

PepsiCo 2019 TCFD Index



This index references PepsiCo's reporting against the voluntary guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). It is our first report to these guidelines, and covers our 2019 financial year. Many of the disclosures appear in our CDP Report due to close alignment between the two frameworks; however, relevant disclosure is also contained within our 2019 Annual Report, our 2019 Sustainability Report, and our ESG Topics A-Z online resource.

Our goal

to reduce our absolute greenhouse gas (GHG) emissions across our value chain

by at least **20%** by 2030 from a 2015 baseline, was approved by the Science Based Targets Initiative in 2016, in line with a 2°C pathway.



PepsiCo has signed **the Business Ambition for 1.5°C pledge**, joining other leading companies in committing to set science-based emissions reduction targets — across our entire value chain — in line with limiting global warming to 1.5°C. We are also developing a long-term strategy for achieving net-zero emissions by 2050.

Scenario analysis

PepsiCo completed its first phase of climate-related scenario analysis in 2019 and we are in the process of further refining it this year.

Our first phase of assessment covered our manufacturing footprint including all company owned plants, many warehouses and distribution centers, all offices and R&D sites as well as key franchise and joint venture locations. For the second phase this year we are assessing our entire agricultural supply chain.

Renewable energy

We substantially increased our commitment to renewable energy in 2020, committing to **100 percent renewable electricity for U.S. direct operations** which accounts for nearly half of our global electrical load.



GHG accounting

In 2019, we significantly improved the way we measure our Scope 3 carbon emissions in conformance with the Greenhouse Gas Protocol Corporate Value Chain Standard. We now use as much primary procurement or other activity data as possible to determine our Scope 3 emissions in each of the 15 categories specified by the GHG Protocol. This effort represents **1.5 million data points and more than 75 data sources** and is a significant improvement in data quality and in our ability to track progress over time.

TCFD Disclosures

RECOMMENDATION	DISCLOSURES	REFERENCE
<p>Governance</p> <p>Disclose the organization's governance around climate-related risks and opportunities.</p>	Describe the board's oversight of climate-related risks and opportunities.	CDP Climate Response: C1.1a-b ESG Topics A-Z: Sustainability Governance
	Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Response: C1.1b; C1.2
<p>Strategy</p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.</p>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2019 Form 10-K: Item 1A. Risk Factors CDP Climate Response: C2.3-4
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP Climate Response: C2.3, C2.4, C3.1d
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Climate Response: C3: Business Strategy
<p>Risk management</p> <p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	Describe the organization's processes for identifying and assessing climate-related risks.	CDP Climate Response: C2.2 ESG Topics A-Z: Climate Change
	Describe the organization's processes for managing climate-related risks.	CDP Climate Response: C2.2 ESG Topics A-Z: Climate Change
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP Climate Response: C2.2 ESG Topics A-Z: Climate Change
<p>Metrics and targets</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	CDP Climate Response: C2.2
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP Climate Response: C6: Emissions data ESG Topics A-Z: Climate Change
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP Climate Response: C4.1 2019 Sustainability Report: Goals and Progress