2024 Calculation methodology

May 22, 2025

pep+ (PepsiCo Positive) is our strategic end-to-end transformation that places sustainability at the center of how we will create growth and value by operating within planetary boundaries and inspiring positive change for the planet and people. It is built on three pillars: Positive Agriculture, Positive Value Chain and Positive Choices, and we measure and report progress through a series of goals and accompanying metrics.

In order to accurately and consistently measure this progress, we have defined a clear and detailed methodology for calculating each metric. We believe that transparency is an important driver of trust and accountability with our stakeholders, and in that spirit, we publish this summary of our calculation methodology, intended to give a high-level view of the more detailed series of internal governance documents that are maintained by our ESG Data Governance team.

For consistency in sustainability reporting across various scenarios including mergers, acquisitions and divestitures, we have established and documented various boundaries for data inclusion, aligning with external industry standards where appropriate. Additionally, our internal data governance documentation is referenced by designated external agencies while conducting data verifications and audits.

As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as practical. When the impact of organizational changes is deemed significant on previously-reported metrics measured against a baseline, those metrics are recast to consistently reflect the impact of such organizational changes. Refer to ESG data governance for more information regarding our internal data review process.

Unless otherwise noted, PepsiCo aims to meet each goal by the end of the respective target year.

Positive Agriculture

Target metric	How we measure
Spread the adoption of regenerative agriculture, restorative, or protective practices across 10 million acres of land supporting the growth of our key crops and ingredients by 2030	**Assurance:** None **Boundary:** Farming communities and/or production areas where farms produce ingredients within PepsiCo's purchasing control **Exclusions:** Joint ventures (JVs), franchise bottlers, contract manufacturers and co-packers **Baseline:** None **Restatement from prior year(s):** None This metric captures the summation of acres of land, across all regions and value chains, that are involved in the continuous improvement journey of implementing regenerative, restorative and protective practices to improve and restore ecosystems associated with farmland. An acre is considered to be delivering regenerative agriculture impact when it is used to grow crops and when the adoption of regenerative agriculture practices results in quantified improvements on productive lands in at least two of the environmental outcome areas among soil, water, climate and the promotion of biodiversity within productive acres. PepsiCo prefers – but does not require – that climate is one impact area. An acre is considered to be contributing to nature restoration or protection when activities lead to biodiversity and ecological improvements on lands not used for agricultural production. These activities should enhance the resilience of the ecosystem in the farming landscape and the lands should remain out of agricultural production in the future. This could include demonstrating: • Improvement of converted or degraded lands to desired ecological states (improved ecosystem connectivity), • Increased areas under natural ecosystem protection, or • Increased effectiveness of protected area management. For further details, refer to PepsiCo's Regenerative Agriculture Guidelines and PepsiCo's Regenerative Agriculture Practice Bank for a comprehensive listing of practices and impact areas. PepsiCo validates regenerative agriculture status of total reported acres annually using approved reporting tools and on-the-farm data, often aggregated by a third party. Acres reported represent the annual count in each year presented based on actions undertaken.

Positive Agriculture

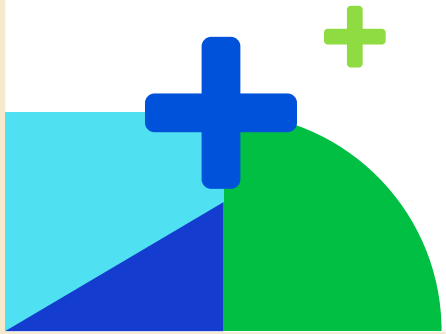
Target metric	How we measure
Sustainably source 90% of our key ingredients and progress volumes (10% or less) that face systemic barriers towards being sustainably sourced in accordance with our guidelines, by 2030	**Assurance:** None **Boundary:** In-scope ingredients and materials procured through direct and indirect purchasing models for use in wholly-owned PepsiCo manufacturing facilities **Exclusions:** Joint ventures (JVs), franchise bottlers, contract manufacturers and co-packers **Baseline:** None **Restatement from prior year(s):** Not applicable This metric measures the percentage of total in-scope key ingredient volumes that qualify as "Sustainably Sourced" and "Engaged" as defined in PepsiCo's Sustainable Sourcing Guidelines. "Sustainably Sourced" refers to volumes that have systems to comply with these principles. This framework sets forth the environmental and social impact principles and guidance for implementing and measuring progress toward PepsiCo's Sustainable Sourcing goal for both grower- and supplier-sourced crops. To determine the ingredients that fall in scope for this goal, PepsiCo uses both volume- and risk-based approaches. Ingredients are considered for inclusion based on a combination of factors, including purchased volume, social and environmental risk scores, and business criticality. PepsiCo assesses the social and environmental risks associated with growing or sourcing each ingredient, using publicly available risk indices to guide evaluation – including Maplecroft, LRQA, Yale Environmental Performance Index (EPI), World Resources Institute (WRI) Aqueduct tool, Alliance of Bioversity International and the International Center for Topical Agriculture (CIAT) Climate Resilience Platform (CRP) and review of local legislation enforcement. The use of these tools in combination is designed to put systems in place to help identify risks and take action to mitigate those risks. As of 2024, pulp and paper products previously tracked separately under PepsiCo's packaging agenda have been added to the key ingredients list and thereby to the scope of this goal. For more details on the key ingredients reflected in this metric and qualification criteria, please see PepsiCo's Sustainable Sourcing Guidelines. Key ingredients which cannot qualify as sustainably sourced due to systemic barriers but nonetheless show progress in implementing more sustainable practices are reported as "Engaged" in a supporting metric. Refer to PepsiCo's Sustainable Sourcing Guidelines for details on the "Engaged" tier.

Positive Agriculture

Target metric	How we measure
Continue to strive toward deforestation-free sourcing by 2025 and toward deforestation- and conversion-free sourcing by 2030 for high-risk commodities in our company-owned and operated activities	**Assurance:** None **Boundary:** In-scope ingredients and materials procured through direct and indirect purchasing models for use in wholly-owned PepsiCo manufacturing facilities **Exclusions**: Joint ventures (JVs), franchise bottlers, contract manufacturers and co-packers **Baseline:** None **Restatement from prior year(s):** Not applicable The 2025 metric expresses the ratio of deforestation-free (DF) procured volumes (in metric tons) to the total procured volumes in-scope (in metric tons). To determine DF status, the methodology involves assessing whether natural forests have been converted to agricultural use. PepsiCo takes a risk- and leverage-based approach to determine which ingredients and materials should be in scope. This considers the level of risk driving deforestation and/or conversion, business criticality and volumes sourced. The ingredients and materials in scope for PepsiCo's DF ambition include palm oil, fiber packaging, sugarcane, soybean oil and cocoa. The 2030 metric expresses the ratio of deforestation- and conversion-free (DCF) procured volumes (in metric tons) to the total procured volumes in scope (in metric tons). To determine DCF status, the methodology involves assessing whether natural forests and/or other ecosystems have been converted to agricultural use. This includes evaluating conversion of natural ecosystems such as peatlands and grasslands. The ingredients and materials in scope for PepsiCo's DCF goal include those listed in the DF goal above, as well as additional ingredients identified as at-risk for deforestation and/or conversion which may be reviewed for potential inclusion on an ongoing basis. There is not yet a single agreed global methodology for calculating and reporting on DCF. PepsiCo's current methodology is based on a Generic DCF Framework developed and reviewed by external stakeholders including Proforest, the Accountability Framework (AFi), CDP, Trase and others. This framework is informing the development of the DCF methodologies for industry groups such as the Consumer Goods Forum's Forest Positive Coalition (CGF FPC). The Generic DCF Framework outlines the following steps required to demonstrate production of raw material as DCF: 1. Trace back to production area at scale needed to confirm status 2. Confirm production area was not converted after the cutoff date (palm oil: December 31, 2015; sugarcane, soy, fiber, cocoa: December 31, 2020) 3. Monitor natural vegetation; respond to new deforestation and/or conversion 4. Verify the methodology, data and claims are credible and accurate The Generic DCF Framework includes five pathways to demonstrate production of raw materials as DCF, each of which includes the steps above. PepsiCo has developed ingredient/material-specific operational guidance for requirements within the pathways: • **Pathway A:** Certified under acceptable scheme and Chain of Custody • **Pathway B:** Traceable to defined area with low or negligible risk of deforestation or conversion • **Pathway C:** Traceable to production area remotely assessed as DCF • **Pathway D:** Traceable to production areas with field assessment as DCF • **Pathway E:** Sourced from supplier with DCF control mechanism Industry-aligned methodologies are under development for conversion-free sourcing for most ingredients. Once methodologies have been developed, PepsiCo will assess scope and timing of reporting on our progress toward conversion-free supply chains. Systemic challenges include limited ability to trace supply to individual farms, lack of availability of public sector initiatives to incentivize conservation of forests and other natural ecosystems, impediments to identifying areas at high risk of deforestation and conversion to prioritize action, root causes of deforestation and conversion such as poverty, lack of credibly-certified commodities in certain markets and lack of universally accepted definitions and protocols resulting in varying certifications.

Positive Agriculture

Target metric	How we measure
Improve the livelihoods of more than 250,000 people in our agriculture supply chains and supporting communities by 2030	**Assurance:** None **Boundary:** People connected to PepsiCo's agricultural supply chains including farmers, farm workers and communities **Exclusions:** None **Baseline:** Project specific, with cumulative results since 2021 **Restatement from prior year(s):** None This metric captures the number of livelihoods reached through an outcome-focused evaluation from PepsiCo's Positive Agriculture initiatives. This metric focuses on improvements in three areas: 1. Economic prosperity: profitability and relative poverty level 2. Farmer and farm worker security: food security, land rights, wages and labor practices 3. Inclusion and economic empowerment: decision-making in the field and access to and control of resources For livelihoods within a program or project to count toward this goal, the intervention must: 1. Operate in a high-risk country or target vulnerable farming communities; 2. Be associated with a current PepsiCo supply chain or sourcing region; and 3. Measure and demonstrate positive improvement in at least one primary indicator noted above. For cases in which the positive impact to the beneficiary (such as increased profitability) is expected to impact a full household, the livelihoods improved count includes the household members. Average household size is obtained from program data or the Global Data Lab average household size database. This metric is limited to programs that are active between 2021-2030 and only counts cumulative outcomes achieved during this timeframe.



Positive Value Chain: Climate

Target metric	How we measure
Achieve a 50% reduction in Scope 1 and 2 emissions by 2030 (vs 2022 baseline)	**Assurance:** Third-party limited assurance provided by Apex since 2008 **Boundary:** PepsiCo-owned manufacturing facilities, warehouses, distribution centers and offices as well as company-owned and -operated fleet, leased locations and fleet and other vehicles under PepsiCo's operational control **Exclusions:** None **Baseline:** 2022 **Restatement from prior year(s):** None A greenhouse gas (GHG) emissions inventory for Scope 1 and 2 is carried out on an annual basis, following the GHG Protocol and reflecting the scopes and boundaries outlined in the climate goals above. As the GHG Protocol and related guidance continue to evolve, our inventory accounting and methodology may change in the future. Scope 1 includes direct GHG emissions that are generated by combustion of fuels such as natural gas for company-operated facilities, diesel for our fleet and fugitive emissions from chillers and air conditioning. Fuel consumption data is collected for all PepsiCo-operated manufacturing facilities, offices, distribution centers, warehouses and fleet and multiplied by fuel type specific emission factors largely using the UK Government GHG Conversion Factors for Company Reporting (full set). When there is no fuel consumption data available for a location, estimates are made using square meter data. Scope 2 includes indirect GHG emissions arising from the purchased heat, steam, electricity or cooling consumed by PepsiCo from sources outside our operations. Scope 2 emissions occur at the point of generation, not the point of consumption. PepsiCo calculates emissions based on both the location- and market-based methodologies in line with the GHG Protocol. Performance against this metric is tracked according to the market-based methodology. Purchased heat, steam, electricity or cooling data is collected from all PepsiCo-operated facilities. Data on purchases of Energy Attribute Certificates (EACs)[1] are also collected and these come from a diversified portfolio of solutions including Power Purchase Agreements (PPAs) and EACs from existing electricity generation from renewable sources. Where EACs do not cover our purchased electricity consumption, a residual emission factor, where available, is applied to calculate Scope 2 emissions. Scope 1 and 2 GHG emission reductions are measured against the baseline year figures to determine percent change. Our strategy to achieve our 2030 emission reduction goal does not include the purchase of carbon offsets.

[1]EACs are also known as renewable energy certificates (RECs) in the U.S.

Positive Value Chain: Climate

Target metric	How we measure
Achieve a 42% reduction in Scope 3 Energy and Industry (E&I) emissions by 2030 (vs 2022 baseline)	**Assurance:** Third-party limited assurance provided by Apex for select categories since 2021 **Boundary**: As the GHG Protocol and related guidance continue to evolve, our inventory accounting and methodology may change in the future. Categories included in PepsiCo's Scope 3 E&I inventory are listed below. This goal includes emissions from those categories, absent the following exclusions. **Exclusions:** • Purchased goods and services not related to agriculture, packaging and contract manufacturing, capital goods, upstream transportation and distribution, waste, employee commuting, processing of sold products, end of life of sold products and investments • E&I emissions from small-volume commodities in agriculture purchased goods and services • Agriculture E&I emissions for PepsiCo's concentrate business • Small volume materials in packaging • Scope 3 emissions for contract manufacturing purchased services **Baseline:** 2022 **Restatement from prior year(s):** None Scope 3 E&I emissions include indirect emissions associated with the broader value chain and are not within PepsiCo's direct control. Consistent with Science Based Targets Initiative (SBTi) guidance, this metric measures Scope 3 emissions that are not related to Forest, Land or Agriculture. Scope 3 E&I emission reductions are measured against baseline emissions to calculate percent change. Where actual data is not available, estimated data is used. 12 of the 15 GHG Protocol categories are deemed relevant to the business and are included in our Scope 3 E&I emissions inventory calculations. In addition, within Category 1: Purchased goods and services, emissions related to purchases by our largest franchise bottling partners are also included. The categories included are: **Category 1:** Purchased goods and services **Category 2:** Capital goods **Category 3:** Fuel and energy-related activities (not included in Scope 1 or 2) **Category 4:** Upstream transportation and distribution **Category 5:** Waste generated in operations **Category 6:** Business travel **Category 7:** Employee commuting **Category 9:** Downstream transportation and distribution **Category 10:** Processing of sold products **Category 12:** End-of-life treatment of sold products **Category 14**: Franchises **Category 15:** Investments The remaining three categories are not deemed relevant to the business or are not required per GHG Protocol based on the products PepsiCo sells and are excluded from our Scope 3 E&I inventory calculations: **Category 8:** Upstream leased assets **Category 11:** Use of products sold **Category 13:** Downstream leased assets

Positive Value Chain: Climate

Target metric	How we measure
Achieve a 30% reduction in Scope 3 Forest, Land and Agriculture (FLAG) emissions by 2030 (vs 2022 baseline)	**Assurance:** Third-party limited assurance provided by Apex for select categories since 2021 **Boundary:** As the GHG Protocol and related guidance continue to evolve, our inventory accounting and methodology may change in the future. PepsiCo's Scope 3 FLAG goal includes emissions in our Scope 3 FLAG inventory. **Exclusions:** • FLAG emissions from small volume commodities in agriculture purchased goods and services • FLAG emissions from contract manufacturing purchased services **Baseline:** 2022 **Restatement from prior year(s):** None Scope 3 FLAG emissions include indirect emissions associated with the broader value chain and are not within PepsiCo's direct control. This metric measures emissions consistent with FLAG Science Based Target-Setting Guidance. Scope 3 FLAG emission reductions are measured against the baseline emissions to calculate percent change. Where actual data is not available, estimated data is used. Emissions and removals calculations will follow the upcoming Land Sector and Removals Standard and Guidance being developed by the Greenhouse Gas Protocol. Scope 3 FLAG emissions inventory for PepsiCo is only related to Category 1: purchased goods and services. In addition, within Category 1: purchased goods and services, emissions related to purchases by our largest franchise bottling partners are also included.
Achieve 100% renewable electricity in company-owned operations by 2030	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** PepsiCo-owned operations **Exclusions:** None **Baseline:** None **Restatement from prior year(s):** None Progress for this metric accounts for the proportion of renewable electricity consumption against total electricity consumption for company-owned operations. This includes all Scope 2 emissions associated with purchased electricity and all Scope 1 emissions associated with the generation of electricity by the company, for the company's consumption. Energy attribute certificates (EACs)[1] and other renewable energy instruments are used to meet reductions of Scope 2 emissions. In alignment with SBTi, PepsiCo reports annually to the RE100.

[1] EACs are also known as renewable energy certificates (RECs) in the U.S.

Positive Value Chain: Water

Target metric

Reach average water-use efficiency ratios of 1.4 liters/liter of production in beverages sites and 1.7 liters/kilogram of production in convenient foods sites for 100% of high water-risk PepsiCo and franchise bottler manufacturing facilities by 2030

How we measure

Assurance: Third-party limited assurance provided by Apex since 2015
Boundary: PepsiCo-owned manufacturing facilities and franchise bottlers in high water-risk (HWR) areas for PepsiCo's beverage portfolio; PepsiCo-owned manufacturing facilities in HWR areas for PepsiCo's convenient foods portfolio
Exclusions: Contract manufacturers, co-packers and all non-HWR sites
Baseline: None
Restatement from prior year(s): None

The beverage metric is calculated by dividing the total liters of water used for beverage production by the total liters of beverage production. Meeting this water-use efficiency goal means achieving an average of 1.4 liters of water (or less) per liter of beverage production across HWR PepsiCo-owned and franchise bottler manufacturing facilities.

The convenient foods metric is calculated by dividing the total liters of water used for convenient foods production by total kilograms of production. Meeting this water-use efficiency goal means achieving an average of 1.7 liters of water (or less) per kilogram of convenient foods production at HWR PepsiCo-owned manufacturing facilities.

HWR assessment inputs include the World Resources Institute's (WRI) Aqueduct tool for PepsiCo-owned manufacturing facilities and franchise bottler manufacturing. For PepsiCo-owned facilities, this is supplemented with local site risk assessment surveys and third-party independent expert input. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in scope for this metric. HWR areas are reconfirmed every three years, with the next assessment being conducted in 2025.

Positive Value Chain: Water

Target metric	How we measure
Replenish back into the local watershed 100% of the water we use in high water-risk PepsiCo and franchise bottler manufacturing facilities by 2030	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** PepsiCo-owned manufacturing facilities and franchise bottlers in HWR areas **Exclusions:** Contract manufacturers, co-packers and all non-HWR sites **Baseline:** None **Restatement from prior year(s):** Not applicable. 2024 progress to reflect the exclusion of contract manufacturing facilities. Previous version of goal included contract manufacturing facilities in the scope, but did not capture data, and as a result, progress did not reflect them. This exclusion is formalized in updated 2030 goal. This metric is calculated as the ratio of liters of water replenished within HWR facilities' watersheds during the reporting year to liters of water used during the reporting year at the same facilities. Overall, we aim to replenish one liter of water for every liter we use at each location for PepsiCo-owned and franchise bottler manufacturing facilities categorized as HWR. To qualify as progress towards the goal, replenishment must occur in the minor basin where facilities are located, within the watershed where the facility water supply is sourced or within an interconnected watershed. High water-risk assessment inputs include the World Resources Institute's (WRI) Aqueduct tool for PepsiCo-owned manufacturing facilities and franchise bottler manufacturing. For PepsiCo-owned facilities, this is supplemented with local site risk assessment surveys and third-party independent expert input. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in-scope for calculating progress against our 2030 goal only. HWR areas are reconfirmed every three years, with the next assessment being conducted in 2025. The volume of replenished water in liters is equal to the estimated volume of water in liters made available (returned or conserved) through PepsiCo-funded water replenishment projects in the source watersheds of PepsiCo's HWR facilities. Projects include those that improve water availability by increasing water quantity and/or improving water quality. This metric is re-calculated annually and always compares same-year replenishment and water-use volumes. PepsiCo will rely annually on a third party to quantify the water benefits of each replenishment project in accordance with the methodologies laid out by the World Resources Institute in Volumetric Water Benefit Accounting (VWBA): A Method For Implementing and Valuing Water Stewardship Activities. We continue to measure progress against both our original 2025 and extended 2030 goals and focus external reporting on our 2030 goal. The difference between these two goals is expressed below: • **2025**: 100% water replenishment at company-owned facilities designated as HWR (prior to the re-assessment conducted in 2022) • **2030:** 100% water replenishment at company-owned facilities and 100% replenishment at franchise bottler manufacturing facilities designated as HWR

Positive Value Chain: Water

Target metric	How we measure
Adopt the Alliance for Water Stewardship (AWS) Standard in high water-risk manufacturing facilities by 2025	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** PepsiCo-owned manufacturing facilities located in HWR areas active at the close of the reporting year **Exclusions:** None **Baseline:** None **Restatement from prior year(s):** Not applicable Progress against this goal is measured based on the number (count) of company-owned HWR facilities that are in the process of adopting the Standard and the number (count) of company-owned HWR facilities that have completed Standard adoption. The Alliance for Water Stewardship (AWS) is a five-step process intended to achieve five main outcomes: good water governance, sustainable water balance, good water quality status, important water-related areas and safe water sanitation and hygiene for all. A site is considered to be in the process of adopting AWS when it has begun implementing Step 1 of the Standard. A site is considered to have completed adoption of the AWS Standard when it has completed Steps 1 – 5 of the Standard. For PepsiCo-owned manufacturing facilities, high water-risk assessment inputs include the World Resources Institute's (WRI) Aqueduct tool, local site risk assessment surveys and third-party independent expert experience and knowledge operating within the watersheds. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in scope for this metric. HWR areas are reconfirmed every three years, with the next assessment being conducted in 2025.

Positive Value Chain: Packaging

For our primary plastic packaging our goals are:

Target metric	How we measure
Achieve an average of 2% year-over-year reduction in our absolute tonnage of virgin plastics through 2030	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** Primary plastic packaging for PepsiCo-owned brands produced by PepsiCo-owned manufacturing operations, franchise bottlers manufacturing operations and all Joint Ventures (JVs) with 50% or more ownership in key packaging markets and where PepsiCo has control over the packaging specifications **Exclusions:** Secondary and tertiary packaging **Baseline:** Prior year **Restatement from prior year(s):** Not applicable This metric is calculated by subtracting total virgin plastic volume in previous year (in metric tons) from virgin plastics volume in current year (in metric tons). The resulting figure is then measured against the virgin plastic in the prior year to determine the year-over-year percent change. The average of all years in the target period will be calculated and assessed as of the end of 2030. Goal tracks primary plastic packaging in PepsiCo's key packaging markets. This scope represents more than 80% of PepsiCo's 2024 global plastic packaging footprint (by weight). Key packaging markets will be reassessed periodically. Primary packaging is packaging that encapsulates the main product, including containers, closures and labels.
Use 40% or greater recycled content in our plastic packaging by 2035 or sooner	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** Primary plastic packaging for PepsiCo-owned brands produced by PepsiCo-owned manufacturing operations, franchise bottlers and all JVs with 50% or more ownership in key packaging markets where PepsiCo has control over the packaging specifications **Exclusions:** Secondary and tertiary packaging plastic categories **Baseline:** None **Restatement from prior year(s):** Not applicable This metric expresses the ratio of recycled plastic volume (in metric tons) to the total volume of plastic (in metric tons) used in our primary plastic packaging. Goal tracks primary plastic packaging in PepsiCo's key packaging markets. This scope represents more than 80% of PepsiCo's 2024 global plastic packaging footprint (by weight). Key packaging markets will be reassessed periodically. Primary packaging is packaging that encapsulates the main product, including containers, closures and labels.

Positive Value Chain: Packaging

Target metric	How we measure
Achieve 97% or greater reusable, recyclable, or compostable (RRC) packaging by design by 2030 in our primary and secondary packaging in our key packaging markets	**Assurance:** Third-party limited assurance provided by Apex since 2021 **Boundary:** Primary and secondary packaging for PepsiCo-owned brands produced by PepsiCo-owned manufacturing operations, franchise bottlers and all JVs with 50% or more ownership in key packaging markets where PepsiCo has control over the packaging specifications **Exclusions:** Tertiary packaging. Requirements exclude end-of-life considerations **Baseline:** None **Restatement from prior year(s):** Not applicable This metric tracks the percent of packaging by weight (in metric tons) that is designed to be reusable, recyclable or compostable (RRC). Specific packaging material components are identified as either recyclable or non-recyclable based on a global list of non-recyclable materials. Additionally, the Ellen MacArthur Foundation (EMF) Recyclability Assessment tool may be used to determine whether a specific material is recyclable. Our RRC definitions are based on, among others, the guidance of the New Plastics Economy, the U.S. Federal Trade Commission Green Guides, Association of Plastics Recyclers and European PET Bottle Platform. In order for packaging material to be considered RRC, it must be designed to be reusable, recyclable or compostable. Reusable packaging must also be designed to be recyclable or compostable. Goal tracks primary and secondary packaging in PepsiCo's key packaging markets. This scope represents more than 85% of PepsiCo's 2024 global packaging footprint (by weight). Key packaging markets will be reassessed periodically. Primary packaging is packaging that encapsulates the main product, including containers, closures and labels. Secondary packaging is exterior packaging that helps to protect or group the primary packaging. It includes fiber and shrink wrap.
Invest to increase recycling rates in our key packaging markets	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. See ESG Topics A-Z: Packaging for more details. Goal relates to primary and secondary packaging in PepsiCo's key packaging markets. This scope represents more than 85% of PepsiCo's 2024 global packaging footprint (by weight). Key packaging markets will be reassessed periodically.
Develop and support innovation, in collaboration with our partners and external organizations, of new packaging material technologies and solutions	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. See ESG Topics A-Z: Packaging for more details.

Positive Value Chain: People

Target metric	How we measure
Increase the employability of our people through increased access to degrees, skill development and new roles, providing meaningful growth opportunities to everyone at every stage	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. See ESG Topics A-Z: Employee learning and development for more details.
Empower our associates with the resources and time needed to build and cultivate prosperity in our communities	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. See ESG Topics A-Z: Philanthropy for more details.

Positive Value Chain: People

Target metric	How we measure
Achieve and sustain pay equity for our global professional population by maintaining a comprehensive global pay equity review process	**Assurance:** None **Boundary:** Full-time and part-time employees **Exclusions:** None **Baseline:** None **Restatement from prior year(s):** None Following professional guidance from a designated third-party, this metric measures the pay equity index by gender and all races[2] based on the actual and predicted pays of our employees in select geographies as noted herein. Predicted pay is calculated based on a multiple linear regression model which predicts an employee's base pay using factors that are business relevant and aligned with our compensation philosophy. The pay equity analysis is based on base compensation after controlling for legitimate drivers of pay, such as job level, geographic location and performance ratings, and intends to capture progress related to implementing a comprehensive review process to support pay equity. Countries with less than five headcount are not deemed material and excluded from the calculation. 72 countries were included in 2021 and 2022 analyses. 71 countries were included in the 2023 analysis, representing more than 99% of salaried population in each year.
Extend the principles of our Supplier Code of Conduct to all of our franchisees and joint ventures by 2025	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. This metric tracks our progress in verifying that we have extended the principles of PepsiCo's Global Supplier Code of Conduct to all of our franchisees and JVs. See ESG Topics A-Z: Human rights for more details.
Promote fair and safe working conditions by advancing respect for human rights	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric may capture both qualitative and quantitative information that reflects PepsiCo's progress in addressing its salient human rights issues. This information may include: • Recent policy, position statement, and training developments; • Progress of PepsiCo's Due Diligence Programs (i.e., Global Human Rights Due Diligence Program, Global Labor Human Rights Assessment Program, Sustainable Farming Program) in identifying these issues across PepsiCo's supply chain; • Recent engagements with external stakeholders to inform our approach and initiatives or resolve identified issues; • Recent participation in multi-stakeholder forums or industry initiatives to drive collaborative action on systemic human rights challenges; • Progress of PepsiCo's grievance mechanisms (i.e., Speak Up Hotline, Agricultural Grievance Mechanism); • Progress of ongoing initiatives to address each salient issue

[2] In this instance, "all races" is defined as Asian, Black, Hispanic and White

Positive Value Chain: People

Target metric	How we measure
Continue to strive for an injury-free work environment	**Assurance:** Third-party limited assurance provided since 2015 **Boundary:** Full-time, part-time and seasonal employees and dependent contractors **Exclusions:** **2023:** None **2022:** Sodastream **2021:** Sodastream and Pioneer **Baseline:** None **Restatement from prior year(s):** None Lost Time Incident Rate (LTIR) measures the frequency of occupational impacts that result in days away from work. It is calculated by multiplying the sum of the total number of cases meeting the lost time occupational injury and lost time occupational illness definitions that resulted in one or more lost days by 200,000, then dividing the product by the total number of hours worked by all employees and dependent contractors in a calendar year. 200,000 represents the number of hours 100 employees, working 40 hours per week, 50 weeks per year would work, and provides a standard basis for calculating incident rate for an entire year. Investigations occur on a case-by-case basis and close in various timeframes that may affect historical results. The LTIR is calculated in accordance to the Occupational Safety and Health Administration (OSHA) Part 1904 - Recording and Reporting Occupational Injuries and Illnesses.
Reach 100 million people with safe water access by 2030	**Assurance:** None **Boundary:** Programs funded by the PepsiCo Foundation that are intended to provide access to safe water **Exclusions:** None **Baseline:** 2006 **Restatement from prior year(s):** None This metric measures the cumulative number of people provided with access to safe water through projects led and executed by non-governmental organization (NGO) partners since the baseline year funded by the PepsiCo Foundation. Access to safe water is achieved at watershed, community and household levels by making water more readily available, better managing supply or volume of water, and/or ensuring quality through water treatment, improved hygiene, and community sanitation. We classify a person as having been provided access to safe water by aggregating the number of individuals who benefit from our investments in water conservation, distribution, and purification projects. Beneficiary information is self-reported by funded NGOs and aggregated by a third-party validator on behalf of PepsiCo.

Positive Value Chain: People

Target metric	How we measure
Partner with communities to advance food security and make nutritious food accessible to 50 million people by 2030	**Assurance:** None **Boundary:** Programs funded by the PepsiCo Foundation that are intended to provide nutritious meals **Exclusions:** None **Baseline:** None **Restatement from prior year(s):** None This metric represents the cumulative sum of people who gained access to nutritious meals through philanthropic or commercial efforts during the reporting period after discounting individuals with sustained access to meals. Sustained access refers to the reach from annual programs that operate in the same geography year over year and gained access refer to programs implemented one-time during a set period of time, or from an increase in reach from annual programs over previous years. For our philanthropic efforts, the number of individuals who have gained access to nutritious meals as a result of our investments is self-reported by funded NGO partners and aggregated by a third-party validator on behalf of PepsiCo. For commercial efforts (e.g., Pioneer's White Star brand in South Africa and Quaker's Tres Minutos in Mexico), the calculation is derived by using household penetration data as a proxy for population penetration. The total population for lower socio-economic levels is obtained from relevant geographic government websites and is then multiplied against the total household penetration by lower socio-economic levels obtained from third-party sources to arrive at total number of people reached. Initial target setting for this metric did not include Pioneer Foods, which delivered accessibility to more than 20 million people in each reported year. The target will be reassessed in the future to fully account for both commercial and charitable efforts.

Positive Choices: Expanded Portfolio Offerings

Target metric	How we measure
Reduce added sugars: ≤67% of beverage portfolio volume will have ≤100 Calories from added sugars per 12 oz. serving by 2025	**Assurance:** Third-party limited assurance provided by Apex; metric assured since 2016 **Boundary:** PepsiCo global beverage portfolio in Top 26 markets **Exclusions:** None **Baseline:** None **Restatement from prior year(s):** None This metric measures the portion of our global beverage portfolio volume in our Top 26 beverages markets containing 100 Calories or less from added sugars per 12 ounce serving. It is calculated by dividing the total number of liters of PepsiCo's beverage portfolio sales volume with 100 Calories from added sugars or less per 12 ounce serving size (within our Top 26 beverages markets) by PepsiCo's total sales volume of beverage products in liters within the same 26 markets.
Reduce sodium: ≥75% of convenient foods portfolio volume will not exceed 1.3 milligrams of sodium per Calorie by 2025	**Assurance:** Third-party limited assurance provided by Apex; metric assured since 2016 **Boundary:** PepsiCo global convenient foods portfolio in Top 23 markets **Exclusions:** Be & Cheery portfolio **Baseline:** None **Restatement from prior year(s):** None This metric measures the portion of our global convenient foods volume in our Top 23 convenient foods markets with 1.3 milligrams or less of sodium per Calorie. It is calculated by dividing the total number of kilograms of PepsiCo's convenient foods portfolio sales volume with 1.3 milligrams or less of sodium per Calorie (within our Top 23 convenient foods markets) by PepsiCo's total sales volume of convenient food products in kilograms within the same 23 markets.
Reduce sodium: ≥75% of global convenient foods portfolio volume to meet or be below category sodium targets by 2030	**Assurance:** Third-party limited assurance provided by Apex; metric assured in 2023 **Boundary:** PepsiCo global convenient foods portfolio in Top 23 markets **Exclusions:** Be & Cheery portfolio and dairy and baby food categories in Russia and Ukraine **Baseline:** None **Restatement from prior year(s):** None This metric measures the portion of our global convenient foods volume in the Top 23 convenient foods markets that meet or are below sodium targets in milligrams per 100 grams thresholds by category. It is calculated by dividing the total number of kilograms of PepsiCo's convenient foods portfolio sales volume (within our Top 23 convenient foods markets) meeting the respective target or less of sodium per 100 grams by PepsiCo's total sales volume of global convenient foods in kgs within the same 23 markets.

Positive Choices: Expanded Portfolio Offerings

Target metric	How we measure
Reduce saturated fats: ≥75% of convenient foods portfolio volume will not exceed 1.1 grams of saturated fat per 100 Calories by 2025	**Assurance:** Third-party limited assurance provided by Apex; metric assured since 2016 **Boundary:** PepsiCo global convenient foods portfolio in Top 23 markets **Exclusions:** Be & Cheery portfolio **Baseline:** None **Restatement from prior year(s):** None This metric measures the portion of our global convenient foods volume in our Top 23 convenient foods markets with 1.1 grams or less of saturated fat per 100 Calories. It is calculated by dividing the total number of kgs of PepsiCo's convenient foods portfolio sales volume with 1.1 grams or less of saturated fats per 100 Calories (within our global Top 23 convenient foods markets) by PepsiCo's total sales volume of convenient food products in kgs within the same 23 markets.
Increase diverse ingredients (DI): Use more diverse ingredients such as legumes, whole grains, plant-based proteins, fruits and vegetables and nuts and seeds to deliver 145 billion portions of diverse ingredients annually in global convenient foods portfolio by 2030	**Assurance:** Third-party limited assurance provided by Apex; metric assured in 2023 **Boundary:** PepsiCo global convenient foods portfolio in Top 23 markets **Exclusions:** Be & Cheery portfolio and dairy and baby food categories in Russia and Ukraine **Baseline:** None **Restatement from prior year(s):** None This metric measures the number of portions across our convenient foods portfolio volume annually in our Top 23 convenient foods markets containing threshold amounts of diverse ingredients (i.e., legumes, whole grains, plant-based proteins, fruits and vegetables and nuts and seeds) per 100 grams while also meeting our sodium, sat-fat and added sugars target criteria. If all product criteria are met, then the total portions of diverse ingredient within each qualifying product are summed across the Top 23 convenient foods markets to create the total diverse ingredient portions delivered annually. Each portion of a diverse ingredient will provide approximately 10% of the suggested daily amount of a diverse ingredient, as established by a number of published dietary guidelines including select countries, WHO Healthy Diet Fact Sheet, and Eat Lancet Planetary Healthy Diet report.

Positive Choices: Planet + People Brands

Target metric	How we measure
Leverage our scaled brands to embody and amplify positive outcomes for the planet and people, including empowering consumers with transparent environmental labeling on our key products	**Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric.** This metric is measured through qualitative information from various initiatives. See ESG Topics A-Z: Product labeling and claims for more details.