Underpinning the strategic pillars of our sustainable packaging strategy is broad engagement with other stakeholders in an effort to collectively drive change. We develop collaborative relationships within and across all three of our pillars: reduce, recycle and reinvent. These initiatives range from our work to build infrastructure around the circular economy to consumer awareness and education programs to research initiatives around innovative technologies and materials. Additionally, PepsiCo engages on this issue through industry coalitions, producer responsibility organizations, trade associations, community-based organizations and in dialogue with policy makers to advocate for and work towards creating a circular economy.

Collaboration is key to driving sustainable change in the packaging value chain. Due to the breadth of our global, regional and local initiatives, we cannot list every initiative in all markets and focus here on a representative sample of our work and support for collaboration.

We Are Working To Build Relationships Across The Globe To Help Increase Recycling Reduce, Recycle & Reinvent Partnerships THE WE Marka. Organizations Referenced in Map* Cross-cutting Cross-cutting Innovation National and Regional Multinational Partners **Partnerships Partnerships** Circular Economy for Flexible Packaging Bioplastic Feedstock Alliance - Global (CEFLEX) - Europe Circulate Capital - Southeast Asia Consumer Goods Forum (CCF) - Clobal Pulpex - Global Closed Loop Fund - USA New Plastics Economy - Global **ECOCE** - Mexico Every Bottle Back - USA Latitud R - Latin America The Recycling Partnership (TRP) - USA WE CARE - India The UK Plastics Pact - United Kingdom Due to the breadth of our global regional and local partnerships, we cannot list every initiative in all markets and focus here on a



Cross-Cutting Multi-National Collaborations

These organizations leverage scale and resources across boundaries to address complex packaging issues and improve infrastructure, transform the value chain and focus on areas of urgent need to enable a circular economy for packaging. Examples include:

- Business Coalition for a Global Treaty on Plastic Pollution: PepsiCo is a member of the <u>Business Coalition</u>, which brings together 220+ businesses and financial institutions to support the development of an ambitious, effective and legally binding UN treaty to end plastic pollution. The coalition is convened by the Ellen MacArthur Foundation (EMF) and World Wildlife Fund (WWF), in collaboration with aligned businesses and supported by strategic NGO partners.
- Circulate Capital: The PepsiCo Foundation is the founding investor in <u>Circulate Capital</u>'s Ocean Fund, which invests in solutions aiming to reduce ocean plastic pollution in South/Southeast Asia. The fund, created with P&G and Danone, among other participants, finances initiatives that aim to improve on waste collection and processing. With \$165 million of total assets under management, Circulate Capital is the largest impact investment firm dedicated to fighting plastic pollution and advancing the circular economy in South and Southeast Asia.
- Consumer Goods Forum (CGF): PepsiCo is a member of the <u>Consumer Goods Forum</u>, a global industry network working to support *Better Lives Through Better Business*. CGF brings together retailers and manufacturers in an effort to address key problems such as plastic waste, fostering success through collective action.
- New Plastics Economy: PepsiCo is a founding member of the EMF's New Plastics Economy. This global initiative brings together industry, government, non-governmental organizations, scientists and students with the goal of creating a circular economy for plastics, starting with packaging. PepsiCo is also a signatory of EMF's Global Commitment.

Cross-Cutting National & Regional Engagements

With focus in specific geographies and regions, these organizations also leverage scale and resources with broad focus on solving urgent packaging issues from improving infrastructure, increasing funding and driving local education to reduce packaging waste in their focus region. Examples include:

- Circular Economy for Flexible Packaging (CEFLEX): <u>CEFLEX</u> is a collaborative initiative of companies, including PepsiCo, and associations focused in Europe representing the entire value chain of flexible packaging. Their mission is to integrate flexible packaging into the circular economy through system redesign.
- Closed Loop Partners: We are a founding partner of the <u>Closed Loop Infrastructure Fund</u>, which catalyzes co-investments to support circular economy supply chains, including through improved curbside recycling infrastructure and materials processing. Additionally, PepsiCo Beverages North America committed to invest a total of \$15 million in Closed Loop Partners' Leadership Fund, as well as \$35 million in the Local Recycling Fund, an innovative circular economy initiative to advance new small-scale, modular recycling systems in communities across the U.S. The fund aims to increase recycling in areas with no or limited access to recycling, reducing waste and unlocking a new supply of recycled plastic (rPET), among other valuable materials, to support our pep+ sustainable packaging goals.
 - PepsiCo also co-founded the Closed Loop Composting Consortium, which aims to use multiple disintegration and consumer-facing learning projects to build a roadmap for investment in technologies and infrastructure to address the growth in production of compostable food packaging in the U.S.
 - Building on this initial investment in Closed Loop's Center for the Circular Economy, PepsiCo joined the NextGen Cup Consortium as a Sector Lead to address single-use foodservice packaging waste by advancing the design, commercialization and recovery of packaging alternatives. Both of these initiatives reflect our efforts to develop pre-competitive solutions to industry-wide challenges around both compostable packaging and reuse systems.



