

REJ Black Initiative Progress Update



A Message from CEO Ramon Laguarta,

At PepsiCo, we have long recognized that our company is strongest when we embrace the full spectrum of humanity and create a diverse, equitable, and genuinely inclusive space. As one of the largest food and beverage companies in the U.S., we have a responsibility and a unique opportunity to leverage our size and scale to help address the systemic inequities that persist in communities of color and catalyze the transformative change required to build a more sustainable future.

In June 2020, we launched our [Racial Equality Journey \(REJ\)](#) — an initiative to elevate diverse voices within our company, our supply chain partners, and our communities whilst helping to dismantle longstanding racial barriers for Black Americans. We committed to investing more than \$400 million over five years to increase Black representation at PepsiCo, support Black-owned businesses, and create economic opportunities in those communities.

To build on the progress made since 2020, we also recently created the Multicultural Business and Equity Development Organization as part of our efforts to help address inequalities for historically excluded people and underserved businesses and communities. Led by one of our top executives, Derek Lewis, this new organization will operate across our North America beverage and convenient foods businesses to scale our work more quickly in communities, both inside and outside our company.

As we mark the second anniversary of the launch of our REJ Black Initiative, I'm proud to share the measurable progress we have made across our three pillars: **People, Business, and Communities.**

Since last year's [annual update](#), our progress includes the following: increased Black representation and added more Black associates to our executive ranks, grew our overall investment in Black-owned restaurants, further increased our spend with Black-owned suppliers, and expanded the reach of our community college scholarship programs from 11 cities to 20 cities across the U.S.

These efforts complement the important REJ initiatives underway in a variety of our markets, including Brazil's, Canada's and South Africa's investments to uplift Black communities, our Europe sector's partnership with the European Network Against Racism, and APAC's First People initiative, which continue to make an impact to support historically marginalized communities around the world.

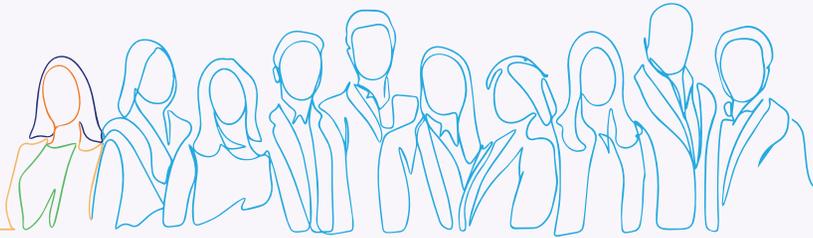
I am proud to say PepsiCo remains steadfast in its commitment to diversity, equity, and inclusion, and I am even more proud of our associates and partners in helping us advance this critical agenda. But we must remember that whilst we've made strides on this journey, there are many more miles to cover, so let's remain focused and work together to continue progressing toward our goals.

—Ramon Laguarta

PepsiCo Chairman of the Board of Directors
and Chief Executive Officer



PEOPLE



We have accelerated our efforts to progress toward our goal to increase our Black managerial population to 10% of our workforce and add 100 Black associates to our executive ranks by 2025, mirroring the workforce availability of the communities where we operate.

As of Q1 2022, our Black managerial representation is up to

8.4%

(+.4%, Q1 2021)

including adding

22

more associates to our executive ranks this year to our executive ranks.

We are expanding our coaching and professional skills development programs to enable further professional and personal growth, and career advancement.

Through our **BOLD** (Breakthrough Organizational Leadership Development) program - a six-month executive developmental program -

BOLD

82 Black managers and their direct managers have completed the program.



We've accelerated our engagement and recruitment of **diverse talent** through our U.S. Campus program, resulting in an increased acceptance rate from Black students at Historically Black Colleges and Universities (HBCUs). This year, our "**Campus to Corporate**" HBCU preparatory program and other engagements have contributed to hiring

233 Black interns from colleges and universities across the country.

As we continue to build more inclusive leaders,

12,000+

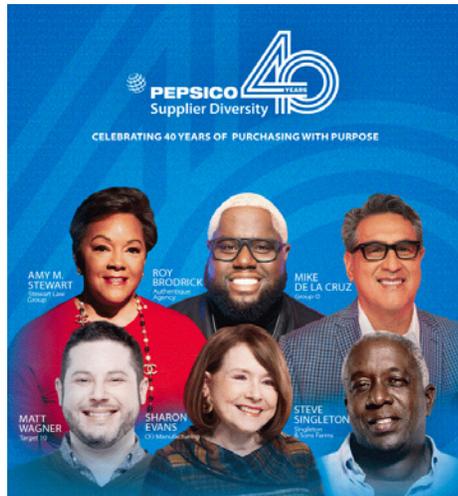
PepsiCo associates across North America have completed our **Inclusive Leadership Training**, facilitated by diversity experts.



