PepsiCo, Inc. CDP Climate Change Questionnaire 2021

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 $70 billion in net revenue in 2020, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker, Tropicana and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 23 brands that generate more than $1 billion each in estimated annual retail sales.

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 our business strategy and brands.

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

Reporting year	January 1, 2020	December 31, 2020	No

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
Czechia
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
France
Georgia
Germany
Greece
Guatemala
Honduras
Hungary
India
Ireland
Israel
Italy
Jordan
Kyrgyzstan
Mexico
Netherlands
New Zealand
Pakistan
Panama
Paraguay
Peru
Poland
Portugal
Romania

Russian Federation
Saudi Arabia
Serbia
Singapore
Slovakia
South Africa
Spain
Taiwan, Greater China
Thailand
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America

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 Sustainability, Diversity and Public Policy Committee (SDPPC) 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. The PEC made the decision to sign the Business Ambition for 1.5C Pledge in 2020 and adopt a new climate goal in line with the pledge in 2021, and the SDPP Committee was actively engaged in discussions regarding these commitments.

C1.1b

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

Frequency with which climate-related issues are	Governance mechanisms into	Please explain

a scheduled agenda item	which climate-related issues are integrated	
Scheduled – all meetings	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	The Sustainability, Diversity and Public Policy 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 typically meets four times per year, is comprised entirely of independent directors with a mix of public policy, risk, international and science-related skills, qualifications and experience. One of the key agenda items for these meetings is a review of PepsiCo's Company-wide progress on our goals, including progress against climate ambitions, including the new goal to reduce greenhouse gas (GHG) emissions across our Scope 1 & 2 emissions by 75% and Scope 3 emissions by 40% 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 PRC 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 2020 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)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	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 (CSO). 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 commitment to raising our ambition in climate change mitigation by signing the Business Ambition for 1.5C pledge in early 2020. Another related example is developing and getting our new climate goal approved by the Science Based Target Initiative (SBTi) in late 2020.

In addition, 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 executive officers have certain annual strategic objectives that are aligned with the achievement of our long-term sustainability agenda including our climate goal, generally tailored to each executive's role and scope of responsibilities. Performance against these is evaluated for each executive officer, in conjunction with individual contributions to broader strategic business imperatives, impacting the payout of the annual incentive award.

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 inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	Our executive officers have certain annual strategic objectives that are aligned with the achievement of our long-term sustainability agenda, generally tailored to each executive's role and scope of responsibilities. Performance against these objectives is evaluated for each executive officer, in conjunction with individual contributions to broader strategic business imperatives, impacting the payout of the annual incentive award.
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Our Chairman and CEO, has certain annual strategic objectives that are aligned with the achievement of our long-term sustainability agenda including our climate goal. Performance against these objectives Performance against these objectives is evaluated by the Compensation Committee, in conjunction with holistic business imperatives, impacting the payout of the annual incentive award.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	Our CSO has certain annual strategic objectives that are aligned with the achievement of our long-term sustainability agenda including our climate goal. Performance against these objectives is evaluated in conjunction with individual contributions to broader

			strategic business imperatives, impacting the payout of the annual incentive award.
Business unit manager	Monetary reward	Emissions reduction target	Business unit executives have certain annual strategic objectives that are aligned with the achievement of our long-term sustainability agenda including our climate goal. Performance against these objectives is evaluated for each executive officer, in conjunction with individual contributions to broader strategic business imperatives, impacting the payout of the annual incentive award.
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 may impacts annual merit increases, including bonus payouts, if eligible. 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 may impact annual merit increases, including bonus payouts, if eligible. 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 severity of the risk and 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. These risks are communicated to the PepsiCo Risk Committee (PRC) as well as the Board. 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 2020 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 aims to help 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

Primary potential financial impact

Increased direct costs

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, ingredients in our core brands such as Pepsi, Lays and Doritos, 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)

Potential financial impact figure – minimum (currency)

1,200,000,000

Potential financial impact figure – maximum (currency)

1,400,000,000

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 2020-2029. These financial impact estimates are larger for longer time frames.

