



**SUMMIT Q&A**

May 2023

**SUSTAINABILITY  
SUMMIT 2023**

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pepsico positive | **PARTNERS for  
TOMORROW**

# USEFUL LINKS

Find out more about **PepsiCo Positive** at <https://www.pepsico.com/who-we-are/our-commitments/pepsico-positive>

Visit the **Partners for Tomorrow** portal <https://www.partnersfortomorrow.com>

See how we're progressing towards **our goals** at <https://www.pepsico.com/our-impact/sustainability/esg-summary/goals-progress>

Find out more in our **2021 ESG Report**: <https://www.pepsico.com/our-impact/sustainability/esg-summary>  
*Note that our 2022 Full Year Report will be released this summer*

Find out more about **CIRQU** at <https://cirqu.replenysh.com>

Find out more about **SodaStream** at <https://www.sodastreamprofessional.com> and <https://sodastream.com>

Want to know more about **Closed Loop Partners NextGen Consortium**? Follow this link: <https://www.closedlooppartners.com/nextgen/>

Find out more about **Every Bottle Back** at <https://www.americanbeverage.org/initiatives-advocacy/creating-sustainable-solutions/>

Find out more about the **UN Water Resilience Coalition** at <https://ceowatermandate.org>

## How do you measure scope 3 emission, as well as work with your suppliers?

### **RACHAEL LAWRENCE, SENIOR DIRECTOR SUSTAINABILITY OF PEPSICO FOODS NORTH AMERICA**

Measuring and scope 3 emissions is very important to our business. We spend a lot of time and resources on it. Our largest emissions drivers are agriculture, packaging and third-party transportation and distribution (making up around 78% of our global emissions). They are very challenging to measure because they're indirect emissions, meaning we don't have direct control. We all say that sustainability is a team sport and collaboration is really important when thinking about measuring scope 3, so we collaborate with our upstream and downstream partners from whom these emissions originate, because in order to meet our net zero by 2040 goal, we have to measure as a collective.

There are tools and programs we put in place with a lot of our suppliers. For our agriculture suppliers, we engage in development and implementation of on farm practices and projects to help with operational efficiencies. We have a Sow Positive agriculture program on our Partners for Tomorrow website, that's about investing in sustainable farm programs that can help you collectively reduce those emissions.

We also have a Sustainability Action Center, introduced in 2022, that offers publicly available resources and tools for our suppliers, bottlers, and co-manufacturers to get started on their sustainability journey. So whether you're just starting your targeting and setting targets now or wherever you are on your journey, this is an opportunity for us to partner together, and we're making these resources available to all of you today.

### **MARIANNE ROSS, SENIOR DIRECTOR COMMERCIAL SUSTAINABILITY OF PEPSICO BEVERAGES NORTH AMERICA**

We're especially keen to support our supplier partners to accelerate their adoption of renewable energy - as their carbon impact makes up our scope 3 emissions - so it's a win-win for us to work together.

All PepsiCo partners are eligible to participate in our pep+ REnew program, launched a few years ago, which equips them with knowledge and buying power as they consider renewable energy solutions, such as wind and solar. REnew connects all our value chain partners (not just suppliers) with Schneider Electric, a leading global advisor on renewable energy purchasing, to help with purchasing options and make renewable energy more affordable through power purchasing agreements (PPA's) and other procurement options.

If you're interested, please check out the Partners for Tomorrow site or reach out to your PepsiCo contact.

## What are your plans for eliminating single use plastics and by when?

### MARIANNE ROSS, SENIOR DIRECTOR COMMERCIAL SUSTAINABILITY OF PEPSICO BEVERAGES NORTH AMERICA

Plastic has many benefits as a packaging material: it's lightweight and robust to protect products and has a lower carbon impact than other packaging formats. That said, virgin plastics rely on fossil fuel-based materials and so we're committed to cut virgin plastic from non-renewable sources per serving across all our beverages and convenient foods portfolio by 50% by 2030 through scaling business models which avoid or minimize single use packaging materials - including delivering 20% of all beverage servings sold through reusable models.

We will also reduce our absolute tonnage of virgin plastic from non-renewable sources by 20% through increasing our use of recycled content to 50% by 2030, using bio-based and renewable materials and developing and deploying new sustainable packaging materials and models for foods and drinks - such as SodaStream, powders, or refill models.

And finally, there's no reason why plastic needs to be single use: if it's collected, it can be recycled into new products and used again - contributing to a more circular, inclusive, and sustainable packaging value chain. There are challenges with that today and many of those lie in the inadequate systems for collection. So we are working to play our part, to advocate for more robust policies in this space, as well as investing in collection like you heard about earlier.