- ECOCE: ECOCE was created as a non-profit consortium with the objective to increase collection and recycling rates of post-consumer packaging waste in Mexico. The group was created to develop PET's value chain with the aim of creating a closed loop, bottle-to-bottle system. ECOCE has now expanded to recover various other materials including flexible films. PepsiCo is a funding participant of the organization.
- Every Bottle Back: Every Bottle Back is a 10-year effort by PepsiCo, The Coca-Cola Company, and Keurig Dr Pepper (KDP), through the leadership of the American Beverage Association, to marshal the equivalent of nearly a half-billion dollars to reduce the beverage industry's plastic footprint in the United States. The focus of the initiative is on supporting the modernization of recycling infrastructure and the education of consumers on the value of 100% recyclable plastic bottles in several regions of the USA.
- Fair Circularity Initiative: The Fair Circularity Initiative brings businesses together around the aim of ensuring the human rights of workers within the informal waste sector are respected and their role in circular value chains is recognized. The Fair Circularity Principles apply the expectations and responsibilities outlined in the UN Guiding Principles on Business and Human Rights specifically to the informal waste sector. PepsiCo is a founding member of the initiative.
- LatitudR: LatitudR's purpose is to contribute to the development of inclusive recycling systems to
 promote economic, social and environmental sustainability; support the formalization and
 improvement of the conditions of workers in the informal waste sector; and foster a circular
 economy in Latin America. Members of the program include the Inter-American Development Bank
 the AVINA Foundation, the Latin America Recyclers Association, PepsiCo Latin America, Coca-Cola
 Latin America, Dow Chemical and Nestlé. This multi-sectoral platform works in 14 countries in Latin
 America and the Caribbean, in alliance with more than 18 thousand grassroots recyclers across the
 region.
- The Recycling Partnership (TRP): PepsiCo has been a Funding Partner of TRP since 2016. TRP is a national not-for-profit organization whose mission is to advance a circular economy by building a better recycling system. TRP leverages public-private partnerships to support residential home bin placement, consumer education, recycling and consumer behavior research, and policy guidance.
- WE CARE: In India, we formed a consortium of industries to conduct a pilot project, WE CARE (waste efficient collection and recycling), aiming to recover, segregate, and manage post-consumer multi-layer packaging (MLP) waste. The pilot demonstrated that businesses' collective action to recover, segregate and generate energy from MLP waste is feasible; the collected waste was used as fuel to generate electricity at municipal waste-to-energy plants, co-processed in cement-kilns, and used to form fiberboard for furniture making. Other members of the consortium are Nestle, DS group, Dabur, and Petfetti Van.
- Regional Plastics Pacts: In April 2018, we became a signatory of the <u>U.K. Plastics Pact</u>. Since then, we have also joined Plastics Pacts in France, South Africa, and Australia/New Zealand. By bringing together the entire plastics value chain behind a common set of ambitious targets, they can help move us towards a vision which keeps plastic in the economy and out of the environment. The pact encompasses innovation, research and new business models to rethink and redesign what packaging we put on the market in the first place, and how we can encourage more re-use of packaging.

Innovation partners

These organizations are looking at new ways to solve packaging challenges across all three of our pillars: reduce, recycle and reinvent. Examples include:

Bioplastic Feedstock Alliance: As research moves forward on bio-based plastics, we aim to be part
of the solution to source these materials responsibly. To this end, PepsiCo joined the <u>Bioplastic</u>
<u>Feedstock Alliance</u>, a multi-stakeholder alliance convened by the World Wildlife Fund, which works to
improve awareness around the environmental and social impacts of sources for bioplastics.



Pulpex Limited: In 2020, PepsiCo joined Pulpex, a consortium of global consumer goods companies, including Unilever and PepsiCo, working to develop and scale the world's first renewable, recyclable, and biodegradable packaging paper bottle, initially developed by Diageo and Pilot Lite. We are making progress in solving the many technical challenges of a paper bottle for beverages, with some challenges like product shelf life being extremely complex, and so it takes more time to find the right solution. However, we are working with the right technology development leaders and have built considerable capability in paper bottle testing and evaluation.