Cost of response to risk

850,000,000

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

Primary potential financial impact

Increased direct costs

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 potatoes, oats, palm oil, sunflower and wheat sourced in the US, Canada, Brazil, Australia, UK, Hungary and Russia. These commodities are key to many of our top brands like Lays, Quaker and Doritos. 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)

Potential financial impact figure – minimum (currency)

56,000,000

Potential financial impact figure – maximum (currency)

71,000,000

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 2020-2029. These financial impact estimates are larger for longer time frames.

Cost of response to risk

1,000,000

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.

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 2021. 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.

Comment

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

Primary potential financial impact

Increased direct costs

Company-specific description

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. In 2020 our PPGA team conducted an exercise to understand the implications to the business of a U.S. federal price on carbon. This was then communicated to the PepsiCo Risk Committee (PRC) as well as the Board. Specifically, 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, a single figure estimate

Potential financial impact figure (currency)

95,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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 estimate provided here is based on two emissions scenarios RCP 4.5 and RCP 8.5 for the current decadal period from 2020-2029. These financial impact estimates are larger for longer time frames.

Cost of response to risk

150,000,000

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. 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. 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

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 expect to be able to 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)

Potential financial impact figure – minimum (currency)

46,000,000

Potential financial impact figure – maximum (currency)

50,000,000

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

150,000,000

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 2020, waste heat recovery projects were implemented across multiple sites in Europe, further reducing fossil fuel consumption and lowering our scope 1 emissions from our production processes. . 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 $150 million in 2020, approximately 80% 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

Advancements in low-carbon energy technology, as well as increasing access to renewable energy markets, present opportunities for PepsiCo to reduce usage of traditional, fossil fuel derived sources of energy, as well as contribute to the growth of renewable energy markets. Integrating low carbon options into our energy procurement strategy, combined with continued investments in low carbon technologies in our operations, PepsiCo will continue to reduce greenhouse gas emissions. For example, making a 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 75% by 2030 (2015 baseline). Our actions also contribute to the growth of low carbon energy markets, which in turn can make low carbon energy sources more available to our supply chain partners.

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)

Potential financial impact figure – minimum (currency)

69,000,000

Potential financial impact figure – maximum (currency)

74,000,000

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

2,100,000

Strategy to realize opportunity and explanation of cost calculation

In 2020, PepsiCo transitioned to 100% renewable electricity for our U.S. direct operations. As our largest market, and where we use nearly half of our total global electricity consumption, this shift helped us make a significant reduction to our global climate footprint. In order to achieve this, we have targeted a portfolio of solutions. In 2020, we primarily used renewable energy certificates (RECs), purchased from various projects 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. In 2020, PepsiCo signed multiple PPAs with renewable electricity projects as the first steps of building portfolio of renewable energy sources. We are also scaling up our onsite renewable electricity generation globally with new and expanded solar power systems at plants in Suadiye and Adana, in Turkey, as well as Modesto in the US. As of 2020, 12 countries in Europe have achieved 100% renewable electricity for their direct manufacturing operations, and our Mexico Foods business used wind energy to meet 78% of their electricity needs. 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

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)

2,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

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 2020 net revenues for PepsiCo were more than $70 billion. PepsiCo revenues are sensitive to changes in consumer preferences. For example, a one percent impact on PepsiCo's market value (defined as our market capitalization) would equate to ~$2 billion. 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

148,000

Strategy to realize opportunity and explanation of cost calculation

PepsiCo believes it 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. In 2020 we completed global roll-out of the program and initiated business integration with our cross-functional partners. 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

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) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	We currently do not have plans for our low-carbon transition plan to become a scheduled resolution item at AGMs

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS IEA 450 Greenpeace DDPP IRENA	Description of scope and method: PepsiCo completed its first climate-related scenario analysis in 2020. Our assessment covered our manufacturing footprint including all Company owned plants, many warehouses and distribution centers, all offices and R&D sites, key franchise and JV locations, as well as our agricultural supply chain. The assessment allows us to evaluate

RCP 2.6 RCP 4.5 RCP 6 RCP 8.5 IEA B2DS IEA Sustainable development scenario IEA NPS IEA CPS BNEF NEO REMIND MESSAGE-GLOBIOM Nationally determined contributions (NDCs) Other, please specify	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 plans. 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 1100 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 50 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 Latin America 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 we completed the work in Thailand and Vietnam to specifically and at a further granular level identify impacts to our key ingredient supply chain. The result from that analysis has led our business in that market understand future risks to supply. A localized risk mitigation plan has been developed with cross-functional partners. This work has now been expanded with initial assessments underway in several countries in Latin America, Europe as well as in North America.

