Limited Final 06-15-2020.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo RY2019_CDP Verification Statement Limited Final 06-15-2020.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

5

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy consumption)	ISAE 3000	Energy consumption associated with manufacturing and warehouse operations, fleet operations, offices and distribution centers. APEX - Assurance Statement ISAE 3000_LIMITED_v1.2_2.13_Final 06-15-2020.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT - ETS

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

California CaT

% of Scope 1 emissions covered by the ETS

2.2

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

111304

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

76790

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Zero allowances purchased due to a net excess of allowances allocated across applicable sites. True up of allowances to take place after CDP submission.

EU ETS

% of Scope 1 emissions covered by the ETS

3.34

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

50776

Allowances purchased

67969

Verified Scope 1 emissions in metric tons CO2e

118473

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Europe Sites : Veurne, BOL, Grodzisk, Burgos, Bursom Road, Leycroft Road. At the time of this response, 31,421 allowances have been purchased, and 36,548 allowances are to be purchased before year end.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our first priority is to leverage our Resource Conservation (ReCon) Program to drive improvements in our energy efficiency to reduce emissions from facilities covered by Emission Trading Schemes (ETS). Examples of how we have applied this program as part of our compliance strategy include behavioral-based initiatives, as well as capital investments to reduce fuel consumption and switching to renewable fuels, such as anaerobic digesters.

In addition to our own reduction efforts, each of our ETS sites also currently receives an allocation of free allowances towards their compliance. Beyond the free allowances, we purchase allowances to meet final verified emissions, as appropriate. We do not currently source project based carbon allowances for ETS compliance. Over the longer term, we are continuing to investigate and plan to invest in further energy efficiency opportunities, as well as heat recovery and reuse and renewable fuels. For example, at our Grodzisk plant in Poland, we are replacing three heat exchangers with more efficient equipment, as well as centralizing our waste heat recovery capabilities in order to reduce fuel consumption across the facility.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

26

% total procurement spend (direct and indirect)

80

% of supplier-related Scope 3 emissions as reported in C6.5

60

Rationale for the coverage of your engagement

We collect climate change and carbon information from our suppliers through the annual CDP Supply Chain process. Included in this process are suppliers in our key categories like agriculture, packaging and third party logistics that represent the biggest drivers of our emissions. Our top suppliers by spend are selected in these categories and these top suppliers represent ~80% of procurement spend in the category.

Impact of engagement, including measures of success

Our measures of success are our supplier participation rate and average supplier score. As an indicator of the impact of our engagement in 2019 our response rate was 68%, this is up 10% from the prior year. 54% of our suppliers indicated having a target for emissions reduction. We will continue collecting climate information from our suppliers through this process and use the results as a way of encouraging and incentivizing our suppliers to further act on managing and mitigating climate-related issues.

Comment

The percent of Scope 3 emissions is calculated based on the category of suppliers requested and the emissions associated with those categories against our total Scope 3 emissions. The % of suppliers by number is based on 2017 data on total number of suppliers.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

3

Rationale for the coverage of your engagement

Our Sustainable Farming Program (SFP), is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. We have initiated SFP with farmers from which we source directly, given our existing relationships with those farmers and the importance of directly sourced agricultural raw materials to the continuity of our business. By 2025, our goal is to expand the SFP and other programs recognized by PepsiCo's benchmarking protocol to our indirect crops as well. To date, we have focused on engaging growers and bringing them into the SFP through Farm Management Groups (FMGs).

Impact of engagement, including measures of success

To date, we have focused on engaging growers and bringing them into the SFP through Farm Management Groups (FMGs) as a key measure of success. As an indicator of the impact of our engagement, as of year-end 2019, 100% of the volume of the agricultural raw materials that we directly source has been supplied by FMGs engaged in our SFP. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly sourced agricultural raw materials that we have verified as sustainably sourced. In 2019, this number was 80%.

