PEPSICO

PepsiCo R&D: External Innovation & Partnerships

PepsiCo R+D

eXternal innovation

ABOUT PEPSICO

PEPSICO

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo's product portfolio includes a wide range of enjoyable convenient foods and beverages, including many iconic brands that generate more than $1 billion each in estimated annual retail sales.

GLOBAL BEVERAGES



PERFORMANCE

Nearly
$92 billion
net revenue in 2024

BRANDS

Many iconic billion-dollar
brands

GLOBAL CONVENIENT FOODS



SCALE

More than **200**
countries
& territories

PEOPLE

Approximately
319,000
employees*

*As of December 28, 2024

OUR HISTORY

PEPSICO



Pepsi-Cola created by Caleb Bradham
1898

Creation of Frito-Lay through the merger of the Frito Company and H.W. Lay Company
1961

Formed Pepsi Lipton Tea Partnership, joint venture between Pepsi-Cola and Unilever
1991

Merger with Quaker Oats, which also brought sports drink Gatorade into the portfolio
2001

Strategic beverage alliance with Master Kong Beverage, one of the leading food and beverage companies in China
2012

Acquisition of CytoSport, a leading provider of protein products, including Muscle Milk
2019



Launch of pep+ (PepsiCo Positive)
2021

PepsiCo acquires full ownership of Sabra & Obela
2024

1932
First recipe for Fritos Corn Chips and establishment of H.W. Lay & Company



1965
PepsiCo founded through the merger of Pepsi-Cola and Frito-Lay, creating a competitive advantage fueled by complementary snacks and beverages

1994
Partnered with Starbucks to jointly develop ready-to-drink coffee beverages

2009
PepsiCo's Food for Good launches

2018
Acquisition of SodaStream



2020
Acquisition of Pioneer Foods, BFY Brands, Be & Cheery, and Rockstar Energy Beverages



2023
Pepsi launches new logo

Starry debut



2025
Acquisition of Siete and poppi



winning with pep+ pepsicopositive

MISSION

Create more smiles with every sip and every bite

VISION

Be the global leader in beverages and convenient foods by winning with pep+ pepsicopositive planet + people

THE PEPSICO WAY

FASTER
Winning in the marketplace, being more consumer-centric and accelerating investment for topline growth

STRONGER
Transforming our capabilities, cost, and culture by operating as one PepsiCo, leveraging technology, winning locally and globally enabled

BETTER
Creating growth and value by operating within planetary boundaries and inspiring positive change for the planet and people

- BE CONSUMER CENTRIC
- ACT AS OWNERS
- FOCUS & GET THINGS DONE FAST
- VOICE OPINIONS FEARLESSLY
- RAISE THE BAR ON TALENT & DIVERSITY
- CELEBRATE SUCCESS
- ACT WITH INTEGRITY

STRONG PORTFOLIO OF ICONIC BRANDS

PEPSICO































































Introducing pep+

pep+ overview

Our vision is to **Be the Global Leader in Convenient Foods and Drinks by Winning with PepsiCo Positive** (pep+).

pep+ is our strategic end-to-end transformation that places sustainability at the center of how we will create growth and value by operating within planetary boundaries and inspiring positive change for the **planet and people**.

pep+ HAS 3 INTERCONNECTED PILLARS:



POSITIVE AGRICULTURE

We are working to source our crops and ingredients in ways that restore the earth and strengthen farming communities.



POSITIVE VALUE CHAIN

We are helping to build a circular and inclusive value chain.



POSITIVE CHOICES

We are inspiring people through our brands to make choices that create more smiles for them and the planet.

pep+ KEY PILLARS

pep+ pepsico positive planet + people

POSITIVE AGRICULTURE

Spread regenerative agriculture across

7 million acres by 2030

Sustainably source*

100%

of our key crops + ingredients by 2030

Improve the livelihoods of more than

250,000

people in our agricultural supply chain and communities by 2030

POSITIVE VALUE CHAIN

Achieve

NET-ZERO EMISSIONS

by 2040

NET WATER POSITIVE

Reduce use + replenish more than we use by 2030

Cut virgin plastic per serving by

50%

across our global beverages & convenient foods portfolio by 2030 against a 2020 baseline

Execute our DE&I agenda, invest

$570+

million by 2030

POSITIVE CHOICES

Evolve our portfolio of products so they are better for the planet + people, by:



- Diversifying ingredients
- Expanding position in nuts & seeds category
- Accelerating science-based targets
- Scaling little to no single-use packaging platforms

Leverage our iconic brands to inspire positive choices

Lay's will support farmers moving to regenerative practices



*For grower-sourced crops, sustainably sourced refers to meeting the independently verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program (SFP). For supplier-sourced crops, sustainably sourced is achieved through a third-party standard that has been benchmarked as equivalent to the SFP or, in limited regions, a continuous improvement program addressing the main environmental and social risks with growing the relevant crop.

