

# 2018 PERFORMANCE METRICS

## ABOUT OUR REPORTING

Our Sustainability Reporting Suite includes multiple resources available on-line that explain our approach to help build a more sustainable food system and our progress to date.

- Our 2018 Performance Metrics Sheet lists our 2018 Sustainability goals and progress.
- This document reflects progress against our goals, as they were structured through 2018. In 2019, we refreshed our sustainability goals (see Page 6 of the [2018 PepsiCo Sustainability Report](#)). We will share our progress against these refined goals beginning in 2020.



## NEXT GENERATION AGRICULTURE



FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Sustainable sourcing	Through PepsiCo's Sustainable Farming Program (SFP), strive to sustainably source our direct agricultural raw materials by 2020	0%	24% <sup>2</sup>	51% <sup>2</sup>	100% (2020 TARGET)	
	% of directly sourced crops grown by farmers engaged through our SFP by 2020	34%	79%	99%	100% (2020 TARGET)	
	Seek to sustainably source our traceable non-direct major agricultural raw material ingredients by 2025	– <sup>1</sup>	15% <sup>3</sup>	23%	100%	
	Sustainably source 100% of our palm oil by 2020	16%	32%	52%	100% (2020 TARGET)	Progress based on volume of certified sustainable palm oil meeting RSPO standard.
	Sustainably source 100% of our cane sugar by 2020	0%	34%	58%	100% (2020 TARGET)	Progress based on volume of certified sustainable cane sugar meeting Bonsucro standard.

<sup>1</sup> Data for this time period not available

<sup>2</sup> Percentage of volume sustainably sourced and verified by a third party

<sup>3</sup> 2017 progress, which had been previously reported as 12%, has been updated as a result of additional data analysis

## POSITIVE WATER IMPACT



FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Water	Improve water-use efficiency of our direct agricultural supply chain by 15% in high-water risk sourcing areas <sup>1</sup>	- <sup>2</sup>	- <sup>2</sup>	3%	15%	High-water-risk locations defined by WRI's Aqueduct tool.
	Build on the 25% improvement in water-use efficiency achieved as of 2016 with additional 25% improvement by 2025, focusing on manufacturing operations in high-water-risk areas <sup>3</sup>	1%	2%	5%	25%	Between 2006–2015, water-use efficiency improved by 25.8% in legacy operations.
	Strive to have 100% of wastewater from our operations meet PepsiCo's high standards for protection of the environment	90%	95%	98% <sup>4</sup>	100%	
	Work to provide appropriate access to safe water, sanitation and hygiene (WASH) for 100% of our own manufacturing employees	14%	46%	92%	100%	Manufacturing locations assess their conformance against 12 criteria encapsulated in our internal WASH standard and based on World Business Council for Sustainability (WBCSD) guidance.
	Replenish 100% of the water we consume in manufacturing operations located in high-water-risk areas, and ensure that such replenishment takes place in the same watershed where the extraction has occurred	26% <sup>5</sup>	22% <sup>5</sup>	13% <sup>5</sup>	100%	Represents a decrease from our 2017 performance, due in part to the conclusion of agricultural 'fallowing' projects that delivered valuable benefits for just one season. We expect to recoup replenishment progress through projects that come online in 2019 and 2020, along with the implementation of a broader North America-wide program plan.
	Advocate for strong water governance in communities and watersheds where we operate, promoting water solutions that meet local needs	Our actions include: <ul style="list-style-type: none"> <li>Advocating for the adoption of smart water policies and regulations</li> <li>Sharing information and best practices with water stakeholders</li> <li>Supporting public education and training for consumers and communities</li> </ul>				Further information can be found at <a href="http://pepsico.com/sustainability/water">pepsico.com/sustainability/water</a>
	Initiate and support collaborative efforts with other stakeholders to address water risk and mitigate water insecurity	Examples of collaboration include: <ul style="list-style-type: none"> <li>Collaboration with 2030 Water Resources Group</li> <li>Hydro-BID project in partnership with Inter-American Development Bank, PepsiCo and PepsiCo Foundation</li> </ul>				Further information can be found at <a href="http://pepsico.com/sustainability/water">pepsico.com/sustainability/water</a>
	With the PepsiCo Foundation and its partners, work to provide access to safe water to a total of 25 million people since 2006 in the world's most at-water-risk areas, with a focus on communities near where PepsiCo works	11 million	16 million	22 million	25 million	Metric counts the cumulative number of people provided with access to safe water since 2006.

<sup>1</sup> 15% improvement target measured versus a 2015 baseline

<sup>2</sup> Data for this time period not available

<sup>3</sup> 25% improvement target measured versus a 2015 baseline

<sup>4</sup> Excludes sites with missing data which represents 1.8% of our total sites

<sup>5</sup> Each year, progress will be measured against the volume of consumed water in previous year. Replenishment benefits claimed for local activities are capped at 100% to prevent overachieving projects from inflating global progress measurements



## CIRCULAR FUTURE FOR PACKAGING

FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Packaging	Strive to design 100% of our packaging to be recyclable, compostable or biodegradable	– <sup>1</sup>	89% <sup>2</sup>	89% <sup>2</sup>	100%	
	Strive to use 25% recycled content in our plastic packaging by collaborating with our suppliers, helping to increase consumer education, fostering cross-industry and public-private partnerships, and advocating for improved recycling infrastructure and regulatory reform	– <sup>3</sup>	3%	3%	25%	
	In partnership with the PepsiCo Foundation, work to increase recycling rates			Our actions include: <ul style="list-style-type: none"> <li>▪ Educating and encouraging consumers to recycle</li> <li>▪ Partnering to increase and improve recycling infrastructure and building solutions for current and future material streams</li> </ul>		Further information on partnerships, including with The Recycling Partnership, the Alliance to End Plastic Waste and Circulate Capital, are detailed at <a href="http://www.pepsico.com/sustainability/packaging">www.pepsico.com/sustainability/packaging</a> .
Waste	Strive to achieve zero waste to landfill across all of our direct operations through efficient and responsible waste management	7%	5%	4%	<1%	

## IMPROVED CHOICES ACROSS OUR PORTFOLIO



FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Added sugars	At least 2/3 of our global beverage portfolio volume will have 100 Calories or fewer from added sugars per 12-oz. serving	40% <sup>4</sup>	40% <sup>5</sup> Top 10: 43%	44% Top 10: 47%	67%	Our global progress is based on our Top 26 Beverage markets, which represent 80% of our global beverage volume as of 2018.
Sodium	At least 3/4 of our global foods portfolio volume will not exceed 1.3 milligrams of sodium per Calorie	54% <sup>4</sup>	56% <sup>5</sup> Top 10: 55%	58% Top 10: 56%	75%	Our global progress is based on our Top 23 Foods markets, which represent 89% of our global foods volume as of 2018.
Saturated fat	At least 3/4 of our global foods portfolio volume will not exceed 1.1 grams of saturated fat per 100 Calories	66% <sup>4</sup>	61% <sup>5</sup> Top 10: 66%	61% Top 10: 66%	75%	Our global progress is based on our Top 23 Foods markets, which represent 89% of our global foods volume as of 2018.
Positive nutrition	Increase positive nutrition – like whole grains, fruits & vegetables, dairy, protein and hydration – by expanding our portfolio containing one or more of these ingredients	27.1%	27.5%	27%	> 26.6%	Metric measures products classified as Everyday Nutrition Portfolio as percentage of total PepsiCo net revenue.

<sup>1</sup> Data for this time period not available

<sup>2</sup> Prior period results for this metric have been adjusted to reflect improved calculation methodology. Currently available information excludes approximately 2% of sales volume

<sup>3</sup> Target established in 2017. Data for this time period not available

<sup>4</sup> Represents Top 10 markets. Top 10 markets represent 63% of beverages volume and 79% of foods volume as of 2016

<sup>5</sup> As of 2017, Top 26 Beverage markets represent 80% of our global beverages volume and Top 23 Foods markets represents 90% of our global foods volume

Rate by which sales growth of Everyday Nutrition products outpaces the rate of sales growth in the balance of our product portfolio	2%	2%	-2% <sup>1</sup>	- <sup>2</sup>	
Provide access to at least 3 billion servings of nutritious foods and beverages to underserved consumers and communities, through a variety of channels, and through programs supported by the PepsiCo Foundation	264 million	544 million	964 million	3 billion	Metric counts cumulative servings beginning in 2016 from the affordable nutrition business, Food for Good, and programs supported by the PepsiCo Foundation.

## CLIMATE CHANGE MITIGATION

FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Climate	Scope 1 & 2: Reduce absolute greenhouse gas (GHG) emissions by at least 20% by 2030 <sup>3</sup>	6%	11%	32%	100% (of 2030 TARGET)	Percentage for Scope 1 & 2 represents progress toward our 2030 target reduction amount.
	Scope 3: Reduce absolute greenhouse gas (GHG) emissions by at least 20% by 2030 <sup>3</sup>	1%	7%	7%	100% (of 2030 TARGET)	Percentage for Scope 3 represents progress toward our 2030 target reduction amount.

## PEOPLE & PROSPERITY

FOCUS AREA	GOAL	2016	2017	2018	2025 TARGET	COMMENTS
Human rights	Continue to advance respect for human rights in our direct operations and with our third-party suppliers: % of total company-owned manufacturing operations assessed (sites are audited on three-year auditing cycle)	50%	80%	89%	100%	These metrics represent one of the many ways we track our progress and evaluate the effectiveness of our actions in advancing respect for human rights. Please see the Human Rights section of ESG Topics on pepsi.com for more information on our human rights program and initiatives.
	% of PepsiCo associates in critical groups receiving targeted human rights training	- <sup>4</sup>	95%	100%	100%	
	% of required business critical third-party suppliers assessed in calendar year	87%	96%	99%	100%	
	% of required contract-manufacturers and contract-packers assessed in calendar year	91%	95%	97%	100%	
	% of required tier-1 palm oil and cane sugar suppliers assessed in calendar year	75%	98%	100%	100%	

<sup>1</sup> Reflects adjustments to the prior year results for divestitures and other structural changes

<sup>2</sup> Each year, rate of Everyday Nutrition sales growth outpaces rate of sales growth of rest of portfolio

<sup>3</sup> 20% improvement target measured versus a 2015 baseline

<sup>4</sup> Target established in 2017. Data for this time period not available

	Extend the principles of our Global Code of Conduct to all franchisees and joint venture partners	We established a new program for our franchisees and joint ventures that will help us assess potential impacts in those areas of our value chain. We piloted this program in late 2017 and held a series of consultations with our franchise partners and joint ventures in 2018 to discuss our shared priorities and elicit their feedback. We finalized the program's methodology in late 2018 and anticipate its initial rollout in 2019.				As part of this process, we have updated our contractual requirements for new partners to help clarify our expectations going forward and initiated a formal program to engage our franchisees and joint ventures on our human rights agenda.
	Expand our Sustainable Farming Program (SFP) across approximately 7 million acres to increase responsible agricultural practices, improve crop yields and growers' livelihoods, and advance respect for workers' fundamental human rights	- <sup>1</sup>	0.3 million <sup>2</sup>	1.2 million	7 million	
<b>Diversity</b>	Strive to achieve gender parity in our management roles	38%	39%	40%	50%	% of women in management roles.
	Strive to achieve pay equity for women	Women and men are paid within 1% of each other (base compensation) <sup>3</sup>			100%	U.S. and U.K. included in 2016 analysis. 21 countries included in 2017 analysis. 33 countries included in 2018 analysis, representing 93% of salaried population.
<b>Prosperity</b>	Benefit at least 12.5 million women and girls around the world in communities near where we work	6 million	6.4 million	10.2 million	12.5 million	Metric counts the cumulative number of women and girls receiving benefits. 12.5 million target includes the goal of enabling 1.5 million young women to progress through school and succeed in the workforce.
	Invest \$100 million to support initiatives to benefit at least 12.5 million women and girls in communities near where we work	\$6.7 million	\$14.3 million	\$27.3 million	\$100 million	Cumulative investments. These are funded by both PepsiCo and the PepsiCo Foundation.

<sup>1</sup> Data for this time period not available

<sup>2</sup> Prior period results for this metric have been adjusted to reflect currently available information

<sup>3</sup> After controlling for legitimate drivers of pay; analysis excludes frontline