



Implementing the use of ISCC certified materials as a Brand Owner

6 June 2023

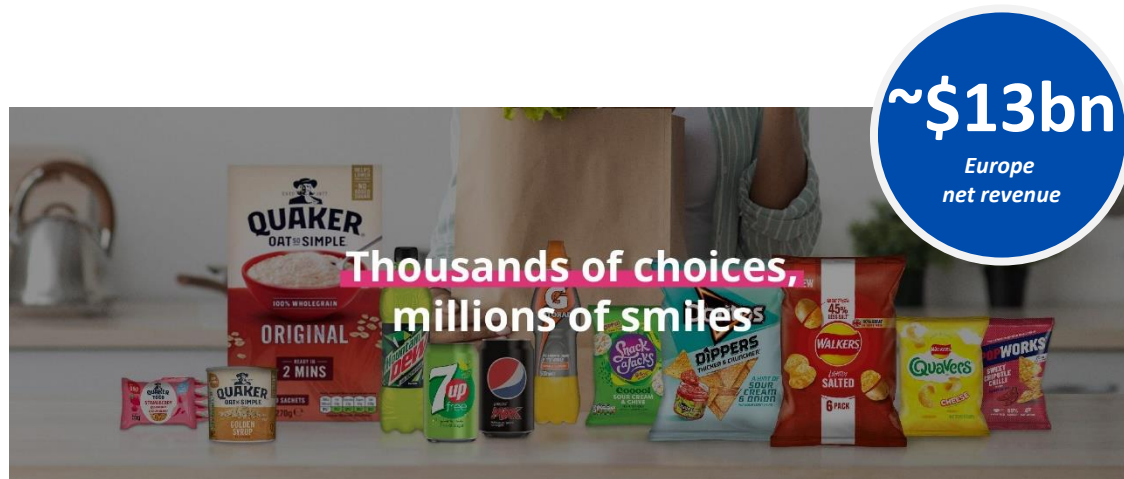
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Intro to PepsiCo & Pep+



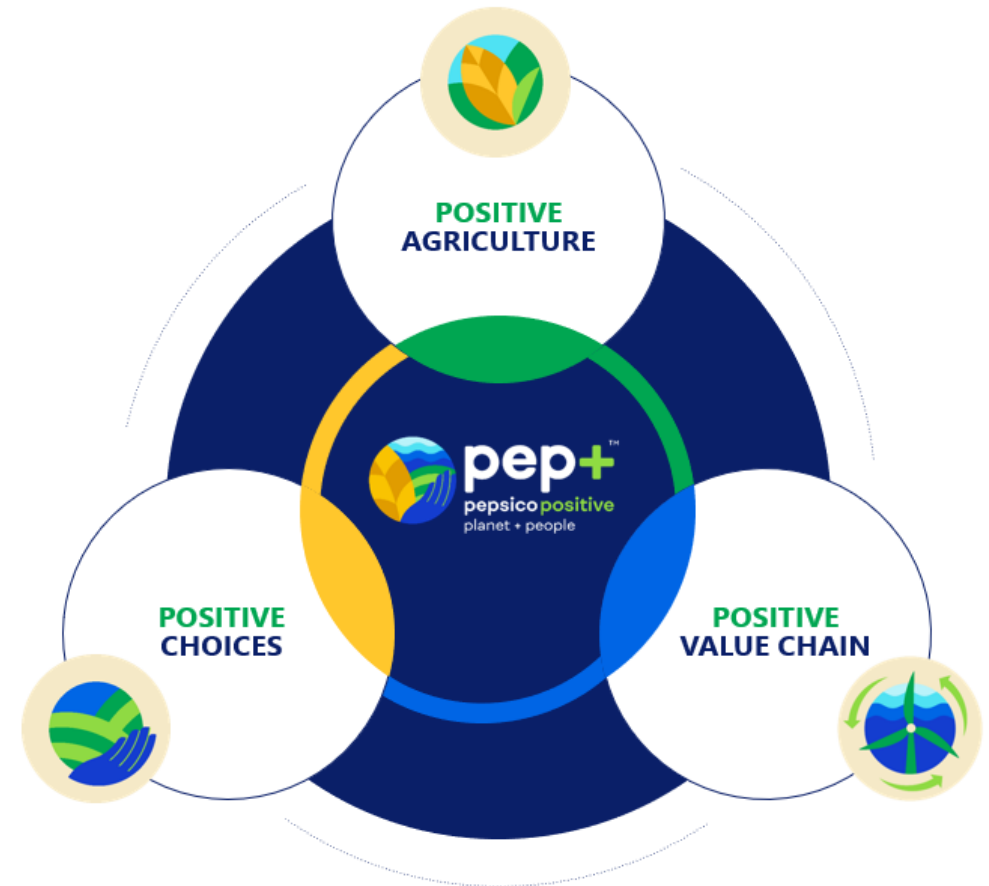
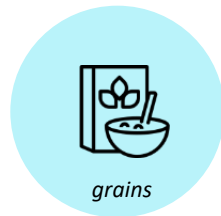
A Global company with ~\$13bn revenue and >100 brands in Europe

