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May 5, 2020

VIA UPS

Avv Antonella D'Andrea
Fondo Pensione Nazionale a Capitalizzazione
Per I Lavoratori delle Ferrovie dello Stato
Via Bari, 20
00161 Roma Italy

Dear Ms. D'Andrea,

Thank you for your letter on packaging and pesticides. We shared your letter with Dina Dublon, the Chair of our Public Policy and Sustainability Committee, and she requested I respond on her behalf.

As one of the world's leading food and beverage companies, we recognize the significant role we can play in working to change the way society makes, uses and disposes of plastics, and we are committed to doing our part. Our sustainable plastics vision is to build a world where plastics never become waste, and we aim to achieve that vision by reducing, recycling and reinventing our plastics packaging and leading change through partnerships. As disclosed in our Corporate Sustainability Report, which is available at www.pepsico.com/sustainability/sustainability-reporting, the following goals make up our plastics agenda:

- Reduce virgin plastic use across our beverage portfolio by 35% by 2025;
- Design 100% of our packaging to be recyclable, compostable or biodegradable by 2025;
- Increase recycled content in our plastic packaging to 25% by 2025; and
- Work to increase recycling rates in partnership with the PepsiCo Foundation.

We provide robust disclosures on our packaging approach, progress and partnerships on a dedicated section of our website at www.pepsico.com/sustainability/packaging. In particular, we published a report titled "PepsiCo's Work to Improve Recycling in the U.S." (the "Recycling Report") that describes the substantial steps that PepsiCo has taken over more than a decade to improve recycling in the U.S. and to advance our long-term approach to sustainable packaging of our products. The Recycling Report specifically addresses the 2010 objective to create partnerships that would promote the increase of the U.S. beverage container recycling rate to 50% by 2018 and details the Company's actions taken and lessons learned in seeking to achieve this goal. The lessons learned through our work towards achieving our ambitious goals have and continue to inform PepsiCo's packaging strategy, including the prioritization of reducing virgin

plastic use and investment in building a new portfolio of options that go beyond the bottle. For instance, in 2018, the Company made a significant investment to acquire SodaStream, whose unique product range enables consumers to create customized beverages at home using reusable bottles. We estimate that through the expansion of our SodaStream business, an estimated 67 billion single-use plastic bottles will be avoided through 2025.

Underpinning our sustainable packaging strategy is broad engagement with partners and other stakeholders to collectively drive change, which is detailed in the “Packaging Partnerships & Engagement” document available on our website. PepsiCo’s partnerships range from consumer awareness and education programs to research partnerships around innovative technologies and materials. Between July 2018 and 2019, we’ve invested more than \$51 million in global partnerships designed to help us reclaim plastic by boosting recycling rates and supporting a circular economy. Additionally, we engage with stakeholders such as trade associations, industry coalitions, producer responsibility organizations, policy makers, and community-based organizations globally to advocate for and create a circular economy. We believe that collectively these actions present a compelling blueprint for how PepsiCo will play a leadership role in helping to increase U.S. recycling rates.

On pesticides, PepsiCo maintains robust policies and programs that promote sustainable agriculture as well as food and safety, an important aspect of which is the responsible use of pesticides. We believe that responsible use of pesticides promotes agricultural sustainability more broadly by improving crop yield from farms and plantations, which in turn ensures a reliable and productive food chain and reduces pressure to convert more land to agriculture.

Our Integrated Pest Management (IPM) program mandates using pesticide control methods only when necessary and targeting only the pests that can harm crops, which in turn minimizes the need for pesticides and the amount of pesticides used. As disclosed in the “PepsiCo Statement on Pesticides”, which is available at www.pepsico.com/sustainability/pesticides, comparing year-end 2018 performance with the prior period (2015-17), growers in our supply chain improved their IPM compliance in 2018 from 55% to 66% globally and growers in the U.S. achieved nearly 100% compliance, which we believe show the measurable progress we have made toward minimizing the use of pesticides in our supply chain.

We are aware that concerns exist around growers’ use of herbicide glyphosate, including its use as a drying agent prior to crop harvesting. PepsiCo does not use glyphosate in our direct operations. Once oats are transported to us, we put them through our rigorous process that thoroughly cleanses them and any levels of glyphosate that may remain are trace amounts. As safety is always a paramount concern, we will continue to monitor the evolving science in this area.

Given that PepsiCo believes its performance is inextricably linked to the sustainability of the world in which we operate, our Board of Directors considers sustainability issues a vital element of its business oversight. The Board and its Public Policy and Sustainability Committee have and will continue to review and discuss the Company’s approach and progress with respect to packaging and pesticides.

We report extensively against a wide range of critical environmental, social and governance issues impacting our business and believe that time and resources spent on reporting needs to be appropriately balanced with achieving PepsiCo’s sustainability goals as a whole and providing a complete picture of our performance on sustainability. We hope that you will find helpful

PepsiCo's existing robust public disclosures about our packaging-related efforts and partnerships, sustainable farming program, IPM compliance, responsible approaches to pest management, and other sustainability initiatives.

We look forward to continuing a dialogue with you. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Aulisi".

Andrew Aulisi
Vice President, Global Environmental Policy

cc: Dina Dublon