

PEPSICO'S CLIMATE ACTION STRATEGY

The realities of climate change are increasingly disrupting the food system, and as a global food and beverage leader, PepsiCo has a responsibility to be a positive force to address and manage this trend. PepsiCo's climate action strategy is centered around both **MITIGATION**, reducing greenhouse gas emissions (GHG) to decarbonize its supply chain, and **RESILIENCE**, reducing vulnerabilities to the impacts of climate change by incorporating climate risk into business continuity plans.



MITIGATION: HOW WE'LL GET THERE



Further **SCALE** sustainable agriculture and regenerative practices



REDUCE virgin material use, increase recycled materials like rPET and use low-carbon alternatives or renewable materials



DEVELOP sustainable manufacturing, warehousing and distribution



SHIFT to renewable electricity and fuels globally

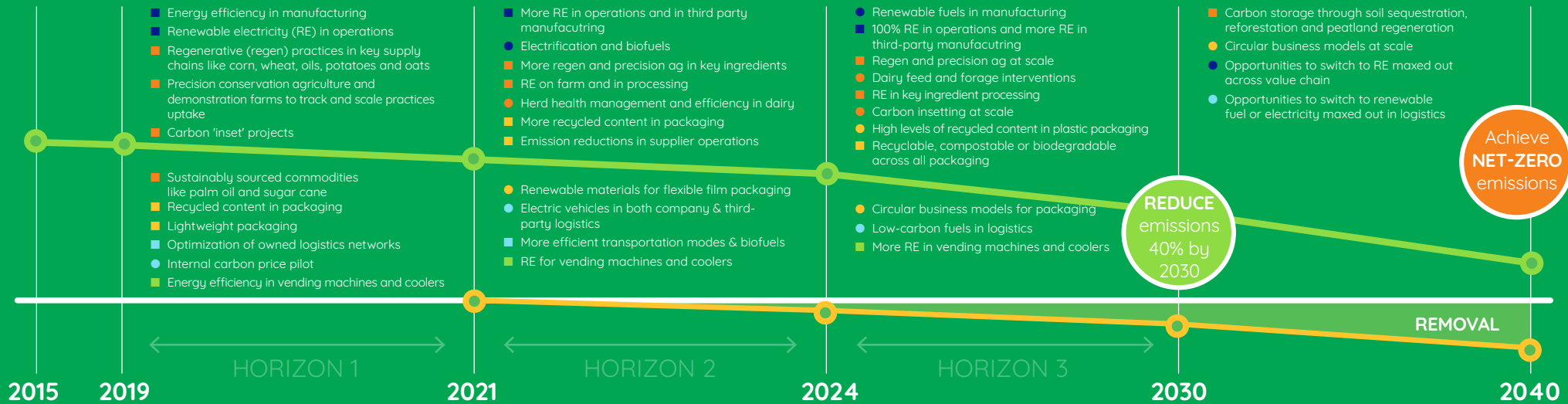
OUR NEW GOAL

- Achieve **NET-ZERO** emissions by 2040, **one decade earlier** than called for in the Paris Agreement
- REDUCE** absolute emissions across direct operations (Scope 1 and 2) by **75%** and indirect value chain (Scope 3) by **40%** by 2030 (2015 baseline)

KEY

- Owned operations and 3rd-party manufacturing
- Agriculture
- Packaging
- Transportation
- Vending and Cooling Equipment

■ Scale-able solutions available today
● Scale-able solutions needed



RESILIENCE: PLANNING FOR THE FUTURE

By assessing the risks of climate change and the opportunities that may arise from climate policy adoptions, we hope to protect vulnerabilities and be a leader in driving systemic change.



Risk: Higher temps affect crop growing cycles
Opportunity: Heat-resistant crop varieties and regenerative ag practices



Risk: Storm damage from extreme weather events
Opportunity: Enhanced business continuity plans



Risk: Coastal flooding/sea level rise
Opportunity: Planning for manufacturing footprint adjustments



Risk: Drought
Opportunity: Water security through holistic watershed solutions



Risk: Carbon tax
Opportunity: Decarbonize ahead of tax