

PepsiCo 2020 TCFD Index

This index references PepsiCo's reporting against the voluntary guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). It is our second report to these guidelines, and covers our 2020 financial year. Many of the disclosures appear in our CDP Climate and Water responses due to close alignment between the two frameworks; however, relevant disclosure is also contained within our 2020 Annual Report, our 2020 Sustainability Report, and our ESG Topics A-Z online resource.

Our Goal

In January 2021, we more than doubled our science-based climate goal, targeting a **REDUCTION OF GHG EMISSIONS ACROSS OUR VALUE CHAIN BY MORE THAN 40 PERCENT BY 2030**. Specifically, we plan to reduce direct operational Scope 1 and 2 emissions by 75% and our indirect value chain emissions by 40% by 2030.

In addition, we pledged to **ACHIEVE NET-ZERO EMISSIONS BY 2040**, one decade earlier than called for in the Paris Agreement.

Scenario Analysis

Our climate scenario analysis helps us to identify climate-related risks and opportunities within various temperature (business as usual and 2°C increase scenarios) and timeframe (2020-2100) scenarios. It considers:

- Our wholly-owned assets (such as manufacturing plants, warehouses, R&D centers, and offices);
- Our third party manufacturing assets (under franchise and joint venture arrangements); and
- Our agricultural supply chain.

In 2020-21, we improved our scenario modeling methodology with new and updated metrics. We plan to revise our scenario analysis to reflect updated internal information and the latest methodology developments every 2-3 years.



Renewable Energy

In early 2020, PepsiCo announced plans to achieve 100% renewable electricity for our U.S. direct operations from that year forward. By the end of the year, we achieved that ambition.

Building on this progress, we made a further goal in late 2020 to transition to 100 percent renewable electricity globally, first across our company-owned operations by 2030 and then by expanding to our franchise and third-party operations by 2040. In support of this goal, PepsiCo joined RE100, an initiative led by the Climate Group in partnership with CDP, to bring together the world's most influential companies committed to 100% renewable electricity.

Our new climate targets align with **the Business Ambition for 1.5°C pledge**, which PepsiCo signed in 2020, joining other leading companies committing to set science-based emissions reduction targets in line with limiting global warming to 1.5°C above pre-industrial levels.



Recommended Disclosures

Recommendation	Disclosures	Reference
Governance	Describe the organization's governance around climate-related risks and opportunities	2021 CDP Climate Response: C1.1a-b ESG Topics A-Z: Sustainability Governance
	Describe management's role in assessing and managing climate-related risks and opportunities	2021 CDP Climate Response: C1.1b, C1.2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2020 Form 10-K: Item 1A. Risk Factors 2021 CDP Climate Response: C2.3, C2.4
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	2021 CDP Climate Response: C2.3, C2.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2021 CDP Climate Response: C3
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	2021 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate Change
	Describe the organization's processes for managing climate-related risks	2021 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate Change
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk Management	2021 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate Change
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2021 CDP Climate Response C2.2
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	2021 CDP Climate Response: C6 ESG Topics A-Z: Climate Change
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2021 CDP Climate Response: C4.1, C4.2 2020 Sustainability Report: Goals and Progress Sustainability Performance Metrics ESG Topics A-Z: Climate Change

Supplemental Sector Disclosures

Financial Category	Climate-Related Category	Metric	Reference
Revenues	Risk Adaptation & Mitigation	Revenues/savings from investments in low-carbon alternatives	2021 CDP Climate Response C4.3b
Expenditures	Water	Total water withdrawn and total water consumed	2021 CDP Water Response W1.2b ESG Topics A-Z: Water
		Percent of water withdrawn and consumed in regions with high or extremely high baseline water stress	2021 CDP Water Response W1.2d ESG Topics A-Z: Water
	GHG Emissions	Purchased energy (Scope 2): Emissions from purchased heat, steam, and electricity consumed in company-owned plants	2021 CDP Climate Response C8.2a ESG Topics A-Z: Climate Change ESG Topics A-Z: Renewable Energy
Assets	Water	Number of company-owned production sites in regions with high or extremely high baseline water stress	2021 CDP Water Response W4.1b, W4.2 ESG Topics A-Z: Water
	Risk Adaptation & Mitigation	Investment (CapEx) in low carbon/water alternatives	2020 Green Bond Report 2021 CDP Climate Response 4.3b 2021 CDP Water Response W4.3, W7.2