



# PepsiCo 2025 Green Bond Report

October 30, 2025



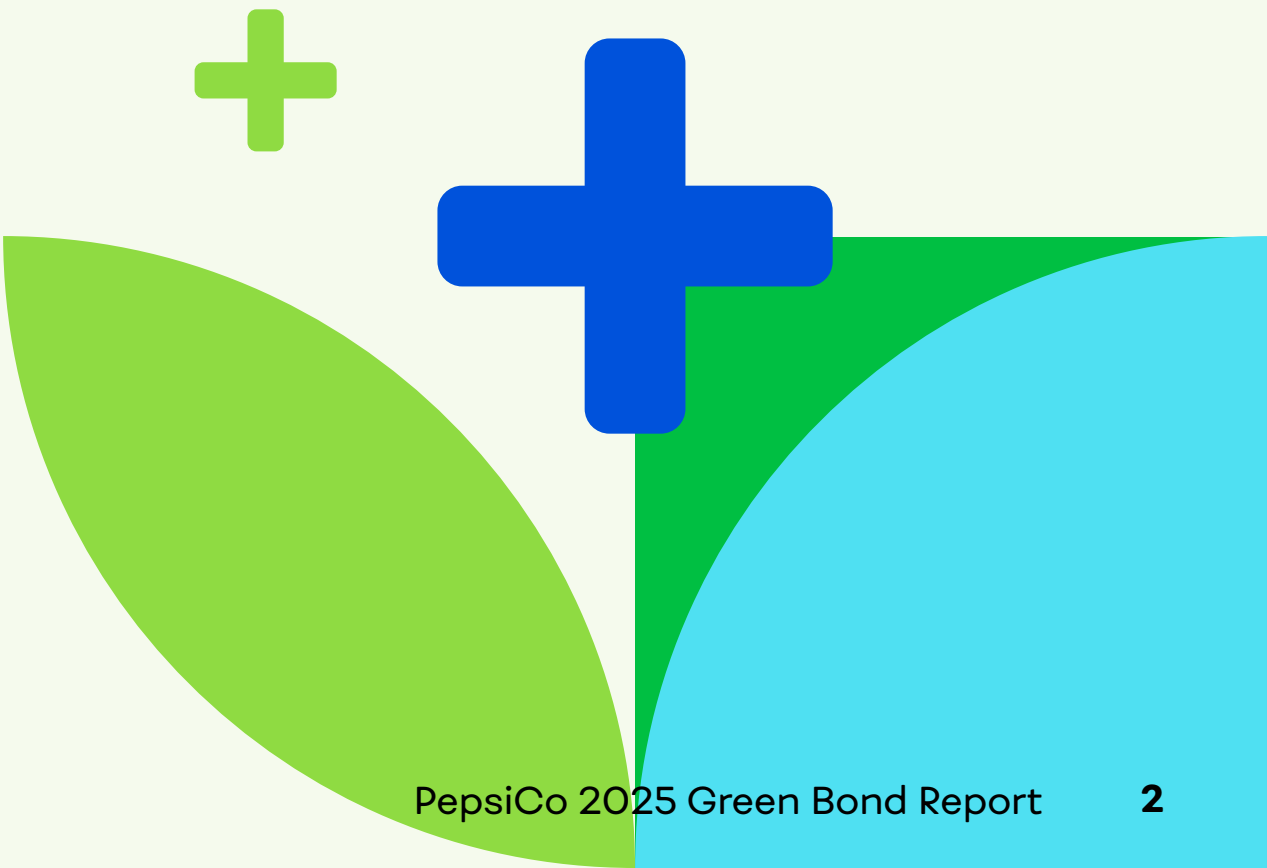




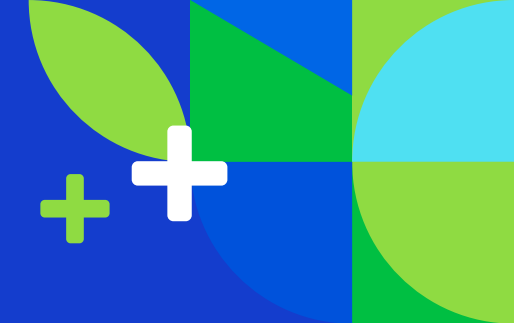
# PepsiCo 2025 Green Bond Report

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# An update from our CFO and CSO



PepsiCo has issued two Green Bonds since 2019, including the 2022 Green Bond discussed in this report.