### RACHAEL LAWRENCE, SENIOR DIRECTOR SUSTAINABILITY OF PEPSICO FOODS NORTH AMERICA

From a foods perspective we're working on how we're designing products to be recyclable or biodegradable. We've just piloted and tested some compostable products and also just launched a greenhouse in our headquarters in Plano to really test and iterate with new models with bio-based plastics.

In addition to that, we are working on reduction models. We just launched compaction technology on our foods business that allows us to reduce the overall amount of film on a lot of our potato chip brands, while keeping the same amount of chips. This allowed us to cut 1.9 million pounds of virgin plastic, which is about an average reduction of 10% across our PC portfolio. But there are other benefits across the value chain like. Reducing the number of cases, miles driven, etc. We are looking to explore this technology across other brands soon.

## How can Pepsi assist food service providers on the back end of the supply chain sustainability - so packaging systems can become more circular?

### RACHAEL LAWRENCE, SENIOR DIRECTOR SUSTAINABILITY OF PEPSICO FOODS NORTH AMERICA

This is important to us! We've got an ambitious goal to use more recycled content in our packaging and we're talking about exploring different types of materials but our infrastructure, especially in the US is just not quite there yet to even recycle films.

So there is more need than ever for partnerships and investments to increase recycling in the U.S. We recognise the need to develop infrastructure and systems that makes recycling easier and more available to more Americans, and this is an area where we must look for ways to partner together,

### MARIANNE ROSS, SENIOR DIRECTOR COMMERCIAL SUSTAINABILITY OF PEPSICO BEVERAGES NORTH AMERICA

On the beverages side, we also have a number of ways in which we can help our partners in foodservice. On the bottles and cans side, CIRQU is one that stands out. It's a new and efficient way to recycle, with transparency at its core, so that you can track your empties and be sure they have a new life. This free program includes basic infrastructure for storing recyclables on premise and a simple app to enable on-demand pickups whenever the participant is ready. If you want to find out more and see if this is available to your business, please check the Partners for Tomorrow website, or reach out to your PepsiCo contact.

We're also conscious that, in foodservice, our products do not only come to you in bottles or cans – you also have a fountain business with us. We look at our sustainability efforts holistically, so when we think about recyclability, we also consider the BIBs that you receive from us for those fountain beverages. You all know that the box part of the BIB is recyclable, but traditionally the bag has not been. So, we have set to work to ensure the whole BIB is recyclable. Our R&D team has developed a way to take used BIB bags and convert them into stretch film, which PepsiCo will then buy back and use to wrap our pallets and/or as secondary film for our case packs. There is already a circular economy for shrink/stretch film, so once the wrap has been used, it can then be recycled again as part of that stream. To prove this technology out, we have launched pilot tests in two markets: one in Tampa and one in Milwaukee. We are working with a variety of foodservice operators in these markets to collect used BIB bags in separate recycling bins and are contracting with local recycling companies to collect the materials for processing. Once we have proof points from our pilots, the next stage will be to work across the industry to build a new scalable, self-sustaining recycling economy for used BIB bags in the US.

## Is Pepsi considering a bottle buy back [deposit] scheme in the US?

### MARIANNE ROSS, SENIOR DIRECTOR COMMERCIAL SUSTAINABILITY OF PEPSICO BEVERAGES NORTH AMERICA

As a global business, we participate in a wide variety of different recycling collection schemes around the world, so we have a lot of insight and information about you know what we think works well. We believe it is critical for PepsiCo and other industry peers to engage proactively and constructively in policy discussions around these schemes, and we use our experience and insights to provide recommendations to policymakers when they're considering which direction to take.

We actively support policies to promote a more sustainable, circular economy for packaging, which are broad based, deliver positive environmental outcomes, provide incentives for sustainability and allow us to contribute to the design and implementation of the programs. These can vary but can include well designed Extended Producer Responsibility (EPR) programs that leverage industry leadership and Deposit Return Schemes (DRS) - for example, already in existence in some states such as California.

Our vision, A World Where Packaging Never Becomes Waste, demands action, commitment, and investment from all stakeholders—citizens, local, state and federal governments, and participants across the industry supply chain to make these as effective as possible. And our view is that not only should we be advocating for effective policy schemes but we need to make sure that there is engagement from all the parties to make this as effective as possible.

## Is PepsiCo planning to address biodiversity?

### RACHAEL LAWRENCE, SENIOR DIRECTOR SUSTAINABILITY OF PEPSICO FOODS NORTH AMERICA

Thank you, this is a great and growing topic, so bear with me for a moment on the response. Essentially, as part of our Pep+ work, we are committed to supporting nature positive outcomes in our agricultural supply chains. Nature positive approaches help us protect, restore and regenerate natural ecosystems across all our sourcing landscapes.

PepsiCo does recognize both the role resilient natural ecosystems play in supporting our food system, and the risk that agriculture presents for natural ecosystems, including this deforestation, ecosystem conversion, natural resource extraction, and pollution.

So across our supply chains, we've identified opportunities to take action to both mitigate risk to nature and support the conservation and restoration of nature. Some examples include our regenerative agriculture practices that basically promote biodiversity on farms, and where impacts are being measured.

We have no deforestation commitments but engage with suppliers and industry efforts and work with retailers, manufacturer and suppliers to support and transform our sourcing regions to be free from deforestation and supporting conservation, restoration and sustainable livelihoods through collaborations like the Consumer Goods Forum's Forest positive Coalition.

So while we've been working on these topics for many years, the interplay between nature and our business is really complex and very important. We've got a lot of work under way to build these capabilities even further including investing in on-the-ground impact programs as well as new tools and technologies that foster partnerships with our supply chains, our industry peers and conservation experts

## Agriculture

**I operate a sixth-generation family grain farm in Texas that is transitioning to regenerative practices. How can I partner with PepsiCo?**

Find additional resources for our partners on the Partners for Tomorrow website <https://www.partnersfortomorrow.com> and reach out to your PepsiCo contact to explore partnership further.

**Starbucks and PepsiCo are both agriculture companies, are they collaborating on nature-based solutions in the supply chain and encouraging regenerative agriculture practices? How can others help in this space?**

We are starting those conversations and determining where our agricultural footprint overlaps and 1 + 1 can make 3! You can learn more about what PepsiCo is currently doing in the regenerative agricultural space here <https://www.pepsico.com/our-impact/esg-topics-a-z/agriculture>

## Packaging

**If recycling is constrained by lack of curb-side infrastructure. How can partners work at speed with PepsiCo to promote scalable reuse solutions?**

Read about the strategy behind our recent \$35 million investment to improve local recycling infrastructure in North America here: <https://www.pepsico.com/our-stories/press-release/pepsico-beverages-north-america-invests-35-million-to-help-close-gap-in-recyclin01202022>

**What innovations are underway to move away from single use packaging materials for foodservice?**

Find out more about the innovations in foodservice packaging recyclability and reuse solutions we are developing with our partners in the Next Gen Consortium here <https://www.closedlooppartners.com/nextgen/impact/packaging-innovations/>

**How are you working to improve recycling rate and recyclability? And who are you working with on this? What are PepsiCo's strategies regarding circularity and closed-loop systems?**

We have received a lot of questions around packaging recyclability, reuse, and circularity. To learn more about how PepsiCo is working to tackle this and how we collaborate with partners, visit our A-Z Packaging webpage <https://www.pepsico.com/our-impact/esg-topics-a-z/packaging>

For more information on ways to partners with PepsiCo, take a look at our Partners for Tomorrow portal <https://www.partnersfortomorrow.com>



## Consumers

**How do you promote/encourage sustainability through your products for consumers?**

Find out more about how to encourage positive choices for our consumers through better nutrition, innovative packaging and people + planet brand, on our Pep+ Positive Choices webpage <https://www.pepsico.com/our-impact/sustainability/esg-summary/pepsico-positive-pillars/positive-choices>

**Are there any initiatives your partners can join and then promote to their consumers through your products?**

Find out more about how to encourage positive choices for our consumers through better nutrition, innovative packaging and people + planet brand, on our Pep+ Positive Choices webpage <https://www.pepsico.com/our-impact/sustainability/esg-summary/pepsico-positive-pillars/positive-choices>

## Education

**At a college, what strategies/techniques have you seen be successful at selling your products? What do you recommend?**

The best place to look to learn more about successful partnerships is our Partners for Tomorrow website:  
<https://www.partnersfortomorrow.com>

**Does PepsiCo have any services that provide pickup of plastics for organizations/colleges that purchase Pepsi products?**

Have a look at our CIRQU program (for all customers, including colleges) at <https://cirqu.replenysh.com>

## Emissions

**What is the best way for stakeholders to communicate opportunities to Pepsi? Is there an input and feedback process?**

In the first instance, you should reach out to your PepsiCo contact, but you can find out more about partnerships via the Partners for Tomorrow website  
<https://www.partnersfortomorrow.com>

## Partnership

**What are the different ways you address your Scope 3 emissions?**

Our efforts to reduce value chain emissions focus on our three largest emissions drivers: agriculture, packaging, and third-party transportation and distribution. You can find out more about the PepsiCo approach via our A-Z Climate page <https://www.pepsico.com/our-impact/esg-topics-a-z/climate-change>