2022 Sustainability Progress Highlights

Positive Agriculture

900K+

acres farmed with regenerative farming practices toward goal of 7 million by 2030

11K+

people positively impacted in our agricultural supply chain and communities



Positive Value Chain



22%

improvement of our operational water-use efficiency in high water- risk areas (versus a 2015 baseline)

In the U.S., we increased our Black managerial representation to

9.0%

making progress toward our goal of 10% by 2025

and we increased our Hispanic managerial representation to

10.1%

meeting our 2025 goal of 10% three years early

23%

reduction in Scope 1 and 2 emissions, toward our goal of 75% by 2030 (versus a 2015 baseline)



>80MM

people reached since 2006 with safe water access, toward 100 million goal by 2030

~8.7B

liters of water replenished into local watersheds in 2022

Women and men continued to earn within 1% of each other, and women hold

44%

of our manager positions worldwide



Positive Choices



75%

of our convenient foods portfolio volume in our top 23 convenient foods markets met our saturated fat reduction target, maintaining our goal of ≥75% by 2025

As of 2022, **56%**

of our beverages portfolio volume in our top 26 beverage markets contained no more than 100 Calories from added sugars per 12 oz. serving, progress toward our goal of ≥67% by 2025

Introduction to External Innovation & Partnerships

Connecting External Innovators with Internal R&D Opportunities

Open Innovation: Powering PepsiCo's Future

Open Innovation strategy keeps PepsiCo at the forefront of the Food & Beverage industry.

We can't do it alone—disruption is everywhere

External partnerships help us:

- Accelerate discovery
- De-risk innovation
- Access bold ideas



XI exists to help PepsiCo R&D find and nurture those partnerships

Who We Are: XI (External Innovation & Partnerships)

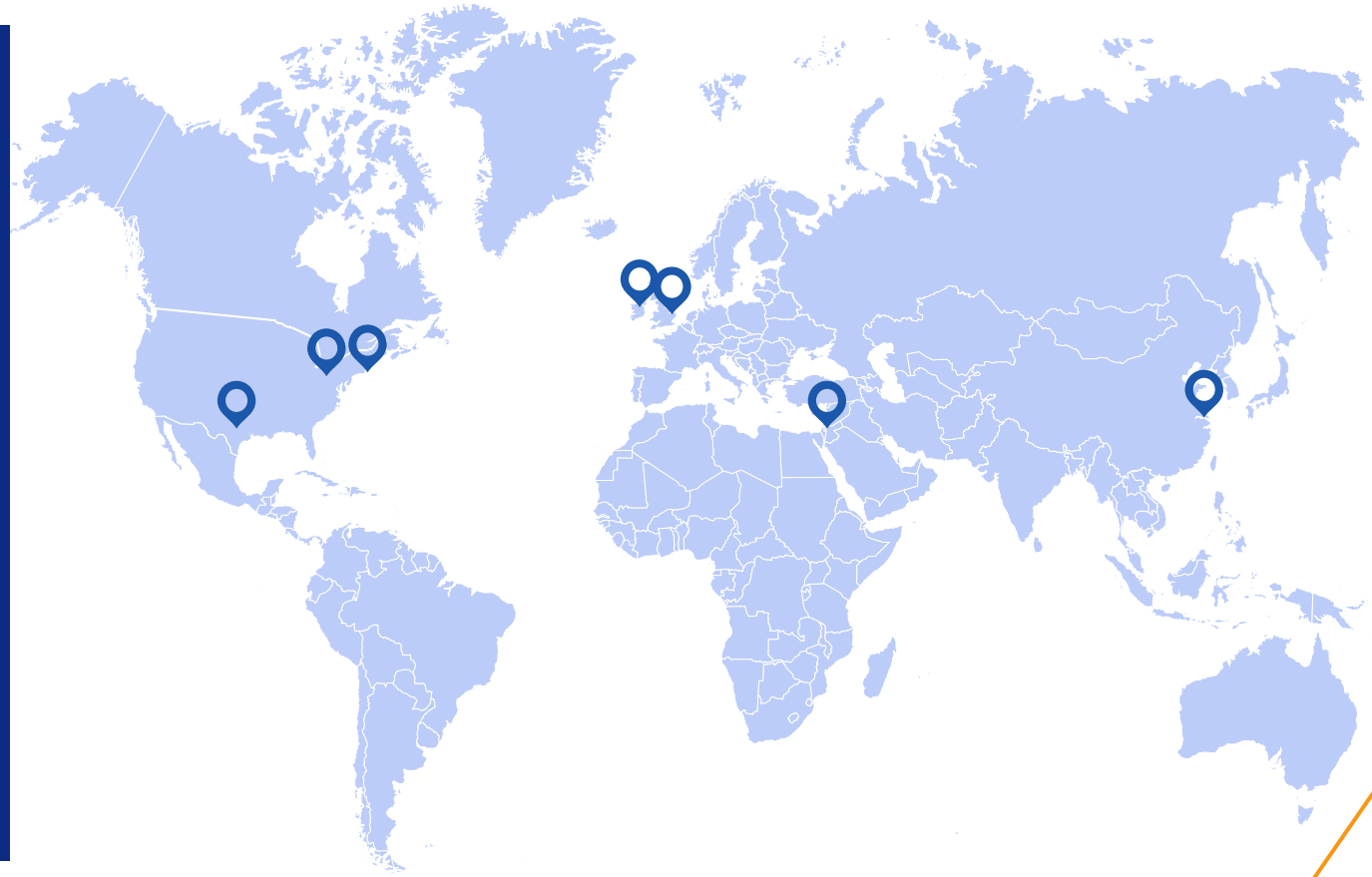
Our Goal: Leveraging global ecosystems & partner networks to identify and bring ‘outside’ influences and technology into the R&D agenda through innovation, pep+, or productivity.

The XI Team

XI is PepsiCo’s only external-facing R&D team

We connect global capabilities to internal priorities

Our diverse, distributed team scouts, evaluates, and enables strategic partnerships



XI Core Capabilities

Our mission is to unlock innovation by connecting bold ideas from the outside with PepsiCo's global R&D capabilities

TECHNICAL SCOUTING & EVALUATION

We identify promising technologies and evaluate how they could fit within PepsiCo's R&D ecosystem

OUTSIDE-IN STRATEGY

We spot trends, analyze landscapes, and shape strategy using insights from outside PepsiCo



STRATEGIC PARTNERSHIPS

We build multi-year collaborations with startups, universities, and suppliers to co-create what's next

ECOSYSTEM ENGAGEMENT

We activate innovation ecosystems globally—connecting you to the right team, geography, and opportunity inside PepsiCo

Where Your Innovation Can Plug In

PepsiCo's R&D system covers every step from concept to consumer. We connect external ideas into these critical areas to accelerate impact.

INNOVATION MANAGEMENT

SUSTAINABILITY

CULINARY

EQUIPMENT DEVELOPMENT

CLINICAL SCIENCE

SENSORY

AGRICULTURE

FOOD SCIENCE

PROCESS ENGINEERING

NUTRITION SCIENCE

PACKAGING

FOOD SAFETY & QUALITY

REGULATORY

FLAVORS

WATER TECHNOLOGY

SPORTS SCIENCE

DATA SCIENCE

XI Builds a Broad Network to Unlock Innovation

Government
Funders, Public Labs

Start-Ups
Early-stage tech and venture partnerships

Suppliers
Tech-enabled solutions, ingredients, materials



Academia
Breakthrough science, talent, and research collaborations

Industry Players
Co-development & scaling

Innovation Networks
Exposure to emerging tech

How we Engage

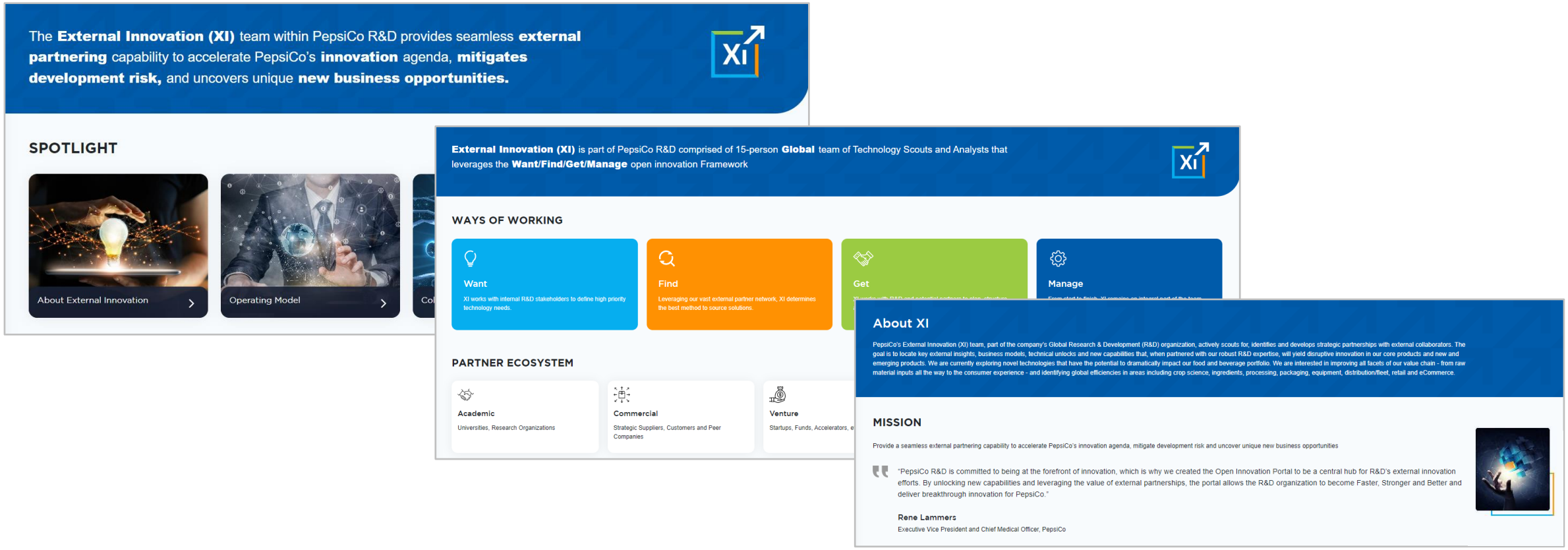
Government	Start-ups	Suppliers	Innovation Networks	Industry players	Academia
Incentives, public-private partnerships (Consortia)	Venture partnerships with early-stage, high-risk tech	Long-term capability partnerships	Tech scouting platforms, Open Innovation Challenges	Co-development, JVs, scaling partnerships	Sponsored research, talent development, academic alliances

Wherever you come from, XI helps connect the right ideas to the right teams inside PepsiCo.

Focus Areas for PepsiCo R&D

Process & Equipment	Ingredients & Flavors	Packaging & Materials	Sustainability & Agriculture
Bioprocessing technologies	Natural sweeteners, colors & preservatives	Barrier materials and coatings	Regenerative agriculture
Low/no-fat dehydration technologies for foods	Sodium reduction technologies	Plastic alternatives	GHG & water reduction technologies
Rapid & novel food safety & quality testing	Botanical & functional ingredients	Packaging lightweighting	Soil health, field measurement
Individual monitoring sensors & equipment	Advantaged proteins	Packaging circularity	
Processing GHG & water reduction technologies	Virtual-first development technologies	GHG reduction for pkg materials	
	Data analytics on public + proprietary data sets		

PepsiCo Open Innovation Portal



Submit your solutions to PepsiCo R&D's technology needs
https://externalinnovation.pepsico.com/

THANK YOU


ZERO
sodastream
PALEO • VEGAN
SIETE
GRAIN FREE
TORTILLA CHIPS
SEA SALT
QUAKER
OATS
100% WHOLE GRAIN OATS
OLD FASHIONED
AQUAFINA
pure water, perfect taste
Lay's
BAKED
65% LESS FAT
original
PEPSI
PEPSI
ZERO SUGAR
Doritos
NACHO CHEESE
Mountain Dew
UNSWEETENED
PURE LEAF
NO SUGAR
Real BREWED TEA
Sabra
ROASTED PINE NUT HUMMUS
Heart Healthy
SUN CHIPS
100% WHOLE GRAIN
ORIGINAL
Raspberry Rose
poppi