Since the issuance of our second Green Bond in 2022, we've allocated:

- \$742 million toward projects to improve packaging circularity, helping to avoid more than 630,000 metric tons of greenhouse gas (GHG) emissions compared with using virgin plastic;<sup>1</sup>
- \$340 million toward decarbonization projects, initiated between 2020 and 2024 that are expected to help reduce our Scope 1 and 2 GHG emissions by over 155,000 metric tons per year;
- \$98 million to pursue a net positive water impact, replenishing over 20 billion liters in high water-risk watersheds since 2020 and operationalizing efforts between 2020 and 2024 that are expected to avoid the use of more than 2.7 billion liters of water in our operations annually; and
- \$62 million to support regenerative agricultural practices, covering more than 4 million acres.

We're proud to be one of the first companies in the food and beverage industry to launch this innovative financing tool.

To those of you who have invested in our journey, we thank you for your support.



"pep+ is at the core of our business and Green Bonds are an important tool for achieving our goals. We're continuing to make strategic investments to strengthen our resilience and build systems that we believe create long-term value for PepsiCo."

**JAMIE CAULFIELD**  
EVP and Chief Financial Officer



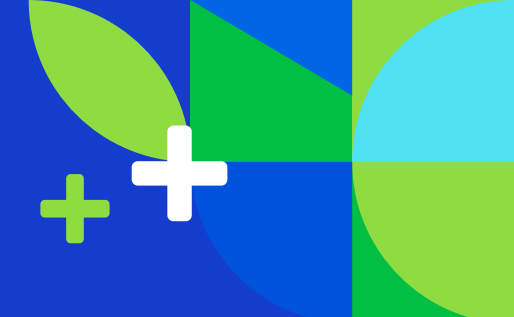
"Green Bonds have been a powerful driver of progress against many of our pep+ goals. Our second Green Bond is helping us become a more sustainable, more resilient organization, while also having a positive impact on the communities we serve."

**JIM ANDREW**  
Chief Sustainability Officer

<sup>1</sup>Avoided emissions represent the calculated difference in emissions between virgin and recycled PET plastic, using third-party emissions factors provided by Franklin Associates for each year and region where rPET is purchased and PepsiCo's purchased packaging volume of rPET



# About the 2022 Green Bond



**In July 2022, PepsiCo issued its second Green Bond, a 10-year, \$1.25 billion senior notes offering, with a fixed rate coupon of 3.90% per annum (herein, 2022 Green Bond).**

The net proceeds (\$1.242 billion) from this offering have been fully allocated to investments<sup>2</sup> in Eligible Projects (defined below) as of December 31, 2024.

This report describes PepsiCo's allocation of these proceeds from the 2022 Green Bond, and the expected sustainability impact of these investments.<sup>2</sup>

## Our Green Bond Framework

PepsiCo's 2022 Green Bond prospectus, aligned with our Green Bond Framework, defines "Eligible Green Projects" (referred to as "Eligible Projects" herein) as new and existing investments<sup>2</sup> made by PepsiCo during the period from January 1, 2020 through the maturity date of the notes, in four categories, with specific projects in each category defined on pages 5-6. Each of these categories aligns with the UN Sustainable Development Goals (SDGs), which provide an important inspiration for the company's priorities:



**Circular economy and virgin plastic waste reduction**





**Decarbonization and climate resilience within our operations and value chain**





**Pursuing net positive water impact**





**Regenerative agriculture**



This 2022 Green Bond is focusing on investments to deliver key environmental sustainability initiatives under two pillars of our pep+ agenda: Positive Agriculture and Positive Value Chain.