C3.3

(C3.3) 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 ~$2 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 $76 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: 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. Climate related risks within our agricultural supply chain could be as high as $4 billion in the short term while opportunities could be around $0.1 billion expressed in financial terms. 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 350 Demonstration Farms across 8 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 7% increase in average yield and a 16% reduction in average GHG emissions over the 2019-2020 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 are responsible for more than half of the growth in consumer packaged goods between 2015 and 2019. 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 2020, we completed global roll-out of our Sustainable from the Start program, an environmental sustainability impact assessment, including GHG impact assessment framework, 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 Apex Companies LLC. This data is also used to understand efficiency opportunities. In 2020, our internal fund for efficiency improvements across the globe amounted to $150 million. This has led to a 23% improvement in our operations emissions since 2015. Time horizon This is relevant over the short, medium and long-term time horizons.

C3.4

(C3.4) 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.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

n/a

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)

Base year

2015

Covered emissions in base year (metric tons CO2e)

5,763,128

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 (%)

75

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

1,440,782

Covered emissions in reporting year (metric tons CO2e)

4,410,105

% of target achieved [auto-calculated]

31.302977596

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

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 was approved by the Science Based Targets Initiative (SBTi) and was 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. In late 2020 the SBTi approved our new 1.5C aligned goal which we subsequently announced in early 2021. Our new goal more than doubles our previous one within the same timeframe. Our new goal is to reduce our Scope 1 & 2 emissions by 75% and our Scope 3 emissions by 40% by 2030 against a 2015 baseline. We also have a goal to achieve net zero emissions by 2040, a decade earlier than called for in the Paris Agreement.

Target reference number

Abs 2

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2015

Covered emissions in base year (metric tons CO2e)

56,422,589

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 (%)

40

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

33,853,553.4

Covered emissions in reporting year (metric tons CO2e)

54,628,773

% of target achieved [auto-calculated]

7.9481287184

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

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 was approved by the Science Based Targets Initiative (SBTi) and was 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. In late 2020 the SBTi approved our new 1.5C aligned goal which we subsequently announced in early 2021. Our new goal more than doubles our previous one within the same timeframe. Our new goal is to reduce our Scope 1 & 2

emissions by 75% and our Scope 3 emissions by 40% by 2030 against a 2015 baseline. We also have a goal to achieve net zero emissions by 2040, a decade earlier than called for in the Paris Agreement.

C4.2

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

Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)

Base year
2019

Figure or percentage in base year
9.3

Target year

2030

Figure or percentage in target year

100

Figure or percentage in reporting year

54.9

% of target achieved [auto-calculated]

50.2756339581

Target status in reporting year

New

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

PepsiCo joined RE100 in 2020 and is committed to sourcing 100% renewable electricity for our owned operations by 2030 and for our franchise bottlers and third-party manufacturers by 2040

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs2

Target year for achieving net zero

2040

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

In early 2021, PepsiCo announced our new ambition to reach net zero emissions by 2040. We are monitoring the guidance currently being developed by the SBTi and will align our target accordingly

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	8	0
To be implemented*	67	27,189
Implementation commenced*	65	51,438
Implemented*	20	3,488,279
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings

Combined heat and power (cogeneration)

Estimated annual CO2e savings (metric tonnes CO2e)

7,810

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

2,268,598

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

11,791,772

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)

2,128

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

421,567

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

2,149,012

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings

Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

1,948

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

166,485

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

790,151

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)

1,023

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

169,534

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

990,453

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)

2,633

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

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

262,631

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

1,356,136

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes

Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)

2,223

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

252,610

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

1,343,917

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes

Fuel switch

Estimated annual CO2e savings (metric tonnes CO2e)

