

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$64 billion in net revenue in 2018, driven by a complementary food and beverage portfolio that includes 22 brands that generate more than \$1 billion each in estimated annual retail sales (e.g., Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana). Our new vision is to be the global leader in convenient foods and beverages by Winning with Purpose. To advance this vision, we will focus on becoming Faster, Stronger and Better in everything we do. We will become better by continuing to integrate our purpose agenda into our business strategy and doing even more for the planet and our people. Winning with Purpose acknowledges PepsiCo's leadership in integrating sustainability with strategy for more than a decade, and conveys our belief that sustainability can be an even greater contributor to our success in the marketplace. Winning with Purpose aims to build a more sustainable food system by intensifying our efforts on critical initiatives including climate change.

Cautionary Statement - Statements in this submission that are "forward-looking statements" are based on currently available information, operating plans and projections about future events and trends. Terminology such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "expressed confidence," "forecast," "future," "goal," "guidance," "intend," "may," "objective," "outlook," "plan," "position," "potential," "project," "seek," "should," "strategy," "target," "will" or similar statements or variations of such terms are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in demand for PepsiCo's products; changes in, or failure to comply with, applicable laws and regulations; imposition or proposed imposition of new or increased taxes aimed at PepsiCo's products; imposition of labeling or warning requirements on PepsiCo's products; changes in laws related to packaging and disposal of PepsiCo's products; PepsiCo's ability to compete effectively; political conditions, civil unrest or other developments and risks in the markets where PepsiCo's products are made, manufactured, distributed or sold; PepsiCo's ability to grow its business in developing and emerging markets; uncertain economic conditions in the countries in which PepsiCo operates; the ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption; increased costs, disruption of supply or shortages of raw materials and other supplies; business disruptions; product contamination or tampering or issues or concerns with respect to product quality, safety and integrity; damage to PepsiCo's reputation or brand image; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo's existing operations or to complete or manage divestitures or refranchisings; changes in estimates and underlying assumptions regarding future performance that could result in an impairment charge; increase in income tax rates, changes in income tax laws or disagreements with tax authorities; failure to realize anticipated benefits from PepsiCo's productivity initiatives or global operating model; PepsiCo's ability to recruit, hire or retain key employees or a highly skilled and diverse workforce; loss of any key customer or disruption to the retail landscape; any downgrade or potential downgrade of PepsiCo's credit ratings; PepsiCo's ability to implement shared services or utilize information technology systems and networks effectively; fluctuations or other changes in exchange rates; climate change or water scarcity, or legal, regulatory or market measures to address climate change or water scarcity; failure to successfully negotiate collective bargaining agreements, or strikes or work stoppages; infringement of intellectual property rights; potential liabilities and costs from litigation, claims, regulatory, or legal proceedings, inquiries or investigations; and other factors discussed in the risk factors section of PepsiCo's filings with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Argentina
Australia
Belgium
Bosnia and Herzegovina
Brazil
Canada
Chile
China
Colombia
Costa Rica
Cyprus
Czechia
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
France
Georgia
Germany
Greece
Guatemala
Honduras
Hungary
India
Ireland
Israel
Italy
Jordan
Kyrgyzstan
Mexico
Netherlands
New Zealand
Pakistan
Panama
Peru
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
Serbia
Singapore
Slovakia
South Africa
Spain
Taiwan, Greater China
Thailand
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

PepsiCo owns/manages some agricultural land within our direct operations. Lands are usually used to grow crops for our products. The amount of land this represents in our overall agricultural supply chain is judged to be small and, therefore, de-Minimis. Due to internal complexities in collecting this data we are not reporting emissions from company-owned agricultural land.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Palm Oil

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Sugar

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Wheat

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Other, please specify (Potatoes)

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

Agricultural commodity

Other, please specify (Corn)

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

This includes High Fructose Corn Syrup sourcing. Revenue dependent on this commodity is disclosed as an aggregate of all commodities listed here. We do not have sufficient data to determine revenue dependence of each commodity at this time.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Please select	Under PepsiCo's By-Laws and Corporate Governance Guidelines, the board has responsibility to manage the business of the Company. Sustainability matters, including climate change, are integrated into our business. Therefore, the board considers them an integral part of its oversight. The Public Policy and Sustainability Committee assists the Board in providing more focused oversight over the company's policies, programs and related risks that concern key sustainability and climate matters. The PepsiCo Executive Committee (PEC) has direct oversight of the sustainability and climate agenda, including strategic decisions and performance management. The PEC is made up of the chairman & CEO, the CFO, sector CEOs and functional heads, ensuring that sustainability is a key accountability for every member of our senior leadership team.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Public Policy and Sustainability Committee assists the Board in providing more focused oversight of the company’s policies, programs and related risks that concern key sustainability matters. The committee, which meets three times per year is comprised entirely of independent directors, and was carefully chosen to represent expertise in the scientific, financial, technological and non-profit sectors. The primary agenda item for these meetings is a review of PepsiCo’s company-wide progress on our goals, including progress against our goal to reduce greenhouse gas (GHG) emissions across our value chain by 20% in absolute terms by 2030. At one level below the board, the PepsiCo Executive Committee (PEC - made up of the chairman & CEO, the CFO, sector CEOs and functional heads), meets quarterly to review progress against goals; progress against broader environmental risk mitigation (such as our efforts to mitigate supply chain-wide risk due to water scarcity and packaging); and to ensure that we are adapting our sustainability strategy to changes in science, stakeholder expectations and marketplace conditions.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Science Officer)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

PepsiCo's chief scientific officer, who reports directly to our chairman and CEO, oversees the company's sustainability program. The responsibility lies with this individual because he brings deep science-based knowledge and insights to guide the company's product portfolio transformation efforts, as well as an intimate understanding of the challenges and opportunities that lie at the intersection of food, the environment and people. He is involved in the day-to-day management of our strategy toward delivery of our sustainability agenda, and his responsibilities include providing strategic direction, guidance and leadership on critical climate-related issues facing the company and actions the company must take. Climate-related issues monitoring and overseeing the delivery of our climate goal fall directly under the responsibilities of the chief science officer. He is regularly apprised of our progress towards our climate goal and related issues. Based on this, he is involved in aligning the PepsiCo Executive Committee (PEC) and the board on strategic decisions toward mitigating climate risks, enhancing PepsiCo's reputation and positioning the business for future success.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Corporate executive team

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Our corporate executive team has strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.

Who is entitled to benefit from these incentives?

Chief Executive Officer (CEO)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Our executive officers, including our chairman and CEO, have strategic objectives based on an individual executive's role and accountabilities that are aligned with our sustainability agenda including our climate goal. Performance against these objectives impacts a portion of both annual and long-term incentives.

Who is entitled to benefit from these incentives?

Business unit manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Business unit managers have objectives based on their roles and accountabilities that are aligned with our sustainability agenda including climate. Performance against these objectives impacts a portion of both annual and long-term incentives.

Who is entitled to benefit from these incentives?

Energy manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Energy managers have annual energy and fuel reduction (as a proxy for greenhouse gas (GHG) emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.

Who is entitled to benefit from these incentives?

Facilities manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Some facility managers have annual energy and fuel reduction (as a proxy for GHG emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.

Who is entitled to benefit from these incentives?

Process operation manager

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Some process operation managers have annual energy and fuel reduction (as a proxy for GHG emissions reduction) performance targets. PepsiCo has a pay-for-performance philosophy and the annual performance rating impacts annual merit increases, including bonuses. In addition, a wide range of complementary awards recognizes teams and associates for exceptional performance in sustainability, including projects that reduce GHG emissions.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	5	
Long-term	5	10	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	The board oversees PepsiCo's integrated risk management framework designed to identify, assess, prioritize, address, manage, monitor and communicate our top strategic, financial, operating, business, compliance, safety, reputational and other risks including climate-related risks across the organization. The PepsiCo Risk Committee (PRC) is a cross-functional diverse group that meets regularly and is responsible for reporting progress on risk mitigation efforts to the board. The board receives updates on key risks throughout the year. Key risks related to climate change and water scarcity identified by the Company are included in our 2018 Annual Report on Form 10-K.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

At the company level, to identify, assess, prioritize, address, manage, monitor and communicate risks across operations and value chain, we leverage an integrated risk management framework which includes:

- PepsiCo's Board of Directors has oversight responsibility for our integrated risk management framework. One of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of the Company's business, including risk assessment and risk mitigation of the Company's top risks. The Board receives updates on key risks throughout the year, including risks related to climate change. In addition, the Board has tasked designated Committees of the Board with oversight of certain categories of risk management.
- The Public Policy and Sustainability Committee assists the Board in its oversight of PepsiCo's policies, programs and related risks that concern key public policy and sustainability matters. The committee, which meets three times per year is comprised entirely of independent directors, and was carefully chosen to represent expertise in the scientific, financial, technological and nonprofit sectors. The primary agenda item for these meetings is a review of PepsiCo's company-wide progress on our goals, including progress against our goal to reduce absolute emissions across our value chain by 20% by 2030. At one level below the board, the PepsiCo Executive Committee (the CEO and each of his direct reports), meets quarterly to review progress against goals; progress against broader environmental risk mitigation (such as our efforts to mitigate supply chain-wide risk due to water scarcity and packaging); and to ensure that we are adapting our sustainability strategy to changes in science, stakeholder expectations and marketplace conditions. Other risks considered at each level of our business include changes in agricultural raw material supply due to climate change-driven impacts, regulatory initiatives (e.g., The European Union Emission Trading System (EUETS)), and impacts of increased water-related risks.
- The PepsiCo Risk Committee (PRC), which is comprised of a cross-functional, geographically diverse, senior management group, including PepsiCo's Chairman of the Board and Chief Executive Officer, meets regularly to identify, assess, prioritize and address top strategic, financial, operating, compliance, safety, reputation and other risks. The PRC is also responsible for reporting progress on our risk mitigation efforts.
- Division and key country risk committees, comprised of cross-functional senior management teams, meet regularly to identify, assess, prioritize and address division and country-specific business risks;
- PepsiCo's Risk Management Office, which manages the overall risk management process, provides ongoing guidance, tools and analytical support to the PRC and the division and key country risk committees, identifies and assesses potential risks and facilitates ongoing communication between the parties, as well as with PepsiCo's Board of Directors and the Audit Committee of the Board;

At the asset level, our manufacturing plants report key environmental performance data, including GHG emissions, on a monthly basis – these data are used to evaluate performance against targets and as an assessment of progress in mitigating environmental risk to the facility. We also conduct focused risk assessments on climate change-related risks such as water risk assessments for our manufacturing operations. These are conducted using the World Resources Institute's (WRI) Aqueduct and site-level input and focus on current physical, regulatory and reputation risks and into the longer term (>6 years). We also assess and manage our packaging as a risk area related to climate change. Regulatory pressure related to packaging is being fueled by increased nongovernmental organization (NGO) activity and media coverage, including attention to ocean plastic pollution and associated public health concerns. In response, we have developed a sustainable packaging strategy to help mitigate these risks and also deliver emission reduction benefits.

Once climate risks have been identified, the next step in our process is to prioritize each risk based on the likelihood that it will occur, the financial impact to PepsiCo should it occur (any impact over \$1 million is considered substantive), and whether the activities needed to mitigate the risk are aligned with our overall climate strategy and business plan. For example, we incorporate environmental sustainability criteria into our Capital Expenditure Filter, is applied to all capital expenditure requests over \$5 million. Each request is reviewed not only against business financial metrics and value to advancing our business strategy but also for the impact (positive or negative) that it will have on our environmental performance, including energy use and GHG emissions, and its contribution to our efforts to achieve our climate goal.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation, such as cap and trade schemes under the European Union Emission Trading System (EU ETS) and the California cap and trade mechanisms, impact certain PepsiCo facilities located in Europe and California. Our Public Policy and Government Affairs (PPGA) global and sector teams continuously monitor these regulations through subscriptions to regulatory services, engagement with industry stakeholders, attendance at events, etc. We invest in energy efficiency and emission mitigation strategies in our covered facilities. We operate our facilities at the highest environmental performance standards and continuously monitor our emissions performance.
Emerging regulation	Relevant, always included	Our PPGA team monitors new regulations around the globe to better prepare PepsiCo and mitigate the inherent financial risks associated with fuel/energy taxes and regulations. Additionally, team members engage with lawmakers and other stakeholders in the regulatory process and also submit official comments to achieve desired environmental goals while avoiding detrimental impacts on the business community. For example, we joined vehicle fleet operators, vehicle manufacturers, fuel producers, and industry groups, in expressing our strong support for the California Low Carbon fuel Standard (LCFS). The letter sent to Governor Jerry Brown and others expressed how the LCFS gives us the incentive to invest in vehicle, as well as fuel technologies today in order to bring down costs in the future.
Technology	Relevant, always included	Technological developments are closely monitored by PepsiCo's Research & Development (R&D) teams focused on external innovation. Any emerging technological advancements on the horizon with the ability to aid PepsiCo in delivering our goals are evaluated and internally deliberated upon for appropriate action. For example, we joined the NaturAll Bottle Alliance with our peer companies to advance the development of renewable bio-based materials for our plastic bottles.
Legal	Relevant, always included	Our PPGA teams monitor legal and regulatory developments around the globe to advise PepsiCo on the best course of action to avoid legal risks. In addition, our Environmental Health and Safety (EHS) teams ensure our facilities are operated in compliance with relevant local regulations.
Market	Relevant, always included	Market-specific risks are monitored and evaluated by our local PPGA teams. For example, climate-related risks arising from packaging and the specific mitigation strategy for each market and business unit are discussed at that level in order to prioritize activities.
Reputation	Relevant, always included	Any negative perception (whether valid or not) of PepsiCo's response to climate change or water scarcity could result in adverse publicity and could adversely affect PepsiCo's business, financial condition or results of operations. We monitor this risk through our global and local PPGA teams who work with governments, as well as nongovernmental organizations to understand relevant issues and advise accordingly. We make efforts to reduce this risk by communicating about our sustainability goals and activities related to climate and packaging, as well as water, through various avenues such as the updated 2018 Sustainability Report and detailed Environmental, Social and Governance Topics on our website.
Acute physical	Relevant, always included	Physical climate-related impacts are most relevant in the day-to-day operations of our facilities, especially related to resource use. We have a robust environmental, health and safety (EHS) monitoring system deployed in all of our manufacturing sites, and we collect and analyze our EHS data on a regular basis to gain insights on management of environmental resources. We implement several energy efficiency, water efficiency and water quality measures within our facilities to mitigate this risk. In addition, we have a rigorous process for water risk assessment which helps identify our facilities at most risk of water scarcity issues and we have a robust program on water stewardship that aims for better water governance and availability at the local watershed level.
Chronic physical	Relevant, always included	PepsiCo has undertaken several initiatives to lessen our dependence upon climate-sensitive commodities. For example, we work with several of our agricultural suppliers to assess on-farm GHG emissions through various tools like the Cool Farm Tool. To mitigate the risk in temperature and precipitation impact, PepsiCo has implemented our Sustainable Farming Program (SFP), which enables our company-owned and contract growers to compete in a resource constrained future.
Upstream	Relevant, always included	Our climate goal encompasses our entire value chain, therefore, upstream supply chain risks are carefully evaluated in our mitigation plans. For example, our SFP works with our growers to understand emissions, and risks associated with it, and provides training on management methods to allow our growers to compete in a resource constrained future.
Downstream	Relevant, always included	Our climate goal encompasses our entire value chain, therefore, downstream supply chain risks are carefully evaluated in our mitigation plans. For example, our vending and cooling program was launched in order to assess and mitigate the energy impacts of our equipment downstream where our products are distributed to consumers.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

PepsiCo has identified climate change as a business risk through our Integrated Risk Management Framework, a process that identifies, assesses, prioritizes, manages, and monitors the risks affecting the Company across its operations. Our management processes for climate risks and opportunities include: 1) We have integrated a greenhouse gas (GHG) reduction target into our

sustainability strategy, 2) Climate strategy and actions are reviewed and managed in the context of our short and long term business strategy 3) Climate change risks are included in our Annual Report on Form 10-K. Several aspects of climate change have influenced our strategy, including a) the need for our business to adapt to a changing environment driven by rising temperatures and fluctuating weather patterns that affect our supply chain; and b) the opportunity to develop a product portfolio that includes fewer GHG-intensive and water-intensive products. Our long-term strategy has been influenced by climate change through our merger and acquisition strategy. We have embedded mechanisms to quantify the impact of growth and M&A activity on our ability to deliver our Climate goal into our investment allocation processes, as well as integrating a requirement for business units to conduct a water-related risk assessment prior to any major acquisition. We believe that our climate change strategy is industry-leading and will support our efforts to build PepsiCo's reputation as a leader in environmental sustainability, potentially translating into competitive advantage with our customers and consumers.

PepsiCo's Public Policy and Government Affairs (PPGA) teams spend a considerable amount of time monitoring and evaluating current and upcoming regulations related to climate change, as well as monitoring industry trends and engaging with our stakeholders. For example, current and emerging cap and trade regulations are flagged by our PPGA teams as a transition risk so that the Company can take appropriate steps to mitigate impacts. As a result, our facilities measure their greenhouse gas emissions and document in our internal Environmental Health and Safety (EHS) system. This allows PepsiCo to then make informed decisions about energy efficiency, conservation efforts and investments to be made in order to manage risks from these regulations.

As an example of how we manage physical risk and opportunity, our Sustainable Farming Program (SFP), which reflects industry best practice, helps position us and our farmers to compete more effectively in a resource constrained future. Through the program, we are working with our farmers to reduce physical climate change impacts of farming practices, improve soil health, and improve water use efficiency. The acute and chronic physical risks posed by climate change in our upstream supply chain for the commodities that our business largely relies on, are managed through this program. In collaboration with our supply chain partners and growers, we are building a more resilient ingredients supply chain.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

<Not Applicable>

Company- specific description

Under Phase 3 of the European Emission Trading System (EU-ETS), which took effect January 1, 2013, individual energy consumers with combustion capacity exceeding 20 MW must report fuel consumption and submit allowances. This requirement applied to six PepsiCo facilities in 2018: Bursom Road and Leycroft Road in Leicester in the UK, Burgos in Spain, Veurne in Belgium, Bol in the Netherlands and Grodzisk in Poland. The EU has committed to cut greenhouse gas emissions by at least 40% by 2030 against a 1990 baseline. One of the principal mechanisms for achieving this reduction is the EU-ETS, which the individual EU member states administer. Under the EU-ETS, a covered facility must report its annual fuel consumption to national authorities, and then submit one allowance for each metric ton of CO₂ or CO₂ equivalent emitted. Additionally, enforceable compliance obligations under California's cap and trade program took effect January 1, 2013. This law requires the Frito-Lay plants in Bakersfield and Modesto, California to participate in the program. PepsiCo may have to purchase allowances in order to cover our emissions from the facilities under the regulations.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

640000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The cost of complying with cap and trade schemes will vary based on the market price of the allowances, as well as any changes in allocation. In the event that more stringent regulation is enacted and is more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions and improve our energy efficiency, we may experience increases in our costs of operation and delivery. For example, approximately 1% of net revenue could be at risk due to regulation and commodity inflation, which for 2018 net revenue could equate to approximately \$0.64 billion.

Management method

To reduce carbon emissions, and address the inherent financial risks of cap and trade, PepsiCo invests in energy efficiency and other clean energy technologies such as anaerobic digestion. We also ensure that our facilities have strong environmental management systems in place such as PepsiCo's Global Environmental Health & Safety Management System (GEHMS). We expect these management methods to reduce the risk to our business concerning increased operating costs over the next several years as we become more energy and carbon efficient through our investments and resource conservation program (ReCon). For example, in 2018, we made key investments in high efficiency lighting, building management systems, solar photovoltaics, combined heat and power plants. We have integrated monitoring systems to collect and analyze data, which are then subjected to external auditing by Bureau Veritas. The cost associated with administrating the annual environmental sustainability data analysis, including personnel time and the expense of the external auditing firm, is approximately \$47,000.

Cost of management

47000

Comment

We have integrated monitoring systems to collect and analyze data, which are then subjected to external auditing by Bureau Veritas. The cost associated with administrating the annual environmental sustainability data analysis, including personnel time and the expense of the external auditing firm, is approximately \$47,000.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

<Not Applicable>

Company- specific description

Biofuel mandates, gasoline taxes and other taxes and regulations designed to lower the carbon profile of primary energy may affect our costs for energy and/or raw material inputs. For example emerging clean fuel standard regulation in Canada can impact our operating costs for our company-owned fleet in this country, as well as increase costs for third party logistics procurement for distribution of our products.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

640000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Approximately 1% of net revenue could be at risk due to regulation and commodity inflation, which for 2018 net revenue could equate to approximately \$0.64 billion.

Management method

Management efforts of our Global Public Policy and Government Affairs (PPGA) teams are to inform regulatory process and facilitate effective rule implementation within PepsiCo. The teams monitor new regulations around the globe to better prepare PepsiCo and help mitigate the inherent financial risks associated with fuel/energy taxes and regulations. Additionally, team members engage with lawmakers and other stakeholders in the regulatory process and also submit official comments in an effort to achieve desired environmental goals while avoiding detrimental impacts on the business community. For example, we are one of the founding members of the Climate Leadership Council which aims to promote a carbon dividends framework as the most cost-effective, equitable and politically-viable climate solution. No additional management costs. These costs are embedded into our global policy monitoring process.

Cost of management

0

Comment

No additional management costs. These costs are embedded into our global policy monitoring process.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact

Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)

Company- specific description

Mean precipitation increases or decreases could lead to change in supply patterns for key crops such as potatoes, oranges and

oats, potentially higher transportation costs, potentially higher commodity costs and uncertainty of crop availability. We continuously monitor our operations and sourcing from high water risk areas using the Aqueduct tool from the World Resources Institute (WRI), as well as internal assessments. For example, in South Africa, 100% of our potatoes used in Simba Foods are sourced domestically, and 30% of those come from Western Cape, a region which is highly water stressed and is facing increased water risk due to climate change. Our Sustainable Agriculture team is working with our growers in South Africa and other high water risk areas to improve agricultural water use efficiency as part of our sustainability objectives in the supply chain.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Changes in average precipitation can disrupt crop yields and locations. Such an event could significantly impact PepsiCo's revenues with increased commodity prices and transportation costs. Using a hypothetical example, financial implications could include a significant loss of agricultural raw material supply up to order of 10% which would equate to \$1 billion against an annual spend of about \$10 billion according to 2015 procurement data. Our hedging costs could vary drastically due to an increase in perceived risk in the commodity markets.

Management method

PepsiCo's goal is to operate in a sustainable manner and we have undertaken several initiatives to manage the risk of consumer buying habits while simultaneously lessening our dependence upon climate-sensitive commodities. For example, to adapt to and mitigate the temperature and precipitation impact, PepsiCo has implemented our Sustainable Farming Program (SFP) (formerly our Sustainable Farming Initiative, or SFI) which enables our company-owned and contract growers to compete in a resource constrained future. In 2018, we have invested in programs to improve water efficiency in water stressed regions, enhance soil health and improve farm yields and resiliency at the same time. PepsiCo investments in improving crop yields are proprietary. PepsiCo has a corporate Sustainable Agriculture team in place comprising a Vice President, Director and Manager. The team is supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers.

Cost of management

8000000

Comment

PepsiCo investments in improving crop yields are proprietary. PepsiCo has a corporate Sustainable Agriculture team in place comprising a Vice President, three Directors and several Senior Managers and Managers. The team is supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact

<Not Applicable>

Company- specific description

Any negative perception (whether valid or not) of PepsiCo's response to climate change or water scarcity could result in adverse publicity and could adversely affect PepsiCo's business, financial condition or results of operations. For example, our company has faced accusations related to our palm oil supply chain and our efforts to address both environmental and social sustainability within the space.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1700000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market value and revenue generation of the Company. Changes in consumer preference, for example, due to a negative reaction to PepsiCo's reputation relative to the environment could adversely affect PepsiCo's business, for example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to ~\$1.7 billion.

Management method

To make consumers aware that PepsiCo's goal is to operate in a sustainable manner, we undertook several initiatives to manage the risk of consumer buying habits while simultaneously reducing our dependence upon climate-sensitive commodities. For example, in 2018, we piloted bio-based flexible snack films in markets like Chile and India with on-pack messaging about emissions reduction. In 2019 PepsiCo launched Recycling with Purpose, a circular economy model that will promote recycling in Latin America and the Caribbean. One of Recycling with Purpose's three main components is a consumer incentive approach that helps educate and involve consumers in recycling. In the United Kingdom, we have launched a nation-wide program to recycle chip bags with recycling company, TerraCycle. Consumers drop any brand of chip packet into one of many collection points after which the bags will be recycled and converted to plant pots, park benches, watering cans, and other items. PepsiCo's Global PPGA team manages regulatory issues with governments and stakeholders around the world. A significant amount of time, equivalent to five full-time employees (FTEs), is spent on climate change-related issues. Over 1,000 people are also involved in developing, assessing and delivering all the aspects of our company wide cross functional climate change strategy. The direct costs associated with the program are approximately \$1 million per year according to 2015 data.

Cost of management

1000000

Comment

PepsiCo's Global PPGA team manages regulatory issues with governments and stakeholders around the world. A significant amount of time, equivalent to five full-time employees (FTEs), is spent on climate change-related issues. Over 1,000 people are also involved in developing, assessing and delivering all the aspects of our company wide cross functional climate change strategy. The direct costs associated with the program are approximately \$1 million per year according to 2015 data.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact

Increased reliability of supply chain and ability to operate under various conditions

Company-specific description

Concepts espoused in voluntary agreements on climate change mitigation, such as the Paris Climate Agreement and We Mean Business, present opportunities for PepsiCo to make our operations and supply chains more energy efficient and therefore more resilient through efforts to reduce emissions. Under PepsiCo's sustainability strategy we are implementing programs to reduce greenhouse gas (GHG) emissions. Through our GHG mitigation programs, such as our Resource Conservation (ReCon) program within our own facilities and our supplier outreach programs we are more likely than not to be able to rapidly meet the requirements of voluntary programs and our own goals.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1700000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Financial benefits of positioning our business to rapidly implement voluntary agreements, such as the Paris Climate Agreement, include savings from energy efficiency projects and reputational benefits that translate into increased sales, and potential for increased investor goodwill. For example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to approximately \$1.7 billion.

Strategy to realize opportunity

PepsiCo has positioned itself advantageously versus competitors by actively promoting our sustainability program to communicate its proactive approach to sustainability issues. Our second generation sustainability goals were announced in 2016 and include industry-leading goals to reduce GHG emissions across our value chain. We were actively working on this goal in 2018 and will continue to do so. We believe that delivering these goals will lead to enhanced reputation, more sustainable growth and financial performance that outperform our competitors. For example, in 2018 we have continued to upgrade our coolers and vending machines and they are now 62% more energy efficient than 2007 when we started tracking. This saves our customers approximately \$20 million on average annual energy costs. PepsiCo's Global Public Policy and Government Affairs teams manage regulatory issues with governments and stakeholders around the world. A significant amount of time, equivalent to five full-time employees (FTE)s, is spent on climate change related issues. Over 1,000 people are also involved in developing, assessing and delivering the program at the corporate level and our 300 sites. The direct costs associated with the program are approximately \$1

million per year according to 2015 data.

Cost to realize opportunity

1000000

Comment

PepsiCo's Global Public Policy and Government Affairs teams manage regulatory issues with governments and stakeholders around the world. A significant amount of time, equivalent to five full-time employees (FTEs), is spent on climate change related issues. Over 1,000 people are also involved in developing, assessing and delivering the program at the corporate level and our 300 sites. The direct costs associated with the program are approximately \$1 million per year according to 2015 data.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Supply Chain

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Type of financial impact

Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)

Company-specific description

Climate change in terms of temperature extremes, changes in mean precipitation, precipitation patterns, droughts and floods and changes in natural resources all impact agriculture and present opportunities for PepsiCo as a food and beverage company that relies on agriculture. The unique knowledge PepsiCo has of potatoes, oranges, sugar and oats could be a strategic opportunity for PepsiCo in locations such as the UK and the U.S., as we develop new strains of our core commodities, allowing us to realize a positive impact from our sustainable agriculture activities.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The total potential exposure to our ingredients/agriculture due to changes in climate could be hypothetically in excess of \$1 billion per year which is 10% of an annual spend of \$10 billion according to 2015 procurement data. PepsiCo's ability to sustain and restore its supply chain in the likelihood of disruptive events could enable the Company to hedge cost increases lower than anticipated and reduce disruptions in product availability. This could potentially result in a competitive advantage.

Strategy to realize opportunity

Our management method to realize this opportunity is to continue implementation and scale-up of our Sustainable Farming Program (SFP) (formerly our Sustainable Farming Initiative, or SFI). Through SFP, we have invested in programs to improve water efficiency and soil health while improving crop yields and overall farm resilience. For example, with farmers in the UK from 2010 to 2015, we reduced the amount of carbon dioxide equivalent (CO₂e) that arises from growing our core crops by 50% in high water risk sourcing areas. The aim of this work is to expand key learnings and initiatives into our European agricultural supply chain. In 2018, this included incorporating the Cool Farm Tool, an on-farm carbon calculator, into grower management practices, and drip irrigation, which aims to increase yields while using significantly less water than traditional irrigation techniques. PepsiCo investments in improved crop yield are proprietary. PepsiCo has a corporate Sustainable Agriculture team in place comprising a

Vice President, three Directors and several Senior Managers and Managers who are supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers. The annual management budget of this team is ~\$8 million.

Cost to realize opportunity

8000000

Comment

PepsiCo investments in improved crop yield are proprietary. PepsiCo has a corporate Sustainable Agriculture team in place comprised of a Vice President, three Directors and several Senior Managers and Managers who are supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers. The annual management budget of this team is ~\$8 million.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

PepsiCo's response to climate change could be an opportunity for increased sales and demand for product if consumers respond favorably to our climate change initiatives. Through our annual materiality assessment we identify, prioritize and validate topics that are material to our stakeholders and consumers. Energy and climate is a topic that was deemed material in our most recent assessment and, therefore, is an area we will continue to monitor and manage in order to maintain a favorable position with our stakeholders. Several external research and publications also indicate an increasing concern about climate change among the public, for example: <https://climatecommunication.yale.edu/publications/americans-are-increasingly-alarmed-about-global-warming/>

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1700000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market cap and revenue generation of the Company. The 2018 net revenues for PepsiCo were more than \$64 billion. PepsiCo revenues are sensitive to changes in consumer preferences. For example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to ~\$1.7 billion. Changes in consumer preferences, for example, due to a positive reaction to PepsiCo's reputation, and the reputation of its products relative to the environment, could positively affect PepsiCo's business, financial condition or results of operations although it would be difficult to precisely identify the driving factors causing a change in consumer behavior.

Strategy to realize opportunity

PepsiCo has positioned itself advantageously versus competitors by adopting and implementing our sustainability program. We have an industry-leading goal to reduce emissions across our value chain. We continue to report against this goal annually in our

Sustainability Report. In 2018, we have reduced GHG emissions more than 2 million metric tons. For example, our Frito-Lay North America Compressed Natural Gas (CNG) fleet drove 61 million miles and used 300,000 gallons of Renewable Natural Gas in 2018. We have made significant improvements in fleet efficiency by improving fuel economy, right-sizing vehicles and diversifying the sources of energy used by our fleet. For example, we design new trucks and trailers with advanced aerodynamic devices. In 2018, we retrofitted 800 PepsiCo North American Beverages trailers with aerodynamic devices to improve fuel economy. We believe that continuing to deliver on these goals will lead to enhanced reputation, more sustainable growth and financial performance that will outperform our competitors. PepsiCo has a Sustainable Agriculture team in place supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers. Over 1,000 people are also involved in developing, assessing and delivering all the aspects of our company-wide cross functional climate change strategy. The direct costs associated with the program are approximately \$1 million per year according to 2015 data.

Cost to realize opportunity

1000000

Comment

PepsiCo has a corporate Sustainable Agriculture team in place comprised of a Vice President, three Directors and several Senior Managers and Managers who are supported by agriculture experts in our business divisions in implementing sustainable agriculture practices at our key crop suppliers. Over 1,000 people are also involved in developing, assessing and delivering all the aspects of our company-wide cross functional climate change strategy. The direct costs associated with the program are approximately \$1 million per year according to 2015 data.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	Any negative perception (whether valid or not) of PepsiCo's response to climate change, sustainable packaging or water scarcity could result in adverse publicity and could adversely affect PepsiCo's business, financial condition or results of operations. For example, a one percent impact on PepsiCo's market value (defined as our market capitalization) would equate to ~\$1.7 billion. Mean precipitation increases would force the Company to change supply patterns for key crops such as potatoes, oranges and oats, increasing transportation costs, potentially increasing commodity costs and uncertainty of crop availability. To indicate the magnitude, financial implications could include a significant loss of agricultural raw material supply hypothetically in the order of 10% which would equate to \$1 billion against an annual spend of about \$10 billion according to 2015 procurement data. Climate change in terms of temperature extremes, change in mean precipitation, precipitation patterns, droughts and floods and changes in natural resources all impact agriculture and present opportunities for PepsiCo as a food and beverage company that relies on agriculture. The unique knowledge PepsiCo has of potatoes, oranges, sugar and oats could be a strategic opportunity for PepsiCo in locations such as the UK and the U.S., as we develop new strains of our core commodities, allowing us to realize a positive impact from our sustainable agriculture activities. PepsiCo's response to climate change could be an opportunity for increased sales and demand for product if consumers respond favorably to our climate change initiatives.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Mean precipitation increases would force the Company to change supply patterns for key crops such as potatoes, oranges and oats, increasing transportation costs, potentially increasing commodity costs and uncertainty of crop availability. To indicate the magnitude, financial implications could include a significant loss of agricultural raw material supply hypothetically in the order of 10% which would equate to \$1 billion against an annual spend of about \$10 billion according to 2015 procurement data. Climate change in terms of temperature extremes, change in mean precipitation, precipitation patterns, droughts and floods and changes in natural resources all impact agriculture and present opportunities for PepsiCo as a food and beverage company that relies on agriculture. The unique knowledge PepsiCo has of potatoes, oranges, sugar and oats could be a strategic opportunity for PepsiCo in locations such as the UK and the U.S., as we develop new strains of our core commodities, allowing us to realize a positive impact from our sustainable agriculture activities.
Adaptation and mitigation activities	Impacted	PepsiCo's goal is to operate in a sustainable manner and has undertaken several initiatives to manage the risk of changing consumer behavior due to climate-related impacts while simultaneously lessening our dependence upon climate-sensitive commodities. For example, to adapt to and mitigate the risk in temperature and precipitation impact, PepsiCo has implemented our Sustainable Farming Program (SFP) (formerly our Sustainable Farming Initiative, or SFI), which enables our company-owned and contract growers to compete in a resource constrained future. We have invested in programs to reduce water usage, replace synthetic fertilizer and improve farm yields at the same time. To indicate the magnitude, the overall cost of management of this program is up to \$8 million. In 2016, we publicly expressed our support for the Paris Climate Agreement and published an aggressive, science based goal, to reduce absolute GHG emissions by 20% by 2030 across our entire value chain. In packaging, our Packaging Advance Research (PAR) team created a Life Cycle Analysis (LCA) tool utilizing ISO 14040/44 and PAS 2050 standards. PepsiCo uses the findings and tool capabilities to: incorporate life cycle thinking in our day-to-day R&D data-based decision making on sustainable packaging; develop our strategy around sustainable beverage packaging; and identify pathways that help lower our carbon footprint. PepsiCo has a supplier outreach program to help drive energy conservation with strategic suppliers and franchise operations in the U.S., Mexico, Latin America, South America and Western Europe. Additionally, we are a member of CDP Supply Chain.
Investment in R&D	Impacted	Our packaging represents a significant portion of our company-wide emission profile. In packaging, our Packaging Research & Development team created a Life Cycle Analysis (LCA) tool utilizing ISO 14040/44 and PAS 2050 standards. PepsiCo uses the findings and tool capabilities to incorporate life cycle thinking in our day-to-day R&D data-based decision making on sustainable packaging. We continue to maintain and update these tools for our packaging analyses and to indicate the magnitude; Between 2017 and 2018 we spent approximately \$100,000.
Operations	Impacted	To reduce carbon emissions, and address the potential financial risks of cap and trade, PepsiCo invests in energy efficiency and other alternative energy technologies. We also work to see that our facilities have environmental management systems in place and are aligned with ISO 14001. We expect these efforts to reduce the risk to our business from increased operational costs over the next several years as we become more energy and carbon efficient through our investments. We have integrated monitoring systems to collect and analyze environmental data, which are then subjected to external auditing by Bureau Veritas. As an indication of the potential magnitude, these management costs could be up to \$100 million every year.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Changes in average precipitation can disrupt crop yields and locations. Such an event could adversely impact PepsiCo revenues with increased commodity prices and transportation costs. To indicate the magnitude, financial implications could hypothetically include a significant loss of agricultural raw material supply in the order of 10% which would equate to \$1 billion against an annual spend of about \$10 billion according to 2015 procurement data. Our hedging costs could vary drastically due to an increase in perceived risk in the commodity markets. PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market value and revenue generation of the Company. Changes in consumer preference, for example, due to a negative reaction to PepsiCo's reputation relative to the environment could adversely affect PepsiCo's business, for example, a one percent impact on PepsiCo's market value (defined as our market capitalization) would equate to ~\$1.7 billion. Financial benefits of positioning the business to rapidly implement voluntary measures, such as the Paris Climate Agreement, include savings from energy efficiency projects and reputational benefits that translate into increased sales, and potential for increased investor goodwill.
Operating costs	Impacted	The cost of complying with cap and trade schemes will vary based on the market price of the allowances, as well as any changes in allocation. In the event that regulation is enacted and is more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions and improve our energy efficiency, we may experience increases in our costs of operation and delivery. As an indication of magnitude, approximately 1% of net revenue could be at risk due to regulation and commodity inflation, which for 2018 net revenue could equate to approximately \$0.64 billion.
Capital expenditures / capital allocation	Impacted	We incorporate environmental sustainability criteria into our Capital Expenditure Filter, which is applied to all capital expenditure requests over \$5 million. Each request is reviewed not only against business financial metrics and value to advancing our business strategy but also for the impact (positive or negative) that it will have on our environmental performance, including energy use and GHG emissions, and its contribution to our efforts to achieve our climate goal. As an indication of magnitude, our annual capital fund is \$160 million.
Acquisitions and divestments	Impacted	Our long-term strategy has been influenced by climate change through our merger and acquisition strategy. We have embedded mechanisms to quantify the impact of growth and M&A activity on our ability to deliver our climate goal into our investment allocation processes, as well as integrating a requirement for business units to conduct a water-related risk assessment prior to any major acquisition. The magnitude of financial impact for this is likely to be medium.
Access to capital	Not yet impacted	We are currently not experiencing any impact on access to capital due to the risks and opportunities identified. However, we are cognizant that this could potentially change in the future if we are unable to demonstrate responsible operations and addressing the various issues that are important to our stakeholders, including climate change. We expect to see these impacts either positive or negative within 3-5 years.
Assets	Impacted	Mean precipitation and temperature increases or decreases would force the Company to change supply patterns for key crops such as potatoes, oranges and oats, increasing transportation costs, potentially increasing commodity costs and uncertainty of crop availability. This could also lead to reduced level of operations at our manufacturing plants in high risk areas. To indicate the magnitude, financial implications could hypothetically include a significant loss of agricultural raw material supply in the order of 10% which would equate to \$1 billion against an annual spend of about \$10 billion according to 2015 procurement data.
Liabilities	Not yet impacted	We are currently not experiencing any impact on our liabilities due to the risks and opportunities identified. However, we are cognizant that this could potentially change in the future if we are unable to demonstrate responsible operations and addressing the various issues that are important to our stakeholders, including climate change. For example, a production location whose water source is threatened due to drought could move from an asset to a liability if we are forced to close the plant. We expect to see these impacts either positive or negative within 3-5 years.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, but we anticipate doing so in the next two years

ST3.1b/C-TO3.1b/C-TS3.1b

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b)
Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.
Yes

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

(i) PepsiCo has identified climate change as a business risk through our Integrated Risk Management Framework, a process that identifies, assesses, prioritizes, manages, and monitors the risks affecting the Company across its operations. The identification of climate change as a key risk has influenced our business strategy in the following ways: 1) We have integrated a greenhouse gas (GHG) reduction target into our sustainability strategy 2) Climate strategy and actions are reviewed and managed in the context of our short and long term business strategy 3) Climate change risks are included in our Annual Report on Form 10-K. Several aspects of climate change have influenced our strategy, including a) the need for our business to adapt to a changing environment driven by rising temperatures and fluctuating weather patterns that may affect our supply chain; and b) the opportunity to develop a product portfolio that includes fewer GHG-intensive and water-intensive products. Our long-term strategy has been influenced by climate change through our merger and acquisition strategy. We have embedded mechanisms to quantify the impact of growth and M&A activity on our ability to deliver our climate goal into our investment allocation processes, as well as integrating a requirement for business units to conduct a water-related risk assessment prior to any major acquisition.

(ii) We have integrated a GHG reduction target into our sustainability strategy – announced in 2016, our environmental goals reach well beyond our direct manufacturing operations, enabling us to focus on working to reduce environmental impacts across our value chain — beginning with a product’s sourcing and extending through its use. Our climate goal is to reduce GHG emissions by 20% by 2030 across our value chain in absolute terms compared to our 2015 baseline. We established this goal because we recognize that as the world’s population grows and the demand for water and energy increases, continuing a business as usual approach will drive increased GHG emissions, which is predicted to further accelerate climate change and potentially put crops and other raw materials that PepsiCo needs at increased risk. We believe that our climate change strategy is industry-leading and will support our efforts to build PepsiCo’s reputation as a leader in environmental sustainability, potentially translating into competitive advantage with our customers and consumers.

(iii) We made progress towards our goal in 2018 by continuing to integrate our emissions reduction objectives under the goal into our business strategies in our focus areas of agriculture, packaging, manufacturing and transportation and distribution. For all of these areas, we have begun to incorporate the cost of implementation within our annual, as well as five-year business plans in order to integrate a range of climate related aspects including regulatory, reputational and physical risks and opportunities into our decision-making. We have made several substantive business decisions in the area of packaging in 2018 driven by our overarching commitment to reduce our climate change impacts. Packaging is one of our largest areas of GHG emissions where we are eager to find ways to reduce our impact. For example, we set a new goal to strive to use 25 percent recycled plastic content in all our plastic packaging around the world by 2025 including 45 percent recycled PET (rPET) in our bottles across the European Union by 2025 and 50 percent by 2030. To support this effort, in 2018, we invested in Loop Industries to purchase production capacity from Loop’s joint venture facility in the U.S. and incorporate LoopTM PET plastic, which is 100 percent recycled material, into our product packaging by mid-2020. In 2018, PepsiCo joined The NaturALL Bottle Alliance, a research consortium with consumer packaged goods industry leaders and a bio-based materials development company, Origin Materials, to accelerate the development of innovative packaging solutions made with sustainable and renewable resources, including post-consumer cardboard, thus creating additional end market demand for this material. We are investing in a variety of actions across our operations, including energy efficiency improvements driven by our Resource Conservation (ReCon) program, a comprehensive, global platform of resources, tools and programs designed to improve energy, water and waste efficiencies in our manufacturing processes. Our Frito-Lay North America Compressed Natural Gas (CNG) fleet drove 61 million miles and used 300,000 gallons (GGE) of Renewable Natural Gas (RNG) in 2018, while also establishing contracts to ensure all future fleet natural gas will be 100 percent RNG. We have made significant improvements in fleet efficiency by improving fuel economy, right-sizing vehicles and diversifying the sources of energy used by our fleet. For example, we design new trucks and trailers with advanced aerodynamic devices. In 2018, we retrofitted 900 PepsiCo North American Beverages trailers with aerodynamic devices to improve the fuel economy of our existing fleet. Continued implementation of our higher efficiency coolers and vending machines, involving the replacement of retired units with more efficient point-of-sale equipment, reduced the GHG emissions from these sources by over one million metric tons during this reporting year when compared to estimated emissions by the now retired machines during the prior year. Our Sustainable Farming Program (SFP), which we believe reflects industry best practice, is designed to help position us and our farmers to compete more effectively in a resource-constrained future. Through the program, we are working with our farmers to

reduce climate change impacts of farming practices, improve soil health, and improve water use efficiency.

C-AC3.1e/C-CE3.1e/C-CH3.1e/C-CO3.1e/C-EU3.1e/C-FB3.1e/C-MM3.1e/C-OG3.1e/C-PF3.1e/C-ST3.1e/C-TO3.1e/C-TS3.1e

At the heart of PepsiCo is our goal to deliver top-tier financial performance while creating sustainable growth and shareholder value. In practice, our goal means providing a wide range of foods and beverages from treats to nutritious eats; trying to find innovative ways to reduce our impact on the environment and lower our operating costs; working to provide a safe and inclusive workplace for our employees globally; and respecting, supporting and investing in the local communities where we operate. As part of our sustainability agenda, we are working towards a goal of reducing our emissions across our value chain by 20% by 2030 against a 2015 baseline. Through the efforts that are required to deliver on our goal, we are not only thinking of progress against our goals, but also taking the opportunity to embed a culture of evaluating our business practices and strategies through a greenhouse gas (GHG) lens. Through our first generation goals and continuing with our current agenda, our teams within direct manufacturing, as well as non-manufacturing operations are continuously working towards lowering our carbon emissions through energy efficiency and renewable energy measures. We are also working within our supply chain through various measures in the areas of agriculture, packaging, transportation and distribution and supplier operations to lower carbon emissions and use alternative materials with lower carbon impact. For example, we are exploring alternative packaging materials for our rigid as well as flexible packaging film that will be sourced from renewable materials.

In addition to this, we are working to incorporate sustainability and carbon impact as a metric during our new product development process. This initiative will help our internal teams within the R&D, Marketing and Commercialization functions to choose product ingredients, packaging materials, etc. that have a lower carbon impact than existing choices. Over time, this will help not only continuously improve our portfolio but transform our business towards lower carbon impact.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

Climate-related scenario analysis is not currently used to inform our business strategy as we are making efforts towards understanding this new concept, engaging with various stakeholders and gathering guidance and advice from our strategic partners. It is a fairly new-concept within our sector and we are making every effort to position ourselves for success in the coming years.

We have developed and set a Science Based Target (SBT) to manage our emissions and transition our business from a business-as-usual scenario to one where our business growth and emissions do not follow the same trajectory. As part of the process for setting an SBT target, we conducted a complete assessment of our emissions for all three scopes. We then performed scenario analysis to determine the future projection of our emissions. This helped inform our strategy for our absolute emissions reduction target, as well as our priority areas of work to reduce emissions. Under our sustainability agenda for climate, we continue to conduct projections of our emissions and emissions reductions to inform our performance towards our goal, as well as to build our strategies in the various areas of our business.

During 2019, we are initiating a preliminary effort on conducting climate-related scenario analysis to further inform our business strategy and goal. We will evaluate available transition and physical risk scenarios like IEA WEO, IEA ETP, DDPP, IRENA Remap, Greenpeace, and IPCC RDCs and evaluate relevance to our business. For the most material risks we will evaluate business impact and adaptation strategies. We expect to complete this analysis effort by the end of 2019. Scenario analysis could not only help us determine possible futures but also help us identify additional pathways and technologies for emissions reduction.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

Targeted % reduction from base year

20

Base year

2015

Start year

2016

Base year emissions covered by target (metric tons CO2e)

5484701

Target year

2030

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% of target achieved

31.8

Target status

Underway

Please explain

The early years of our reduction strategy have been focused on building capability and making early investments in technology, the benefit of which will take effect over time, and are not expected immediately.

Target reference number

Abs 2

Scope

Scope 3 (upstream & downstream)

% emissions in Scope

100

Targeted % reduction from base year

20

Base year

2015

Start year

2016

Base year emissions covered by target (metric tons CO2e)

63000000

Target year

2030

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% of target achieved

6.8

Target status

Underway

Please explain

We continue to maintain progress made in key areas of Scope 3 like replacing our vending and cooling equipment with more efficient machines, procuring RSPO certified palm oil, waste diversion activities and reducing added sugar in our beverages.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	8	27476
Implemented*	57	84641
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Low-carbon energy installation

Description of initiative

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

9837

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1451062

Investment required (unit currency – as specified in C0.4)

7255314

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

23235

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3637945

Investment required (unit currency – as specified in C0.4)

18189729

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

Initiative type

Energy efficiency: Processes

Description of initiative

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

79045

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

17816484

Investment required (unit currency – as specified in C0.4)

89082423

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

This covers Scope 2 emissions as well

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	PepsiCo's policy is to comply with relevant regulatory standards, including climate change mitigation requirements.
Employee engagement	Performance with Purpose (PwP) culture drove employee engagement and was supported by our Resource Conservation (ReCon) training program, which develops the environmental sustainability skills of our front line resources. Our internal communications teams also deliver engagement through internal channels.
Financial optimization calculations	Certain business units drive energy efficiency by allocating budget reductions for available energy spends.
Internal incentives/recognition programs	PepsiCo has many internal incentives and recognition programs such as the Chairman's Award, Circle of Champion's Award, amongst others, all of which can be awarded to individuals and sites that make a difference to our business operations and sustainability agenda.
Internal finance mechanisms	PepsiCo has established a global Capital Expenditures (Capex) fund for investment in projects that advance our sustainability agenda but which may not meet desired internal rate of return hurdles.
Lower return on investment (ROI) specification	PepsiCo has established a global capex fund for investment in projects that advance our sustainability agenda but which may not meet desired internal rate of return hurdles.
Partnering with governments on technology development	State level projects and partnering with the National Renewable Energy Laboratory in the U.S. have been examples of partnering with government. Our external collaboration also extends to other Non-Governmental Organizations (NGOs) and institutions such as joining the Business Renewable Center and signing the World Resources Institute's (WRI) Corporate Renewable Energy Buyers' Principles.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

PepsiCo provides refrigeration equipment, including coolers and vending machines, at the point of sale to our retail customers around the world. Although PepsiCo retains ownership of the equipment, the electricity use is the responsibility of the retailer. Implementation of our Higher Efficiency Coolers and Vending Machine Program is positively impacting Scope 3 emissions through the replacement of retired units with more efficient point of sale equipment. During this reporting year, we estimate that replacement of existing units at customer locations with more energy efficient units resulted in an energy savings of 1.7 billion kwh and a GHG reduction of 26% across our entire portfolio of units from the baseline year of 2015.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Climate Registry and US EPA)

% revenue from low carbon product(s) in the reporting year

1

Comment

Calculation of emissions using Climate Registry or U.S. EPA emissions factors for the electricity grids available in country of deployment applied against average estimated usage for each type and compared to models available in previous years. The % revenue figure is total revenue from the vending category of our foodservice business.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

3659678

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

Scope 2 (location-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

1811260

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

Scope 2 (market-based)

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

1825023

Comment

This value is updated on an annual basis to include/exclude M&A and divestitures data

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Energy Information Administration 1605B

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Climate Leaders: Direct HFC and PFC Emissions from Manufacturing Refrigeration and Air Conditioning Equipment

US EPA Climate Leaders: Indirect Emissions from Purchases/ Sales of Electricity and Steam

US EPA Climate Leaders: Direct Emissions from Stationary Combustion

US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

Other, please specify (See below in 5.2a for details)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

UK Department for Business, Energy & Industrial Strategy Greenhouse Gas Reporting – Conversion Factors 2019

The Greenhouse Gas Protocol Scope 2 Guidance

WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

3577266

Start date

January 1 2018

End date

December 31 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

We are reporting against both methodologies; however we are measuring progress against our goals using the market based methodology. We do not currently have access to electricity supplier emissions factors or residual emissions factors for all markets, however, where they have been available (for example, in Europe) we have applied them to our market-based Scope 2 reporting figure. We have also calculated our Scope 2 emissions based on location-based methodology so that we are able to judge the impact of our reduction efforts against both methodologies.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1629973

Scope 2, market-based (if applicable)

1558167

Start date

January 1 2018

End date

December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Operational Control Farms and Dairies

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Our company's farms in China and Egypt have not been evaluated as it is estimated that their contribution to our emissions inventory is less than 1%. While we deem these not significant in our overall emissions inventory, we do include these farms in our Sustainable Farming Program (SFP), and are working to implement practices that improve overall farm health, as well as reduce greenhouse gas (GHG) emissions.

Source

International Offices/Warehouses (partial)

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

A number of our small offices and distribution centers around the world have not been evaluated as it is estimated that their contribution to our emissions inventory is estimated to be less than 1%.

Source

De Minimis sources

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

The sum of excluded emissions from all sources is less than 5% of our inventory. PepsiCo strives to report 100% of significant operations within its operational boundary. A de minimis reporting threshold of 1% is applied to all activities. Estimated completeness of the 2018 inventory is >95% as a percentage of total emissions .

Source

Venezuela

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

We determined that the inclusion of data for our Sustainability reporting should align with the reporting framework used, i.e. GHG Protocol, as well as any exclusions in our financial reporting. Because Venezuela is excluded from our financial report and its emissions represent less than 0.1% of our global Scope 1 and Scope 2 inventory, it is considered de minimis and we can meet the required alignment with both the Protocol and the financial reporting boundaries.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

39026490

Emissions calculation methodology

Product-related purchased goods and services emissions. PepsiCo has conducted over 60 lifecycle analysis (LCA) or product carbon footprints covering a representative sample of its overall product portfolio, which formed the basis for calculating emissions in this category. These studies broke down the emissions of products by lifecycle phases, which included raw materials, packaging, incoming transport, manufacturing, retail and distribution, complementary products, use phase, end of life of packaging. Sales data was collected globally across all regions of PepsiCo's operations across all product categories and total volumes (liters for liquids, kg for solids) for all products were determined. All products were then matched to existing LCA-studied products where an exact match was available. Where an exact match was not possible, the closest proxy was used based on key attributes – product type, sugar type (if applicable), packaging type and packaging size. In this way, the total lifecycle carbon footprint of all products sold by PepsiCo in 2015 was calculated. Being total lifecycle, this covered the entire value chain, including activities both upstream and downstream of PepsiCo. Specifically for this category “purchased goods and services”, this was determined to be the raw materials and packaging portion of the overall lifecycle product carbon footprint of all PepsiCo products. For non-product purchased goods and services, procurement data was collected on all non-product spend across the business, which included categories such as: services, IT, media, and facilities. The total spend on non-products was multiplied by environmentally extended input output (EEIO) emission factors to estimate emissions. Total emissions in this category are the sum of product and non-product related purchased goods and services emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

This reflects the contribution of product related emissions to overall purchased goods and services emissions. Product-related emissions were calculated by reference to lifecycle product carbon footprint studies, which obtained data directly from suppliers. Non-product related purchased goods and services emissions, were estimated based on procurement spend, rather than directly procuring data from suppliers and others in our value chain. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1698930

Emissions calculation methodology

For capital goods, procurement data was collected on all capital spending in 2015 and the total spend was multiplied by EEIO emission factors to estimate emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Emissions in this category were estimated based on procurement spend, rather than directly procuring data from suppliers and others in our value chain. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

603560

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased goods and services). The next step was to isolate emissions from the manufacturing phase for all PepsiCo products. Being total lifecycle, emissions from the manufacturing phase includes Scope 1, Scope 2 and fuel and energy-related activities not included in Scope 1 or 2 (e.g., extraction and transportation of fuels, transmission and distribution losses of electricity, etc.). A portion of the total manufacturing emissions of all PepsiCo products was apportioned to the category "fuel and energy-related activities" by reference to the UK's Department of Environment, Food and Rural Affairs' (DEFRA's) guidelines on the Scope 3 emissions of fuels and electricity.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Emissions in this category were calculated by reference to lifecycle product carbon footprint studies, which obtained data directly from suppliers. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1161810

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For "upstream transportation and distribution," this was determined to be the incoming transportation portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from transporting raw and packaging materials to PepsiCo manufacturing facilities.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Emissions in this category were calculated by reference to lifecycle product carbon footprint studies, which obtained data directly from suppliers. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

60360

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). The next step was to isolate emissions from the manufacturing phase for all PepsiCo products. The manufacturing phase includes emissions from waste generated during manufacturing of products. A portion of the total manufacturing emissions of all PepsiCo products was apportioned to the category "waste generated in operations." This includes emissions from the treatment of waste in PepsiCo's manufacturing facilities.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Reporting data on waste generated in operations does not require collecting data from suppliers or others in our value chain.

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

121070

Emissions calculation methodology

Calculated based on estimating the percentage of PepsiCo's overall workforce that travels for business. The overall number of employees that engage in business travel was multiplied by an average emission factor for business travel per employee per year. The emission factor is calculated by reference to governmental data (U.S. EPA, UK Department of Transport) on the average breakdown of business travel by main transportation modes (e.g., car, airplanes, train), frequency of travel and average distance of travel.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

No data was collected from suppliers or others in our value chain. Given the immateriality of emissions in this category, it was determined that effort be concentrated on other more impactful areas of PepsiCo's footprint. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Employee commuting

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

506710

Emissions calculation methodology

Calculated using 2015 Full-Time Employee (FTE) total. Employee emissions calculated for each commuting travel type – FTE by country * average distance covered by specified mode of transport * average emission per employee per year. Developed a model that takes into account the emissions related to the major modes of transport in UK, Australia and the U.S. Data for the U.S. has been used as an estimate for the rest of the world. Sources: government papers and U.S. Department of Transportation.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

See above

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Emissions were not calculated based on an analysis that emissions associated with upstream leased assets did not contribute greater than 1% of overall Scope 3 emissions. All Scope 3 estimates are based on 2015 sales volumes.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9964010

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For “downstream transportation and distribution,” this was determined to be the retail and distribution portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from transporting (with chilling, if applicable) PepsiCo products to retail distribution centers (RDCs), energy and chilling at RDCs, transportation (with chilling if applicable) to retail outlets, and energy and chilling at retail outlets. Total emissions from PepsiCo-owned vendors and coolers was calculated by taking the total number, type and efficiency of units in operation multiplied by the electric grid emission factor for the country of operation. This was done separately from the overall footprint but is considered included in the overall number for this category. It accounts for 40% of the total for this category.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Emissions in this category were calculated by reference to lifecycle product carbon footprint studies, which obtained data directly from suppliers. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

By the definition in the WRI/WBCSD The Greenhouse Gas Protocol – Scope 3 Protocol, this item is not applicable to PepsiCo as we do not generate products that are processed downstream of our manufacturing.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3046900

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For “use of sold products,” this was determined to be the use phase portions of the overall lifecycle product carbon footprint of all PepsiCo products. The use phase of emission of products included emissions from the refrigeration of beverages at home prior to consumption.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Best available information used, such as cooking times on packs, previous survey data on length of time drinks are refrigerated, All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1195840

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For “end of life treatment of sold products,” this was determined to be the packaging end of life portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from the waste treatment of the packaging materials used in PepsiCo products, and considers the impact of various methods of treatment (recycling, landfill, incineration with or without energy recovery).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Calculated using average emissions of waste treatment, not from any specific waste treatment service providers. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Emissions from downstream leased assets were not calculated based on an analysis that emissions associated with downstream leased assets did not contribute greater than 1% of overall Scope 3 emissions. All Scope 3 estimates are based on 2015 sales volumes.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1418720

Emissions calculation methodology

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For “franchises,” this was determined to be the third party manufacturing portion of the overall manufacturing lifecycle product carbon footprint of all PepsiCo products. This was calculated by subtracting PepsiCo's total Scope 1 & 2 emissions from the overall manufacturing footprint.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

The overall emissions of all products sold by PepsiCo in 2015 was calculated (see purchased goods and services section), regardless of whether production was in house or franchised. Therefore, for 2015, the emissions of franchises are included but contained in the overall emissions of all scope 3 categories. For the manufacturing portion, emissions were calculated as described in the purchased goods and services section. The average carbon intensity of products produced by a franchise is not likely to vary significantly compared to the same products produced by a PepsiCo-owned factory. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2730730

Emissions calculation methodology

For investments, procurement data was collected on investment related spending in 2014, and the total spend was multiplied by EEIO emission factors to estimate emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Emissions in this category were estimated based on procurement spend, rather than directly procuring data from suppliers and others in our value chain. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Other (upstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Other (downstream)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1282850

Emissions calculation methodology

Total emissions from complementary products were calculated to account for emissions of products that are used with our products. This is primarily from milk used with our oat products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

50

Explanation

Best available information used, such as serving size. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

18020530

Please explain

PepsiCo has conducted over 60 lifecycle product carbon footprints (LCA) covering a representative sample of its overall product portfolio, which formed the basis for calculating emissions in this category. These studies broke down the emissions of products by lifecycle phases, which included: raw materials, packaging, incoming transport, manufacturing, retail and distribution, complementary products, use phase, end of life of packaging. Sales data was collected globally across all regions of PepsiCo's operations across all product categories and total volumes (liters for liquids, kg for solids) for all products were determined. All products were then matched to existing LCA studied products where an exact match was available. Where an exact match was not possible, the closest proxy was used based on key attributes – product type, sugar type (if applicable), packaging type and packaging size. In this way, the total lifecycle carbon footprint of all products sold by PepsiCo in 2015 was calculated. Being total lifecycle, this covered the entire value chain, including activities both upstream and downstream of PepsiCo. Specifically for this category “purchased goods and services”, this was determined to be the raw materials or agricultural portion of the overall lifecycle product carbon footprint of all PepsiCo products.

Activity

Consumption

Scope 3 category

Use of sold products

Emissions (metric tons CO2e)

3046900

Please explain

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased goods and services). For “use of sold products,” this was determined to be the use phase portions of the overall lifecycle product carbon footprint of all PepsiCo products. The use phase of emission of products included emissions from the refrigeration of beverages at home prior to consumption.

Activity

Consumption

Scope 3 category

End of life treatment of sold products

Emissions (metric tons CO2e)

1195840

Please explain

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased goods and services). For “end of life treatment of sold products,” this was determined to be the packaging end of life portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from the waste treatment of the packaging materials used in PepsiCo products, and considers the impact of various methods of treatment (recycling, landfill, incineration with or without energy recovery).

Activity

Distribution

Scope 3 category

Upstream transportation and distribution

Emissions (metric tons CO2e)

1161810

Please explain

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For “upstream transportation and distribution,” this was determined to be the incoming transportation portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from transporting raw and packaging materials to PepsiCo manufacturing facilities. Emissions in this category were calculated by reference to lifecycle product carbon footprint studies, which obtained data directly from suppliers. All Scope 3 estimates are based on 2015 sales volumes and will be updated every 5 years going forward.

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

9964010

Please explain

The starting point in this category was the total emissions calculated for all PepsiCo products (see section Purchased Goods and Services). For "downstream transportation and distribution," this was determined to be the retail and distribution portion of the overall lifecycle product carbon footprint of all PepsiCo products. This includes emissions from transporting (with chilling, if applicable) PepsiCo products to retail distribution centers (RDCs), energy and chilling at RDCs, transportation (with chilling if applicable) to retail outlets, and energy and chilling at retail outlets. Total emissions from PepsiCo-owned vendors and coolers was calculated by taking the total number, type and efficiency of units in operation multiplied by the electric grid emission factor for the country of operation. This was done separately from the overall footprint but is considered included in the overall number for this category. It accounts for 40% of the total for this category.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Palm Oil

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity for certain geographies using secondary data and literature review.

Agricultural commodities

Sugar

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity for certain geographies using secondary data and literature review.

Agricultural commodities

Wheat

Do you collect or calculate GHG emissions for this commodity?

No, not currently but intend to collect or calculate this data within the next two years

Please explain

Wheat supply chains have very low traceability and so we have not yet ascertained the source regions for the majority of our wheat. We are working towards this.

Agricultural commodities

Other (Potatoes)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity for certain geographies using industry accepted tools/methodologies such as the Cool Farm Tool.

Agricultural commodities

Other (Corn)

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We calculate GHG emissions from this commodity for certain geographies using industry accepted tools/methodologies such as the Cool Farm Tool and the Fieldprint Calculator.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000079

Metric numerator (Gross global combined Scope 1 and 2 emissions)

5135433

Metric denominator

unit total revenue

Metric denominator: Unit total

64661000000

Scope 2 figure used

Market-based

% change from previous year

8

Direction of change

Decreased

Reason for change

Our emissions have declined by 4% while revenue has increased by 1.79%. This can be attributed to emission reductions activities implemented during the reporting year. We are investing in a variety of actions across our operations, including energy efficiency improvements driven by our Resource Conservation (ReCon) program, a comprehensive, global platform of resources, tools and programs designed to improve energy, water and waste efficiencies in our manufacturing processes.

Intensity figure

0.16

Metric numerator (Gross global combined Scope 1 and 2 emissions)

5135433

Metric denominator

metric ton of product

Metric denominator: Unit total

31511460

Scope 2 figure used

Market-based

% change from previous year

4

Direction of change

Decreased

Reason for change

We have seen a 0.5% increase in company-manufactured beverages, and a 0.5% increase in company-manufactured snacks. Changes in product mix result in different energy demand profiles which are partly mitigated by the reduction initiatives that have been implemented to improve performance in energy use intensity. Additionally, continued progress in expanding our renewable energy portfolio had contributed to the decrease.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	12755
Australia	28991
Belgium	32259
Bosnia and Herzegovina	2161
Brazil	102603
Canada	177190
Chile	13488
China	38679
Colombia	24045
Costa Rica	403
Cyprus	1508
Czechia	5823
Dominican Republic	7862
Ecuador	3438
Egypt	130276
El Salvador	1695
Estonia	74
France	1998
Georgia	2137
Germany	7051
Greece	6561
Guatemala	18155
Honduras	2643
Hungary	769
India	12775
Ireland	2024
Italy	766
Jordan	0
Kyrgyzstan	73
Mexico	382401
Netherlands	16250
New Zealand	6383
Pakistan	21703
Panama	491
Peru	7111
Poland	52306
Portugal	11722
Romania	15845
Russian Federation	295315
Saudi Arabia	36921
Serbia	7434
Singapore	286
Slovakia	406
South Africa	37759
Spain	40212
Taiwan, Greater China	5009
Thailand	15949
Turkey	38423
Ukraine	17431

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	70149
United States of America	1855030
Uruguay	848
Viet Nam	3671
Israel	8

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Frito-Lay North America	1087438
Latin America	571105
PepsiCo Beverages North America and Quaker Foods North America	950425
Asia, Middle East and North Africa (AMENA)	300009
Europe Sub-Saharan Africa (ESSA)	664441
PepsiCo Global Concentrate	3848

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

2170323

Methodology

Default emissions factor

Please explain

Includes all process emissions and emissions from our manufacturing activities.

Activity

Distribution

Emissions category

<Not Applicable>

Emissions (metric tons CO2e)

1406944

Methodology

Default emissions factor

Please explain

Includes emissions from our fleet.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Argentina	8303	8303	22029	0
Australia	28364	28028	37204	440
Belgium	6609	14	38392	38276
Bosnia and Herzegovina	1180	1180	1595	0
Brazil	12726	12726	104917	0
Canada	22819	22819	149666	0
Chile	8680	8680	19336	0
China	37217	37217	63200	0
Colombia	6345	6345	28671	0
Costa Rica	6	6	460	0
Cyprus	517	501	785	0
Czechia	6591	8513	14923	0
Dominican Republic	3980	3980	6626	0
Ecuador	1196	1196	4252	0
Egypt	50306	50306	109289	0
El Salvador	209	209	783	0
Estonia	0	0	0	0
France	318	294	5124	0
Georgia	276	276	2979	0
Germany	4119	7201	9844	0

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Greece	2704	3237	5179	0
Guatemala	5961	5961	14101	0
Honduras	1021	1021	2632	0
Hungary	0	0	0	0
India	78765	76809	111649	5960
Ireland	4876	7258	11746	0
Italy	235	102	641	428
Jordan	0	0	0	0
Kyrgyzstan	3672	3672	21200	0
Mexico	144540	100489	310305	94571
Netherlands	8443	1342	19744	17215
New Zealand	688	688	6612	0
Pakistan	7474	7474	19021	0
Panama	402	402	1659	0
Peru	2080	2080	7863	0
Poland	33262	44447	53259	0
Portugal	2632	21	9257	9202
Romania	10565	14370	33832	0
Russian Federation	127540	127540	423225	0
Saudi Arabia	28940	28940	40464	0
Serbia	0	0	13340	0
Singapore	2558	2558	6473	0
Slovakia	0	0	0	0
South Africa	24936	24936	26249	0
Spain	12613	2298	46892	41743
Taiwan, Greater China	4302	4296	7244	0
Thailand	12347	12347	25584	0
Turkey	31212	31212	70770	0
Ukraine	16318	16318	46005	0
United Kingdom of Great Britain and Northern Ireland	24441	2950	83830	75781
United States of America	835084	835003	1804269	0
Uruguay	262	262	9328	0
Viet Nam	2285	2285	5075	0
Israel	54	54	96	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Frito-Lay North America	374190	374190
Latin America	191803	147671
PepsiCo Beverages North America and Quaker Foods North America	484969	484969
Asia, Middle East and North Africa (AMENA)	248001	245703
Europe Sub-Saharan Africa (ESSA)	318237	290479
PepsiCo Global Concentrate	12774	15156

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	51948	Decreased	1	Through these activities we reduced our emissions by 51,948 tons CO2e and our total Scope 1 and Scope 2 emissions in the previous year were 5,135,433 tons CO2e, therefore we arrived at 1.01% through $(51,948/5,135,433) * 100 = 1\%$ decrease in emissions.
Other emissions reduction activities	58028	Decreased	1	Through a number of new fleet and manufacturing efficiency projects we reduced our emissions by 58,028 tons CO2e and our total Scope 1 and Scope 2 emissions in 2018 was 5,135,433 tons CO2e, therefore we arrived at 1% through $(58,028/5,135,433)*100=1\%$ decrease in emissions. .
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	32940	Increased	1	Emissions calculated using 2018 production values for beverage and snack operations and GHG intensity values from 2017. The difference between 2017 GHG emissions and the calculated values for 2018 is 32,940 and our total Scope 1 and 2 emissions in 2018 was 5,135,433, therefore we arrived at 1% through $(32,940/5,135,433)*100=1\%$
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	626036	16464480	17090516
Consumption of purchased or acquired electricity	<Not Applicable>	279805	3482357	3762161
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	4415	91043	95458
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	53399	<Not Applicable>	53399
Total energy consumption	<Not Applicable>	963656	20037880	21001534

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Biodiesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

97614

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Biogas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

131538

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Solid Biomass Waste

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

396965

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

81598

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4711297

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 4

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

71785

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 6

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

298

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

571393

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

10348897

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

594896

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

84231

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Biodiesel**Emission factor**

0.24768

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Biogas

Emission factor

0.19902

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Coal

Emission factor

0.32482

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Compressed Natural Gas (CNG)

Emission factor

2.74663

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Fuel Oil Number 2

Emission factor

0.25296

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Fuel Oil Number 4

Emission factor

0.27652

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Fuel Oil Number 6**Emission factor**

0.26831

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment**Kerosene****Emission factor**

0.24665

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment**Liquefied Petroleum Gas (LPG)****Emission factor**

0.21448

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment**Motor Gasoline****Emission factor**

0.24082

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment**Natural Gas****Emission factor**

0.18396

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

Solid Biomass Waste

Emission factor

0.3491

Unit

kg CO2e per kWh

Emission factor source

UK Government GHG Conversion Factors for Company Reporting, 2018

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	331409	310281	53589	53399
Heat	0	0	0	0
Steam	439657	439657	56252	56252
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) with energy attribute certificates

Low-carbon technology type

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Mexico)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

94571

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Belgium)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

38276

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV
Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Italy)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

428

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV
Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Netherlands)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

17215

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV
Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Portugal)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

9202

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV
Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Spain)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

41743

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Solar PV

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (United Kingdom)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

75781

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Power Purchase Agreement (PPA) with energy attribute certificates

Low-carbon technology type

Solar PV

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (Australia)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

440

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Basis for applying a low-carbon emission factor

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Solar PV

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (India)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

1545

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

Purchased electricity

Basis for applying a low-carbon emission factor

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Other low-carbon technology, please specify (Steam from off-site generator)

Region of consumption of low-carbon electricity, heat, steam or cooling

Other, please specify (India)

MWh consumed associated with low-carbon electricity, heat, steam or cooling

4415

Emission factor (in units of metric tons CO₂e per MWh)

0

Comment

Purchased steam

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo_BVNA - CDP Verification Statement Limited Ry2018 - Revised 5-22-19.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo_BVNA - CDP Verification Statement Limited Ry2018 - Revised 5-22-19.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

PepsiCo_BVNA - CDP Verification Statement Limited Ry2018 - Revised 5-22-19.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- at least one applicable category

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

PepsiCo_BVNA - CDP Verification Statement Limited Ry2018 - Revised 5-22-19.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Energy Consumption)	ISO14064-3	Energy consumption associated with manufacturing and warehouse operations, fleet operations, offices and distribution centers.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

California CaT

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

California CaT

% of Scope 1 emissions covered by the ETS

2.21

Period start date

January 1 2018

Period end date

December 31 2018

Allowances allocated

40451

Allowances purchased

0

Verified emissions in metric tons CO₂e

79007

Details of ownership

Facilities we own and operate

Comment

Purchase of allowances for 2018 not yet required at the time of filing; will be purchased by end of 2019.

EU ETS

% of Scope 1 emissions covered by the ETS

3.29

Period start date

January 1 2018

Period end date

December 31 2018

Allowances allocated

39096

Allowances purchased

78651

Verified emissions in metric tons CO₂e

117747

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

Our first priority is to leverage our Resource Conservation (ReCon) Program to drive improvements in our energy efficiency to reduce emissions from facilities covered by Emission Trading Schemes (ETS). Examples of how we have applied this program as part of our compliance strategy include behavioral-based initiatives, as well as capital investments to reduce fuel consumption and switching to renewable fuels, such as anaerobic digesters.

In addition to our own reduction efforts, each of our ETS sites also currently receives an allocation of free allowances towards their compliance. Beyond the free allowances, we purchase allowances to meet final verified emissions, as appropriate. We do not currently source project based carbon allowances for ETS compliance. Over the longer term, we are continuing to investigate and plan to invest in further energy efficiency opportunities, as well as heat recovery and reuse and renewable fuels.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

- Collect climate change and carbon information at least annually from suppliers
- Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

% total procurement spend (direct and indirect)

80

% Scope 3 emissions as reported in C6.5

57

Rationale for the coverage of your engagement

We collect climate change and carbon information from our suppliers through the annual CDP Supply Chain process. Included in this process are suppliers in our key emissions categories like agriculture, packaging and third party logistics. Suppliers selected represent our top suppliers within the category that cover ~80% of procurement spend.

Impact of engagement, including measures of success

Our measures of success are our supplier participation rate and average supplier score. As an indicator of the impact of our engagement in 2018 our response rate was 59%. 71% of our suppliers indicated having a target for emissions reduction. We will continue collecting climate information from our suppliers through this process and use the results as a way of encouraging and incentivizing our suppliers to further act on managing and mitigating climate-related issues.

Comment

The percent of Scope 3 emissions that each engagement strategy represents was calculated in 2015 and the value will be updated every five years.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

% total procurement spend (direct and indirect)

99

% Scope 3 emissions as reported in C6.5

4

Rationale for the coverage of your engagement

Our Sustainable Farming Program (SFP), is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. We have initiated SFP with farmers from which we source directly, given our existing relationships with those farmers and the importance of directly sourced agricultural raw materials to the continuity of our business. By 2025, our goal is to expand the SFP and other programs recognized by PepsiCo's benchmarking protocol to our indirect crops as well. To date, we have focused on engaging growers and bringing them into the SFP through Farm Management Groups (FMGs).

Impact of engagement, including measures of success

To date, we have focused on engaging growers and bringing them into the SFP through Farm Management Groups (FMGs). As an indicator of the impact of our engagement, as of year-end 2018, 99% of the volume of the agricultural raw materials that we directly source has been supplied by FMGs engaged in our SFP. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly sourced agricultural raw materials that we have verified as sustainably sourced. In 2018, this number was 52%.

Comment

The percent of Scope 3 emissions that each engagement strategy represents was calculated in 2015 and the value will be updated every five years.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

% total procurement spend (direct and indirect)

99

% Scope 3 emissions as reported in C6.5

4

Rationale for the coverage of your engagement

The SFP was created as the primary vehicle for delivering against PepsiCo's aspirations for sustainability at the farm level within our agricultural supply chain. The program is comprised of two components: (1) The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices; and (2) The SFP Continuous Improvement Process, whereby farmers are continually assessed against the SFP Code and efforts taken to address missing sustainable agriculture principles. The SFP

Continuous Improvement Process is a cyclical process geared towards assessing and then addressing sustainability opportunities at the farm level within PepsiCo's agricultural supply chain.

Impact of engagement, including measures of success

To date, we have focused on engaging growers and bringing them into the SFP through Farm Management Groups (FMGs). As an indicator of the impact of our engagement, as of year-end 2018, 99% of the volume of the agricultural raw materials that we directly source has been supplied by FMGs engaged in our SFP. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly sourced agricultural raw materials that we have verified as sustainably sourced. In 2018, this number was 52%.

Comment

The percent of Scope 3 emissions that each engagement strategy represents was calculated in 2015 and the value will be updated every five years.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

% total procurement spend (direct and indirect)

5

% Scope 3 emissions as reported in C6.5

5

Rationale for the coverage of your engagement

By working with key material suppliers, PepsiCo has been able to develop, test market and then commercialize new bio-based compounds for flexible packaging for several of its businesses, including Frito-Lay. PepsiCo worked with a key resin manufacturer, and a leading bio-polymer compounder, to produce the new bio-based compounds. Our supplier adapted its film extrusion lines to handle the compounded resin and produce high-quality films. Then a converter optimized its process to print and laminate the new films.

Impact of engagement, including measures of success

By working with key material suppliers, PepsiCo has been able to develop, test market and then commercialize new bio-based compounds for flexible packaging for several of its businesses, including Frito-Lay. PepsiCo worked with a key resin manufacturer, and a leading bio-polymer compounder, to produce the new bio-based compounds. Our supplier adapted its film extrusion lines to handle the compounded resin and produce high-quality films. Then a converter optimized its process to print and laminate the new films. GHG emissions reduction through the implementation of this technology will be a key metric tracked for this initiative. In addition, this also contributes towards our sustainable packaging goal.

Comment

The percent of Scope 3 emissions that each engagement strategy represents was calculated in 2015 and the value will be updated every five years.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

% Scope 3 emissions as reported in C6.5

18

Please explain the rationale for selecting this group of customers and scope of engagement

We introduced the PepsiCo Recycling initiative in 2010 and have continued to scale it up ever since. PepsiCo Recycling programs

bring recycling solutions to colleges and universities, K-12 schools, high-traffic retail locations, professional sports facilities, events, and other organizations across the U.S. with the goal of increasing beverage container recycling rates. These customers and venues are chosen as they represent areas where high volumes of our products are consumed. We educate and inspire consumers through the belief that simple acts can lead to a big impact. We believe that every bottle and can recycled helps make communities and the world a cleaner, more sustainable place. The % of emissions reported is our total Scope 3 emissions from beverage packaging and is an approximation.

Impact of engagement, including measures of success

Our measures of success include the number of containers collected and year over year trends in collection numbers. In 2018, the PepsiCo Recycling Program collected 237 million post-consumer containers for recycling in the U.S., an approximately 215 percent increase in container collections as compared to 2017.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% Scope 3 emissions as reported in C6.5

57

Please explain the rationale for selecting this group of customers and scope of engagement

PepsiCo has strong relationships with our customers like our largest retail customer worldwide. We regularly work with this customer on programs with climate-related benefits, such as the Mid-West Row Crop Collaborative, which is a group of companies and conservation organizations working to expand agricultural solutions that protect air and water quality and enhance soil health across the entire U.S. corn and soy system in the Midwest. PepsiCo also worked with this customer to help create the Closed Loop Fund in 2014 and continues to increasingly support and invest in the fund to improve recycling both in the U.S., and internationally. The % of emissions reported is our total Scope 3 emissions from agriculture and packaging and is an approximation.

Impact of engagement, including measures of success

Measures of success for The Midwest Row Crop Collaborative are: By 2025: (1) 75% of row crop acres in Illinois, Iowa and Nebraska are engaged in sustainability measures; (2) Reduce nutrient loading in these states by 20 percent; (3) 50 percent of all irrigation units used in Nebraska will maximize water conservation. By 2035: (1) Illinois, Iowa and Nebraska have met the 45 percent nitrogen loss reduction goal and partnerships established to expand across the Upper Mississippi River Basin. The Closed Loop Fund has continued to make progress since its launch. The fund estimates that it will eliminate more than 16 million tons of greenhouse gas emissions, divert more than 8 million cumulative tons of waste from landfills, improve recycling for more than 18 million households and save nearly \$60 million for American cities.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

% Scope 3 emissions as reported in C6.5

2

Please explain the rationale for selecting this group of customers and scope of engagement

PepsiCo has a Partner Outreach Program to drive energy conservation with strategic franchise operations in the U.S., Mexico, Latin America, South America, Western Europe and Asia. We have made efforts to expand our Resource Conservation program to our franchise operations by providing trainings and access to tools that help measure and track performance, identify and implement improvement opportunities. This is a natural extension of our work within our owned operations to our franchise operations. The % of emissions reported is our total Scope 3 emissions from franchise operations and is an approximation.

Impact of engagement, including measures of success

We track GHG emissions reduction within franchise operations as a measure of success. As a result of our engagements, we saw ~98,000 MT of GHG emission reductions in 2017 within our franchise operations through energy efficiency and renewable energy measures.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

We value our engagement with a wide range of stakeholders and actively create and foster pre-competitive collaboration to reduce greenhouse gas emissions. Key stakeholders include customers, peer companies, non-profit organizations, and regulators, among others. Our collaborations help us learn more about climate change and other sustainability topics, better inform our efforts, and help us create value for society. We use a variety of mechanisms to solicit feedback from our stakeholders on climate change and other topics, including bilateral meetings and participation in stakeholder networks, outreach programs and webinars. Some examples of our climate-related engagements are provided here. PepsiCo is one of the founding members of the Climate Leadership Council in the U.S., which advocates for a consensus climate solution that bridges partisan divides, strengthens the economy, and protects our environment. The Council includes a wide range of businesses, NGOs and individuals. PepsiCo also has an aspirational commitment to eliminating deforestation from our supply chains. As a member of the Consumer Goods Forum (CGF), we are signatories of the Forum's resolutions on deforestation and sustainable refrigeration, which is meant to have a significant positive impact on climate change. We also support climate-friendly sustainable agricultural practices through initiatives such as the Sustainable Agriculture Initiative (SAI) Platform and Field to Market Initiative.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Crop rotation

Description of management practice

Through our Sustainable Farming Program (SFP), growers are encouraged to implement crop rotation practices to improve soil fertility, as well as manage pests

Your role in the implementation

Financial

Knowledge sharing

Operational

Procurement

Explanation of how you encourage implementation

For PepsiCo, sustainable agriculture is critical to the continued growth of our business, ensuring food safety and crop resilience for continued and localized supply. As a corporation that has a global reach but operates locally in the communities where we do business, we provide relevant expertise to help advance the ways in which farming is carried out around the world. This benefits individual farmers and the communities that rely on them, while helping protect our license to operate. Our SFP is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP is comprised of two components: • The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P, Bonsucro, and the RSPO. • The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. To date, we have focused on engaging growers and bringing them into the SFP through FMGs, which are groups of farmers that show consistency across geography, crop, farm size, and a variety of other factors. PepsiCo considers an FMG engaged when: • An initial assessment against our SFP

Principles and Practices has been completed; • Sustainability opportunities have been identified and improvement programs developed; and • Grower engagement in these improvement programs has been initiated. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly-sourced agricultural raw materials that we have verified as sustainably sourced.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

Management practice reference number

MP2

Management practice

Fertilizer management

Description of management practice

Through our SFP, growers are encouraged to manage fertilizers by incorporating into the soil, using split application to minimize nitrous oxide emissions. Growers are encouraged to use tools to determine the amount of fertilizer to apply as well as to use organic fertilizer and low carbon fertilizers.

Your role in the implementation

Financial
Knowledge sharing
Operational
Procurement

Explanation of how you encourage implementation

For PepsiCo, sustainable agriculture is critical to the continued growth of our business, ensuring food safety and crop resilience for continued and localized supply. As a corporation that has a global reach but operates locally in the communities where we do business, we provide relevant expertise to help advance the ways in which farming is carried out around the world. This benefits individual farmers and the communities that rely on them, while helping protect our license to operate. Our SFP is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers' human rights, enhance growers' capabilities, and address risks. The SFP is comprised of two components: • The SFP Code, which lists PepsiCo's farm-level sustainable agriculture principles and practices. The Code draws from principles of externally recognized agricultural codes, such as those published by the Rainforest Alliance, GlobalG.A.P, Bonsucro, and the RSPO. • The SFP Continuous Improvement Process, through which farmers are continually assessed and efforts are taken to drive improvement in sustainable agriculture. To date, we have focused on engaging growers and bringing them into the SFP through FMGs, which are groups of farmers that show consistency across geography, crop, farm size, and a variety of other factors. PepsiCo considers an FMG engaged when: • An initial assessment against our SFP Principles and Practices has been completed; • Sustainability opportunities have been identified and improvement programs developed; and • Grower engagement in these improvement programs has been initiated. The percentage of FMGs engaged is one metric by which we are measuring progress. The second metric – representing our ultimate objective – is the percentage of directly-sourced agricultural raw materials that we have verified as sustainably sourced.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Carbon tax	Support	We are a founding member of the Climate Leadership Council (CLC). CLC is an international policy institute founded in collaboration with business and environmental leaders to promote a carbon dividend framework as the most cost-effective, equitable and politically-viable climate solution. The Council is active primarily in the U.S.	CLC proposes a carbon dividend program to be implemented at the federal level in the United States. The program is based on four interdependent pillars: 1. A gradually rising and revenue-neutral carbon tax; 2. Carbon dividend payments to all Americans, funded by 100% of the revenue; 3. The rollback of carbon regulations that are no longer necessary; and 4. Broader carbon adjustments to level the playing field and promote American competitiveness.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Beverage Association (ABA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that ABA may support various types of legislation related to climate change, such as legislation on energy efficiency, consistent with PepsiCo's views.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an active member of ABA. We regularly share information on our sustainability vision relating to climate change and related issues.

Trade association

Grocery Manufacturers' Association (GMA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that GMA may support various types of legislation related to climate change, such as legislation on energy efficiency, consistent with PepsiCo's views.

How have you influenced, or are you attempting to influence their position?

PepsiCo is a member of the GMA Board. We regularly share information on our sustainability vision relating to climate change and related issues.

Trade association

Union of European Soft Drinks Associations (UNESDA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that UNESDA welcomes the European Commission's proposal for establishing a Circular Economy in Europe and the recently concluded review of the Waste Framework Directive (WFD) and the Packaging and Packaging Waste Directive (PPWD). UNESDA's members are conscious of their responsibility for the end-of-life phase of packaging and advocate for a strong European framework on Extended Producer Responsibility (EPR) for packaging to increase efficiency and transparency of EPR in Europe. UNESDA supports the objective of increasing resource efficiency, sustainability and progress towards a circular economy through the recycling of materials.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an active member of UNESDA with a seat at the Board. PepsiCo participates in UNESDA's two main committees, as well as in the Task Force on Packaging that deals specifically with the Circular Economy Package.

Trade association

FoodDrinkEurope

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

FoodDrinkEurope responded to the call for inputs to draw the future European Commission's proposal for a strategy for long-term EU greenhouse gas emissions reductions in accordance with the Paris Agreement. Food chain partners, as well as other economic sectors, civil society and policymakers should support ambitious efforts to mitigate and adapt to Climate Change in Europe and globally. Challenges to achieve the temperature objective under the Paris Climate Agreement persist, such as the lack of economical and technically viable means (i.e. financial and technological) to reach such target.

How have you influenced, or are you attempting to influence their position?

PepsiCo is a member of the FoodDrinkEurope Board and participates in a variety of committees and working groups.

Trade association

European Organization for Packaging and Environment (EUROPEN)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EUROPEN supports the objectives of the EU Circular Economy package. EUROPEN advocates for a packaging waste policy framework that clearly defines the roles and responsibilities of all actors involved in waste management. The new Circular Economy Package should safeguard the EU internal market and be based on the principle of life cycle assessment.

How have you influenced, or are you attempting to influence their position?

PepsiCo is part of the EUROPEN Executive Committee and of the technical Task Force on Circular Economy that is responsible for analyzing policy developments and building an advocacy plan for the association.

Trade association

European Snacks Association (ESA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

We understand that ESA supports sustainable practices to protect natural resources.

How have you influenced, or are you attempting to influence their position?

PepsiCo is an ESA Board member and holds the Chairmanship of the Communication Committee.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

PepsiCo has specific teams and individuals that are assigned responsibilities for developing corporate policy and regulatory positions as well as engaging on regulatory policy with external stakeholders, including public policymakers, trade associations and non-government actors. The Public Policy and Government Affairs (PPGA) department manages relationships with government actors and coordinates activities that may influence regulatory policy globally. The PPGA department works closely with the Office of Sustainability and other functions to ensure that our external engagements are aligned with our overall strategy on climate action and advocacy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2018-annual-report.pdf

Page/Section reference

Pages 20, 21, 27, 28

Content elements

Governance

Strategy

Risks & opportunities

Comment

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

pepsico_2017_csr.pdf

pepsico_2017_pwp_performance_metrics_sheet.pdf

Page/Section reference

Pages 19, 21 in first attachment Page 2 in second attachment

Content elements

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In voluntary communications

Status

Underway – previous year attached

Attach the document

PepsiCo_A-Z_Topics_Climate.pdf

Page/Section reference

All pages - this is communication on our website that has all sustainability related topics and a section on climate change - <https://www.pepsico.com/sustainability/esg-topics>

Content elements

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Science Officer	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$64 billion in net revenue in 2018, driven by a complementary food and beverage portfolio that includes 22 brands that generate more than \$1 billion each in estimated annual retail sales (e.g., Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana). Our new vision is to be the global leader in convenient foods and beverages by Winning with Purpose. To advance this vision, we will focus on becoming Faster, Stronger and Better in everything we do. We will become better by continuing to integrate our purpose agenda into our business strategy and doing even more for the planet and our people. Winning with Purpose acknowledges PepsiCo's leadership in integrating sustainability with strategy for more than a decade, and conveys our belief that sustainability can be an even greater contributor to our success in the marketplace. Winning with Purpose aims to build a more sustainable food system by intensifying our efforts on critical initiatives including climate change.

Cautionary Statement - Statements in this submission that are "forward-looking statements" are based on currently available information, operating plans and projections about future events and trends. Terminology such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "expressed confidence," "forecast," "future," "goal," "guidance," "intend," "may," "objective," "outlook," "plan," "position," "potential," "project," "seek," "should," "strategy," "target," "will" or similar statements or variations of such terms are intended to identify forward-looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such forward-looking statements. Such risks and uncertainties include, but are not limited to: changes in demand for PepsiCo's products; changes in, or failure to comply with, applicable laws and regulations; imposition or proposed imposition of new or increased taxes aimed at PepsiCo's products; imposition of labeling or warning requirements on PepsiCo's products; changes in laws related to packaging and disposal of PepsiCo's products; PepsiCo's ability to compete effectively; political conditions, civil unrest or other developments and risks in the markets where PepsiCo's products are made, manufactured, distributed or sold; PepsiCo's ability to grow its business in developing and emerging markets; uncertain economic conditions in the countries in which PepsiCo operates; the ability to protect information systems against, or effectively respond to, a cybersecurity incident or other disruption; increased costs, disruption of supply or shortages of raw materials and other supplies; business disruptions; product contamination or tampering or issues or concerns with respect to product quality, safety and integrity; damage to PepsiCo's reputation or brand image; failure to successfully complete or integrate acquisitions and joint ventures into PepsiCo's existing operations or to complete or manage divestitures or refranchisings; changes in estimates and underlying assumptions regarding future performance that could result in an impairment charge; increase in income tax rates, changes in income tax laws or disagreements with tax authorities; failure to realize anticipated benefits from PepsiCo's productivity initiatives or global operating model; PepsiCo's ability to recruit, hire or retain key employees or a highly skilled and diverse workforce; loss of any key customer or disruption to the retail landscape; any downgrade or potential downgrade of PepsiCo's credit ratings; PepsiCo's ability to implement shared services or utilize information technology systems and networks effectively; fluctuations or other changes in exchange rates; climate change or water scarcity, or legal, regulatory or market measures to address climate change or water scarcity; failure to successfully negotiate collective bargaining agreements, or strikes or work stoppages; infringement of intellectual property rights; potential liabilities and costs from litigation, claims, regulatory, or legal proceedings, inquiries or investigations; and other factors discussed in the risk factors section of PepsiCo's filings with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	64661000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

837

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Caesars Entertainment. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Caesars Entertainment. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

365

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to

Caesar's Entertainment. These global emissions have then been allocated to Caesars Entertainment.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Caesars Entertainment

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

14699

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Caesars Entertainment.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

11264

Uncertainty (±%)

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to CVS Health. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to CVS Health. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

4906

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to CVS Health. These global emissions have then been allocated to CVS Health.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

CVS Health

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

197795

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to CVS Health.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

2936

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Restaurant Brands International. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Restaurant Brands International. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

1279

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Restaurant Brands International. These global emissions have then been allocated to Restaurant Brands International.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Restaurant Brands International

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

51552

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Restaurant Brands International.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Requesting member

Target Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

40054

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Target. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Target. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Target Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

17447

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Target. These global emissions have then been allocated to Target.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production

facilities world-wide.

Requesting member

Target Corporation

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

703364

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Target.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Tesco

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

33710

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Tesco. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Tesco. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Tesco

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

14683

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Tesco. These global emissions have then been allocated to Tesco.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Tesco

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

591966

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Tesco.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

24016

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Walmart Mexico & Central America. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart Mexico & Central America. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

10461

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart Mexico & Central America. These global emissions have then been allocated to Walmart Mexico & Central America.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

421722

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Walmart Mexico & Central America.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

403971

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from PepsiCo's company-owned operations that have been allocated to Walmart. Major sources include fuel use in PepsiCo's wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart. Also included is fuel use in transportation vehicles that are wholly-owned or operated by PepsiCo.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

175960

Uncertainty (±%)

15

Major sources of emissions

These emissions include those from indirect fuel use in the generation of electricity that is consumed by PepsiCo's direct operations - our wholly-owned or operated manufacturing facilities globally that produce products that may or may not be sold to Walmart. These global emissions have then been allocated to Walmart.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

7093872

Uncertainty (±%)

15

Major sources of emissions

These emissions include all other indirect emissions from PepsiCo's value chain, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by PepsiCo, electricity-related activities (e.g. Transmission & Distribution (T&D) losses) not covered in Scope 2, outsourced activities, consumer use, waste disposal, etc. All Scope 3 estimates are based on 2015 data and is planned to be updated every 5 years going forward. These global emissions have then been allocated to Walmart.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Our method for allocating emissions is to take the percentage of PepsiCo's net revenue attributable to the customer in the reporting year and apply this percentage to our global Scope 1, Scope 2 or Scope 3 emissions. Thus, our method does not distinguish between emissions from facilities that produce product sold to the customer versus emissions from all PepsiCo's production facilities world-wide.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Currently PepsiCo follows the Greenhouse Gas (GHG) Protocol guidelines in developing an annual emissions inventory. Data is collected from our facilities world-wide following an operational control approach. Our facilities manufacture a diverse range of products and we do not have dedicated facilities by customer. Therefore, developing an emissions inventory or allocating emissions by customer accurately will not be possible in the foreseeable future. PepsiCo would benefit from an industry level solution or methodology for allocation that takes into account current challenges in data systems and inventory processes for companies like PepsiCo.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

PepsiCo does not currently have the capability to allocate emissions for the many thousands of product types currently sold to our customers, or to allocate those emissions to the many individual customers we have.

To address this, PepsiCo supports industry-wide solutions that allocate emissions in a consistent and credible way. PepsiCo is a member of the Beverage Industry Environmental Roundtable, which has developed and published sector specific guidelines on environmental footprint of products. PepsiCo is also interacting with expert stakeholders including the Carbon Trust, World Resources Institute, World Business Council on Sustainable Development, and the Sustainability Consortium, as well as other stakeholders such as Non-Governmental Organizations, other companies, academic institutions and governments to support the introduction of common approaches to measure environmental footprint worldwide and to develop new global standards for quantifying enterprise and product-level greenhouse gas emissions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Yes

SC2.2a

(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

Requesting member

Caesars Entertainment

Initiative ID

2018-ID1

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO₂e

73

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Caesars Entertainment

Initiative ID

2018-ID2

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

508

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

CVS Health

Initiative ID

2018-ID3

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

986

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

CVS Health

Initiative ID

2018-ID4

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

6831

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Restaurant Brands International

Initiative ID

2018-ID5

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

257

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Restaurant Brands International

Initiative ID

2018-ID6

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

1781

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Target Corporation

Initiative ID

2018-ID7

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

3505

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Target Corporation

Initiative ID

2018-ID8

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

24293

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Tesco

Initiative ID

2018-ID9

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet

efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

2950

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Tesco

Initiative ID

2018-ID10

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

20445

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Wal Mart de Mexico

Initiative ID

2018-ID11

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

2102

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Wal Mart de Mexico

Initiative ID

2018-ID12

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

14566

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Walmart, Inc.

Initiative ID

2018-ID13

Group type of project

Change to supplier operations

Type of project

Implementation of energy reduction projects

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our operational emissions and are due to a number of measures undertaken within our facilities and fleet. Main programs contributing are our Resource Conservation (ReCon) program and fleet efficiency program.

Emissions reduction for the reporting year in metric tons of CO2e

35350

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Walmart, Inc.

Initiative ID

2018-ID14

Group type of project

Relationship sustainability assessment

Type of project

Assessing products or services life-cycle foot print to identify efficiencies

Description of the reduction initiative

As part of our Sustainability agenda, PepsiCo has a goal to reduce our entire value chain (Scope 1, 2 and 3) emissions by at least 20% by 2030 against a 2015 baseline. These reductions relate to our Scope 3 emissions and are due to a number of initiatives including packaging sustainability, certified commodities and the deployment of our Higher Efficiency Coolers and Vending program.

Emissions reduction for the reporting year in metric tons of CO2e

245010

Did you identify this opportunity as part of the CDP supply chain Action Exchange?

No

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

SC3.1

(SC3.1) Do you want to enroll in the 2019-2020 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2018-2019 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms