pepsico
Food. Drinks. Smiles.

2025 PEPSICO CLIMATE ACCOUNTING STATEMENT

August 13, 2026

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INTRODUCTION

As part of PepsiCo's annual pep+ Calculation Methodology report, the following sections are a compilation of environmental metrics and disclosures across greenhouse gas (GHG) emissions. PepsiCo calculates and publishes an annual GHG emissions inventory as well as progress against its GHG emissions reduction goals. This document explains the methodologies and data supporting both calculations.

We prepare our annual inventory in accordance with the GHG Protocol, the most widely used global framework for measuring GHG emissions, and management-defined criteria. See the Emissions Inventory below for our 2025 calculations and details on the methodology underpinning them.

Our emissions reduction goals are forward-looking ambitions set in alignment with Science Based Targets initiative (SBTi) criteria and guidance.

PepsiCo tracks the GHG Protocol standards update process and the direction of travel from the GHG Protocol Actions and Market Instruments Working Group. PepsiCo also tracks additional guidance and standards updates by the SBTi. PepsiCo may update inventory and target methodologies as GHG Protocol and SBTi guidance evolves.

EMISSIONS INVENTORY

Reporting Entity

PepsiCo, Inc. ("PepsiCo") incorporated in Delaware in 1919 and reincorporated in North Carolina in 1986. We are a leading global beverage and convenient food company with a complementary portfolio of brands, including Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker and SodaStream.

Through our operations, authorized bottlers, contract manufacturers and other third parties, we make, market, distribute and sell a wide variety of beverages and convenient foods, serving customers and consumers in more than 200 countries and territories.

When used in this report (the "Report"), the terms "we," "us," "our," "PepsiCo," the "Company" and the "Group" mean PepsiCo, Inc. and its consolidated subsidiaries, collectively or as the context otherwise requires.

Methodology

NOTE 1 – GHG BOUNDARY

PepsiCo has selected the operational control approach to account for and report the consolidated GHG emissions of its operations (Scope 1 and 2). In accordance with this method, PepsiCo accounts for 100% of GHG emissions from operations over which it or its subsidiaries have operational control. PepsiCo includes in its Scope 1 and Scope 2 emissions calculations for all PepsiCo owned, leased, and operated manufacturing facilities, warehouses, distribution centers and offices as well as company owned and leased fleet under PepsiCo's operational control, excluding deconsolidated entities, which are not included in PepsiCo's consolidated financial statements, as well as acquisitions from Q4 2025.

PepsiCo reports emissions as direct Scope 1 emissions and indirect Scope 2 emissions according to its organizational boundary.

PepsiCo reports indirect emissions in its value chain as Scope 3 emissions.

NOTE 2 - BASIS OF PRESENTATION

PepsiCo has prepared its GHG emissions following the guidance in the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- Scope 1 (physical)[1] emissions have been measured following the GHG Protocol Corporate Accounting and Reporting Standard (revised edition)
- Scope 2 (location[2] and market-based) emissions have been measured following the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard

[1] The definition of physical Scope 1 and 3 emissions will be finalized in the upcoming GHG Protocol (GHGP) Actions and Market Instruments (AMI) standard. SBTi Corporate Net Zero Standard v2.0 adapted the draft definition from GHGP AMI White Paper (March 2026) as follows: "Physical GHG inventory: An attributional inventory that provides a comprehensive account of a reporting entity's annual GHG emissions (and removals, where applicable) resulting from its activities across scope 1, scope 2, and scope 3. Emissions are allocated based on physical relationships and the physical flows of goods and services to the reporting entity. This includes the location-based method for scope 2. The physical GHG inventory may use chain-of-custody models that establish physical traceability to the reporting entity and account for average emissions from a shared pool where physical traceability does not extend beyond that pool.

[2] Per GHGP, Scope 2 physical emissions are the same as location-based emissions

- Scope 3 (physical)[3] emissions have been measured using the following GHG Protocol documents:
    - Corporate Value Chain (Scope 3) Accounting and Reporting Standard
    - Technical Guidance for Calculating Scope 3 Emissions
    - Land Sector and Removals Standard (LSRS)

PepsiCo measures its Scope 1 market-based GHG emissions following attributional accounting methods including emissions profiles of market instruments purchased for the underlying activity within the inventory. PepsiCo uses management criteria following the guidance on market instruments currently under review by the GHG Protocol and in SBTi's Corporate Net Zero Standard (CNZS) V2.0 key innovations.

PepsiCo measures its Scope 3 market-based GHG emissions using management criteria following the guidance on market instruments currently under review by the GHG Protocol and in SBTi's Corporate Net Zero Standard (CNZS) V2.0 key innovations.

NOTE 3 - HISTORICAL DATA RECALCULATION POLICY

Reported emissions data may change due to updates to data sources, methodologies, emission factors, error corrections and structural boundary changes from M&A or divestitures. PepsiCo applies a historical data recalculation policy, which governs changes to baseline and historic data. Per this policy, PepsiCo evaluates M&As that occurred through Q3 of the current reporting year for inclusion in reported emissions data.

NOTE 4 - CALCULATION METHODOLOGY AND ESTIMATES

PepsiCo strives to use primary data in our calculation for all scopes of our emissions where such data is reasonably available. We are also making efforts over time to collect primary data, especially for our value chain emissions calculations. We have documented data collection and control procedures to ensure completeness, consistency and accuracy in our calculations. Where primary data is not available, extrapolations or estimations are made based on other available methods.

Certain information has been obtained from third parties with special knowledge or expertise. PepsiCo has relied on the expertise and information from those third parties in the preparation of this Report. Due to the inherent uncertainty and complexity involved with this information, third-party information could contain inaccuracies.

For Scope 1 and 2 emissions, PepsiCo largely uses primary activity data on fuel and electricity consumption at our operated facilities and fleet. In some cases, where this data is not available for facilities (small offices and warehouses), we use estimates based on square footage data. We also use estimates for refrigerant emissions for some facilities where primary data is not available. These estimates are based on historical primary data and calculation of leakage rates of refrigerants.

For Scope 3 emissions, PepsiCo uses primary activity data where available. When this data is not available, we apply extrapolations or estimations based on best available methods.

PepsiCo uses external third-party emissions accounting platforms and internal tools to calculate and consolidate our emissions on an annual basis.

PepsiCo bases its estimates and methodologies on historical practice, information available at the time of preparation, and other assumptions that it considers reasonable under the circumstances.

[3] The definition of physical Scope 1 and 3 emissions will be finalized in the upcoming GHGP Actions and Market Instruments (AMI) standard.

Emissions data presented are subject to inherent measurement uncertainty due to limitations, and methodologies used to determine, such data. The use of different, yet acceptable, measurement methods may result in materially different reported results. In addition, the level of precision may vary among measurement methods.

NOTE 5 - EMISSIONS INVENTORY AND SCOPES

Scope 1 physical and market-based emissions refer to GHG emissions from sources that PepsiCo owns or controls. These direct emissions principally result from the following types of activities undertaken by the Group:

- **Generation of electricity, heat, or steam from within the Group's operations:** These emissions result from combustion of fuels in stationary sources, e.g., boilers, furnaces, turbines.
- **Transportation of materials, products, waste and employees:** These emissions result from fuel combustion in company owned and leased mobile combustion sources (e.g., trucks, vans, jets, ships).
- **Fugitive emissions:** These emissions result from intentional or unintentional releases, e.g., HFCs (hydrofluorocarbons) emitted from refrigeration and air conditioning equipment.

For Scope 1 market-based emissions calculated according to management criteria, PepsiCo uses data on purchases of energy attribute certificates (EACs) such as biomethane certificates as detailed in Table 5.

Scope 2 emissions arise from the purchase of electricity, steam, heat or cooling consumed from sources outside company operations. Scope 2 emissions are called indirect because the emissions occur at the point of generation, not the point of consumption. Purchased imported steam is also included in Scope 2 emissions. Purchased heat, steam, electricity or cooling data is collected from all Company operated facilities, offices and warehouses or estimated if primary data is not readily available. For Scope 2 market-based emissions calculations data on purchases of EACs are also collected; 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. EACs are only included in Scope 2 market-based emission calculation. Where actual electricity usage is unavailable, estimates are made based on facility square footage.

Scope 3 physical includes indirect emissions from PepsiCo's value chain, calculated in accordance with GHG Protocol categories. 12 of the 15 categories are relevant to PepsiCo's business and PepsiCo includes them in its Scope 3 reporting. We do not have any emissions to report in the remaining 3 categories. As a food and beverage company, and consistent with the GHG Protocol LSRS and the SBTi's FLAG Guidance, PepsiCo classifies Scope 3 emissions categories as either Forest Land and Agriculture (FLAG) or Energy and Industrial (E&I). PepsiCo applies the GHG Protocol minimum boundary for Scope 3 with limited exclusions in select categories as detailed below.

Table 1: GHGP Scope 3 Categories and Minimum Boundary

Category	Included in Inventory	FLAG Emissions Calculated	Minimum Boundary Exclusion
1- Purchased goods and services[4]	Yes	Yes	None
2- Capital goods	Yes	No	None
3- Fuel and energy-related activities (not included in Scope 1 or 2)	Yes	No	None
4- Upstream transportation and distribution	Yes	No	None
5- Waste generated in operations	Yes	No	Third-party wastewater treatment emissions
6- Business travel	Yes	No	Well-to-tank emissions for air travel
7- Employee commuting	Yes	No	Well-to-tank emissions
8- Upstream leased assets	No	No	N/A
9- Downstream transportation and distribution	Yes	No	Retail storage emissions
10- Processing of sold products	Yes	No	None
11- Use of products sold	No	No	N/A
12- End of life treatment of sold products	Yes	No	Food waste end of life emissions
13- Downstream leased assets	No	No	N/A
14- Franchises[5]	Yes	No	None
15- Investments	Yes	No	None

For Scope 3 FLAG and E&I categories calculated according to management criteria PepsiCo includes data on market instruments as detailed in Table 5.

Our emissions inventory includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). Emissions for Nitrogen trifluoride, Perfluorocarbons and Sulfur Hexafluoride are not relevant to PepsiCo and therefore not reported.

The global warming potentials for all GHGs (used to calculate CO_2 equivalent amounts) were sourced from the Intergovernmental Panel on Climate Change Sixth Assessment Report, unless a different Assessment Report is embedded in the emission factor source.

[4] In line with the GHG Protocol, PepsiCo includes purchased goods and services emissions from its key franchise operations within Scope 3 category 1

[5] In line with the GHG Protocol, operational emissions from all franchise bottlers are included within Scope 3 category 14

Emissions inventory data

The following tables summarize our emissions inventory data according to the approach described above. Table 5 details calculation methodology by scope and category.

Table 2: Greenhouse Gas Emissions and Scope 3 Removals in the physical inventory (MTCO $_2$e)

For the fiscal years	2025	2024	2022 (baseline)
Scope 1 Physical	3,288,547*	3,360,513	3,483,317
Scope 2 Location Based	1,764,882*	1,791,500	1,829,300
Subtotal Scope 1 + Scope 2	5,053,429	5,152,013	5,312,617

Scope 3	2025	2024	2022 (baseline)
Category 1 - Purchased Goods and Services FLAG	13,474,362	14,338,998	15,621,977
Category 1 - Purchased Goods and Services E&I	27,493,163	27,213,244	28,203,128
Category 2 - Capital Goods	650,570	792,382	1,239,264
Category 3 - Fuel and Energy Related Activities (not included in Scope 1 or 2)	1,173,060	1,168,340	1,180,954
Category 4 - Upstream transportation and distribution	1,410,736	1,483,567	1,801,764
Category 5 - Waste generated in operations	174,845	185,689	173,936
Category 6 - Business travel	86,762	94,162	84,641
Category 7 - Employee commuting	206,206	216,686	205,815
Category 9 - Downstream transportation and distribution	2,607,973	2,754,181	3,225,399
Category 10 - Processing of sold products	79,936	73,895	105,440
Category 12 - End of life treatment of sold products	1,362,623	1,498,584	1,435,039
Category 14 - Franchises	1,169,491	1,179,408	1,291,411
Category 15 - Investments	168,125	446,794	75,165
Subtotal Scope 3 FLAG	13,474,362	14,338,998	15,621,977
Subtotal Scope 3 E&I	36,583,489	37,106,932	39,021,956
Total Emissions Scope 1 + 2 + 3	55,111,280	56,697,943	59,956,550
Scope 3 FLAG In Scope of Target[1]	11,915,456	12,952,147	13,960,690
Scope 3 E&I In Scope of Target[1]	24,204,076	25,144,930	26,756,886
Outside of Scopes			
Direct Biogenic CO2 Emission	397,382	353,743	294.726
Total Emissions Outside of Scopes	397,382	353,743	294.726

*Limited assurance provided on these metrics (for the fiscal year ended December 27, 2025), together with the related notes in Reporting Entity, Notes 1 through 5, and Tables 4 and 5.

Table 3a: Scope 1 + 2 Market-Based Inventory (MTCO2e)

For the fiscal years	2025	2024	2022 (baseline)
Scope 1	3,148,187*	3,291,372	3,483,317
Scope 2	61,149*	171,318	748,695
Subtotal Scope 1 + Scope 2 (market-based)	3,209,336	3,462,689	4,232,012

*Limited assurance provided on these metrics (for the fiscal year ended December 27, 2025), together with the related notes in Reporting Entity, Notes 1 through 5, and Tables 4 and 5.

Table 3b: Scope 3 Target Statement (MTCO2e) [2]

For the fiscal years	2025	2024	2022 (baseline)
Scope 3			
Category 1 - Purchased Goods and Services FLAG	11,768,211	12,807,301	13,960,690
Category 1 - Purchased Goods and Services E&I	19,090,211	19,871,198	21,000,550
Category 3 - Fuel and Energy Related Activities (not included in Scope 1 or 2)	1,173,590	1,163,860	1,180,954
Category 6 - Business travel	86,762	94,162	84,641
Category 9 - Downstream transportation and distribution	1,996,658	2,100,976	3,225,399
Category 14 - Franchises	1,169,491	1,179,408	1,291,411
Subtotal Scope 3 FLAG (including market instruments)	11,768,211	12,807,301	13,960,690
Subtotal Scope 3 E&I (including market instruments)	23,516,713	24,409,605	26,782,954
Scope 3 FLAG Value Chain Emissions Reductions (from projects)	9,720	4,607	0
Scope 3 E&I Value Chain Emissions Reductions (from projects)	111	0	0
Total Scope 3 FLAG (including market instruments and projects)	11,758,491	12,802,694	13,960,690
Total Scope 3 E&I (including market instruments and projects)	23,516,602	24,409,605	26,782,954
Removals			
Land Management CO_2 Removals	321,847	0	0
Total Removals Scope 3	321,847	0	0

Table 4: Greenhouse Gas Emissions by Type

Scope 1 (physical) (MT)	2025	2024	2022
CO_2	3,239,449	3,312,336	3,389,253
CH_4	191	198	230
N_2O	10	10	172
HFCs	21	20	21
Scope 1 (market-based) (MT)	**2025**	**2024**	**2022**
CO_2	3,098,844	3,243,334	3,389,253
CH_4	185	194	230
N_2O	11	10	172
HFCs	21	20	21
Scope 2 (location-based) (MT)	**2025**	**2024**	**2022**
CO_2	1,758,458	1,784,591	1,821,994
CH_4	50	43	45
N_2O	19	22	23
Scope 2 (market based) (MT)	**2025**	**2024**	**2022**
CO_2	60,764	170,245	745,612
CH_4	8	12	22
N_2O	1	3	9
Scope 1 (physical) (MTCO $_2$e)	**2025**	**2024**	**2022**
CO_2	3,239,449	3,312,336	3,389,253
CH_4	5,341	5,544	6,443
N_2O	2,594	2,721	45,664
HFCs	41,163	39,912	41,957
Total Scope 1 (physical) (MTCO $_2$e)	3,288,547	3,360,513	3,483,317
Scope 1 (market-based) (MTCO2e)	**2025**	**2024**	**2022**
CO_2	3,098,844	3,243,334	3,389,253
CH_4	5,173	5,438	6,443
N_2O	3,007	2,687	45,664
HFCs	41,163	39,912	41,957
Total Scope 1 (market-based) (MTCO $_2$e)	3,148,187	3,291,372	3,483,317

Scope 2 (location based) (MTCO2e)	2025	2024	2022
CO_2	1,758,458	1,784,591	1,821,994
CH_4	1,391	1,192	1,273
N_2O	5,033	5,717	6,033
Total Scope 2 (location based) ($MTCO_2e$)	1,764,882	1,791,500	1,829,300

Scope 2 (market based) (MTCO2e)	2025	2024	2022
CO_2	60,764	170,245	745,612
CH_4	217	344	608
N_2O	169	729	2,475
Total Scope 2 (market based) (MTCO2e)	61,149	171,318	748,695

Notes:

[1] See Climate Goals section for details on target scope

[2] Market inventory is calculated only for emissions in scope for targets. See Climate Goals section for details on target scope

[3] All fugitive emissions are assumed to be from HFCs and we used an average GWP of 2000 to calculate the emissions in MT.

Table 5: Calculation methodology summary by scope and category

Criteria and Methodology	Emission Factors	Activity Data Inputs
Scope 1 – Direct Emissions		
Stationary Combustion: Fuel consumption data is collected for all PepsiCo-operated manufacturing facilities, offices, distribution centers, and warehouses and multiplied by fuel type specific emission factors. When there is no fuel consumption data available for a location, estimates are made using square meter data. Within the market-based inventory, PepsiCo includes purchases of EACs for renewable fuels originating from biogenic sources within our activity pool i.e., injected to gas grids or sector level i.e., similar fuel pools.	• 2024 UK Department for Energy Security and Net Zero (DESNZ) GHG Conversion Factors for Company Reporting (total site basis)	• Fuel receipts • Purchase records • Metering • Fuel expenditure data and average prices • Facility square footage
Fugitive Emissions: Fugitive data from refrigeration or air-conditioning equipment is collected through actual loss data by site or estimated using leakage rates and emissions calculated using appropriate GWPs. When there is no data available as above estimates are made using an emission intensity rate from historically collected data and sample sites.	• 2024 Anthropogenic and Natural Radiative Forcing – WG1AR5 of the IPCC	• Units of gas as recorded by maintenance records • Emissions intensity rates per site or product category
Mobile Combustion: Fuel consumption data is collected for all PepsiCo operated fleet and vehicles and multiplied by fuel type specific emission factors. When there are no fuel consumption data available estimates are made. Within the market-based inventory, PepsiCo includes purchases of EACs for renewable fuels originating from biogenic sources within our activity pool or sector level.	• 2024 Emissions factors from the Global Logistics Emissions Council (GLEC) framework • 2018 Brazil Emissoes Veiculares no Estado de Sao Paolo CETESB • 2013 Brazil I Inventário Nacional de Emissões Atmosféricas por Veículos Automotores Rodoviários - Instituto de Energia e Meio Ambiente (IEMA)	• Fuel receipts • Transport records

Criteria and Methodology	Emission Factors	Activity Data Inputs
Scope 2 – Location Based		
Purchased Electricity: Electricity consumption data is collected at the facility level. Emissions are calculated using location specific grid average emission factors reflecting the average emissions intensity of electricity grids where the energy is consumed.	• 2024 International Energy Agency (IEA) • 2024 US Environmental Protection Agency (EPA) –eGRID –USA • 2024 National Inventory Report (NIR) Canada • 2025 International Energy Agency (IEA) Global • 2024 Association of Issuing Bodies (AIB) Europe • Supplier-specific emission factors	• Electricity consumption for manufacturing sites is sourced from meters or estimated when unavailable • Electricity consumption for non-manufacturing sites is estimated based on square footage when actuals are unavailable
Purchased Steam and Heat: Steam and heat consumption data is collected at the facility level. Emissions are calculated using location specific average emission factors reflecting the average emissions intensity of grids where the energy is consumed.	• Emissions factors from the 2024 UK Department for Energy Security and Net Zero and UK Department for Business, Energy & Industrial Strategy • Emission factors from contractual agreements	• Steam and heat consumption from manufacturing sites
Scope 2 – Market Based		
Purchased Electricity: Electricity consumption emissions are adjusted for contractual instruments such as EACs, PPAs, and supplier-specific emission rates. Emissions are calculated using supplier-specific factors or residual mix emission factors where available or grid average emission factors, as is done for the location-based method, where residual mix factors are not available.	• 2024 International Energy Agency (IEA) • 2024 US Environmental Protection Agency (EPA) – eGRID – USA • 2024 National Inventory Report (NIR) – Canada • 2025 International Energy Agency (IEA) - Global • 2024 Association of Issuing Bodies (AIB) – Europe • Supplier-specific emission factors	• Electricity consumption for manufacturing sites is sourced from meters or estimated when unavailable • Electricity consumption for non-manufacturing sites is estimated based on square footage when actuals are unavailable
Purchased Steam and Heat: Steam and heat consumption emissions are calculated based on emission factors from contractual agreements.	• Emissions factors from the 2024 UK Department for Energy Security and Net Zero (DESNZ) and UK Department for Business, Energy & Industrial Strategy • Emission factors from contractual agreements	• Steam and heat consumption from manufacturing sites

GHG Protocol-aligned Methodology	Emission Factors	Activity Data Inputs
Scope 3 – Category 1: Purchased Goods & Services		
Commodity or material-level activity data is collected from our Enterprise Resource Planning (ERP) systems based on procurement transactions or from our sales systems combined with product specifications and supplemented with manual data collection where needed. Emissions are calculated by multiplying commodity or material volumes by commodity and source-country-specific emission factors or regional material-specific emissions factors. Biogenic material emissions are calculated using material volumes multiplied by FLAG-specific emission factors capturing land-use change and biogenic impacts. Estimates are applied for small markets where data gaps exist. Spend-based activity data is collected for co-manufacturing operations in certain regions. Emissions are calculated using spend data multiplied by spend-based emission factors. Estimated emissions split is done into operational emissions and upstream value chain emissions as FLAG and E&I. In other regions, operational emissions data is collected from co-manufacturing partners, and this data is used to estimate upstream value chain emissions as FLAG and E&I. For market-based statement, same as above except as follows: reductions and removals from regenerative agricultural practices are calculated with support of third-party project partners. The results are tracked in PepsiCo's end-of-year reporting forms and consolidated. Emissions are calculated by multiplying non-regenerative agriculture commodity volumes by commodity and source-country-specific emission factors. Emissions for regenerative agriculture commodity volumes are calculated by multiplying with regenerative agriculture project-specific emission factors. PepsiCo accounts for carbon removals at the activity pool level as per the requirements of the GHG Protocol Land Sector and Removals Standard and SBTi FLAG Guidance. Calculated removals are kept separate from emissions data. PepsiCo maintains a 30% buffer pool for removals. Packaging emissions are calculated by multiplying material volumes by supplier-specific material-level emissions factors where available. PepsiCo engages with our suppliers to improve processing emissions and have collected this information for e.g., renewable electricity procured by our suppliers, this information is used to adjust the regional material-specific emission factors	• World Food Lifecycle Database (WFLDB): Version 3.12, Jan. 2026; • AdAstra, Orbae Land Use Change database, version 2.2, Jan. 2026; • Cool Farm Tool & Cool Farm Platform; 2025 • Kynetec; sampled 2020 - 2024farmer practice data globally to develop more accurate supply shed emission factors for key crops utilizing Cool Farm Tool; Updated Feb. 2026 • Primary supplier emission factor and LCA data for seasonings and unique commodities, (2025 – 2026); • Franklin Associates (a consulting firm specializing in life-cycle assessments) - 2025; • US EPA EEIO (2025) database; supplier-specific data (where available).	• Commodity procured data from Enterprise Resource Planning (ERP) Systems and manual collection templates • Sales data from finance systems and manual collection templates • Spend data in manual collection templates • Activity or emissions data in manual collection templates
Scope 3 – Category 2: Capital Goods		
Capital spend data is obtained as reported in PepsiCo's annual report 10-K. Emissions are calculated using spend-based emission factors applied to capital purchases	• US EPA EEIO database (2025)	• Annual Report

GHG Protocol -aligned Methodology	Emission Factors	Activity Data Inputs
Scope 3 – Category 3: Fuel & Energy-Related Activities		
Upstream emissions from purchased fuels and electricity (well-to-tank and transmission losses) are calculated by applying emission factors to Scope 1 and 2 activity data for GHGP aligned metrics For market-based statement, same as above except follows Scope 1 activity data for market instruments	• IEA (2025); UK DESNZ (2025); GLEC 3.1 (2024)	• Scope 1 and Scope 2 activity data
Scope 3 – Category 4: Upstream Transportation & Distribution		
Shipment activity data (e.g., distance and weight) is collected from logistics systems or estimated from procurement data. Emissions are calculated using activity data multiplied by transportation mode-specific emission factors.	• GLEC 3.1 (2024) ; EPA SmartWay (2025)	• Enterprise Resource Planning (ERP) Systems • Manual collection templates
Scope 3 – Category 5: Waste Generated in Operations		
Waste generation data by waste type and treatment method is collected from facilities. Emissions are calculated using waste volumes multiplied by treatment-specific emission factors (e.g., landfill, recycling, composting).	• EPA (2025)	• Facility data recorded in Enterprise Health and Safety (EHS) system
Scope 3 – Category 6: Business Travel		
Activity data (distance traveled or spend) is collected from travel systems. Emissions are calculated using distance-based or spend-based methods depending on data availability.	• EPA (2025) and US EPA EEIO (2025) database	• Procurement data from travel systems and manual collection of T&E data
Scope 3 – Category 7: Employee Commuting		
Employee commuting activity data is estimated using employee head count data and surveys or modeled assumptions (e.g., distance, mode share). Emissions are calculated by multiplying activity data by transport mode emission factors.	• UK DESNZ (2025)	• Human Resources and Employee data

GHG Protocol-aligned Methodology	Emission Factors	Activity Data Inputs
Scope 3 – Category 9: Downstream Transportation & Distribution		
This category includes calculation of our emissions from downstream transportation and distribution as well as vending and cooling (V&C) emissions. Downstream Transport & Distribution: Same as Category 4 V&C: Equipment purchase or inventory data is collected from internal teams. Energy consumption and refrigerant leakage data is estimated based on equipment characteristics. Emissions are calculated by multiplying energy consumption data with country-specific emission factors and refrigerant leakage data with refrigerant-specific emission factors.	• GLEC 3.1 (2024) ; EPA SmartWay (2025); IEA (2025); IPCC 6th Assessment Report (2023); IPCC Fourth Assessment Report: ASHRAE 34-2004	• Enterprise Resource Planning (ERP) Systems • Manual collection templates
Scope 3 – Category 10: Processing of Sold Products		
Emissions from PepsiCo's co-packing partners are included in this category. Emissions are estimated based on production volume and type of product category produced by our co-packers. Fuel and electricity consumption are estimated based on regional category energy intensity metrics. Energy consumption is multiplied by fuel-type specific and electricity emission factors. In some regions, PepsiCo engages with our co-packing partners and collects primary data on operational emissions.	• UK DESNZ (2025); IEA (2025)	• Manual collection templates
Scope 3 – Category 12: End-of-Life Treatment of Sold Products		
PepsiCo calculates end of life emissions from packaging materials sold. End of life emissions are calculated using packaging volume activity data collected and calculated as per Category 1, with region and material-specific end-of-life emission factors.	• Franklin Associates (2025)	• Sales data from finance systems and manual collection templates
Scope 3 – Category 14: Franchises		
Fuel and electricity consumption activity data from franchised operations is collected from franchisees where available; otherwise estimated. Emissions are calculated using fuel-type specific and country-specific electricity emission factors.	• UK DESNZ (2025); IEA (2025)	• Manual collection templates
Scope 3 – Category 15: Investments		
Fuel and electricity consumption activity data is collected from joint ventures where available and estimated when it is unavailable. Emissions are calculated based on regional category energy intensity metrics. Energy consumption is multiplied by fuel-type specific and electricity emission factors.	• UK DESNZ (2025); IEA (2025)	• Manual collection templates

CLIMATE GOALS

PepsiCo's emissions reduction goals are forward-looking ambitions with narrower scope relative to our emissions inventory. The goals focus on areas where PepsiCo has the greatest influence.

PepsiCo calculates target progress in accordance with the SBTi. Under the CNZS V2.0, SBTi allows market instruments at activity pool[6]- and sector[7] levels to count toward target progress. PepsiCo aligns target progress calculations according to these requirements and monitors for additional SBTi guidance, including progress criteria, claims policy and any additional transition guidance for legacy targets.

Our strategy to achieve our 2030 emission reduction goal does not include the purchase of carbon offsets or market instruments outside of our value chain.

We plan to update our calculation methodology accordingly as guidance evolves.

Achieve a 50% reduction in Scope 1 and 2 emissions by 2030 (vs 2022 baseline)

Our goal covers 100% of our Scope 1 and 2 emissions arising from PepsiCo owned, leased, and operated manufacturing facilities, warehouses, distribution centers and offices as well as company owned and operated fleet.

Achieve a 42% reduction in Scope 3 Energy and Industry (E&I) emissions by 2030 (vs 2022 baseline)

This goal includes emissions from the categories and activities in our Scope 3 E&I inventory, except for the following exclusions which are in line with SBTi:

- 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

Table 6 shows which categories are included within the goal.

[6] According to the SBTi an activity pool is a shared system of activities that serves the reporting entity, defined at the smallest system boundary within which the specific activity or activities serving the company cannot feasibly be identified.

[7] According to the SBTi sector level actions relate to the same type of activity and occur in a relevant geographic or system context, so that they meaningfully contribute to reducing the emissions the company is responsible for.

Achieve a 30% reduction in Scope 3 Forest, Land and Agriculture (FLAG) emissions by 2030 (vs 2022 baseline)

PepsiCo's Scope 3 FLAG goal includes emissions in our Scope 3 FLAG inventory except for the following exclusions:

- FLAG emissions from small volume commodities in agriculture purchased goods and services
- FLAG emissions from contract manufacturing purchased services

This metric measures emissions consistent with FLAG Science Based Target-Setting Guidance.

Table 6 shows which categories are included within the goal.

Table 6: GHG Protocol Scope 3 Categories included within emissions target

Category	Included in E&I Target	Included in FLAG Target
1- Purchased goods and services[8]	Yes (with above exclusions)	Yes (with above exclusions)
2- Capital goods	No	No
3- Fuel and energy-related activities (not included in Scope 1 or 2)	Yes	No
4- Upstream transportation and distribution	No	No
5- Waste generated in operations	No	No
6- Business travel	Yes	No
7- Employee commuting	No	No
8- Upstream leased assets	N/A	N/A
9- Downstream transportation and distribution	Yes	No
10- Processing of sold products	No	No
11- Use of products sold	N/A	N/A
12- End of life treatment of sold products	No	No
13- Downstream leased assets	N/A	N/A
14- Franchises[9]	Yes	No
15- Investments	No	No

Achieve 100% renewable electricity in company-owned operations by 2030

Progress for this goal accounts for the proportion of renewable electricity consumption against total electricity consumption in company-operated operations. This includes all purchased electricity as well as self-generated electricity from solar, wind, renewable and non-renewable fuels. Purchase of

[8] In line with the GHG Protocol, PepsiCo includes purchased goods and services emissions from its key franchise operations within category 1 of Scope 3

[9] In line with the GHG Protocol, operational emissions from all franchise bottlers are included within category 14 of Scope 3

energy attribute certificates (EACs)[10] from a diversified portfolio of solutions including Power Purchase Agreements (PPAs) and EACs from existing electricity generation from renewable sources that meet GHGP Scope 2 Criteria and RE100 Technical Criteria are used to meet this goal.

Target progress calculation methodology

PepsiCo calculates progress against its Scope 1 and 2, Scope 3 E&I and Scope 3 FLAG goals following the guidance in SBTi CNZS V2.0. In line with SBTi, we report two numbers: the physical emissions reduction and the target progress with system contribution. For the physical emissions reduction, we calculate the change in our physical inventory calculated in accordance with the GHGP by comparing current year physical emissions data against physical baseline year data. For target progress with system contribution, we include actions and market instruments at the activity pool or sector levels eligible under CNZS V2.0 within a market-based inventory calculated according to Table 5. Our market-based inventory for Scope 2 is in line with the GHGP Scope 2 Guidance and our market-based inventory for Scope 1 and Scope 3 are in line with the direction of the GHGP Actions and Market Instruments (AMI) standard as described in the GHGP AMI White Paper published in March 2026. We use the market baseline to calculate target progress with system contribution as this more accurately reflects the impact of our actions at activity pool or sector levels.

PepsiCo tracks the GHG Protocol standards update process and the direction of travel from the GHG Protocol Actions and Market Instruments Working Group and monitors the evolution of guidance from SBTi. Further guidance is expected from SBTi on how companies calculate impact and communicate about target implementation actions and their associated claims. PepsiCo may adjust this methodology in the future based on updated GHGP and SBTi guidance.

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

Goal progress data

Target Metrics	2030 Target	Progress against target with system contribution against market baseline			Comments
		2025[12]	2024	2023	
Achieve net-zero emissions by 2050 or sooner					
Achieve a 50% reduction in Scope 1 and 2 emissions by 2030 (vs 2022 baseline)	50%	24%[11]	18%[11]	PepsiCo maintains and reports climate data for baseline year (2022), current year and one year prior.	2025 inventories subjected to limited assurance Results calculated in line with SBTi's Corporate Net-Zero Standard (CNZS) V2.0 that was issued in June 2026, which allows system contribution from actions and market instruments. Further SBTi guidance is expected on how companies calculate impact and communicate about target implementation actions and their associated claims. Our approach may change based on updated Greenhouse Gas Protocol (GHGP) and SBTi guidance. Our 2025 results for target progress with system contribution include 5% emissions reductions against physical baseline (2024: 3%).
Achieve a 42% reduction in Scope 3 Energy & Industry (E&I) emissions by 2030 (vs 2022 baseline)	42%	12%[11]	9%[11]		2025 inventories subjected to limited assurance In addition to the above, 2024 performance was restated due to updated baseline and 2024 data. Prior-year E&I performance was impacted by a recalculated packaging baseline estimated from updated sales volume and specification data. Our 2025 results for target progress with system contribution include 10% emissions reductions against physical baseline (2024: 6%).

[11] See the Climate Accounting Statement for detail on how we measure progress on this metric. Metric published August 13, 2026

[12] Scope 1 and 2 emissions for the fiscal year ended December 27, 2025 were subjected to limited assurance by KPMG LLP, as indicated by * in Tables 2 and 3a

Achieve a 30% reduction in Scope 3 Forest, Land and Agriculture (FLAG) emissions by 2030 (vs 2022 baseline)	30%	18%[11]	8%[11]	PepsiCo maintains and reports climate data for baseline year (2022), current year and one year prior.	2025 inventories subjected to limited assurance In addition to the above, progress against target results includes FLAG removals calculated in line with GHGP Land Sector and Removals Standard (LSRS) along with system contribution. Our 2025 results for target progress with system contribution include 15% emissions reductions against physical baseline (2024: 7%).
Achieve 100% renewable electricity in company-owned operations by 2030	100%	96%[11]	89%[11]	Former ambition became a pep+ goal in 2025	2025 inventories subjected to limited assurance

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Accountants' Review Report

To the Board of Directors and Management of PepsiCo, Inc.:

Report on Selected Metrics included in the 2025 PepsiCo Climate Accounting Statement

Conclusion

We have reviewed whether the identified metrics with the symbol * and notes (the Selected Metrics) in the 2025 PepsiCo Climate Accounting Statement (the Statement) of PepsiCo, Inc. and subsidiaries (the Company) for the fiscal year ended December 27, 2025 have been prepared in accordance with the criteria described in Note 2 of the Statement (the Criteria).

Based on our review, we are not aware of any material modifications that should be made to the Selected Metrics for the fiscal year ended December 27, 2025 in order for them to be prepared in accordance with the Criteria.

Our conclusion on the Selected Metrics does not extend to any other information that accompanies or contains the Selected Metrics and our report.

Basis for conclusion

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in the versions of AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*, that are applicable as of the date of our review. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

Other matter

Our conclusion on the Selected Metrics for the fiscal year ended December 27, 2025 covers only Scope 1 and Scope 2 greenhouse gas emissions.

The comparative information for 2024 and 2022 – comprising Scope 1, Scope 2 and Scope 3 greenhouse gas emissions – was not subject to an assurance engagement by us and, accordingly, we do not express a conclusion or provide any assurance on that information. Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Metrics

Management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Metrics such that they are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Selected Metrics and appropriately referring to or describing the criteria used; and
- preparing the Selected Metrics in accordance with the Criteria.

Inherent limitations in preparing the Selected Metrics

As described in Note 4 of the Statement, emissions data presented are subject to inherent measurement uncertainty due to limitations, and methodologies used to determine, such data. The use of different, yet acceptable, measurement methods may result in materially different reported results.

Our responsibilities

The attestation standards established by the American Institute of Certified Public Accountants require us to:

- plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Selected Metrics in order for them to be prepared in accordance with the Criteria; and
- express a conclusion on the Selected Metrics, based on our review.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Metrics and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- inquiring of management to obtain an understanding of the methodologies and inputs used in preparing the Selected Metrics;
- performing analytical procedures;
- inspecting supporting documentation for a selection of activity data;
- recalculating a selection of the Selected Metrics based on the Criteria; and
- evaluating the overall presentation of the Selected Metrics.

The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter information is prepared in accordance with the criteria, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed.

KPMG LLP

Washington, District of Columbia
August 12, 2026