583

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

33,617

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

167,436

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)

6,305

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

907,884

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

5,397,549

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)

18,106

Scope(s)

Scope 1

Scope 2 (market-based)

Scope 3

Voluntary/Mandatory

Voluntary

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

2,862,834

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

12,139,619

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes

Smart control system

Estimated annual CO2e savings (metric tonnes CO2e)

7,903

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

292,924

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

1,918,890

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)

4,333

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

577,112

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

2,841,703

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)

484

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

377,830

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

1,698,000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy generation

Solar heating and cooling

Estimated annual CO2e savings (metric tonnes CO2e)

120

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
14,104

Investment required (unit currency – as specified in C0.4)
65,706

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)
10,873

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2,252,856

Investment required (unit currency – as specified in C0.4)
12,811,075

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)

12,510

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

12,259,814

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

60,960,000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Company policy or behavioral change

Change in procurement practices

Estimated annual CO2e savings (metric tonnes CO2e)

481,673

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

<1 year

Comment

Initiative category & Initiative type

Waste reduction and material circularity
Product/component/material recycling

Estimated annual CO2e savings (metric tonnes CO2e)

190,958

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

<1 year

Comment

Initiative category & Initiative type

Company policy or behavioral change
Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

2,106,511

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

<1 year

Comment

Initiative category & Initiative type

Other, please specify

Other, please specify

reformulation

Estimated annual CO2e savings (metric tonnes CO2e)

457,311

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

<1 year

Comment

Initiative category & Initiative type

Waste reduction and material circularity

Product/component/material reuse

Estimated annual CO2e savings (metric tonnes CO2e)

172,844

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

Estimated lifetime of the initiative

<1 year

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 was 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 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 3.6 billion kwh and a GHG reduction of 52% 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

0.1

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)
3,757,530

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)
1,985,965

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)
2,005,598

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)

3,552,706

Comment

N/A

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

1,719,610

Scope 2, market-based (if applicable)

857,398

Comment

N/A

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 less than 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.

Source

Private Aviation

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

Data pertaining to the fuel consumed by private aviation activities was previously unavailable. This data and associated emissions will be included in future inventories.

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

36,519,067

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

989,112

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

1,566,238

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

1,773,024

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

48,947

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

137,668

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

150,635

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

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

10,240,708

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

223,702

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

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

1,179,467

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

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

1,651,219

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

148,986

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

Please explain

No other sources of upstream emissions

Other (downstream)

Evaluation status

Not relevant, explanation provided

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)

20,029,225

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)

2,591,692

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)

223,702

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)

1,773,024

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)

10,240,708

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)

1,179,467

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

(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?

Yes

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)

1,430,709

Change from last reporting year

Lower

Please explain

In 2020, we achieved almost 100% certification of our palm oil through RSPO

Sugar

Reporting emissions by

Total

Emissions (metric tons CO2e)

3,401,934

Change from last reporting year

About the same

Please explain

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)

525,622

Change from last reporting year

Lower

Please explain

Our wheat emissions have declined slightly from prior year

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

6,428,105

Change from last reporting year

Lower

Please explain

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

0.00006267

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

4,410,105

Metric denominator

unit total revenue

Metric denominator: Unit total

70,372,000,000

Scope 2 figure used

Market-based

% change from previous year

15.45

Direction of change

Decreased

Reason for change

Our overall Scope 1 & 2 emissions have declined by 11.4% while our revenue increased by 4.8% (from 2019 to 2020). 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	11,058
Australia	27,821
Belgium	32,954
Bosnia & Herzegovina	1,888
Brazil	73,235
Canada	207,799
Chile	20,267
China	45,705
Colombia	26,968
Costa Rica	340
Cyprus	1,624
Dominican Republic	7,236
Ecuador	3,479
Egypt	121,141
El Salvador	1,333
Estonia	129
France	142
Georgia	1,510
Germany	4,373
Greece	6,605
Guatemala	18,733
Honduras	2,963
India	14,995
Ireland	2,876
Italy	881
Kyrgyzstan	0
Mexico	349,129
Netherlands	18,110
New Zealand	7,043
Pakistan	31,347