Comment

The percent of Scope 3 emissions is calculated based on the total emissions of crops covered by SFP against total Scope 3 emissions. Our SFP program now engages all our direct supply chain, however with grower turnover & growth the % of suppliers by number may not always be 100%.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

8

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

We introduced the PepsiCo Recycling initiative in 2010 and have continued to scale it up ever since. PepsiCo Recycling programs bring recycling solutions to colleges and universities, K-12 schools, high-traffic retail locations, professional sports facilities, events, and other organizations across the U.S. with the goal of increasing beverage container recycling rates. These customers and venues are chosen as they represent areas where high volumes of our products are consumed. We educate and inspire consumers through the belief that simple acts can lead to a big impact. We believe that every bottle and can recycled helps make communities and the world a cleaner, more sustainable place. The % of emissions reported is our total PepsiCo Beverages North America sector packaging emissions against our total Scope 3 emissions.

Impact of engagement, including measures of success

Our measures of success include the number of containers collected and year over year trends in collection numbers. In 2019, the PepsiCo Recycling Program collected 325 million post-consumer containers for recycling in the U.S., an approximately 37 percent increase in container collections as compared to 2018. We engage with all our customers in this category in the US through the PepsiCo Recycling program.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

54

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

PepsiCo has strong relationships with our customers like largest retail customer worldwide. This customer was selected based on our volume of business with them and common objectives around sustainability. We regularly work with this customer on programs with climate-related benefits, such as the Mid-West Row Crop Collaborative, which is a group of companies and conservation organizations working to expand agricultural solutions that protect air and water quality and enhance soil health across the entire U.S. corn and soy system in the Midwest. PepsiCo also worked with this customer to help create the Closed Loop Fund in 2014 and continues to increasingly support and invest in the fund to improve recycling both in the U.S., and internationally. The % of emissions reported is our total Scope 3 emissions from agriculture and packaging and is an approximation.

Impact of engagement, including measures of success

Measures of success for The Midwest Row Crop Collaborative are: By 2025: (1) 75% of row crop acres in Illinois, Iowa and Nebraska are engaged in sustainability measures; (2) Reduce nutrient loading in these states by 20 percent; (3) 50 percent of all irrigation units used in Nebraska will maximize water conservation. By 2035: (1) Illinois, Iowa and Nebraska have met the 45 percent nitrogen loss reduction goal and partnerships established to expand across the Upper Mississippi River Basin. The Closed Loop Fund has continued to make progress since its launch. In 2019, the fund estimates that it kept 1.3 million tons of material in circulation and avoided 3 million tons of greenhouse gas emissions.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

4

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

PepsiCo has a Partner Outreach Program to drive energy conservation with strategic franchise operations in the U.S., Mexico, Latin America, South America, Western Europe and Asia. These are our strategic bottlers from a production volume and revenue perspective which is why we prioritized them for engagement. We have made efforts to expand our Resource Conservation program to our franchise operations by providing trainings and access to tools that help measure and track performance, identify and implement improvement opportunities. This is a natural extension of our work within our owned operations to our franchise operations. The % of emissions reported is our total Scope 3 emissions from franchise operations and is an approximation.

Impact of engagement, including measures of success

We track GHG emissions reduction within franchise operations as a measure of success. As a result of our engagements, we saw ~13% decline in emissions in 2019 as compared to the prior year within our LATAM franchise operations through energy efficiency and renewable energy measures.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We value our engagement with a wide range of stakeholders and actively create and foster collaborations to reduce greenhouse gas emissions. Key stakeholders include customers, peer companies, non-profit organizations, and regulators, among others. Our collaborations help us learn more about climate change and other sustainability topics, better inform our efforts, and help us create value for society. We use a variety of mechanisms to solicit feedback from our stakeholders on climate change and other topics, including bilateral meetings and participation in stakeholder networks, outreach programs and webinars. Some examples of our climate-related engagements are provided here. PepsiCo is one of the founding members of the Climate Leadership Council in the U.S., which advocates for a consensus climate solution that bridges partisan divides, strengthens the economy, and protects our environment. The Council includes a wide range of businesses, NGOs and individuals. PepsiCo also has an aspirational commitment to eliminating deforestation from our supply chains. As a member of the Consumer Goods Forum (CGF), we are signatories of the Forum's resolutions on deforestation and sustainable refrigeration, which is meant to have a significant positive impact on climate change. We also support climate-friendly sustainable agricultural practices through initiatives such as the Sustainable Agriculture Initiative (SAI) Platform and Field to Market Initiative.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Crop rotation

Description of management practice

Through our Sustainable Farming Program (SFP), growers are encouraged to implement crop rotation practices to improve soil fertility, as well as manage pests

Your role in the implementation

Financial
Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

For PepsiCo, sustainable agriculture is critical to the continued growth of our business, ensuring food safety and crop resilience for continued and localized supply. As a corporation that has a global reach but operates locally in the communities where we do business, we provide relevant expertise to help advance the ways in which farming is carried out around the world. This benefits individual farmers and the communities that rely on them, while helping protect our license to operate. Our SFP is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP is comprised of two components: • The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P, Bonsucro, and the RSPO. • The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. To date, we have focused on engaging growers and bringing them into the SFP through FMGs, which are groups of farmers that show consistency across geography, crop, farm size, and a variety of other factors. PepsiCo considers an FMG engaged when: • An initial assessment against our SFP Principles and Practices has been completed; • Sustainability opportunities have been identified and improvement programs developed; and • Grower engagement in these improvement programs has been initiated. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly-sourced agricultural raw materials that we have verified as sustainably sourced.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP2

Management practice

Fertilizer management

Description of management practice

Through our SFP, growers are encouraged to manage fertilizers by incorporating into the soil, using split application to minimize nitrous oxide emissions. Growers are encouraged to use tools to determine the amount of fertilizer to apply as well as to use organic fertilizer and low carbon fertilizers.

Your role in the implementation

Financial
Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

For PepsiCo, sustainable agriculture is critical to the continued growth of our business, ensuring food safety and crop resilience for continued and localized supply. As a corporation that has a global reach but operates locally in the communities where we do business, we provide relevant expertise to help advance the ways in which farming is carried out around the world. This benefits individual farmers and the communities that rely on them, while helping protect our license to operate. Our SFP is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP is comprised of two components: • The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P, Bonsucro, and the RSPO. • The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. To date, we have focused on engaging growers and bringing them into the SFP through FMGs, which are groups of farmers that show consistency across geography, crop, farm size, and a variety of other factors. PepsiCo considers an FMG engaged when: • An initial assessment against our SFP Principles and Practices has been completed; • Sustainability opportunities have been identified and improvement programs developed; and • Grower engagement in these improvement programs has been initiated. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly-sourced agricultural raw materials that we have verified as sustainably sourced.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Carbon tax	Support	We are a founding member of the Climate Leadership Council (CLC). CLC is an international policy institute founded in collaboration with business and environmental leaders to promote a carbon dividend framework as the most cost-effective, equitable and politically-viable climate solution. The Council is active primarily in the U.S. In Europe, the European Commission is exploring possibilities of a carbon border tax, PepsiCo has fed into the consultation on this topic via direct submission and through FoodDrinkEurope.	CLC proposes a carbon dividend program to be implemented at the federal level in the United States. The program is based on four interdependent pillars: 1. A gradually rising and revenue-neutral carbon fee; 2. Carbon dividend payments to all Americans, funded by 100% of the revenue; 3. The rollback of carbon regulations that are no longer necessary; and 4. Border carbon adjustments to level the playing field and promote American competitiveness.
Other, please specify (Emissions)	Support	PepsiCo is regularly monitoring the developments of the EU Green Deal and associated EU Climate Law and EU Climate Pact. We have provided inputs to the Commission through public consultations on these policy measures. We regularly engage with policy makers to provide our input into the process and demonstrate our support for the direction the EU is heading. The vision of the EU Climate Law is aligned with our recent pledge for Business Ambition for 1.50C and a long term net zero target.	The Commission's proposal for the first European Climate Law aims to write into law the goal set out in the European Green Deal – for Europe's economy and society to become climate-neutral by 2050. This means achieving net zero greenhouse gas emissions for EU countries as a whole, mainly by cutting emissions, investing in green technologies and protecting the natural environment. The law aims to ensure that all EU policies contribute to this goal and that all sectors of the economy and society play their part. The EU Climate Law also proposed intermediate steps to set mid term (2030 and 2040) targets towards the climate neutrality objective.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Beverage Association (ABA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that ABA may support various types of legislation related to climate change, such as legislation on energy efficiency, consistent with PepsiCo's views.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an active member of ABA with a seat at the board. We regularly share information on our sustainability vision relating to climate change and related issues.