2021: launched Pep+, our growth strategy focused on Planet & People



~\$13bn
Europe net revenue

Thousands of choices,
millions of smiles



ISCC-certified materials play a key role in helping us achieve our target to be 100% virgin-fossil-fuel free by 2030



Pep+ Global packaging goals: cut virgin non-renewable plastics

Selected global targets from "Packaging" pep+ pillar



Positive Value Chain: Packaging

+ New goal introduced + Expanded scope and/or timeline ★ 3rd-party limited assurance

Cut virgin plastic from non-renewable sources per serving across our global beverages and convenient foods portfolio by 50%

Reducing our absolute tonnage of virgin plastic derived from non-renewable sources by 20%

Europe Snacks bags: 100% recycled or renewable plastic by 2030

European target for snacks bags



We have started the learning journey with small-scale trials in France

Overview of ISCC-certified snacks packs launched to date





We support the integration of plant-based materials in the composition of our packaging. That is why we invest in certified networks that use renewable materials to replace fossil materials. During the production process, plant-based plastics are mixed with other plastic materials following the mass balance principle. This means that we purchase an amount of ISCC-certified plant-based materials equivalent to 50% of the materials in this packaging. These materials might be used in other packaging units. For more information <http://lays.fr/nos-engagements>
 *Mass balance. An amount equivalent to 50% of the components of this bag is of plant origin

Brand	Lay's	
Range	Homestyle ("Ancienne" & "Paysanne")	Salty
Launched	April 2022	April 2023
ISCC material used	Bio-circular materials: Tall oil & Used Cooking Oil (UCO)	
Inclusion rate	50%	
Learnings so far	Well-received among customers & consumers (specifically customers) Knowledge of ISCC (what it is & what it does) among consumers could still be improved	

Main challenges for BOs today include lack of clarity in legislation & slower than expected development of infrastructures

Overview of main challenges identified to date

Area	Challenge	Impact on Brand Owners
 Renewable	<ul style="list-style-type: none"> • Availability of renewable plastics directly impacted by changes in biofuels legislations (RED I & II) 	<ul style="list-style-type: none"> • High risk of drop in availability if changes in biofuels legislations
	<ul style="list-style-type: none"> • Legislations & PROs incentives favour recycled materials over renewable ones (e.g. tax exemptions, EPR fees exemptions) 	<ul style="list-style-type: none"> • Does not actively encourage renewable materials over virgin ones
 Recycled	<ul style="list-style-type: none"> • Production capacity delays causing significant availability challenges 	<ul style="list-style-type: none"> • Delays plans of implementation on BO side
	<ul style="list-style-type: none"> • Mass balance not recognized by EU as method to certify recycled content inclusion • Lack of clarity around mass balance allocation methods (e.g. Restricted vs. free vs. proportional) 	<ul style="list-style-type: none"> • Confusing & risks driving inaction across the industry



THANK YOU