BUSINESS

We're making important progress toward our goal of investing \$50 million over five years to strengthen Black-owned businesses. To date, Pepsi Dig In, inclusive of the PepsiCo Foundation's Black Restaurant Accelerator have invested **\$22.3** million in funding for Black-owned restaurants.

We're delivering against our commitment to more than double our spending with **Black-owned suppliers**, including marketing agencies and professional services.



We have spent more than **\$241** million with Black-owned suppliers, trending positively toward our 2025 goal.

We've also focused our efforts on diversifying our marketing supplier spend which resulted in adding new Black-owned agencies to our roster and increasing our spend with existing agencies.

BLACK RESTAURANT ACCELERATOR

The Black Restaurant Accelerator (BRA), the PepsiCo Foundation's joint initiative with the National Urban League, achieved a milestone of providing grants to its first **100** of its **500** Black restaurateurs' 2025 goal in **11** cities across the U.S.

The grants have saved or created more than **60** jobs,

enabled business expansion with new locations, and drove business growth through upgrading or procuring delivery vehicles, investing in kitchen equipment, and establishing digital platforms to reach more consumers.

In addition to achieving this milestone with its first 100 grant recipients, BRA has supported **400** more Black-owned restaurants by providing business-building support, including:

2,300 counseling and training sessions, helped provide access to approximately

\$1.6 million of financing and contract opportunities, and created **14** new business ventures.



C.D. Glin, Global Head of Philanthropy & VP the PepsiCo Foundation, Marc Morial, CEO The National Urban League, Julie and Vance Vaucresson, founders of Vaucresson Creole Café & Deli

A shining example of how BRA has positively impacted grant recipients, **Vaucresson Sausage Co.** – which has operated throughout three generations in New Orleans' historic 7th Ward since 1899 and is the last remaining food vendor to have served the inaugural New Orleans Jazz & Heritage Festival – will expand its operations with Vaucresson Creole Café & Deli. This business expansion builds on a century and a quarter of New Orleans' Creole tradition.

BUSINESS (cont'd)



Our multi-faceted **Pepsi Dig In** platform continues to strengthen Black-owned businesses with access to business-building resources, such as Black Restaurants Delivered, and innovative initiatives to drive visibility and sales.

Pepsi Dig In created the inaugural **Dig In Day** in November 2021, to celebrate Black-owned restaurants and chefs across America. We collaborated with James Beard Award-winning Chef JJ Johnson, owner of FIELDTRIP. Together, creating immersive experiences for food-lovers across the country with our signature Pepsi Dig In food trucks and tailgate events.



Chef JJ Johnson

Over **50+** corporate partners galvanized to participate, integrating employee appreciation through catering from or promoting local Black-owned establishments, ultimately driving sales.

A result of leveraging an award-winning Black female-owned agency for brand development strategy, **P.E.A.R.L. (Prosperity, Empowerment, Access, Representation, Leadership) Pledge**, is now a multi-year program focused on championing the empowerment and success of women and girls across the country.

Pearl Milling Company selected **14 organizations to receive grants** ranging from **\$25,000 to \$100,000** to help fund programs that support the P.E.A.R.L. Pledge mission, in its inaugural year.



On Mother's Day weekend, Pepsi Dig In was a premiere partner for Mary J. Blige's first ever **Strength of a Woman Festival**, in Atlanta. In partnership with Celebrity Chef Carla Hall, Pepsi Dig In debuted the new **Restaurant Royalty** campaign, encouraging food lovers to nominate their favorite Black-owned restaurant. As part of the festival, Pepsi Dig In spotlighted Black woman-owned businesses - Slutty Vegan, Fowl Play, Lazy Foodie, and Cookie Society.



Chef Carla Hall



BUSINESS (cont'd)

We're increasing the participation of Black voices in marketing content and creative.

