



2020 Sustainability Report Summary



Message from Our CEO

Now more than ever, consumers are acutely aware of the interconnected nature of our global food system – its impact on our planet, its support for our communities, and its ability to provide nourishment for billions of people across the world.



Unfortunately, the bonds holding this delicate ecosystem together are beginning to fray. The COVID-19 pandemic has only exacerbated these challenges and highlighted the inequalities that underlie much of our food system and our society.

Such drastic shifts not only threaten the health of our planet and communities, they also present challenges for our business. As one of the world's leading food and beverage companies, PepsiCo has deep roots in the global food system. At the same time, our consumers are demanding new products that are more sustainable and made with minimal impact on the environment.

That is why we're rethinking **how we grow and source our crops**. We're also doing business in a way that's more **sustainable and inclusive**. And we're tapping into the **power of our brands** to encourage consumers to make **positive choices for themselves and the planet**.

In everything we do, we are working to **transform the way we create shared value by operating within planetary boundaries and inspiring positive change for the planet and people**. This will make us a Better company, with purpose more deeply integrated into our business strategy. It will also make us Faster and Stronger, enabling accelerated growth and continued investment in our people, business and communities. And we hope it will make us an example, for our partners and our peers.

Bottom line: We do not intend to proceed with business as usual. We have the responsibility to take big, bold steps that catalyze positive change – change that will have an impact far beyond our company and outlast the current moment.

Together, we can build more resilient communities and a more sustainable food system for all. I hope you'll join us.

RAMON LAGUARTA,
PepsiCo Chairman of the
Board of Directors and
Chief Executive Officer

"2020 was a year unlike any other. A year of challenges and a year of change. The challenges created by the COVID-19 pandemic impacted every corner of the globe and highlighted the urgent need to partner and drive change toward a more sustainable and resilient food system. I'm proud that PepsiCo rose to the challenge in 2020, and there's no slowing down our ambition to drive a positive impact on our planet and the communities we serve."



JIM ANDREW,
Chief Sustainability
Officer; EVP, Beyond
the Bottle businesses

Read the full letter and the
2020 PepsiCo Sustainability
Report [here >>](#)

Scale and Reach Across Our Value Chain

Across our value chain, PepsiCo is using our global reach and expertise to drive solutions at scale.

PepsiCo's sustainability strategy targets every stage of our complex value chain to use resources more efficiently, reduce GHG emissions, replenish water, improve our products and recapture packaging materials.

23
billion-dollar
brands¹

Products
enjoyed
1B+
times each day

\$70B+
net revenue
in 2020

Products sold in
200+
countries and
territories

290K+
employees

¹ 23 brands that generate more than \$1 billion each in estimated annual retail sales.

Agricultural Sourcing

PepsiCo sources crops from 60 countries and supports more than 100,000 jobs throughout our agricultural supply chain. The standards we apply and promote can help improve the environmental, social and economic health of agricultural communities around the world.

R&D and Manufacturing

Our 291 manufacturing facilities around the world bring together innovators and operations teams who work to use water, energy and ingredients efficiently to create our foods and beverages.

Distribution

PepsiCo products are sold in over 200 countries and territories. In 2020, our company-owned fleet traveled nearly 1.3 billion miles worldwide to bring PepsiCo products to consumers.

Consumption

PepsiCo products are enjoyed by consumers more than 1 billion times a day. We're responding to changing consumer preferences by transforming our product portfolio and reformulating many of our foods and beverages to reduce added sugars, sodium and saturated fat.

Post-Consumer

PepsiCo's sustainable plastics vision is to help build a world where packaging never becomes waste by driving the shift from a linear solution to a circular economy.



Our Focus Areas



Agriculture



Advance environmental, social and economic benefits to communities around the world by supporting practices and technologies that promote improved farmer livelihoods and agricultural resiliency, like regenerative agriculture:

- In April 2021, we announced a Positive Agriculture ambition to spread regenerative farming practices across 7 million acres globally and save at least 3 million tons of GHG emissions by 2030.
- In 2020, PepsiCo's global network of Demonstration Farms, which enable peer-to-peer learning, grew to more than 350 farms with more than 80% adopting regenerative farming practices.
- In 2020, we also set a goal to improve the livelihoods of more than 250,000 people in our agricultural supply chain by 2030.

Packaging



Drive progress toward our vision of a world where packaging never becomes waste:

- Through continued growth of our global SodaStream business, an estimated 78 billion single-use plastic bottles will be avoided through 2025.
- Currently, 22 global markets now offer a PepsiCo product in 100% rPET packaging.
- PepsiCo is partnering to drive progress toward a circular economy working with a broad group of partners, including industry peers, nonprofit organizations, and people and companies throughout the plastics supply chain.

Water



Drive water security to assure business continuity while positively contributing to communities:

- We are focused on improving operational and agricultural water-use efficiency, local water replenishment in high water-risk areas, public education, advocacy for smart water policies and regulations, and adoption of best practices with key partners in the community.
- The PepsiCo Foundation has invested more than \$55 million in safe water access programs, catalyzing nearly \$700 million in additional funding from other donors.
- PepsiCo is a member of the Alliance for Water Stewardship (AWS) and we aim to adopt the AWS Standard at all of our high water-risk facilities by 2025. In 2020, ten of our facilities in high water-risk areas were in the process of adopting the Standard.

Our Focus Areas



Climate



Do our part to curb climate change by reducing greenhouse gas (GHG) emissions across our value chain:

- We've set an ambitious new target to achieve net-zero emissions by 2040, one decade earlier than called for in the Paris Agreement.
- We more than doubled our interim climate goal and are now striving to reduce absolute GHG emissions across our direct operations (Scopes 1 and 2) by 75% and our indirect value chain (Scope 3) by 40% by 2030 (against a 2015 baseline).
- In 2020, we achieved 100% renewable electricity for our U.S. direct operations – PepsiCo's largest market. By the end of 2021, 15 countries in our direct operations are expected to be fully sourcing renewable electricity.

Product



PepsiCo's broad portfolio includes an expanded range of products that are better for people and better for our planet:

- We're building on our progress, reducing added sugars, sodium and saturated fats across our portfolio. 71% of our foods portfolio contains ≤ 1.1 grams of saturated fat per 100 Calories, an improvement of 10% over the past three years. Pepsi Zero Sugar (known as Pepsi MAX and Pepsi Black in some markets) is available in 118 global markets and our Baked product line of savory snacks is available in 27 markets.
- PepsiCo offers more choices to help meet consumer demand for flavor and convenience as part of a balanced diet, through acquisitions and partnerships. In early 2021, PepsiCo joined with Beyond Meat, Inc. to launch The PLANet Partnership and expanded our portfolio in 2020 with BFY Brands.
- In 2020, multiple PepsiCo brands supported people and communities impacted by the COVID-19 pandemic.

People



PepsiCo is helping to build diverse, equitable and inclusive workplaces, and investing to support prosperity in local communities:

- As COVID-19 spread throughout the world in 2020, PepsiCo took proactive steps, grounded in science, to protect the safety of our products, care for our more than 290,000 associates and their families and to deliver support to communities in need.
- In 2020, we announced our Racial Equality Journey commitments, including increasing diverse representation within our company and a commitment to invest more than \$570 million over the next five years to support Black and Hispanic businesses and communities.
- We pledged \$100 million by 2025 to support workforce readiness for women. Since 2016, we have reached over 25.7 million women and have invested \$64.7 million toward this ambition.

Our Progress Highlights

For additional information, please refer to the [PepsiCo 2020 Sustainability Performance Metrics sheet](#).

87%

of our packaging is recyclable, compostable or biodegradable (RCB), as we work toward our goal of 100% RCB by 2025



Since 2018, PepsiCo and The PepsiCo Foundation committed to invest

\$65M+

in global recycling partnership initiatives to elevate recycling rates and waste collection



global markets now offer a PepsiCo product in **100% rPET packaging**

22



In 28 countries, we achieved

100%

sustainably sourced direct-sourced crops (potatoes, whole corn, oats and oranges)



We achieved

100%

Bonsucro certified sustainable cane sugar



We achieved more than

99%

palm oil physically certified by the Roundtable on Sustainable Palm Oil (RSPO)



In 2020, we replenished in excess of

3.2B

liters of water into local watersheds working in collaboration with local and internal partners and stakeholders



Delivered safe water access to

55M+

people, progress toward our goal of reaching 100 million people with safe water by 2030



Improved operational water-use efficiency by

15%

in high water-risk areas, making progress toward our goal of a 25% reduction by 2025



Our Progress Highlights

For additional information, please refer to the [PepsiCo 2020 Sustainability Performance Metrics sheet](#).

As of 2020, women and men currently earn within 1% of each other and women hold

41%

of our manager positions worldwide



Doubled down on our science-based climate goal in early 2021, targeting a reduction of absolute GHG emissions across our value chain by more than

40%

by 2030



Reduced our absolute GHG emissions across our value chain by

5%



As of 2020, we met nearly

60%

of our current global electricity needs from renewable sources



In 2020, together with The PepsiCo Foundation, we committed to investing

\$570M+

over the next five years to support Black and Hispanic businesses and communities, address issues of inequality and create opportunity



As of 2020,

71%

of our foods portfolio volume in our top 23 foods markets met our 2025 saturated fat reduction target, progress toward our goal of 75%



Together with The PepsiCo Foundation, we invested over \$71 million in COVID-19 relief globally and provided over

145M

meals to communities and families impacted by COVID-19 in 2020



As of 2020,

48%

of our beverage portfolio volume in our top 26 beverage markets met our 2025 added sugars reduction target, progress toward our goal of 67%



As of 2020,

64%

of our foods portfolio volume in our top 23 foods markets met our 2025 sodium reduction target, progress toward our goal of 75%



Milestones

In 2006, PepsiCo started on a journey to transform the way we do business with the fundamental belief that the success of our company is inextricably linked to the sustainability of the world around us, and each year we continue to make valuable progress.



2006

Launch of Performance with Purpose, integrating sustainability into our daily business operations



2009

Naked Juice first U.S. brand to transition to 100% rPET bottles



2017

1st Demonstration Farm opens in India; in 2020, more than 350 farms are testing and sharing best practices around the world



2013

Sustainable Farming Program (SFP) launches; as of 2020, nearly 87% of direct crops are sustainably sourced worldwide through SFP



2012

PepsiCo wins prestigious Stockholm Industry Water Award



2010

Our first all-electric delivery trucks hit the road



2018

PepsiCo acquires SodaStream, #1 sparkling water brand in the world by volume, with the potential to avoid 78 billion single-use plastic bottles by 2025



2019

PepsiCo receives Climate Leadership Award



2020

PepsiCo achieves shift to 100% renewable electricity in U.S. direct operations

PepsiCo exceeds safe water access goal 5 years early, delivering access to safe water to more than 55 million people to date since 2006



2021

PepsiCo announces a 2030 goal to spread regenerative agriculture practices across 7 million acres, estimated to eliminate at least 3 million tons of GHGs

PepsiCo set an ambitious new target to achieve net-zero emissions by 2040, one decade earlier than called for in the Paris Agreement

Read the full 2020 PepsiCo Sustainability Report [online >>](#)

FORWARD-LOOKING STATEMENTS

This PepsiCo, Inc. Sustainability Report Summary contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "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.

