

REJ Hispanic Initiative Progress Update



Our company has long understood and embraced the value of diversity, equity and inclusion, both for our business and our society. Guided by our pep+ commitment to catalyze positive change for people and the planet, we recognize our unique opportunity to use our size and scale to drive meaningful and transformative change far beyond our walls.

In 2020, we launched our U.S. [Racial Equality Journey](#) by committing more than \$570 million over five years to increase Black and Hispanic representation at PepsiCo, support Black and Hispanic-owned businesses, and help create economic opportunities in those communities.

As we mark the second anniversary of the launch of our Hispanic Racial Equality Journey, I am proud to share some of the measurable progress we have made across our three strategic pillars: People, Business, and Communities.

Since last year's [update](#), our progress includes the following: increased our Hispanic representation at the manager level to 9.6% - including adding more than 30 Hispanic associates to our executive ranks from our 2020 baseline - leading us closer to our 2025 goal of 10% to mirror the workforce availability of the communities where we operate; grew our overall investment in Hispanic-owned businesses, further increased our spend with Hispanic-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 impactful initiatives underway in a variety of our markets around the world to uplift historically marginalized communities, including Brazil, Canada 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.

This success is a testament to all of our associates. I am so proud of the way our team has embraced our individual and collective responsibility to help build a more sustainable future for PepsiCo, our partners, and the communities we serve. But let's remember, whilst we've made important strides on this journey, we must remain focused on the miles ahead, working together to achieve our goals.

Thank you for your ongoing support, and I look forward to continuing our journey together in the years to come.

— **Ramon Laguarda**
PepsiCo Chairman and CEO



PEOPLE

Increasing Hispanic Representation at PepsiCo

We are on track to achieve our goal and increase our Hispanic managerial population to **10% of our workforce** and **add 50 Hispanic associates to our executive ranks by 2025** to mirror the workforce availability of the communities where we operate.

As of Q2 2022, our Hispanic managerial representation is up to

9.6%

(+1 ppt* vs. Q2 2021), trending positively toward our 2025 goal of 10%. Additionally, in the past year, **we have added 31 more Hispanic associates to our executive ranks**, exceeding the goal we set in 2020 to add 50 Hispanic associates to our executive ranks (baseline 2020).

* ppt = percentage point



Providing Our Hispanic Associates with Access to Professional Training Opportunities

In 2020, we launched a **six-month executive developmental program** for Hispanic and Black managers, titled **BOLD** (Breakthrough Organizational Leadership Development) to enable growth and career advancement.

To date, **68** Hispanic managers and their direct managers have completed the program.

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.



Accelerating Recruitment of Diverse Talent

Our Kickstart program – PepsiCo’s signature Sophomore summer internship – now in its second year, aims to identify and provide opportunities to diverse talent earlier in the college process. This year, we hosted **60 students**, for a **5-week virtual leadership development program**.

BUSINESS

Unlocking Greater Economic Opportunity Through Our Juntos Crecemos Platform



Juntos Crecemos (Together We Grow), is a multi-faceted platform that aims to support restaurants, bodegas and carnicerías (meat markets) across the U.S. The Juntos Crecemos platform is part of our \$50 million, five year commitment to support Hispanic-owned businesses.

Juntos Crecemos has supported **500+** Hispanic-owned businesses across the U.S. to date with marketing and safety essentials resulting in these stores outpacing peers in most markets.

HISPANIC DIGITAL & DELIVERY PROGRAM

Small business owners participating in Juntos Crecemos have access to the **Hispanic Digital & Delivery Program**, a customized eight-week consultation curriculum focused on enhancing online presence, delivery logistics, online ordering and marketing practices.

We have supported **76** Hispanic-owned business locations to date.

As part of the Juntos Crecemos platform, the PepsiCo Foundation launched the **IMPACTO Hispanic Business Accelerator**, which will provide \$10 million **over five years to help 500 Hispanic-owned small food and beverage businesses** impacted by the pandemic in 13 U.S. cities.



IMPACTO has provided **\$2 million** in grants and business coaching to **150 food and beverage businesses across 13 cities.**



“[Juntos Crecemos] has truly been a life changer for me. A year ago, I was afraid to use my voice or even knock-on doors and now I’m so hopeful and motivated to keep growing the business and within the community.”

- Nayomie Mendoza,
Cuernavaca's Grill,
Los Angeles

During Women’s History Month, we launched a national visibility campaign, **Jefa-Owned** (owned by a Latina Boss), to encourage women-owned food and beverage small businesses to apply for personalized business building support services.

Jefa-Owned campaign drove **120+** new applicants for the Juntos Crecemos Hispanic Digital & Delivery Program.



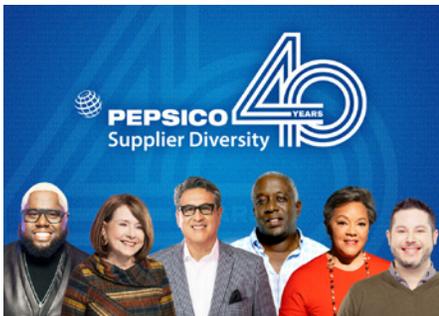
PepsiCo leaders joined Latina business owners for the Nasdaq Opening Bell Ceremony, to unveil the first-ever Jefa-Owned neon sign.