<sup>2</sup> Investments include expenditures on capital projects and other sustainability-related operating expenses excluding non-cash items like depreciation and amortization

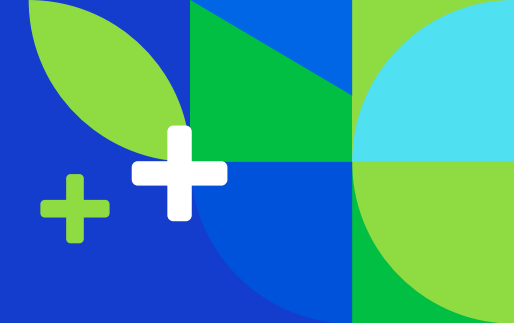


## 2022 Green Bond Details

Issuer	PepsiCo, Inc.
Issue Date	July 18, 2022
Currency	USD
Tenor	2022 - 2032
Issued Amount	\$1.25 billion
Net Proceeds	\$1.242 billion
Use of Proceeds	An amount equivalent to the net proceeds from the issuance of the 2022 Green Bond has been allocated to fund, in whole or in part, Eligible Projects. Eligible Projects include new and existing investments made by PepsiCo during the period from January 1, 2020 through the maturity date of the notes.
Fixed Coupon Rate	3.90% per annum



# About the 2022 Green Bond: Eligible projects

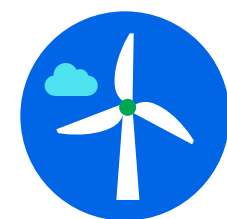
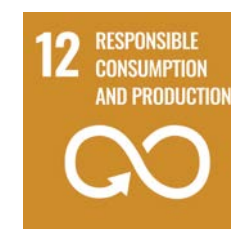


**Use of Proceeds:** Within the four eligible spend categories are specific types of projects eligible for Green Bond investments (as used herein, “investments” include expenditures on capital projects and other sustainability-related operating expense excluding non-cash items like depreciation and amortization), described below:



## Circular economy and virgin plastic waste reduction

- Purchases, directly or via our intermediary suppliers, of:
  - Recycled polyethylene terephthalate (rPET) for use in product packaging;
  - Renewable or bio-based polyethylene terephthalate (Bio-PET) for use in product packaging; and
  - Compostable and/or biodegradable material for use in product packaging;
- Investments in projects supporting sustainable product packaging infrastructure such as renewable or bio-PET bottles and compostable and biodegradable convenient foods flex films;
- Investments in projects to strengthen recycling infrastructure and increase recycling rates in key markets; and
- Investments in projects to introduce or expand reusable solutions to drive circularity.



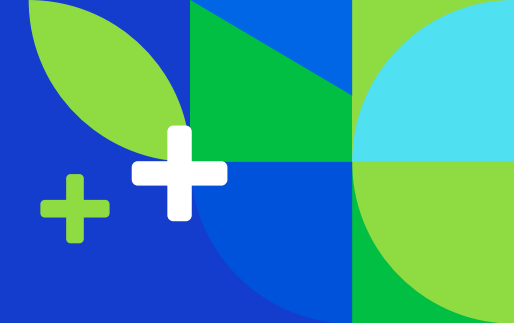
## Decarbonization and climate resilience within our operations and value chain

- Investments related to energy efficiency and/or reducing GHG emissions at facilities or equipment such as solar installations, lighting upgrades, energy efficient heating elements, variable speed drives on equipment, improvements to air compressors, on-premise sustainable energy generation, and upgrading vending and cooling equipment;
- Procurement of project specific renewable energy;
- Investments in cleaner transportation, such as replacement of fossil fuel-powered vehicles with electric vehicles; and
- Investments in green buildings that receive a third-party verified certification, such as LEED Platinum or LEED Gold or other equivalent global standards.





# About the 2022 Green Bond: Eligible projects



**Use of Proceeds:** Within the four eligible spend categories are specific types of projects eligible for Green Bond investments (as used herein, “investments” include expenditures on capital projects and other sustainability-related operating expense excluding non-cash items like depreciation and amortization), described below:



## Pursuing net positive water impact

- Investments related to water recycling and reuse projects, and improvements in clean-in-place systems and other operational processes;
- Investments to replenish watersheds where PepsiCo operates in high water-risk areas, potentially including tree plantings, rainwater harvesting, aquifer recharge, wetlands rehabilitation, alternative crop rotations, improved grazing programs and education and awareness building; and
- Scaling and providing access to drip irrigation or other water saving technologies for our farmers.