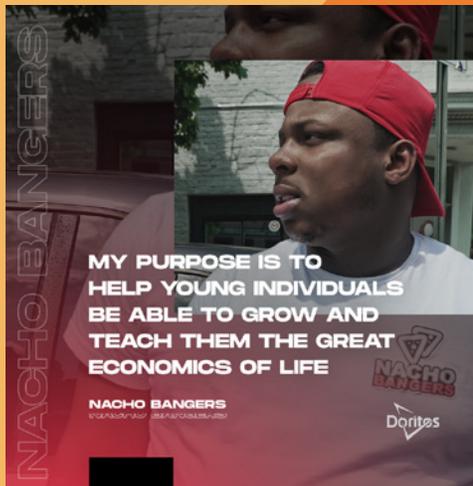
Doritos® launched **Solid Black**, a new multi-platform initiative designed to bolster the voices of Black innovators and creators, and provide them with resources to continue driving change. In the summer, Doritos introduced its inaugural class of Changemakers who received

\$50,000

in monetary support and spotlighted them across all of its public channels.



Pepsi created an advertisement celebrating HBCU culture, **"The Halftime Game,"** which encapsulated the excitement of storied HBCU band culture during one of the biggest football games of the 2021 season. The top-ranking HBCU bands featured were Florida A&M University (FAMU) "Marching 100" and Jackson State University (JSU) "Sonic Boom of the South." This commercial, built on Pepsi's efforts to foster Black talent, joins the **"She Got Now" Allen McKellar Jr. Internship Program** for HBCU female students; a \$100,000 donation for Hampton University's Marching Band to perform in its first Macy's Thanksgiving Day Parade; and the **MTN DEW Real Change Opportunity Fund**, which awards HBCU students \$1 million to fund startups.



One of the Changemakers spotlighted was Eric Williams, founder and owner of Nachos Bangers, a one-of-a-kind restaurant inspired by Mexican cuisine that is giving back to the city of Baltimore by partnering with organizations that provide pathways for entrepreneurship, financial empowerment, and social justice.

With Carlos "Kaito" Araujo, a 24-year-old celebrity filmmaker and photographer, directing, and H.E.R., Grammy and Academy Award -winning artist, narrating, Frito-Lay partnered with REVOLT to launch its **#joyFULLYBlack campaign**, a project designed to celebrate the Black joy-filled moments in communities across the U.S.



COMMUNITIES

We've reached a milestone in our plan to expand our reach in more cities across the U.S. to support two-year/trade certificate Community College scholarships (Uplift Scholarship) and establish scholarship support for students transitioning from 2-year to 4-year programs (S.M.I.L.E. Scholarship).

We've expanded our Uplift Community College Scholarship program from reaching students in 11 cities to having dispersed funding for nearly **1,800** scholarships across **20** cities.



Scholarship recipients include Ivan Woodard, a native of Fayetteville, North Carolina pursuing a Python Certification; and Shavonna Cross, a supply chain technician enrolled in the logistics program at Delgado Community College to further her career.

Our S.M.I.L.E. (Success Matters in Life & Education) initiative has awarded scholarships to

25 Black students to help them transition from 2-year to 4-year colleges and universities. Granted up to \$25,000/year for mentorship and guidance on financial wellness, recipients include students at Columbia University, the University of Texas at Austin, the University of Illinois at Urbana-Campaign, and Baruch College.



We launched Pathways to Readiness and Empowerment Program (PREP) Stronger Together in partnership with leading community organizations, investing more than \$5 million to put nearly 3,000 young people from Chicago's South and West Sides on the path to high-quality careers over five years.

PREP has dispersed more than

\$500,000

of that investment in **10** strategic impact programs benefitting more than

160

young people across Chicago's south and west side.



COMMUNITIES (cont'd)

We are building on our \$1 million investment to create opportunities for underserved communities through sports and job readiness programs.

Our Team of Champions initiative is in its second year -- a national purpose platform that builds on our global UEFA Champions League partnership to improve access to soccer in underserved communities, including Black youth. The initiative has benefitted more than

9,000

athletes and coaches in the first year, including educational opportunities to refine and optimize their leadership skills. Among other support areas, we provided the opportunity for various teams in competitive tournaments. For example, The Spartan Wolves (Inglewood, CA) sent all seven teams to the California State Cup, a regional tournament that gives players higher visibility to college scouts; and Future Soccer Club (Lanham, MD) sent four teams to the D.C. Cup, a prestigious East Coast College Showcase.



Year **2** in our
5-year journey,
and we are continuing
to make progress.

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