“Latinas are a powerful economic force in the U.S., creating businesses at a rate six times the national average...Having each Latina business owner turn on her Jefa-Owned neon sign is a testament to their entrepreneurial achievements, their resilience, as well as the important role they play in the U.S. economy.”

- Esperanza Teasdale,
Vice President & General Manager,
PepsiCo Multicultural Business Unit

BUSINESS (cont'd)



Celebrating 40 Years of Our Supplier Diversity Program

We're delivering against our commitment to fortify our investment with Hispanic-owned suppliers. In 2021 alone, PepsiCo's Supplier Diversity Program spent

\$250 million+ with Hispanic suppliers.

We continue to focus on diversifying our marketing supplier investment, which resulted in adding new Hispanic-owned agencies to our roster and increasing our spending with existing agencies.



Strengthening our Cultural Relevance Through Brand-Led Purpose Initiatives

Cheetos and Bad Bunny are teaming up for the third consecutive year to support Hispanic communities across the U.S. and Puerto Rico through the **Deja tu Huella (Leave Your Mark)** campaign, with the launch of the **\$500,000 Deja tu Huella Fund.**



Part of a long-standing commitment to celebrating the Hispanic community, Rockstar Energy Drink launched a new campaign, **Poder Para Mi Gente (Power for My People)**, a platform designed to empower a new generation of hustlers who work hard to give back to their local communities. This first-ever Hispanic equity campaign for the brand spotlights young Hispanics inspired by their heritage and embodies Rockstar Energy's hustle mentality.

Pepsi Stronger Together and Grammy-nominated recording artist, entrepreneur and philanthropist Fat Joe are teaming up, in partnership with **Gamesa Cookies**, to create a bigger stage for aspiring musicians and artists - by launching their first national scholarship search. The program aims to support underserved multicultural youth nationwide inviting students to apply for one of four

\$25,000 scholarships toward education in music and arts.



This year, in partnership with the **United Negro College Fund (UNCF)**, Frito-Lay launched one of the largest scholarships in its history. The

\$500,000 in need-based scholarships will be awarded to 100 Black and Hispanic students across 10 U.S. cities to help reduce financial barriers and further enable Black and Hispanic students to attend college.



COMMUNITIES

PepsiCo is investing \$40 million to provide financial support, mentoring, and opportunities for work experience to aspiring and graduating Hispanic and Black community college students through its Community College Scholarship Program.

Uplift Community College Scholarship

We've expanded the PepsiCo Foundation's Uplift Community College Scholarship Program, which supports two-year and trade certificate

Community College scholarships, **dispersing funding for nearly 1,800 scholarships across 20 cities.** One of the scholarship recipients, Yvonne Herrera, is pursuing her Associate in Applied Science Degree in Logistics and Management at Palo Alto College.



"I am overjoyed to have been chosen to receive this scholarship. Since being laid off when the pandemic hit, I thought it was the worst thing that could happen to me. I decided to take advantage of the shutdown and earn a degree for the first time in my life. When I graduate, I hope to work for a great company and live a much better life with less financial struggle. This scholarship will allow me to continue my education at Palo Alto without worrying about paying a bill or minimizing our food intake to pay for school. This is a beautiful gift."

- Yvonne Herrera

S.M.I.L.E. (Success Matters in Life & Education)

The PepsiCo Foundation S.M.I.L.E scholarship and professional mentoring program aims to increase diverse representation in high demands fields by providing financial support for Black and Hispanic community college students transitioning to a 4-year institution.



In its second year, the program has **awarded scholarships to 25 new students.** In addition, **96%** of our 2021 class of S.M.I.L.E. scholars **are continuing with their next year of undergraduate education.**

Expanding Summer Opportunities for Chicago's Youth

Our **Pathways to Readiness and Empowerment Program (PREP)**, in partnership with leading community organizations, is investing \$5 million+ over 5 years to put nearly 3,000 young people from Chicago's South and West Sides on the path to high-quality careers. This summer, free learning and career development opportunities were offered to Black and Hispanic youth throughout Chicago at inspiring locations like The Field Museum of Chicago. Opportunities included laboratory visits, in-person job shadowing with food & beverage industry professionals, civic leadership career exploration, paid internships and more.

To date, PREP has dispersed **\$500,000+** to **10 strategic** impact partners and **benefited 200+ youth.**



COMMUNITIES (cont'd)

Creating Opportunities for Underserved Communities

PepsiCo Team of Champions is a national purpose platform providing the gift of the game to underserved and underrepresented soccer communities across the United States. **The \$1 million commitment over three years** is making actionable investments on and off the field to help create transformational change for Hispanic and Black youth, with an additional focus on recruiting more women-athletes to the sport.



Team of Champions has been able to **impact over 19,000 athletes and coaches** in the 2021 and 2022 programs combined.

Funds from the 2022 program have helped **16 organizations pay for player registration fees, tournament travel expenses, education, equipment and uniforms.**



In 2022, **20 student-athletes** have been supported through the ACCESS U Foundation with two-year **college recruiting mentorship program.**



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“The ‘Team of Champions’ is symbolic of PepsiCo’s commitment to drive long-term change and address systemic barriers in these underserved communities. Soccer is the most popular sport in the world, and the commitment made by our brands Lay’s, Pepsi and Gatorade through this program has had a measurable impact on Hispanic-owned and Black-owned soccer clubs, programs and businesses in the United States.”

- Antonio Escalona,
SVP & GM, Hispanic Business Unit,
PepsiCo Foods North America

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

Discover more at pepsico.com