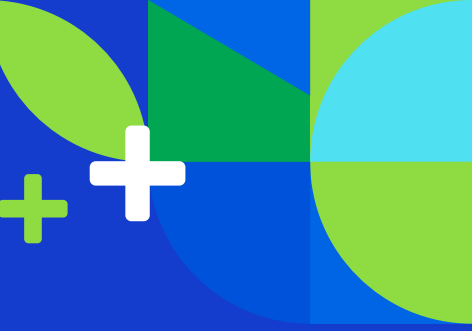
## Regenerative agriculture

- Investments to adopt regenerative agriculture practices across our supply chain, such as spending via PepsiCo's Sustainable Farming Program directed towards farmer training and practice adoption around improving soil health through using cover crops and/or conservation tillage, practices to reduce fertilizer/herbicides/pesticides and watershed enhancement and improvement projects.





# About the 2022 Green Bond: Green Bond Governance



The framework for our second Green Bond incorporates recommendations from the Green Bond Principles, as defined within the 2022 Green Bond Framework, and is based on four components:

- Use of proceeds;
- Project evaluation and selection;
- Management of proceeds; and
- Reporting.

## PepsiCo's Green Bond Framework summary

### Use of proceeds

An amount equivalent to the net proceeds from the issuance of the 2022 Green Bond has been allocated to fund, in whole or in part, Eligible Projects. Eligible Projects include new and existing investments<sup>3</sup> made by PepsiCo during the period from January 1, 2020 through the maturity date of the notes.

### Project evaluation and selection

PepsiCo's sustainability team assesses and determines project eligibility and recommends an allocation of proceeds among Eligible Projects to the PepsiCo finance department, also providing them with project descriptions. The PepsiCo finance department tracks allocation of proceeds to such projects. Material project risks are also evaluated to ensure they fit PepsiCo's risk management practices.

### Management of proceeds

PepsiCo's finance department tracks the actual spend on the projects receiving allocations from Green Bond proceeds. Pending the allocation to Eligible Projects from the Green Bond issuance, net proceeds may be temporarily invested or otherwise maintained in cash, cash equivalents, short-term investments, or used to repay other borrowings.

### Reporting

Throughout the term of the Green Bond and until the proceeds have been fully allocated to Eligible Projects, PepsiCo publishes an annual update ("Green Bond Report") of the allocation of the proceeds, including, subject to any confidentiality considerations, additional descriptions of select projects funded with Green Bond proceeds. Green Bond Reports are accompanied by: (i) an assertion by PepsiCo management (page 11) specifying the amount equivalent to the net proceeds of the Green Bond that PepsiCo has allocated to Eligible Projects and (ii) an assurance report (page 10) from a nationally-recognized firm registered with the Public Company Accounting Oversight Board in respect of its examination of PepsiCo Management's Assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Given that all of the net proceeds from the 2022 Green Bond have been fully allocated as of December 31, 2024, PepsiCo will not be required to publish Green Bond Reports for this Green Bond in future years.

<sup>3</sup> Investments include expenditures on capital projects and other sustainability-related operating expense excluding non-cash items like depreciation and amortization



# Progress: Allocation

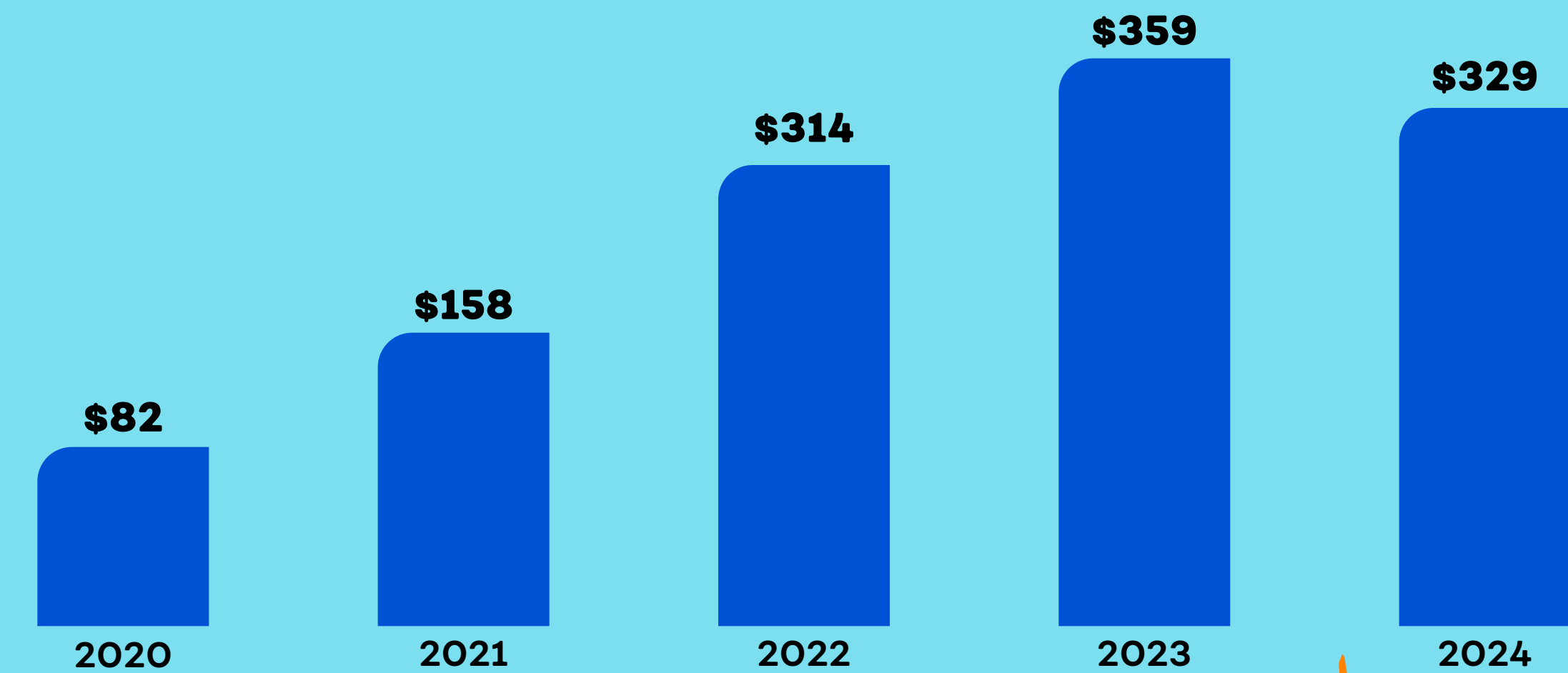
As of December 31, 2024, PepsiCo has fully allocated the net proceeds from its 2022 Green Bond, investing<sup>4</sup> \$1.242 billion in Eligible Projects supporting sustainable plastics and packaging, decarbonization of our operations and supply chain, water sustainability and regenerative agriculture.

Individual investments range between approximately \$45,000 and \$40 million.<sup>4</sup> In total, the allocation has funded over 300 projects.