Trade association

Consumer Brands Association (CBA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that GMA may support various types of legislation related to climate change, such as legislation on energy efficiency, consistent with PepsiCo's views.

How have you influenced, or are you attempting to influence their position?

PepsiCo is a member of the CBA Board. We regularly share information on our sustainability vision relating to climate change and related issues.

Trade association

Union of European Soft Drinks Associations (UNESDA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that UNESDA welcomes the European Commission's proposal for establishing a Circular Economy in Europe and the recently concluded review of the

Waste Framework Directive (WFD) and the Packaging and Packaging Waste Directive (PPWD). UNESDA's members are conscious of their responsibility for the end-of-life phase of packaging and advocate for a strong European framework on Extended Producer Responsibility (EPR) for packaging to increase efficiency and transparency of EPR in Europe. UNESDA supports the objective of increasing resource efficiency, sustainability and progress towards a circular economy through the recycling of materials.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an active member of UNESDA with a seat at the Board. PepsiCo participates in UNESDA's two main committees dealing with scientific affairs and EU policy.

Trade association

FoodDrinkEurope

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

FoodDrinkEurope responded to the call for inputs to draw the future European Commission's proposal for a strategy for long-term EU greenhouse gas emissions reductions in accordance with the Paris Agreement. Food chain partners, as well as other economic sectors, civil society and policymakers should support ambitious efforts to mitigate and adapt to Climate Change in Europe and globally. Challenges to achieve the temperature objective under the Paris Climate Agreement persist, such as the lack of economical and technically viable means (i.e. financial and technological) to reach such target. FoodDrinkEurope has yet to agree on a more proactive approach in support to climate neutrality but members have agreed to have climate ambitions as the main objective when assessing packaging performance.

How have you influenced, or are you attempting to influence their position?

PepsiCo is a member of the FoodDrinkEurope Board and participates in a variety of committees and working groups.

Trade association

European Organization for Packaging and Environment (EUROPEN)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EUROPEN supports the objectives of the EU Circular Economy package. EUROPEN advocates for a packaging waste policy framework that clearly defines the roles and responsibilities of all actors involved in waste management. The new Circular Economy Package should safeguard the EU internal market and be based on the principle of life cycle assessment. EUROPEN does not plan on engaging in climate specific files at this stage but supports the climate neutrality objective through its advocacy on the circular economy.

How have you influenced, or are you attempting to influence their position?

PepsiCo is part of the EUROPEN Executive Committee and of the technical Task Force on Circular Economy that is responsible for analyzing policy developments and building an advocacy plan for the association. PepsiCo hold the chairmanship of the Circular Economy and Green Deal taskforce.

Trade association

European Snacks Association (ESA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that ESA supports sustainable practices to protect natural resources. ESA supports a circular economy for packaging and actively engages in packaging related policy initiatives at EU level.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an ESA Board member and holds the Chairmanship of the Communication Committee.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

PepsiCo has specific teams and individuals that are assigned responsibilities for developing corporate policy and regulatory positions as well as engaging on regulatory policy with external stakeholders, including public policymakers, trade associations and non-government actors that is aligned with our climate strategy. The Public Policy and Government Affairs (PPGA) department has global personnel and well as personnel focused on specific geographies and markets. They manage relationships with government actors and coordinate activities like advocating for similar climate positions that may influence regulatory policy globally. The PPGA department works closely with the Office of Sustainability and other functions to ensure that our external engagements are aligned with our overall strategy on climate action and advocacy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

pepsico-inc-2019-annual-report.pdf

Page/Section reference

Pages 10, 17, 21, 29

Content elements

Governance

Strategy

Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

PepsiCo-CSR-2019.pdf

Page/Section reference

Our report is entirely digital this year. Attached climate section excerpt here. Please visit www.pepsico.com for details.

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

ESG Topics A-Z.pdf

Page/Section reference

Our ESG topics page is entirely digital. Attached climate excerpts here. Please visit www.pepsico.com for details.

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP1

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Other, please specify (Waste, Ag Chemicals)

Description of impacts

Our Sustainable Farming Program (SFP), is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP program is comprised of two components: (1) The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P., Bonsucro, and the Roundtable on Sustainable Palm Oil (RSPO); and (2) The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. The SFP Code outlines the specific farm-level principles and practices that embody PepsiCo's Sustainable Agriculture Policy. These principles span a comprehensive array of topics across the three widely recognized pillars of sustainability: Environmental, Social and Economic. Under the Environmental pillar topics included are Ag Chemicals, Air, Biodiversity, Nutrients, Soil, Water and Waste in addition to climate related topics such as GHGs and Energy. Farmers are encouraged to adhere to the fundamental principles and practices within each of these topics. As of year-end 2019, 100% of the volume of the agricultural raw materials that we directly source has been supplied by FMGs engaged in the SFP.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

The percentage of Farm Management Groups engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly sourced agricultural raw materials that we have verified as sustainably sourced. PepsiCo considers an FMG verified sustainable when: (1) A representative sample of self-assessments demonstrate that the farmers have implemented the Fundamental Principles of the SFP; and (2) A certain proportion of random samples from the self-assessment results are verified by a third party. The details of this process are being piloted. Once finalized, the requirements will be listed in an appendix in the SFP Scheme Rules. We made significant progress on SFP engagement in 2019, and with that, progress towards our sustainable sourcing goal with target completion date of 2020.

Management practice reference number

MP2

Overall effect

Positive

Which of the following has been impacted?

Biodiversity

Soil

Water

Yield

Other, please specify (Waste, Ag Chemicals)

Description of impacts

Our Sustainable Farming Program (SFP), is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP program is comprised of two components: (1) The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P., Bonsucro, and the Roundtable on Sustainable Palm Oil (RSPO); and (2) The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. The SFP Code outlines the specific farm-level principles and practices that embody PepsiCo's Sustainable Agriculture Policy. These principles span a comprehensive array of topics across the three widely recognized pillars of sustainability: Environmental, Social and Economic. Under the Environmental pillar topics included are Ag Chemicals, Air, Biodiversity, Nutrients, Soil, Water and Waste in addition to climate related topics such as GHGs and Energy. Farmers are encouraged to adhere to the fundamental principles and practices within each of these topics. As of year-end 2019, 100% of the volume of the agricultural raw materials that we directly source has been supplied by FMGs engaged in the SFP.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

The percentage of Farm Management Groups engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly sourced agricultural raw materials that we have verified as sustainably sourced. PepsiCo considers an FMG verified sustainable when: (1) A representative sample of self-assessments demonstrate that the farmers have implemented the Fundamental Principles of the SFP; and (2) A certain proportion of random samples from the self-assessment results are verified by a third party. The details of this process are being piloted. Once finalized, the requirements will be listed in an appendix in the SFP Scheme Rules. We made significant progress on SFP engagement in 2019, and with that, progress towards our sustainable sourcing goal with target completion date of 2020.

C15. Signoff

C-FI

(C-F) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

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 \$67 billion in net revenue in 2019, driven by a complementary food and beverage portfolio that includes 23 brands that generate more than \$1 billion each in estimated annual retail sales (e.g., Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana). Guiding PepsiCo is our vision to Be the Global Leader in Convenient Foods and Beverages by Winning with Purpose. "Winning with Purpose" reflects our ambition to win sustainably in the marketplace and embed purpose into all aspects of the business. We also set three lofty aspirations that will help us achieve these goals: becoming Faster by winning in the marketplace; Stronger by transforming our capabilities, cost, and culture; and Better by integrating purpose into our business strategy and brands, whilst doing even more for our planet and people. As part of our efforts to become Better, we were proud to sign the Business Roundtable's 2019 Statement on the Purpose of a Corporation. This standard for corporate responsibility aligns with our existing values and strategy to lead the company for the benefit of all of our stakeholders. We know that being a Better company is about doing the most good for the most people. That's why we are focused on using our scale and expertise as one of the world's leading food and beverage companies to tackle the long-term challenges facing the global food system including climate change.