Panama	572
Peru	6,815
Poland	52,649
Portugal	12,772
Romania	11,976
Russian Federation	245,997
Saudi Arabia	24,804
Serbia	6,219
Singapore	461
South Africa	138,078
Spain	33,159
Taiwan, Greater China	4,849
Thailand	17,408
Turkey	41,420
Ukraine	18,367
United Kingdom of Great Britain and Northern Ireland	74,089
United States of America	1,812,890
Uruguay	1,019
Viet Nam	4,601
Israel	73
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	330,098
Asia Pacific, Australia and New Zealand and China	107,427
Europe	565,515
Frito-Lay North America	1,053,375
Latin America	519,566

PepsiCo Beverages North America	921,478
PepsiCo Global Concentrate Solutions	3,890
Quaker Foods North America	51,356

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 (metric tons CO2e)

2,239,964

Methodology

Region-specific emissions factors

Please explain

Scope 1 emissions from our manufacturing operations are included here

Activity

Distribution

Emissions (metric tons CO2e)

1,312,742

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	4,879	4,879	15,152	0
Australia	27,558	26,950	38,721	855
Belgium	5,998	99	30,672	30,142
Bosnia & Herzegovina	1,314	1,314	1,864	0
Brazil	8,857	8,857	88,944	0
Canada	23,453	23,453	153,070	0
Chile	9,168	3,831	22,833	13,291
China	41,324	40,771	71,761	953
Colombia	4,067	1,030	25,347	18,926
Cyprus	526	0	813	813
Dominican Republic	4,487	4,487	7,990	0
Ecuador	595	595	3,001	0
Egypt	56,931	56,931	117,216	0
El Salvador	172	172	1,007	0
Georgia	298	298	3,579	0
Germany	4,473	942	11,890	9,386
Greece	2,868	278	5,271	4,761
Guatemala	6,241	2,272	16,368	10,409
Honduras	1,343	1,343	4,202	0
India	49,705	49,705	66,153	0
Ireland	4,080	6,097	12,314	0
Italy	346	22	1,198	
Kyrgyzstan	2,614	2,614	17,317	0
Mexico	143,512	69,882	314,529	161,355
Netherlands	6,603	163	17,680	17,386
New Zealand	790	790	7,346	0
Pakistan	13,731	13,731	34,954	0
Panama	62	62	355	0
Peru	1,915	1,135	9,597	3,909

Poland	29,425	8	49,060	49,050
Portugal	2,542	48	8,746	8,560
Romania	10,114	8,571	31,808	4,221
Russian Federation	134,077	134,077	455,897	0
Saudi Arabia	20,263	20,263	39,136	0
Serbia	6,553	312	10,107	9,626
Singapore	2,103	2,103	5,404	0
South Africa	279,358	279,358	343,692	0
Spain	7,035	91	27,116	26,849
Taiwan, Greater China	4,882	4,374	7,533	0
Thailand	11,004	11,004	22,710	0
Turkey	38,972	38,972	90,039	0
Ukraine	15,607	15,607	48,916	0
United Kingdom of Great Britain and Northern Ireland	20,492	1,960	87,815	82,175
United States of America	702,675	11,416	1,765,892	1,700,186
Uruguay	88	88	3,912	0
Viet Nam	3,395	3,395	7,468	0
Israel	452	452	913	0
Estonia	35	35	58	0
France	111	45	1,783	1,057
Paraguay	0	0	23	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	419,016	419,016

Asia Pacific, Australia and New Zealand and China	87,062	85,393
Europe	290,672	206,232
Frito-Lay North America	316,792	25,546
Latin America	183,545	100,951
PepsiCo Beverages North America	321,286	8,189
PepsiCo Global Concentrate Solutions	12,059	10,937
Quaker Foods North America	89,177	1,134

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	730,944	Decreased	17	(730944)/(4,410,105)*100%
Other emissions reduction activities	78,982	Decreased	2	(78982)/(4410105)*100%
Divestment	0	No change		
Acquisitions	311,748	Increased		(311748)/(4,410,105)*100%
Mergers	0	No change		
Change in output	0	No change		
Change in methodology	0	No change		
Change in boundary	0	No change		

Change in physical operating conditions	0	No change		
Unidentified	0	No change		
Other	0	No change		

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)	620,929	16,884,753	17,505,682
Consumption of purchased or acquired electricity		2,155,029	1,800,385	3,955,414
Consumption of purchased or acquired steam		0	161,757	161,757
Consumption of self-generated non-fuel renewable energy		39,479		39,479
Total energy consumption		2,815,437	18,846,895	21,662,332

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
225

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-cogeneration or self-trigeneration
0

Emission factor
0.01802

Unit
kg CO2e per KWh

Emissions factor source
DBEIS

Comment

Fuels (excluding feedstocks)
Biogas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
90,594

MWh fuel consumed for self-generation of electricity
72,913

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00021

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Solid Biomass Waste

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

458,267

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-cogeneration or self-trigeneration

0

Emission factor

0.01545

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

60,526

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-cogeneration or self-trigeneration

0

Emission factor

0.32012

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

78,408

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-cogeneration or self-trigeneration

0

Emission factor

0.24666

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4,688,263

MWh fuel consumed for self-generation of electricity

22,346

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.2524

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)
Fuel Oil Number 4

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
67,849

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-cogeneration or self-trigeneration
0

Emission factor
0.25642

Unit
kg CO2e per KWh

Emissions factor source
DBEIS

Comment

Fuels (excluding feedstocks)
Fuel Oil Number 6

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
50,229

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-cogeneration or self-trigeneration

0

Emission factor

0.26772

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

493,794

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-cogeneration or self-trigeneration

0

Emission factor

2.3148

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

11,021,150

MWh fuel consumed for self-generation of electricity

950,593

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.18386

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

424,535

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-cogeneration or self-trigeneration

0

Emission factor

0.21449

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

71,844

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-cogeneration or self-trigeneration

0

Emission factor

2.53325

Unit

kg CO2e per KWh

Emissions factor source

DBEIS

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	361,635	349,998	69,103	69,103
Heat	0	0	0	0
Steam	0	0	0	0
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 on-site/off-site generator owned by a third party with no grid transfers (direct line)

Low-carbon technology type

Solar

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

Australia

MWh consumed accounted for at a zero emission factor

855

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

Belgium

MWh consumed accounted for at a zero emission factor

30,142

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

Chile

MWh consumed accounted for at a zero emission factor

13,291

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

China

MWh consumed accounted for at a zero emission factor

953

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

Colombia

MWh consumed accounted for at a zero emission factor

18,926

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

Cyprus

MWh consumed accounted for at a zero emission factor

813

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

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

France

MWh consumed accounted for at a zero emission factor

1,057

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

Germany

MWh consumed accounted for at a zero emission factor

9,386

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

Greece

MWh consumed accounted for at a zero emission factor

4,761

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

Guatemala

MWh consumed accounted for at a zero emission factor

10,409

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

Italy

MWh consumed accounted for at a zero emission factor

1,121

Comment

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

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

Mexico

MWh consumed accounted for at a zero emission factor

161,355

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Biomass

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

Netherlands

MWh consumed accounted for at a zero emission factor

17,386

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

Peru

MWh consumed accounted for at a zero emission factor

3,909

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

Poland

MWh consumed accounted for at a zero emission factor

49,050

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

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

Portugal

MWh consumed accounted for at a zero emission factor

8,560

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

Romania

MWh consumed accounted for at a zero emission factor

4,221

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

Serbia

MWh consumed accounted for at a zero emission factor

9,626

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

Spain

MWh consumed accounted for at a zero emission factor

26,849

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/area 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
82,175

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/area of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
1,700,186

Comment

Sourcing method
Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor

1,415,653

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 RY2020 GHG Opinion Declaration Limited - Final2.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 RY2020 GHG Opinion Declaration Limited - Final2.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 RY2020 GHG Opinion Declaration Limited - Final2.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 RY2020 GHG Opinion Declaration Limited - Final2.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

3

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. 1

[1]PepsiCo - Sustainability Data Assurance Statement RY2020_LIMITED_2.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

2.22

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

114,665

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

78,969

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

3.43

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

58,648

Allowances purchased

59,191

Verified Scope 1 emissions in metric tons CO2e

121,712

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, 59,191 allowances have been purchased, 25,783 entitlement credits remain, and 3,229 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.
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.