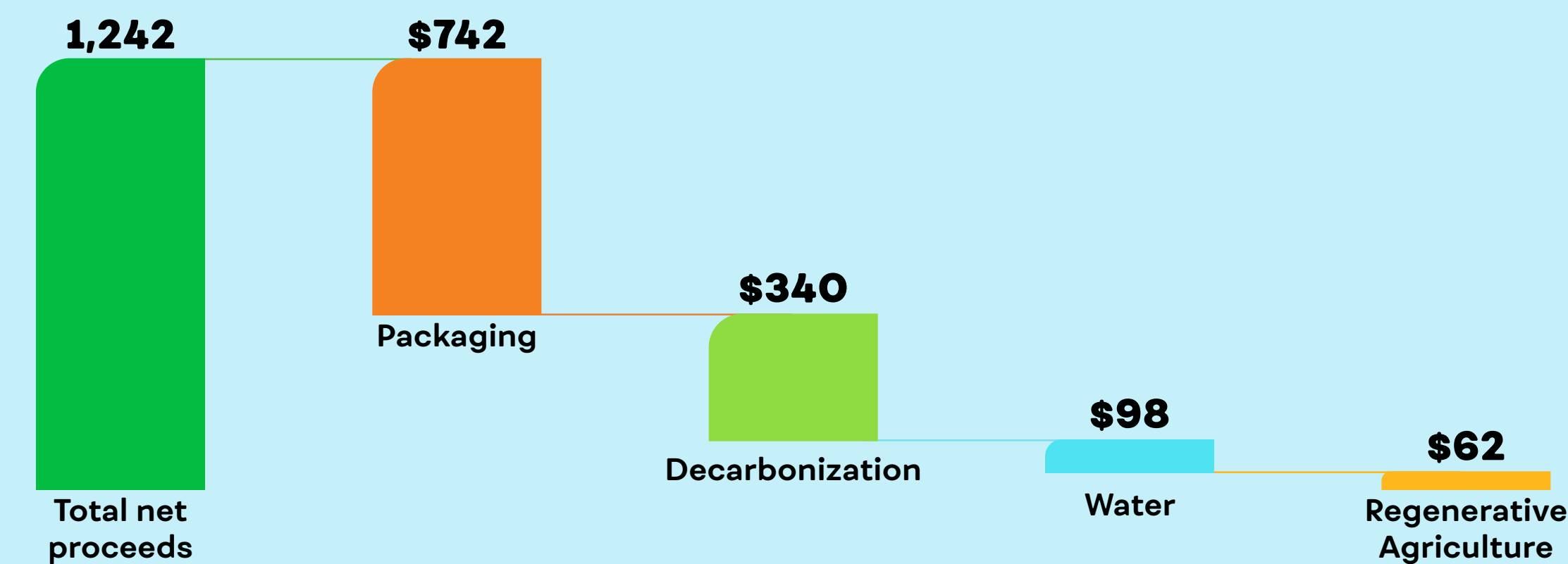
<sup>4</sup> Investments include expenditures on capital projects and other sustainability-related operating expense excluding non-cash items like depreciation and amortization

<sup>5</sup> "Eligible Projects" include new and existing investments made by PepsiCo during the period from January 1, 2020 through the maturity date of the notes. Accordingly, as of December 31, 2024, net proceeds had been allocated to projects undertaken between 2020 and 2024. This graph shows the years the funds were spent

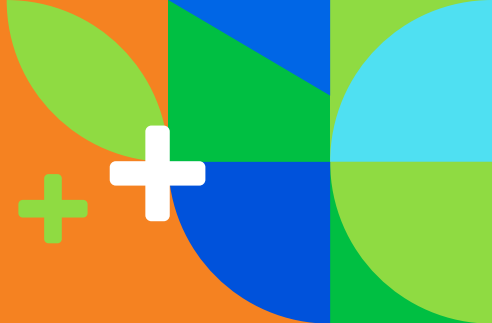
Green bond spend by year (\$ million)<sup>5</sup>



Green bond allocation by category as of December 31, 2024 (\$ million)







CIRCULAR ECONOMY AND VIRGIN PLASTIC WASTE REDUCTION



PepsiCo has allocated \$742 million of the 2022 Green Bond net proceeds to support sustainable plastics and packaging, primarily through the procurement of rPET. This has helped us to incorporate more recycled content into our plastics packaging. The net proceeds from the 2022 Green Bond allocated toward the procurement of rPET have helped PepsiCo to avoid more than 630,000 metric tons of GHG emissions compared to using virgin plastic.<sup>6</sup>

DECARBONIZATION OF OUR OPERATIONS AND SUPPLY CHAIN



\$340 million of the 2022 Green Bond net proceeds have been allocated toward funding climate-focused investments, including those improving fleet efficiency, increasing our renewable energy generation capacity and improving energy efficiency within our sites. In total, these projects operationalized between 2020 and 2024 are expected to reduce our Scope 1 and 2 GHG emissions by over 155,000 metric tons per year.

<sup>6</sup> Avoided emissions represent the calculated difference in emissions between virgin and recycled PET plastic, using third-party emissions factors provided by Franklin Associates for each year and region where rPET is purchased and PepsiCo's purchased packaging volume of rPET



NET WATER POSITIVE IMPACT

Using 2022 Green Bond net proceeds, we have supported delivery of both our replenishment (\$18 million) and operational water-use efficiency (\$80 million) goals, focused on high water-risk<sup>7</sup> areas.

Since 2020, this has had the effect of replenishing over 20 billion liters of water back into water-stressed watersheds.<sup>8</sup> Operational water-use efficiency projects initiated between 2020 and 2024 using Green Bond net proceeds are expected to avoid the use of more than 2.7 billion liters of water in our company-owned plants annually.



REGENERATIVE AGRICULTURE

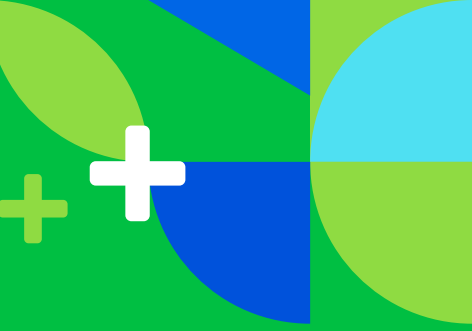
We have allocated \$62 million of net proceeds from our 2022 Green Bond to regenerative agriculture projects that have helped farmers engage in regenerative, restorative or protective practices covering more than 4 million acres. These projects have helped sequester<sup>9</sup> over 1.9 million metric tons of GHG emissions and contributed to reducing emissions by more than 1.4 million metric tons since 2022.

<sup>7</sup> World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years

<sup>8</sup> The reported replenishment volumes for company-owned facilities are currently being capped at 100% per location. Once we achieve 100% for each company-owned location, we will start to then report progress of more than 100% replenishment at sites as applicable

<sup>9</sup> Carbon sequestration from regenerative agriculture projects is calculated separately and outside of PepsiCo's GHG inventory. Carbon sequestration is not currently factored into PepsiCo's climate goal results





## Independent Accountants' Examination Report To PepsiCo, Inc.'s Management:

### Report on Management of PepsiCo, Inc.'s Assertion Related to the Use of Proceeds from the Issuance of its 2022 Green Bond

#### Opinion

We have examined management of PepsiCo, Inc.'s ("PepsiCo's") assertion on page 11 of the PepsiCo 2025 Green Bond Report (the "Report") that PepsiCo has allocated \$1,242 million in the aggregate in net proceeds from the issuance of its 2022 Green Bond as of December 31, 2024 to Eligible Projects as defined on pages 4 to 6 of the Report in accordance with the Use of Proceeds defined on page 4 of the Report ("Management's Assertion").

In our opinion, Management's Assertion is fairly stated, in all material respects.

Our opinion on Management's Assertion does not extend to any other information that accompanies or contains Management's Assertion and our report.

#### Basis for opinion

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

#### Responsibilities for Management's Assertion

PepsiCo's management are responsible for Management's Assertion as well as:

- designing, implementing and maintaining internal control relevant to the preparation of Management's Assertion such that it is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria as a basis for Management's Assertion and appropriately referring to or describing the criteria used; and
- fairly stating Management's Assertion.

#### Our responsibilities

The attestation standards established by the American Institute of Certified Public Accountants require us to:

- plan and perform the examination to obtain reasonable assurance about whether Management's Assertion is fairly stated, in all material respects; and
- express an opinion on Management's Assertion, based on our examination.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about Management's Assertion that is sufficient and appropriate to provide a basis for our opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of Management's Assertion, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding Management's Assertion and the engagement circumstances. We also obtained an understanding of the internal control relevant to Management's Assertion in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

KPMG LLP

KPMG  
Minneapolis, MN  
October 30, 2025





## Management's Assertion

PepsiCo has allocated \$1,242 million in the aggregate in net proceeds from the issuance of its 2022 Green Bond as of December 31, 2024 to Eligible Projects as defined on pages 4 to 6 of this report in accordance with the Use of Proceeds defined on page 4 of this report. PepsiCo is responsible for the completeness, accuracy, and validity of the information and metrics presented in this Green Bond Report.

## Special note on forward-looking statements

This report contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "strive," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties. For information on certain factors that could cause actual events or results to differ materially from our expectations, please see PepsiCo's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. 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, whether as a result of new information, future events or otherwise.

In addition, this report includes statistics or metrics that are estimates, make assumptions based on developing standards that may change and provide aspirational goals that are not intended to be promises or guarantees. Due to the use of estimates and assumptions, such statistics and metrics in this report may not be correct and can change at any time and PepsiCo makes no commitment to update such statistics and metrics as they develop.