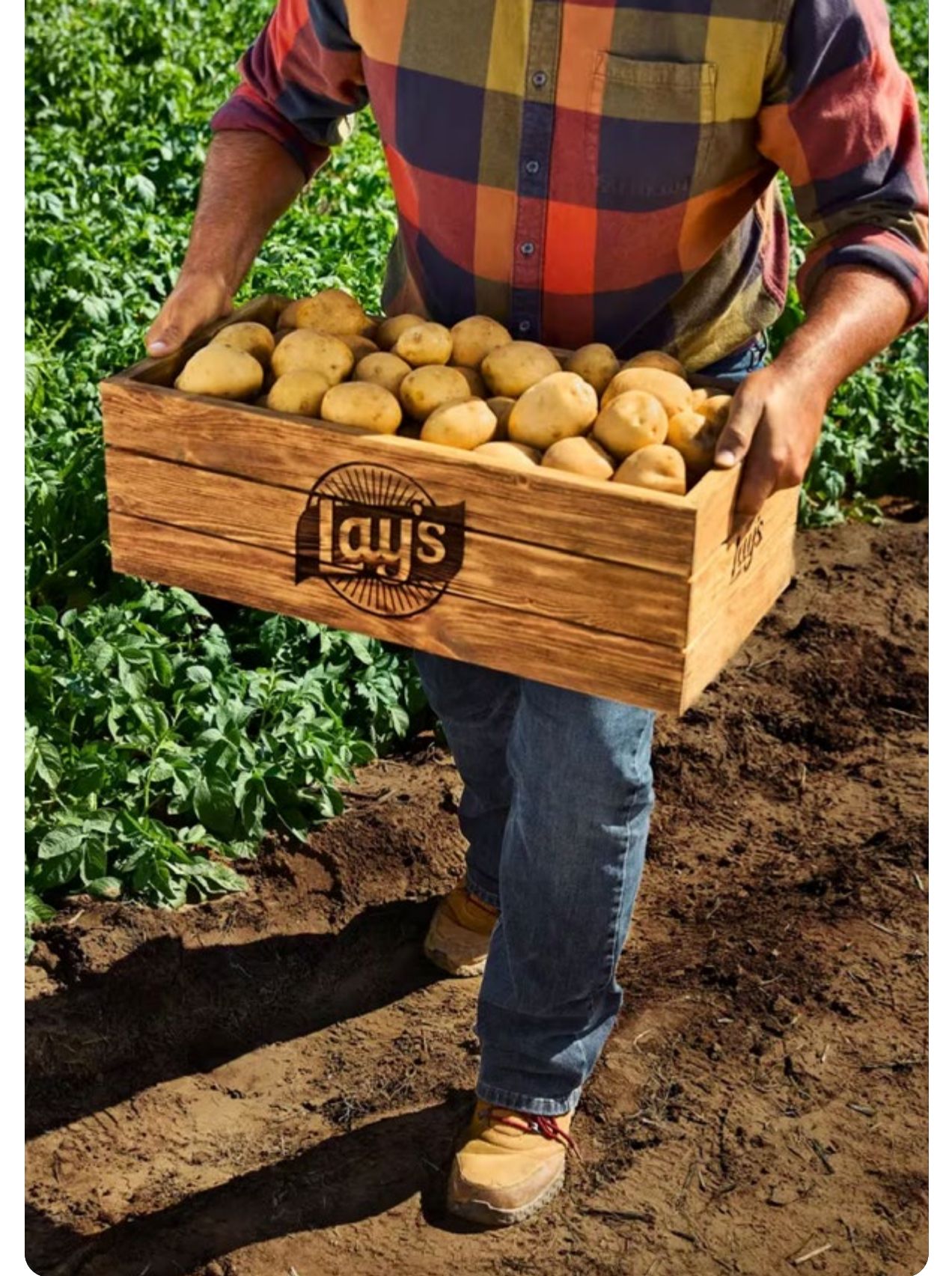




PEP+ IS WHERE RESILIENCE TAKES ROOT

August 13, 2026





ESG & PEPSICO POSITIVE HUNGRY FOR GROWTH. GROUNDED IN GOOD.

Through pep+ (PepsiCo Positive), we're striving to tackle challenges with the aim of turning them into positive momentum from the farms we support, to the facilities we operate, to the communities we serve. We're working everyday to turn our positive vision into action.

Reduction in absolute tonnage of virgin plastics in primary plastic packaging in key packaging markets between 2024 and 2025¹

6%

Progress towards scope 1 & 2 goal with system contributions against our 2022 market baseline²

24%



Acres in regenerative, restorative, and protective farming practices³

4.7M

Portions of diverse ingredients delivered⁴

79 BILLION

¹ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026

² PepsiCo keeps track of the evolving external guidance from the Greenhouse Gas Protocol (GHGP) and the Science Based Targets Initiative (SBTi) and calculates our footprint and target progress in line with these standards. Our reported target progress is calculated in accordance with SBTi's Corporate Net Zero Standard (CNZS) V2.0 innovations that apply to our targets set under CNZS V1.0. We report emission reductions against baseline calculated from our physical footprint and separately report target progress that includes system contributions from activity pool and sector level actions. Further details can be found in our Climate Accounting Statement. This reporting approach may change in the future as further guidance is made available from the GHGP and SBTi

³ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026

⁴ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026

A MESSAGE FROM OUR CEO

Introduction

At PepsiCo, we are driven by a simple but powerful ambition: to be Hungry and Thirsty for Growth. Growth shapes how we make decisions, invest in the business, and strengthen our competitive advantage. At the center of that strategy is [pep+ \(PepsiCo Positive\)](#)—our end-to-end transformation to make PepsiCo stronger, more resilient, and better positioned for the future.

pep+ is our business strategy which aims to build resilience into our supply chain, innovate to meet changing consumer preferences, and create long-term value for shareholders while also helping protect the people, resources, and communities that underpin our success.

Approach

This work takes long-term thinking, focused investment, and collaboration across internal and external stakeholders. While some challenges persist in the delivery of pep+ and as our business grows, our strategy is helping us create value, strengthen operations, build a more resilient value chain, attract and retain top talent, and contribute to a more positive future for people and the planet.

Progress

In 2025, we continued to make meaningful progress across our pep+ priorities.

Water

On water, we met our 2025 water replenishment target at PepsiCo-owned facilities in high water-risk areas and reached 58% progress toward our 2030 watershed replenishment goal at PepsiCo- and franchise bottler-owned manufacturing facilities in high water-risk areas¹, replenishing approximately 23 billion liters of water to local watersheds, while improving water-use efficiency across our operations.

Agriculture

Across agriculture, we expanded regenerative, restorative, and protective practices to 4.7 million acres globally. We have continued to advance our vision for sustainable sourcing, and since 2021, we have worked to improve the livelihoods of approximately 224,000 people across our agricultural value chain². These efforts aim to help strengthen farming communities, improve productivity, and ensure a reliable supply of high-quality ingredients for the long term.

Climate

We also made steady progress toward our 2030 goal to lower our carbon footprint, lowering absolute Scope 1 and 2 emissions relative to our 2022 baseline. This reflects ongoing work to improve efficiency, expand renewable energy adoption, and reduce emissions across our operations.

Packaging

We continued to advance our efforts on packaging, including a 6%³ reduction in virgin plastic use in primary plastic packaging in key packaging markets in 2025. At the same time, we know that achieving our broader packaging goals will require more circular solutions and system-wide change beyond any one company's efforts, and we continue to face headwinds such as gaps in recycling infrastructure.

Nutrition

In 2025, we continued work on the evolution of our portfolio, reducing the use of artificial colors and additives and enhancing nutrient density to the products consumers know and love. We have met our previous 2025 goals to reduce sugar and saturated fat and will work to maintain these reduced levels in our portfolio, while at the same time aiming to deliver our 2030 diverse ingredients and sodium reduction goals. 2025 was a pivotal year, and the efforts we have made will be critical to staying ahead of changing consumer preferences and winning in the marketplace.

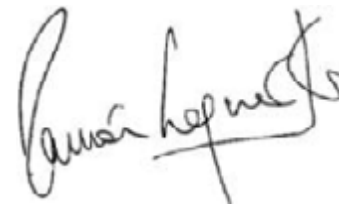
You can see our full reporting across our [ESG Topics A to Z pages](#) and [2025 ESG Performance Metrics and Calculation Methodology document](#), but across each of these areas, the connection is clear: as we invest in sustainability and portfolio transformation, we strengthen our business. When we strengthen our business, we unlock growth.

What's Next

Looking ahead, our goal remains to perform at a high level—aiming to scale our impact, further embedding pep+ into every part of the business, and continuing to raise the bar on business resilience. We also will remain agile, continuously evaluating our goals and path forward in light of evolving business needs and external pressures to adapt to changing conditions. Because when we do, PepsiCo becomes faster, stronger, and better positioned to win over the long term.

We are proud of the progress we have made, and at the same time, we know there is more to do. What gives me confidence is our people—their commitment, their passion, and their ability to deliver results.

We are Hungry and Thirsty for Growth—and pep+ is how we intend to continue to deliver it.



Ramon L. Laguarta

Chairman and Chief Executive Officer



¹ See Calculation Methodology for detail on how we measure progress on this metric. Metric published March 19, 2026.

² See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

³ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026



FARMERS, AT THE CENTER

The food system runs on farmers. So do we. That's why we're making progress to protect the land and people who farm it.



EVERY LINK, STRONGER

From factory to fleet, we're rethinking efficiency, impact, and how we use the natural resources our world depends on.



MORE CHOICES, BY DESIGN

Our bold tastes are evolving—with less sugar, more diverse ingredients, and more choices consumers are searching for.



POSITIVE AGRICULTURE

From the farms we champion to the communities they support, our aim to build resilience starts where our ingredients do—at the roots.



THIS IS HOW GOOD GROWS

Farmer-first philosophy

Farmers aren't just our suppliers. They're the starting point for our programs and solutions. That's why we invest in their capabilities, learn from their experience, and aim to design programs that work for them across approximately 60 countries and more than 50 ingredients.

Regenerating what matters

Soil health and biodiversity are vital to food security. To safeguard the future of food, we're driving regenerative, restorative and protective practices across global farmlands by working to capture carbon, restore marginal lands, and strengthen biodiversity with partners around the world.

Investing in the hands that feed us

Farmers and farm workers carry the global food system on their shoulders. We're investing in their economic prosperity, security, and inclusion across our agricultural supply chain and communities with a goal to help improve the livelihoods of more than 250,000 people by 2030.

Setting the sourcing standard

We source more than 50 key agricultural ingredients across approximately 60 countries, and we're aiming to source 90% of them sustainably by 2030 through guidelines that help set the standard for responsible land use, environmental performance, and social compliance in our agricultural supply chain.

Targeting zero deforestation

We're striving to be deforestation-free and conversion-free sourcing for all high-risk commodities by 2030 for company-owned and operated activities with help from supplier engagement, third-party certification, and on-the-ground partnerships that help build transparency to origin.



Acres farmed with
regenerative agriculture,
restorative, or protective
practices¹

4.7M



Progress volumes on key
ingredients that face
systemic barriers
being sustainably sourced
(~2% engaged)⁴

~70%

Improved livelihoods for
people in our agricultural
supply chains and
communities⁵

~224K

Key ingredients from
sustainable sources²

70%



The number of crops
sourced for ingredients⁶

50+

Number of countries
from which we source
ingredients³

60+



¹ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

² See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

³ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

⁴ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

⁵ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

⁶ See Calculation Methodology for detail on how we measure progress on this metric. Metric published July 1, 2026.

FEATURED PROGRAM

WHAT IF WE REWARD REGEN RESULTS?

Our Project Oro is turning regenerative agriculture into a results-driven business model. In Brazil's Cerrado, farmers earn rewards for what they achieve, like healthier soil, lower emissions, and stronger yields. From 7,000 acres today, aiming for 30,000.

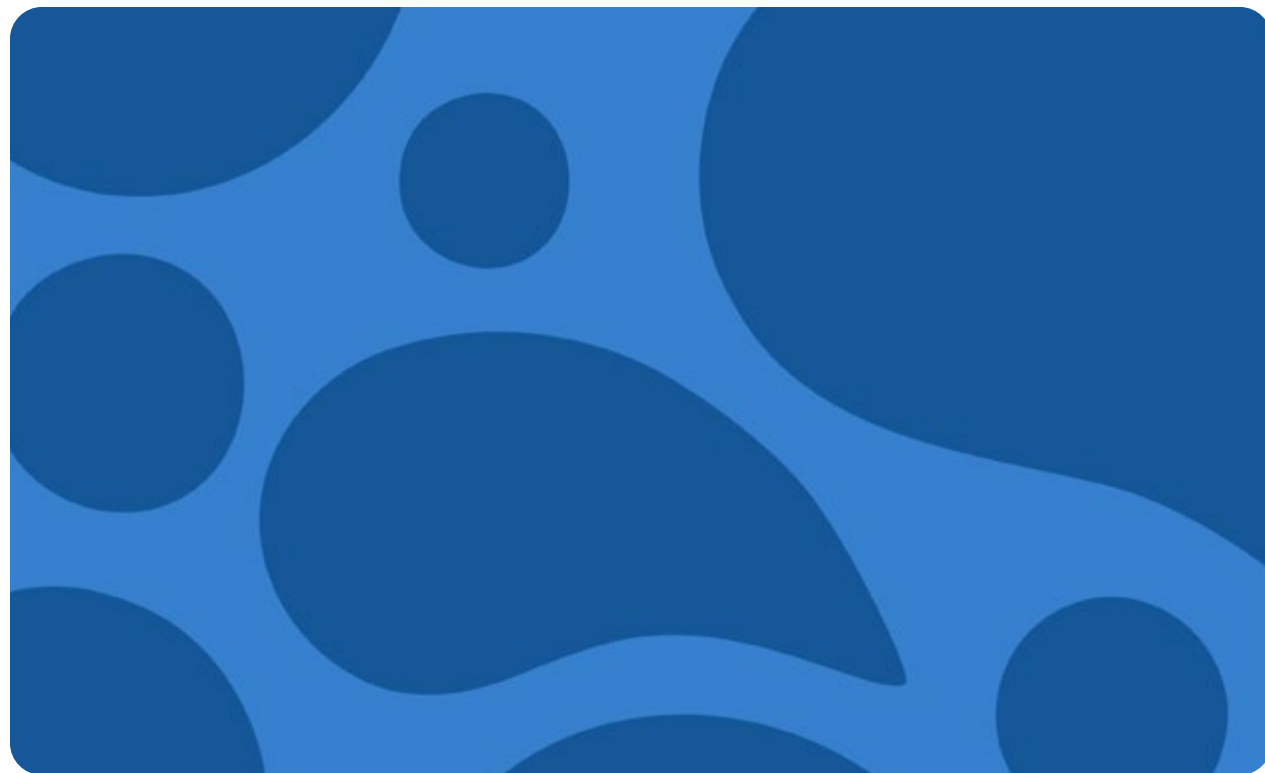
[Discover more on Project Oro](#)





POSITIVE VALUE CHAIN

Net-zero by 2050. Packaging that never becomes waste. A vision of being net water positive by 2030. These are visions we're working to translate into actions to build resilience into our business.



BIG GOALS, BIG ACTIONS

Science says: net-zero by 2050

Our timeline is aligned with the science. Our 1.5°C pathway is fully validated by the Science Based Targets Initiative (SBTi), anchoring our roadmap to cut emissions by 2030 and reach net-zero by 2050.

Running on renewable

Through power purchase agreements, energy attribute certificates, and continued clean energy investments, we're working towards 100% renewable electricity worldwide—working to power up our operations.

Rethinking every mile we drive

From electric vehicles to renewable natural gas and next-gen transportation technology, we're working to diversify how we move our products through the world. Full fleet decarbonization is a long road—and we're aiming to accelerate down it.

Tracking every source of emissions

Real progress takes real effort. That's why we track and report on our emissions. Across Scope 1, 2, and 3, we measure our progress against our 2022 baseline and report transparently on where we're ahead, where we're on track, and where the hardest work still lies.

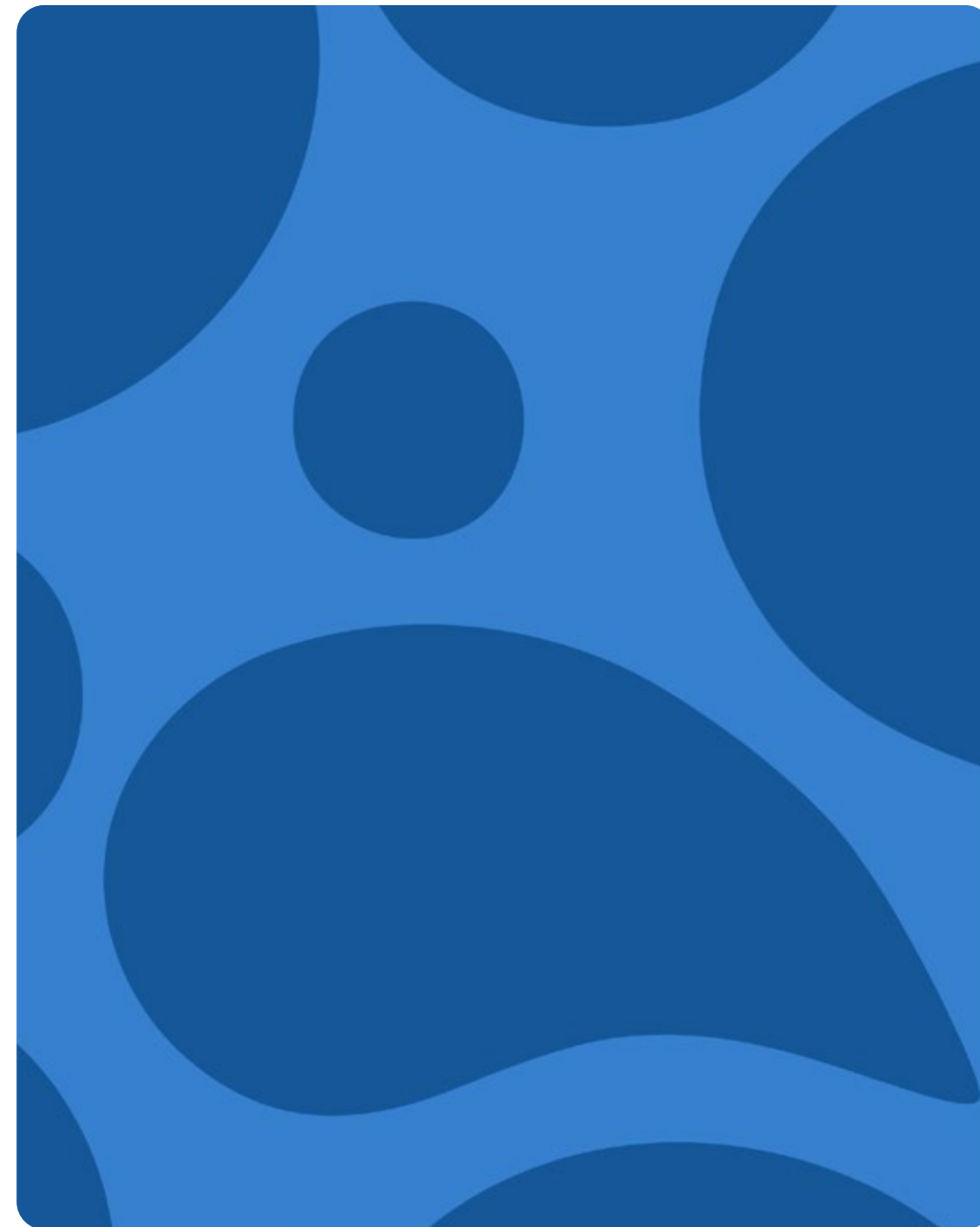
The work behind the ambition

Our Climate Transition Plan maps the actions we believe can get us to net-zero emissions. From decarbonizing our own operations to engaging suppliers, mobilizing renewable energy, and investing in low-emission agriculture, this is the detailed work that turns a target into a trajectory.



Towards our scope 1
& 2 goal for our own
operations against our
2022 market baseline¹

24%



Renewable electricity in
company-owned facilities²

96%



Towards our Scope 3 E&I
goal by 2030 versus our
2022 market baseline³

12%



Towards our Scope 3 FLAG
goal by 2030 versus our
2022 market baseline⁴

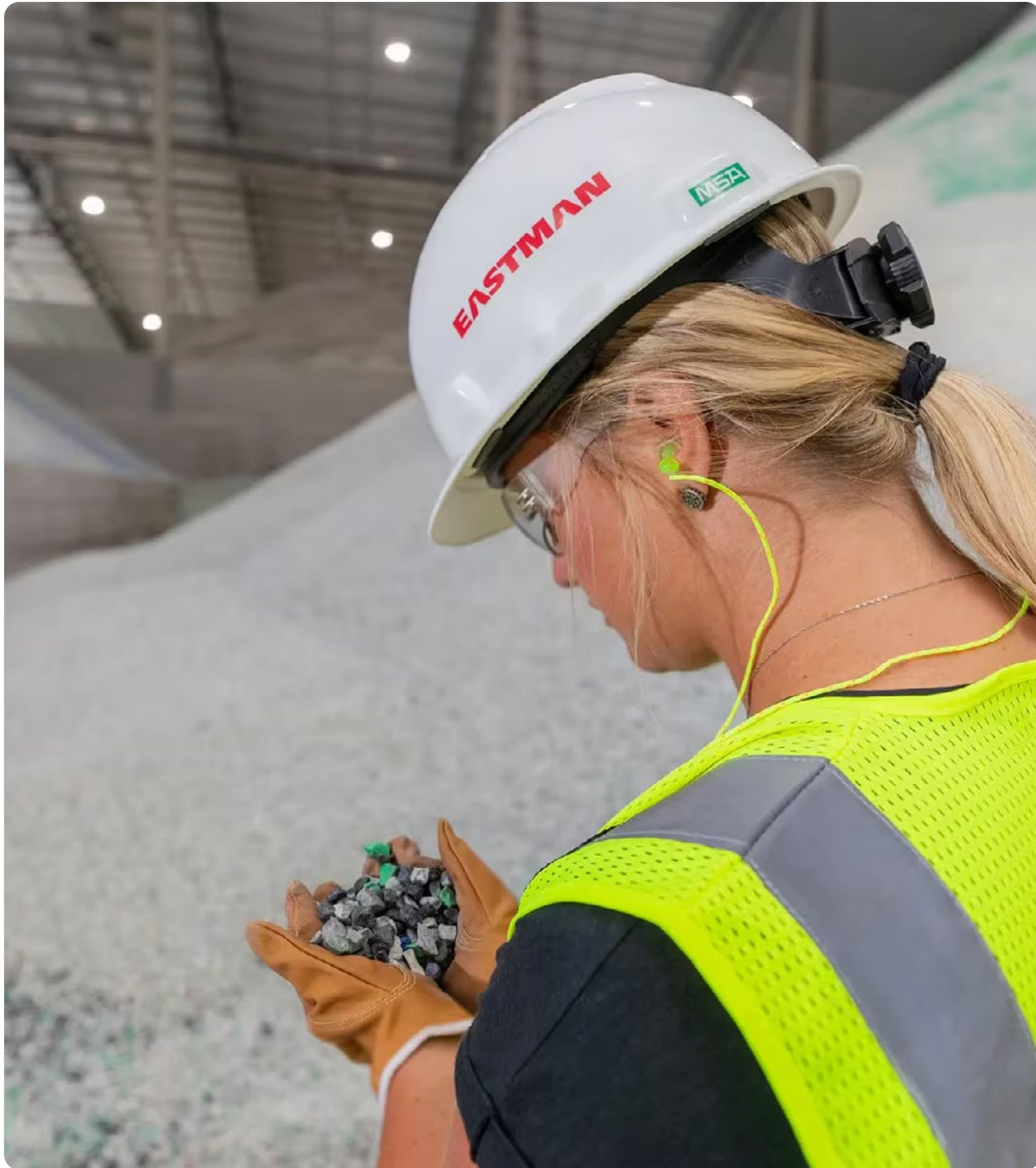
18%

¹ PepsiCo keeps track of the evolving external guidance from the Greenhouse Gas Protocol (GHGP) and the Science Based Targets Initiative (SBTi) and calculates our footprint and target progress in line with these standards. Our reported target progress is calculated in accordance with SBTi's Corporate Net Zero Standard (CNZS) V2.0 innovations that apply to our targets set under CNZS V1.0. We report emission reductions against baseline calculated from our physical footprint and separately report target progress that includes system contributions from activity pool and sector level actions. Further details can be found in our Climate Accounting Statement. This reporting approach may change in the future as further guidance is made available from the GHGP and SBTi.

² See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

³ See the Climate Accounting Statement for detail on how we measure progress on this metric. Metric published August 13, 2026.

⁴ See the Climate Accounting Statement for detail on how we measure progress on this metric. Metric published August 13, 2026.



EXTENDING PACKAGING LIFE

Reduce. Recycle. Reinvent.

Tackling packaging waste demands all three. We are working to reduce virgin plastic, increase recycled content, and design our packaging to be able to re-enter the value chain.

Working to reduce virgin plastic

Every gram of waste eliminated is progress. Our target is an average year-over-year reduction in our primary packaging in key packaging plastic markets through 2030. In 2025, we achieved a 6% reduction in primary packaging in these markets.

Recyclable by design

We're systematically designing packaging to be reusable, recyclable, or compostable, while incorporating more recycled content across our global portfolio of primary and secondary packaging in key packaging markets. Our vision is to never see packaging become waste.

Developing closed-loop systems

Packaging can only be circular if the systems exist to close the loop. So, we're helping build them by investing in deposit return systems, EPR frameworks, and circular economy infrastructure that scales beyond our own supply chain and into the world.

Recycled content in
primary plastic packaging
in key packaging markets⁵

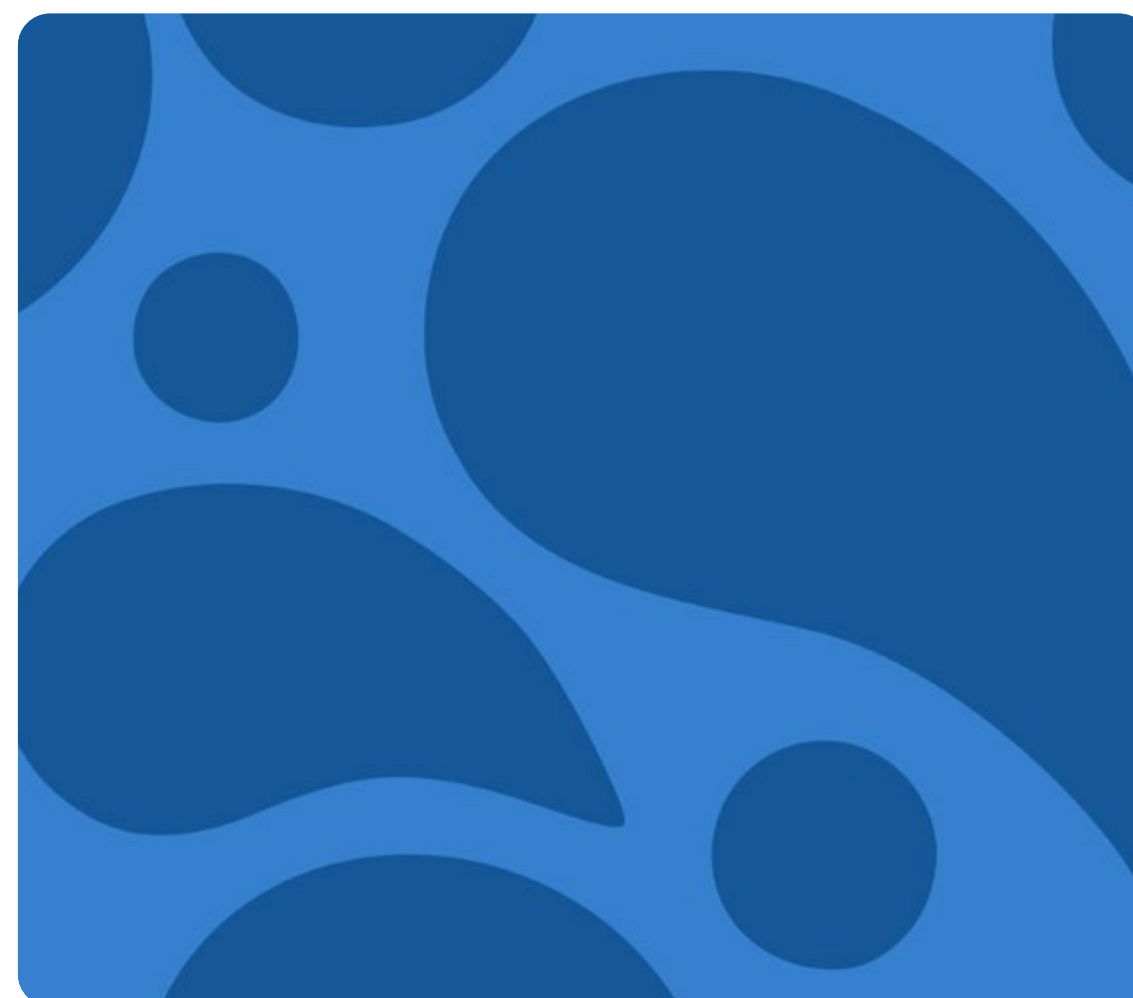
18%

Percentage of our portfolio
that is reusable, recyclable,
or compostable (RRC)
packaging by design by
2030 in our primary and
secondary packaging in our
key packaging markets⁶

94%

Year-over-year reduction
in absolute tonnage of
virgin plastic for primary
plastic packaging in key
packaging markets⁷

6%



⁵ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

⁶ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

⁷ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

EFFICIENCY IN EVERY DROP

A vision for net water positive

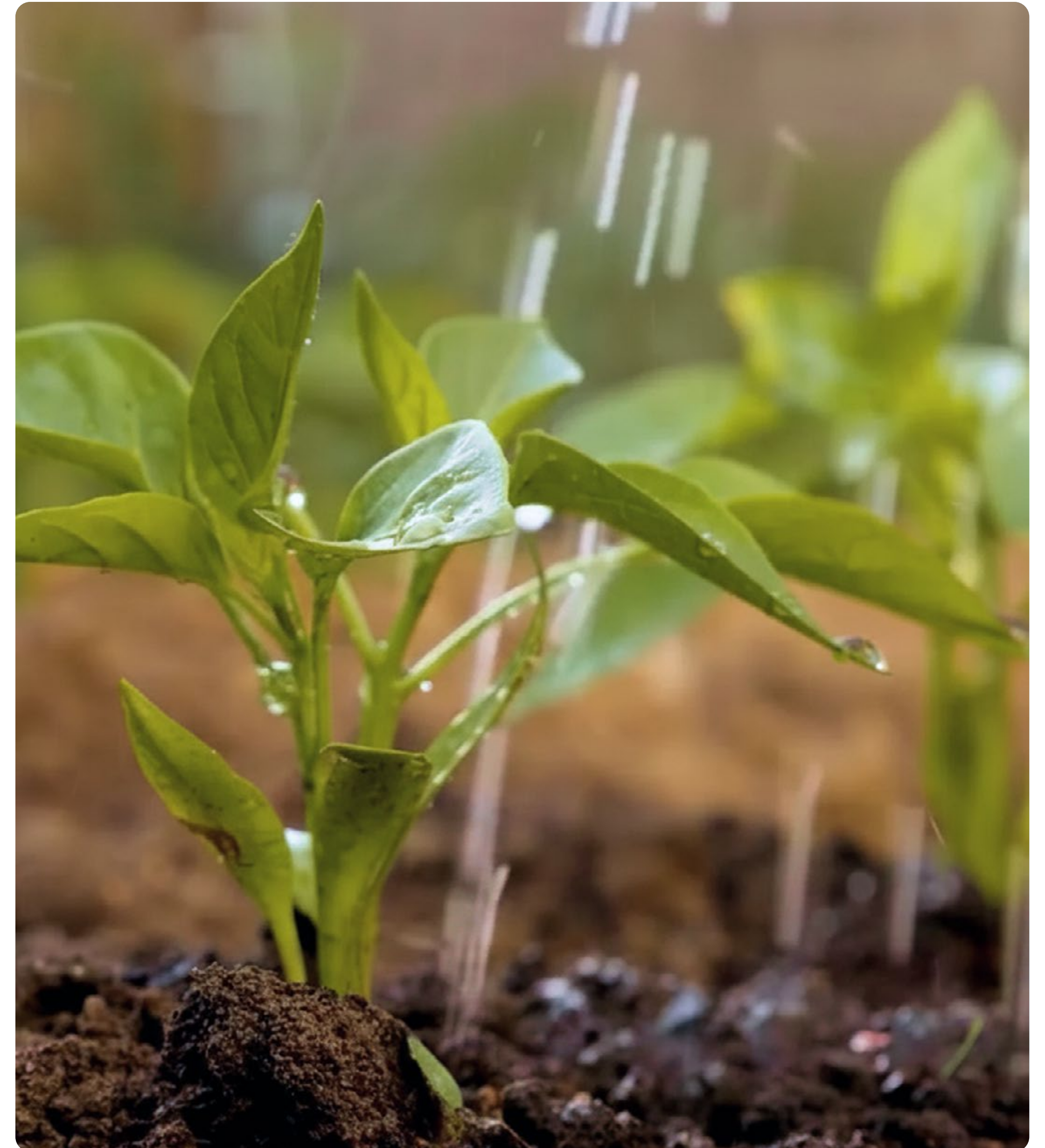
Water isn't just a production input. It's a shared resource we're aiming to protect. By 2030, our goal is to replenish 100% of the water that our business and our franchise bottlers consume in high water risk (HWR) areas to local ecosystems. This is part of our net water positive vision. In 2025, the company achieved its 2025 goal for 100% water replenishment at company-owned facilities in HWR watersheds and adopted the Alliance for Water Stewardship Standard across all company-owned manufacturing sites in high water-risk areas.

Liters replenished or saved

Across our operations, we're driving water-use efficiency in high water-risk areas, returning billions of liters to local watersheds through nature-based replenishment projects. In high water-risk areas for our operations, we've already hit our 2025 replenishment target—and we're pushing further.

Water security, safe water access

Water is a human right. Since 2010, we've mobilized infrastructure and capital to deliver clean water to approximately 97 million people, striving to cross the 100-million mark by 2030.





2025 water replenishment goal achieved at company-owned facilities in high water-risk areas, meeting the Alliance for Water Stewardship Standard⁸

100%

People reached with safe water access since 2010⁹

~97M

Replenishment of the water used in company-owned and franchise bottler manufacturing facilities located in high water-risk areas¹⁰

58%

⁸ See Calculation Methodology for detail on how we measure progress on this metric. Metric published March 19, 2026.

⁹2025 reported performance includes – for the first time – data provided by franchise bottlers who have manufacturing facilities in high water-risk areas. See Calculation Methodology for detail on how we measure progress on this metric. Metric published June 5, 2026.

¹⁰See Calculation Methodology for detail on how we measure progress on this metric. Metric published June 5, 2026

RIGHTS, RESPECTED

Standing strong against human rights abuses

PepsiCo strives to be a positive influence, promoting respect for human rights across our supply chain and aiming to take action to help address impacts wherever we uncover them.

Working safe, aiming for zero

We aim to demonstrate industry-leading practices by maintaining a global environment, health and safety risk reduction strategy across our global operations. In 2025, our Lost Time Incident Rate remained nearly constant with the prior year, at 0.45 per 200,000 hours worked.

Highly skilled, highly trained

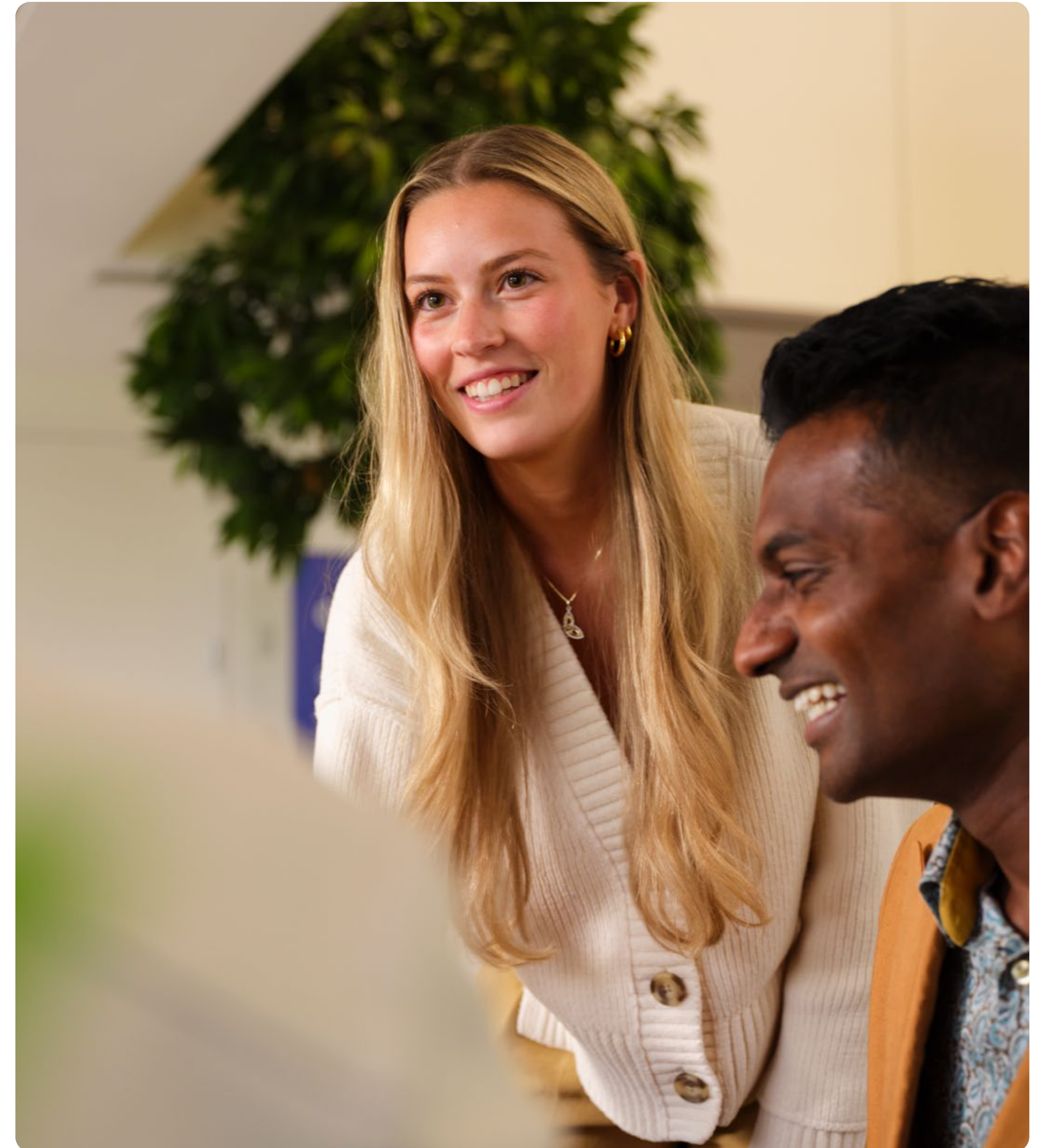
We aim to cultivate employees' skills and experiences to improve retention, increase productivity and effectiveness and drive our long-term success. In 2025, PepsiCo employees spent 2.6 million hours learning through our digital platforms.

Attracting and retaining the best

We aim to maintain pay practices that support compliance with applicable laws and company policies and help attract and retain talent. In 2025, we implemented our pay equity review process in 72 countries that collectively make up 99% of our salaried employee population. Our 2025 results continue to show that in this population, women and men are paid within 1% of each other.¹¹

Every community counts

Our brands reach millions of people every day. We're investing in the communities around them—through local partnerships, sustainable sourcing and programs that aim to create real opportunity.



¹¹Based on analysis of more than 99% of our salaried population across 72 countries.



POSITIVE CHOICES

More choices.
More smiles.
More ways to make a positive impact for
the people and the planet we serve.



FROM PRODUCT TO PURPOSE

The recipe is changing

We're working to reduce added sugars, sodium, and saturated fat, as well as add more diverse ingredients across our entire portfolio—evolving the products people love to offer more nutritious options, while keeping the great taste that made them iconic.

Ingredients that do more

We're expanding the diversity and nutritional quality of what we offer, such as plant-forward innovations, functional ingredients, prebiotic colas, and protein-packed snacks. More variety, more vitality, more reasons to reach for a PepsiCo product.

ENHANCING NUTRIENT DENSITY

We measure what matters. That means following the science, setting clear targets, transparent reporting, and honest progress updates, including our goal to deliver 145 billion portions of diverse ingredients by 2030.



Portion of beverage
portfolio volume containing
100 Calories or less from
added sugars per 12 ounce
serving¹

68%



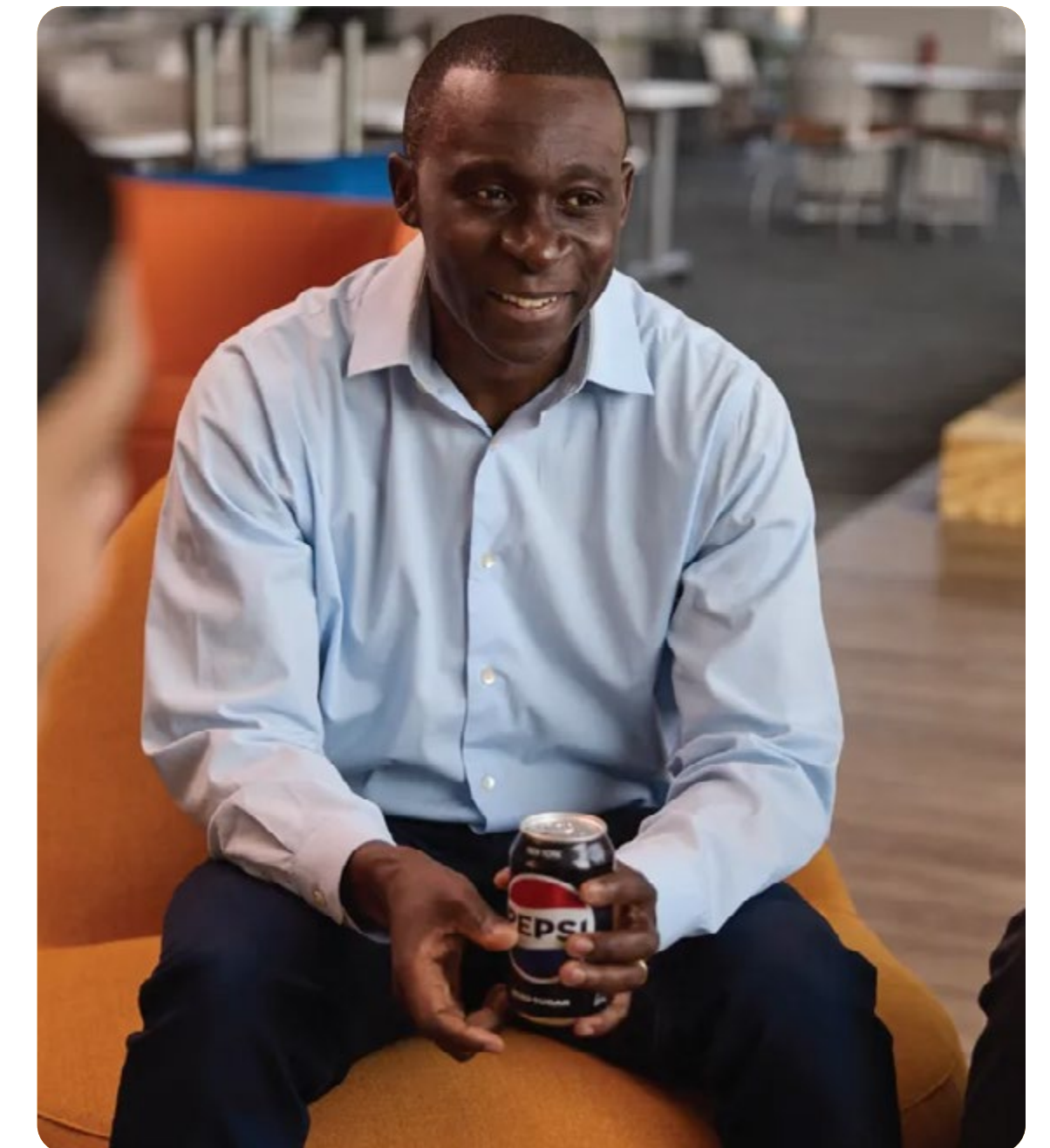
Portions of diverse
ingredients delivered²

79 BILLION



Convenient foods portfolio
volume that does not
exceed 1.3 milligrams of
sodium per Calorie³

79%



¹ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

² See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

³ See Calculation Methodology for detail on how we measure progress on this metric. Metric published August 13, 2026.

RESOURCES



POSITIVE AGRICULTURE

[Agriculture](#)
[Deforestation](#)
[Nature](#)
[Animal Welfare](#)
[Pesticides & Other Agrochemicals](#)
[Palm Oil](#)
[Human Rights](#)



POSITIVE VALUE CHAIN

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[Packaging](#)
[Water](#)
[Renewable Energy](#)
[Fleet Decarbonization](#)
[Waste](#)
[Nature](#)



POSITIVE CHOICES

[Nutrition](#)
[Food & Nutrition Security](#)
[Responsible Marketing](#)
[Product Labeling & Claims](#)
[Product Safety & Quality](#)

[PERFORMANCE METRICS & CALCULATION METHODOLOGY](#)
[ESG TOPICS A-Z](#)