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?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Change internal behavior

GHG Scope
Scope 3

Application
North America third-party logistics

Actual price(s) used (Currency /metric ton)
50

Variance of price(s) used
Not Applicable

Type of internal carbon price
Shadow price

Impact & implication
The initiative is ongoing

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
7

% total procurement spend (direct and indirect)
36

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

50

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 ~36% of total procurement spend.

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 2020 our response rate was 62%. 71% of our suppliers indicated having a target for emissions reduction, this is up 17% from prior year 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 2019 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 2020, 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 (per our SFP criteria outlined on our website on pepsico.com) In 2020, this number was 87%.

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

7

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 2020, the PepsiCo Recycling Program collected 221 million post-consumer containers for recycling in the U.S., an approximately 32 percent decline in container collections as compared to 2019. This is mainly driven due to the COVID-19 pandemic. We engage with all our customers 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

62

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 2020, the fund estimates that it kept 2.3 million tons of material in circulation and avoided 5 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

3

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 ~19% decline in emissions in 2020 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 early members of the Gold Standard Value Change Program which aims to address value chain Scope 3 emissions. Often, the most meaningful change can come from interventions that help partners upstream and downstream reduce emissions. Yet emission reductions at the intervention level previously could not be accounted for in the leading GHG accounting frameworks, like the GHG Protocol. The Program therefore develops a consensus-driven guidance, tools and resources to help companies tackle their climate impact up and down their value chains, creating value for their business, their partners and our global society. As a member of the program, PepsiCo actively participates and provides input into the process such that the ultimate guidance developed is useful and practical for companies.

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

(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 Climate Smart Agriculture	Support	PepsiCo has engaged in conversations with the European Commission on the upcoming Carbon Farming Initiative, seeking to establish profitable business models for farmers to take on more sustainable farming practices.	The Carbon Farming Initiative and the creation of a competitive market for carbon sequestration credits are strong mechanisms that the European Commission is proposing to bring emissions from agriculture into the overarching climate neutrality goal by 2050.

Other, please specify Emissions	Support	PepsiCo is a member of Ceres, whose mission is to support capital market leaders in achieving commitments to get to net-zero emissions by 2040 and to get to 50% reductions by 2030. PepsiCo participated in their annual event in the US aimed at the federal Congress, in which Ceres members engage directly with lawmakers and staff at the federal level on a variety of climate priorities.	In 2020, members of the PepsiCo Sustainability and Public Policy teams participated in meetings with several Capitol Hill members and staff in which we promoted climate change policies, including carbon pricing, the Growing Climate Solutions Act, transport electrification, and climate-smart infrastructural improvements.
Other, please specify 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 pledge for Business Ambition for 1.5 Degree C 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 on 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, and of the taskforce dedicated to the Packaging and Packaging Waste Directive.

Trade association

European Snacks Association (ESA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ESA supports sustainable practices to protect natural resources as well as 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 Presidency, effective June 30, 2021.

Trade association

European Brands Association (AIM)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

AIM supports and promotes the UN SDGs. They have taken position on climate change, sustainable product policy, and packaging among environmental issues.

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

PepsiCo is part of the AIM Board and co-chairs their Sustainable Development 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's Corporate Affairs department has specific teams and individuals who are assigned responsibilities for developing corporate policy and regulatory positions as well as engaging with external stakeholders on regulatory policy that aligns with our climate strategy. They

manage relationships with policymakers, trade associations and non-government actors, coordinating activities such as advocating for consistent climate change positions that may influence regulatory policy globally and at the market level. Corporate Affairs works closely with the business units, Sustainability Office, 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

Attach the document

pepsico-inc-2020-annual-report.pdf

Page/Section reference

Pages 10, 15, 18, 29,

Content elements

Governance
Strategy
Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

PepsiCo-CSR-2020.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_Climate_2020.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 2020, 87% of direct crops were sustainably sourced globally through 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 2020. In 28 countries, we achieved 100% sustainably sourced direct-sourced crops and 87% sustainably sourced worldwide.

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 2020, 87% of direct crops were sustainably sourced globally through 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 2020. In 28 countries, we achieved 100% sustainably sourced direct-sourced crops and 87% sustainably sourced worldwide.

C15. Signoff

C-FI

(C-FI) 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 Executive Officer	Chief Executive Officer (CEO)

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 $70 billion in net revenue in 2020, 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). Our vision is to be the global leader in convenient foods and beverages by Winning with Purpose. To advance this vision, we 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.

SC0.1

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

	Annual Revenue
Row 1	70,372,000,000

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

Ahold Delhaize

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

101,852

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e
476

Uncertainty (±%)
15

Major sources of emissions
These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e
9,590

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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

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Requesting member

McDonald's Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

2,794

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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

NHS England and NHS Improvement

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

94

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

11,359

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e
44,510

Uncertainty (±%)
15

Major sources of emissions
These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e
427,555

Uncertainty (±%)
15

Major sources of emissions
These emissions include those from PepsiCo's total global company-owned operations that have been allocated to the customer. 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 the customer. 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 1

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

26,684

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's total global Company-owned operations that have been allocated to the customer. 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 the customer. 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

Ahold Delhaize

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

24,581

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 the customer.

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

Emissions in metric tonnes of CO2e

115

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 the customer.

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

Emissions in metric tonnes of CO2e

2,315

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 the customer.

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

McDonald's Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

674

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 the customer.

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

NHS England and NHS Improvement

Scope of emissions
Scope 2

Allocation level
Company wide

Allocation level detail

Emissions in metric tonnes of CO2e
23

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 the customer.

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

Emissions in metric tonnes of CO2e

2,741

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 the customer.

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

Emissions in metric tonnes of CO2e

10,742

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 the customer.

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

Emissions in metric tonnes of CO2e

6,440

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 the customer.

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

Ahold Delhaize

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

1,566,146

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

7,314

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 the customer.

Verified

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

Emissions in metric tonnes of CO2e

147,469

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

McDonald's Corporation

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

42,964

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

NHS England and NHS Improvement

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

1,447

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

174,664

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

684,420

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

6,574,363

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

410,311

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, fuel and energy-related activities, consumer use, waste disposal, etc. These global emissions have then been allocated to the customer.

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

Emissions in metric tonnes of CO2e

103,185

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 the customer.

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

Ahold Delhaize

Initiative ID

2020-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 Scope 1 and 2 emissions by 75% 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

24,636

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

Ahold Delhaize

Initiative ID

2020-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 Scope 3 emissions by 40% 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

26,381

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

2020-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 Scope 1 and 2 emissions by 75% 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

115

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
2020-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 Scope 3 emissions by 40% 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
123

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
2020-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 Scope 1 and 2 emissions by 75% 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

2,320

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

2020-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 Scope 3 emissions by 40% 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

2,484

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

McDonald's Corporation

Initiative ID

2020-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 Scope 1 and 2 emissions by 75% 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

676

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

McDonald's Corporation

Initiative ID

2020-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 Scope 3 emissions by 40% 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

724

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

NHS England and NHS Improvement

Initiative ID

2020-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 Scope 1 and 2 emissions by 75% 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

23

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

NHS England and NHS Improvement

Initiative ID

2020-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 Scope 3 emissions by 40% 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

24

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

2020-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 Scope 1 and 2 emissions by 75% 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

2,748

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

2020-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 Scope 3 emissions by 40% 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

2,942

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

2020-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 Scope 1 and 2 emissions by 75% 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

10,766

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

2020-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 Scope 3 emissions by 40% 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

11,529

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
2020-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 Scope 1 and 2 emissions by 75% 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
103,417

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
2020-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 Scope 3 emissions by 40% 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

110,741

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

2020-ID17

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 Scope 1 and 2 emissions by 75% 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

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

2020-ID18

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 Scope 3 emissions by 40% 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

6,911

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

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, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms