

Nutrition Governance

In 2016, we reviewed our sustainability governance structure to identify opportunities to strengthen the integration of sustainability into our business agenda and processes. This includes our product-related sustainability goals, which focus on improving the nutritional profile of our product portfolio. Beginning in 2017, PepsiCo's senior leadership team, made up of the Chairman & CEO, Sector CEOs and top functional leaders, assumed direct oversight of the sustainability agenda, strategic decisions and performance management. This ensures that sustainability is a key accountability factor for every member of our senior leadership team. Placing sustainability accountability within the company's most senior leaders reflects the emphasis we place on achieving our sustainability agenda.

Strategy and progress against our sustainability goals are discussed during meetings of the full senior leadership team on a regular basis, providing opportunities for our senior leadership to align on major strategic issues relating to sustainability. In between these meetings, senior leadership team members remain actively engaged in executing against our sustainability goals, inclusive of our product-related goals, driving the agenda with their teams.

In particular, our R&D team plays a critical role in the science and research supporting innovation. PepsiCo R&D supports progress on our nutrition strategy by delivering innovation built on groundbreaking science and technology. R&D undertakes research to create technical solutions for product development with platforms specifically focused on health and nutrition and provides tools to enable the development of products with improved nutrition profiles.

PepsiCo's Life Sciences Team plays an active role in monitoring and evaluating new science in the area of nutrition, diet and health to ensure our reformulation and innovation is evidence-based. In addition, we consult with a number of international experts to ensure that both our internal criteria and our deployment of science is consistent with the totality of the research evidence. We track changes to international and national dietary guidelines to ensure we are abreast of updates that may impact our business.

Innovation and reformulation efforts have been underway for some time and continue unabated in our portfolio around the world. Our product reformulation efforts are global in order to make the greatest impact; for example, we've continued to expand our portfolio of improved choices for consumers. No-sugar Pepsi Black (also known as Pepsi Zero Sugar or Pepsi MAX), which had double-digit volume growth in 2020, is available in 118 global markets. To achieve our goals, each of these markets and, in some cases, regions have developed tailored strategies to take into account local taste preferences, challenges and cultural differences to enable a greater likelihood of consumer acceptance without compromising the improved nutritional profile.

The Sustainability, Diversity, and Public Policy Committee of the Board has reviewed each of the product goals of our sustainability agenda.