This CDP Climate Questionnaire 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," "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.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	67161000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Caesars Entertainment

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

852

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global company-owned operations that have been allocated to Caesars Entertainment. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Caesar's Entertainment. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

342

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Caesar's Entertainment.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

12098

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Caesar's entertainment.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our

global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

10191

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to CVS Health. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to CVS Health. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

4089

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to CVS Health. These global emissions have then been allocated to CVS Health.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

144767

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to CVS Health.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

J Sainsbury Plc

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

11510

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Sainsbury's. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Sainsbury's. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

J Sainsbury Plc

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

4618

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Sainsbury's. These global emissions have then been allocated to Sainsbury's.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

J Sainsbury Plc

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

163506

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Sainsbury's.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Metro AG

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

13625

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Metro. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Metro. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Metro AG

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

5467

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Metro. These global emissions have then been allocated to Metro.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Metro AG

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

193562

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Metro.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

5078

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to RBI. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to RBI. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

2037

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to RBI. These global emissions have then been allocated to RBI.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

72135

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to RBI.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Target Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

37841

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Target. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Target. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Target Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

15182

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Target. These global emissions have then been allocated to Target.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Target Corporation

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

537558

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Target.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

25632

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Walmart Mexico y Centroamerica. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart Mexico y Centroamerica. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

10284

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart Mexico y Centroamerica. These global emissions have then been allocated to Walmart Mexico y Centroamerica.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

364131

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Walmart Mexico y Centroamerica.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

401677

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Walmart. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

161156

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart. These global emissions have then been allocated to Walmart.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

5706164

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. These global emissions have then been allocated to Walmart.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

None

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Currently PepsiCo follows the Greenhouse Gas (GHG) Protocol guidelines in developing an annual emissions inventory. Data is collected from our facilities world-wide following an operational control approach. Our facilities manufacture a diverse range of products and we do not have dedicated facilities by customer. Therefore, developing an emissions inventory or allocating emissions by customer accurately will not be possible in the foreseeable future. PepsiCo would benefit from an industry level solution or methodology for allocation that takes into account current challenges in data systems and inventory processes for companies like PepsiCo.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

PepsiCo does not currently have the capability to allocate emissions for the many thousands of product types currently sold to our customers, or to allocate those emissions to the many individual customers we have.

To address this, PepsiCo supports industry-wide solutions that allocate emissions in a consistent and credible way. PepsiCo is a member of the Beverage Industry Environmental Roundtable, which has developed and published sector specific guidelines on environmental footprint of products. PepsiCo is also interacting with expert stakeholders including the Carbon Trust, World Resources Institute, World Business Council on Sustainable Development, and the Sustainability Consortium, as well as other stakeholders such as Non-Governmental Organizations, other companies, academic institutions and governments to support the introduction of common approaches to measure environmental footprint worldwide and to develop new global standards for quantifying enterprise and product-level greenhouse gas emissions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

Requesting member
Caesars Entertainment

Initiative ID
2019-ID1

Group type of project
Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

32

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Caesars Entertainment

Initiative ID

2019-ID2

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

279

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

CVS Health

Initiative ID

2019-ID3

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

383

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

CVS Health

Initiative ID

2019-ID4

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

3336

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

J Sainsbury Plc

Initiative ID

2019-ID5

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

432

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

J Sainsbury Plc

Initiative ID

2019-ID6

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

3768

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Metro AG

Initiative ID

2019-ID7

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

512

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Metro AG

Initiative ID

2019-ID8

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

4460

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Restaurant Brands International

Initiative ID

2019-ID9

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

191

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Restaurant Brands International

Initiative ID

2019-ID10

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

1662

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Target Corporation

Initiative ID

2019-ID11

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

1422

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Target Corporation

Initiative ID

2019-ID12

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

12387

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Wal Mart de Mexico

Initiative ID

2019-ID13

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

963

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Wal Mart de Mexico

Initiative ID

2019-ID14

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

8391

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Walmart, Inc.

Initiative ID

2019-ID15

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

15092

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Walmart, Inc.

Initiative ID

2019-ID16

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

131486

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms