



2023 Calculation methodology



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. This updated data is included within our results unless otherwise noted in ESG Performance Metrics, which highlights performance against our pep+ goals. Refer to ESG data governance for more information regarding our internal data review process

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



Target metric

How we measure

Spread the adoption of regenerative agriculture practices across 7 million acres of the land used around the world to grow our crops and ingredients for our products by 2030

Assurance: None

Boundary: Farming communities and/or production areas where farms produce ingredients within PepsiCo's supply shed

Exclusions: None

Baseline: None

Restatement from prior year(s): None

This metric captures the summation of acres of land, across all sectors and value chains, that are involved in the continuous improvement journey of implementing regenerative practices to improve and restore farmland ecosystems. Regenerative acres demonstrate measured improvement in two or more of the following regenerative agriculture environmental impact areas:

1. Build soil health and fertility
2. Reduce and sequester CO₂
3. Improve watershed health; and
4. Protect and enhance biodiversity

PepsiCo considers an acre to be delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements across at least two of the four environmental impact areas, with a strong preference for removing or reducing greenhouse gas (GHG) emissions to be one impact area. Our approach to regenerative agriculture will also aim to generate positive impact on livelihoods in these farming communities. Refer to [PepsiCo's Regenerative Agriculture Practice Bank](#) for a comprehensive listing of practices directly or indirectly linked to the five 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. Regenerative acres reported represent the annual count in each year presented based on actions undertaken since 2021.

Advocate for and contribute to a measurable improvement in the health of high water-risk watersheds where we directly source our crops, including an improvement in water-use efficiency of 15% by 2025

Assurance: None

Boundary: Crops procured through direct purchasing model, applied irrigation water and areas identified as high water-risk (HWR)

Exclusions: None

Baseline: 2015

Restatement from prior year(s): None

Agricultural water-use efficiency (WUE) is defined as the cubic meters (m³) of water used as irrigation water per metric ton of crop produced. This metric tracks the WUE improvement of PepsiCo's direct agricultural supply chain, and it is calculated as the weighted average of the percent improvement of WUE in producing direct crops in HWR areas measured against a 2015 baseline year. World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. Direct crops currently in scope include grower-sourced potatoes and corn. To focus efforts on implementing sustainable practices, we currently collect and publish agricultural WUE data at least once every three years. Reported results reflect assessments performed in 2023, 2020 and 2018.

We regularly review our pep+ goals and consider whether any changes are warranted. As a result of achieving this goal ahead of schedule, we will no longer report on it. But we will continue our work in watershed health through other pep+ goals and remain focused on continuous improvement.





Target metric

How we measure

Sustainably source 100% of our key ingredients, expanding to include not only our grower-sourced crops (potatoes, whole corn and oats), but also key crops from third parties, such as vegetable oils and grains by 2030

Assurance: None

Boundary: Crops procured through direct and indirect purchasing model for use in wholly-owned PepsiCo manufacturing facilities, contract manufacturing and joint venture (JV) facilities where PepsiCo has raw material purchasing control during the reporting year

Exclusions: Joint ventures (JVs), franchises, co-manufacturers and co-packers and other third parties over which we do not hold purchasing control

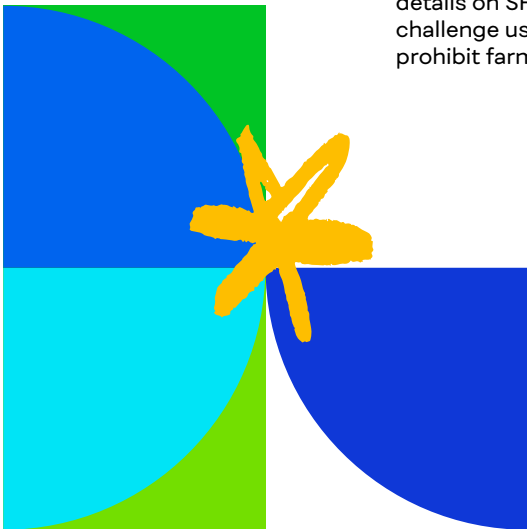
Baseline: None

Restatement from prior year(s): None

This metric is calculated using the sum of the numerators (sustainably sourced volumes) and denominators (total volumes) of the following two metrics:

- The total volumes (in metric tons) of grower-sourced agricultural raw materials (potatoes, whole corn and oats) received from verified sustainable sources versus the total metric tons of direct agricultural raw materials sourced in the reporting year. For grower-sourced crops, sustainable sourcing refers to meeting the independently-verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program (SFP).
- The total volumes (in metric tons) of supplier-sourced crops (i.e., vegetable oils, grains, sweeteners) that were sustainably sourced versus the total metric tons of indirect agricultural raw materials sourced in the reporting year. For supplier-sourced crops, sustainable sourcing is achieved through a third-party standard that has been benchmarked as equivalent to the SFP or, in limited regions, a continuous improvement program addressing the main environmental and social risks with growing the relevant crop. Sustainably sourced volumes are verified by third parties, including Roundtable on Sustainable Palm Oil (RSPO) - certified palm oil and Bonsucro-certified (or equivalent) cane sugar.

Key ingredients reflected in this metric include, but are not limited to potatoes, corn, oats, raw milk, wheat, cornmeal, rice, cane sugar, beet sugar, high-fructose corn syrup, banana, cocoa/chocolate and vegetable oils (e.g., palm, sunflower, canola). For more details on SFP implementation, please see [Sustainable Farming Program Scheme Rules](#). Certain legal and systemic barriers will challenge us as we strive toward our goal of sustainably sourcing 100% of our key ingredients. For example, certain jurisdictions prohibit farmers from holding legal rights to the land they farm (a component of our sustainable sourcing definition).





Positive Agriculture

Target metric

Improve the livelihoods of more than 250,000 people in our agricultural supply chain and communities through dedicated programming aiming to support economic prosperity, farm and farm worker security and women's economic empowerment by 2030

How we measure

Assurance: None

Boundary: Workers in PepsiCo's agricultural supply chain including farmers, farm workers and their households in a high-risk country

Exclusions: None

Baseline: Cumulative results since 2021

Restatement from prior year(s): None

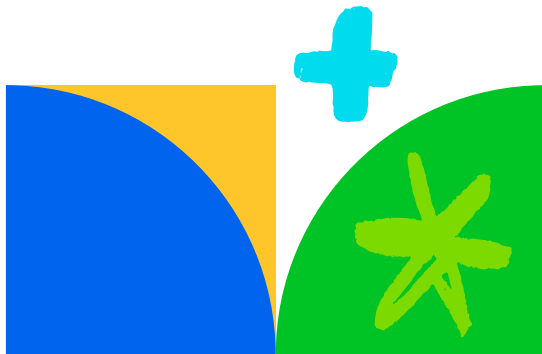
This metric captures the number of livelihoods reached through an outcome-focused evaluation from PepsiCo's Positive Agriculture initiatives. This metric focuses on improvements in three areas:

1. Economic prosperity: profitability and relative poverty level
2. Farmer and farm worker security: food security, land rights, wages and labor practices
3. Women's economic empowerment: women's decision-making and women's access 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.

Once a project meets the criteria to count towards the goal and when beneficiary improvements are believed to impact a full household, the livelihoods improved by a qualifying project are calculated by multiplying the number of head of household producers experiencing program-related improvements by the average household size for the country and/or region. Average household size is obtained from respective countries' and/or regions' latest census reports, direct calculation from the programs 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.





Target metric

How we measure

Reduce Scope 1 and 2 emissions by 75% by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured 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: 2015

Restatement from prior year(s): In 2023, we remeasured the 2021 reported results to reflect the 2015 baseline that was recalculated following the divestiture of Tropicana, Naked and other select juice brands

A GHG emissions inventory for Scopes 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.

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 location-based and market-based methodology in line with the GHG Protocol. Performance against this metric is tracked according to the market-based methodology. Purchased electricity, heat, steam or cooling data is collected from all PepsiCo-operated facilities. Data on purchase 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.

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





Target metric

How we measure

Reduce Scope 3 emissions by 40% by 2030

Assurance: Third-party limited assurance provided by Apex; select categories assured since 2021

Boundary: Emissions from value chain (Scope 3): emissions within PepsiCo's supply chain upstream (from ingredients and materials we purchase) to downstream franchise JVs manufacturing of our products to distribution and end of life of packaging materials

Exclusions: None

Baseline: 2015

Restatement from prior year(s): In 2023, we further remeasured the 2015 baseline to reflect the divestiture of Tropicana, Naked and other select juice brands, enhancements in our calculation methodology and the inclusion of additional data

Consistent with the GHG Protocol, Scope 3 includes all indirect emissions both upstream and downstream associated with the broader value chain and is not within PepsiCo's direct control. Where actual data is not available, estimated data was used. Scope 3 GHG emission reductions are measured against the baseline year figures to determine percent change.

12 of the 15 GHG Protocol categories are deemed material to the business and are included in our Scope 3 calculations. 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 material to the business or are not required per GHG Protocol based on the products PepsiCo sells and are excluded from our Scope 3 calculations:

Category 8: Upstream leased assets

Category 11: Use of products sold

Category 13: Downstream leased assets

Reduce total absolute emissions by more than 40% by 2030

Assurance: See above Scopes 1, 2 and 3

Boundary: See above Scopes 1, 2 and 3

Exclusions: See above Scopes 1, 2 and 3

Baseline: 2015

Restatement from prior year(s): In 2023 we further remeasured the 2015 baseline to reflect the divestiture of Tropicana, Naked and other select juice brands, enhancements in our calculation methodology and the inclusion of additional data

A GHG emissions inventory for Scopes 1, 2 and 3 is carried out on an annual basis, following the GHG Protocol and reflecting the scopes and boundaries outlined in the climate goals above. Emission reductions are measured against the baseline year figures to determine percent change.





Positive Value Chain: Water

Target metric How we measure

Improve operational water-use efficiency by 25% in high water-risk areas by 2025

Assurance: Third-party limited assurance provided by Apex; metric assured since 2015

Boundary: PepsiCo-owned manufacturing facilities located in HWR areas

Exclusions: None

Baseline: 2015

Restatement from prior year(s): None

This metric measures the combined improvement in operational water-use efficiency in PepsiCo-owned manufacturing facilities located in HWR areas. The metric is calculated as a weighted average of beverage and convenient food water-use efficiency improvements based on respective volume produced. Water-use efficiency is calculated as the liters of water used to produce one liter of beverage or kilogram (kg) of food and excludes rain water and water reused or recycled on-site. The resulting figure is then measured against the baseline year to determine percent change.

HWR describes locations that are exposed to a significant level of risk related to water at the local level, in one or more of three risk areas:

- Physical water scarcity in terms of quantity or quality;
- Social or reputational risk as a result of real or perceived use of water; and
- Regulatory risk related to water allocation, restrictions and/or pricing.

World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are out of scope for this metric due to the limited timeframe to achieve the 2025 target. These sites are included in the 2030 water-use efficiency goals.

After 2023, we will no longer report on this goal. Instead, our reporting focus will shift to our work to become net water positive, including progress against our aggressive 2030 goals aimed at world-class and best-in-class operational water-use efficiency.

Best-in-class high water-risk beverages manufacturing facilities (liters/liter) by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned and third-party manufacturing facilities in HWR areas for PepsiCo's beverages portfolio

Exclusions: We do not currently capture data from third-party manufacturers and are evaluating how to obtain and include information from our top third-party manufacturers in future calculations

Baseline: None

Restatement from prior year(s): None

This metric is calculated by dividing the total liters of water used for beverage production by the total liters of beverage production. Best-in-class water-use efficiency for beverages is achieved when an average 1.2 liters of water (or less) per liter of beverage production is used at HWR PepsiCo-owned and third-party manufacturing facilities. For PepsiCo-owned manufacturing facilities, World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in-scope for this metric.





Positive Value Chain: Water

Target metric How we measure

Best-in-class high water-risk convenient foods manufacturing facilities (liters/kg) by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned and third-party manufacturing facilities in HWR areas for PepsiCo's foods portfolio

Exclusions: We do not currently capture data from third-party manufacturers and are evaluating how to obtain and include information from our top third-party manufacturers in future calculations

Baseline: None

Restatement from prior year(s): None

This metric is calculated by dividing the total liters of water used for food production by total kgs of food production. Best-in-class water-use efficiency for food production is achieved when an average 0.4 liters of water (or less) per kgs of food production is used at HWR PepsiCo-owned and third-party manufacturing facilities. For PepsiCo-owned manufacturing facilities, World Resources Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in-scope for this metric.

World-class non high water-risk beverages manufacturing facilities (liters/liter) by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned and third-party manufacturing facilities not in HWR areas for PepsiCo's beverages portfolio

Exclusions: We do not currently capture data from third-party manufacturers and are evaluating how to obtain and include information from our top third-party manufacturers in future calculations

Baseline: None

Restatement from prior year(s): None

This metric is calculated by dividing the total liters of water used for beverage production by the total liters of beverage production. World-class water-use efficiency for beverages is achieved when an average 1.4 liters of water (or less) per liter of beverage production is used at PepsiCo-owned and third-party manufacturing facilities not located in HWR areas.

World-class non high water-risk convenient foods manufacturing facilities (liters/kg) by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned and third-party manufacturing facilities not in HWR areas for PepsiCo's foods portfolio

Exclusions: We do not currently capture data from third-party manufacturers and are evaluating how to obtain and include information from our top third-party manufacturers in future calculations

Baseline: None

Restatement from prior year(s): None

This metric is calculated by dividing the total liters of water used for food production by total kgs of food production. World-class water-use efficiency for food production is achieved when an average 4.4 liters of water (or less) per kg of food production is used at PepsiCo-owned and third-party manufacturing facilities not located in HWR areas.





Target metric How we measure

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned and third-party manufacturing facilities in HWR areas

Exclusions: We do not currently capture data from third-party manufacturers and are evaluating how to obtain and include information from our top third-party manufacturers in future calculations

Baseline: None

Restatement from prior year(s): None

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 should replenish more than one liter of water for every liter we use at each location for PepsiCo-owned and third-party facilities categorized as HWR. To measure progress towards the goal, replenishment should occur in the minor basin where facilities are located, within the watershed where the facility water supply is sourced or within an interconnected watershed.

For PepsiCo-owned manufacturing facilities, World Resources Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. 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.

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 partner 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 and 100% replenishment at third-party facilities designated as HWR

The reported replenishment volumes for company-owned facilities are currently being capped at 100% at each location. Once we achieve 100% at each location, we will start to then report progress of more than 100% replenishment.

Replenish back into the local watershed more than 100% of the water we use by 2030





Positive Value Chain: Water

Target metric How we measure

Adopt the Alliance for Water Stewardship standard as our vehicle for water advocacy in high water-risk areas by 2025

Assurance: Third-party limited assurance provided by Apex; metric assured 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): None

Progress for this metric 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 they have begun implementing Step 1 of the Standard. A site is considered to have completed adoption of the AWS Standard when they have completed Steps 1 – 5 of the Standard. For PepsiCo-owned manufacturing facilities, World Resources Institute's Aqueduct water stress assessment tool is used to reconfirm HWR areas every three years. In 2022, an updated water risk assessment identified additional company-owned HWR facilities, which are in-scope for this metric.





Positive Value Chain: Packaging

Target metric

How we measure

Cut virgin plastic from non-renewable sources per serving across our global beverages and convenient foods portfolios by 50% by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned brands produced by franchise operations, all JVs with 50% or more ownership where PepsiCo has control over the packaging specifications, and all primary, secondary and tertiary packaging delivered and involved in the delivery to customers that can no longer be used for its intended purpose following consumer consumption

Exclusions: None

Baseline: 2020

Restatement from prior year(s): None

This metric is calculated by dividing the total virgin non-renewable plastic volume in metric tons by the total number of beverage and convenient food servings sold during the reporting year. The resulting figure is then measured against the baseline year figures to determine the percent change.

Scaling new business models that avoid or minimize single-use packaging materials (e.g., models that reuse, refill, prepare at home, utilize concentrates like powders, drops, etc.), with the aim of delivering 20% of all beverage servings we sell through reusable models by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured in 2023

Boundary: PepsiCo's beverage portfolio delivered through reuse models such as SodaStream, fountain drinks, concentrates, powders and tablets and refillable plastic/glass bottles

Exclusions: Fountain beverages delivered in reusable containers requiring third-party data are not currently measured

Baseline: 2022

Restatement from prior year(s): None

PepsiCo measures its reuse footprint by dividing the number of beverage servings delivered to the consumer through reusable formats by the total number of beverage servings sold in the reporting year. Based on the framework developed by the Ellen MacArthur Foundation (EMF) and Consumers Beyond Waste (CBW), as well as standards established by the International Organization for Standardization (ISO) (Standard 18603 definitions), we define 'reuse' as the operation by which packaging is refilled or used for the same purpose for which it was conceived, with or without the support of auxiliary products present on the market enabling the packaging to be refilled. This includes:

- **Reusable packaging:** Packaging or packaging component that has been designed to accomplish or proves its ability to accomplish a minimum number of trips or rotations in a system for reuse (i.e., packaging that can be reused such as refillable glass or PET bottles)
- **System of reuse:** Established arrangements (organizations, technical or financial) that ensure the possibility of reuse (i.e., business models and delivery systems that facilitate reuse such as SodaStream)

In line with the frameworks noted above, one serving constitutes 12 oz for carbonated soft drinks and 8 oz for juice or dairy products in PepsiCo's beverage portfolio.





Positive Value Chain: Packaging

Target metric

How we measure

Reducing our absolute tonnage of virgin plastic derived from non-renewable sources by 20% by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned brands produced by franchise operations, all JVs with 50% or more ownership where PepsiCo has control over the packaging specifications, and all primary, secondary and tertiary packaging delivered and involved in the delivery to customers that can no longer be used for its intended purpose following consumer consumption

Exclusions: None

Baseline: 2020

Restatement from prior year(s): None

This metric is calculated by subtracting recycled and renewable plastic (in metric tons) from total plastics (in metric tons) to determine virgin non-renewable plastic. The resulting figure is then measured against the virgin non-renewable plastic in the baseline year to determine the percent change.

Use of market-leading bio-based and renewable materials

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.

Achieve our goal of using 50% recycled content in our plastic packaging by 2030

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned brands produced by franchise operations, all JVs with 50% or more ownership where PepsiCo has control over the packaging specifications, and all primary, secondary and tertiary packaging delivered and involved in the delivery to customers that can no longer be used for its intended purpose following consumer consumption

Exclusions: None

Baseline: None

Restatement from prior year(s): None

This metric expresses the ratio of the volume of recycled plastic (in metric tons) to the total volume of plastic (in metric tons) used in our plastic packaging. Plastic categories can include but are not limited to PET, HDPE, liquid Cartons, snack films, stretch, shrink, beverage films, hi-cone, Bag in Box, pouches and plastic closures.





Positive Value Chain: Packaging

Target metric

How we measure

Design 100% of packaging to be recyclable, compostable, biodegradable or reusable by 2025

Assurance: Third-party limited assurance provided by Apex; metric assured since 2021

Boundary: PepsiCo-owned brands produced by franchise operations, all JV's with 50% or more ownership where PepsiCo has control over the packaging specifications, and all primary, secondary and tertiary packaging delivered and involved in the delivery to customers that can no longer be used for its intended purpose following consumer consumption

Exclusions: None

Baseline: None

Restatement from prior year(s): None

This metric tracks the percent of packaging by weight (in metric tons) that is recyclable, compostable, biodegradable or reusable (RCBR). Specific packaging material components are identified as either recyclable or non-recyclable based on both a global list of non-recyclable materials and local market conditions such as type of local recycling system and actual end use of the material. Additionally, the [Ellen MacArthur Foundation \(EMF\) Recyclability Assessment tool](#) may be used to determine whether a specific material is recyclable. Our RCBR 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 RCBR, it must be both designed to be recyclable, compostable, biodegradable or reusable and meet at least one of the following end-of-life waste management criteria:

1. Is collected and recycled or composted in practice and at scale. This means the packaging achieves the end-of-life waste management criteria of either a minimum 30% recycling/composting rate for the given material, or sale within a market for which at least 60% of the population has access to collection for recycling/composting
2. Meets the internal definition of biodegradable based on applicable standards. For classifying a material as biodegradable it needs to be tested and proven that in unintended end of life conditions of soil, marine environment and landfill to disappear as per international standard tests:
 - Soil Biodegradation Tests: ISO 17556.2, ISO 11266 or ASTM D.5988-96
 - Aquatic, Aerobic Biodegradation Tests: ISO 14851, ISO 9408, OECD 301, ASTM D.5271-92, EN 29408, ISO 9439, OECD 301B, ASTM D. 5209-92 or EN 29439

Invest to increase recycling rates in key markets by 2025

Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric. Progress against this metric is illustrated 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. Progress against this metric is illustrated through qualitative updates 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. Progress against this metric is illustrated through qualitative updates from various initiatives. See [ESG Topics A-Z: Philanthropy](#) for more details.

Achieve 10% Black representation in U.S. managerial populations by 2025

Assurance: None

Boundary: To reflect workforce availability of the communities where we operate including active full-time, part-time, temporary and seasonal employees and employees of JVs (with greater than 50% ownership held by PepsiCo) in the United States

Exclusions: None

Baseline: None

Restatement from prior year(s): None

The percentage of our identified Black employees in management roles is specific to the U.S. It is calculated by dividing the number of identified Black employees in U.S. management roles by the total number of U.S. employees in management roles as of December 31st of the reporting period.





Positive Value Chain: People

Target metric

How we measure

Achieve 10% Hispanic representation in U.S. managerial populations by 2025

Assurance: None

Boundary: To reflect workforce availability of the communities where we operate including active full-time, part-time, temporary and seasonal employees and employees of JVs (with greater than 50% ownership held by PepsiCo) in the United States

Exclusions: None

Baseline: None

Restatement from prior year(s): None

The percentage of our identified Hispanic employees in management roles is specific to the U.S. It is calculated by dividing the number of identified Hispanic employees in U.S. management roles by the total number of U.S. employees in management roles as of December 31st of the reporting period.

Continue to help address inequalities for historically marginalized people and underserved businesses and communities

Assurance, boundary, exclusions, baseline and restatements are not applicable for this metric. Progress against this metric is illustrated through qualitative updates from various initiatives. See [ESG Topics A-Z: Diversity, Equity and Inclusion](#) for more details.

Achieve and sustain 50% women in management roles by 2025

Assurance: None

Boundary: Full-time, part-time, temporary and seasonal employees and employees of JVs (with greater than 50% ownership held by PepsiCo)

Exclusions: None

Baseline: None

Restatement from prior year(s): None

The percentage of women in management roles is calculated by dividing the number of female employees in management roles by the total number of employees in management roles as of December 31st of the reporting period. Employee gender is recorded on a self-reported basis.





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 based on the actual and predicted pays of our male and female employees. 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 intends to capture progress related to implementing a comprehensive review process to support pay equity for women, and ensuring that employees receive equal pay for equal work and remediate areas where necessary. Countries with less than five headcount are not deemed material and excluded from the calculation. After controlling for legitimate drivers of pay such as job level, geographic location and performance ratings; based on base compensation. 72 countries were included in 2021 and 2022 analyses. 71 countries were included in 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. Progress against this metric is illustrated through qualitative updates 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: Sustainable sourcing](#) 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





Target metric

How we measure

Continue to strive for an injury-free work environment

Assurance: Third-party limited assurance provided by Apex; metric assured 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: $\geq 67\%$ 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: $\geq 75\%$ 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 kgs 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 kgs within the same 23 markets.

Reduce sodium: $\geq 75\%$ 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 100g thresholds by category. It is calculated by dividing the total number of kgs of PepsiCo's convenient foods portfolio sales volume within our Top 23 convenient foods markets meeting the respective target or less of sodium per 100g 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: $\geq 75\%$ 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 100g 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. Progress against this metric is illustrated through qualitative updates from various initiatives. See [ESG Topics A-Z: Product labeling and claims](#) for more details.

