

### 2.2.7. PepsiCo

PepsiCo is the third-largest FMCG company (by revenue),<sup>1</sup> and the third-worst offender in the Break Free From Plastic 2019 Audit, with 3,362 pieces of plastic found in 28 countries.<sup>2</sup> It has disclosed a plastic footprint of 2.3 million metric tonnes per year, closely following Coca-Cola.<sup>3</sup> Tearfund reports that PepsiCo is responsible for 137,000 tonnes of plastic waste per year across just six countries - equivalent to 22 football pitches every day.

In its 2018 Sustainability Report, the company says it is its 'business imperative to help build a circular future for packaging and a world where plastics need never become waste'.<sup>4</sup> Yet nowhere does PepsiCo mention the need to take responsibility for collecting the plastics they put onto the market, and neither do they call for legislation to mandate over 90% separate collection of plastic bottles. The nearest PepsiCo comes to mentioning collection of beverage bottles is a partnership initiative in India, where RVMs and other collection points are utilised across Delhi to enable the collection and recycling of PET bottles.<sup>5</sup> However, unless PepsiCo takes steps to bring collection initiatives to scale - through support for global legislation for 90%+ separate collection, and by acknowledging that mandatory DRS are the only proven and effective way to achieve a high rate of collection - this voluntary initiative might be a good PR move, but does little more than pay lip service to the importance of collection. Additionally, PepsiCo still remains opposed or neutral to deposit systems, having previously been a strong opponent of bottle bills in the US, and opposed to government-mandated EPR and policy mechanisms, such as additional fees on single-use plastics.<sup>6</sup>



Credit: Les Stone



Plastic pollution of a PepsiCo brand  
Credit: Shutterstock

In a voluntary commitment in 2010, PepsiCo set itself the goal of increasing the US beverage-container recycling rate to 50% by 2018. With failure in sight in 2017, the organisation was encouraged by shareholder advocacy non-profit, As You Sow, to acknowledge the short-fall and propose a new plan. The resultant report avoided explicitly taking responsibility for the failure, and replaced its ambition with a goal to 'work to increase recycling rates'. However, in early 2018, it became apparent that this plan largely comprised of a \$10 million donation to the Recycling Partnership (RP) (see section 4.2.5).<sup>7</sup>

PepsiCo has a target to increase recycled content to 25% by 2025 in all its plastic packaging, and to 50% rPET content in the EU by 2030. On its website, the company highlights its progress and claims that 9% rPET is used across its company-owned beverage portfolio in the US, and 21% in company-owned beverage operations in Western Europe.<sup>8</sup> At first, this may seem like a high rate compared to other companies; however, this reporting has been carefully selected to hide the pitifully low level of recycled content used overall. According to PepsiCo's 2019 Sustainability Report, recycled content currently makes up just 4% of its total plastic packaging, barely increasing from 3% in 2018.<sup>9</sup>

In 2019, the company announced that, as a step towards meeting its recycled-content target, the LIFEWTR brand in the US would be made from 100% rPET. This is wildly unambitious, given how many plastic beverage bottles the company produces, and given that making plastic bottles from 100% recycled content is not only technologically feasible but has also been rolled out by a number of companies over the past few years. Blaming 'insufficient supply of recycled material' is not good enough, and does not stand up to scrutiny, when effective systems already exist to collect and process clean streams of rPET for use in beverage bottles.<sup>10</sup>

PepsiCo committed to a 20% absolute reduction in virgin plastic across its beverage portfolio by 2025 (compared to a 2018 baseline), which was subsequently increased to 35% in 2019.<sup>11</sup> This will be driven by recycled content, new reuse-and-refill delivery models, and replacing virgin plastic with alternative materials. However, only a 1% reduction was made in 2019.<sup>12</sup> Part of this was its acquisition of SodaStream in 2018; PepsiCo announced it would expand the business and could lead to the avoidance of 67 million plastic bottles by 2025, as well as the exploration of refill-and-reuse pilots on college and corporate campuses.<sup>13</sup> However, it appears PepsiCo is also looking to meet its recycled-content commitments through chemical-recycling technology, as suggested by its investment into Loop Industries (a separate company from TerraCycle's Loop initiative), thus relying on unproven false solutions rather than supporting mandatory collection and mechanical recycling.<sup>14</sup>

PepsiCo has committed to 100% of its packaging being recyclable, compostable or biodegradable by 2025. To achieve this, the company is testing industrially compostable snack packaging, and claims to be investigating the feasibility of a film that is 'fully biodegradable regardless of how it is disposed of'.<sup>15</sup> However, creating a material that will both be suitable as a packaging material and biodegrade in a reasonable timeframe in any environment is a challenging goal - and one with potentially unknown environmental implications. PepsiCo has indicated it will look to compostable plastics to resolve issues around its 15% of products in multi-laminated flexible packaging, a material that is practically impossible to recycle. However, relying on compostable packaging while access to industrial composting is limited in many markets means many of these products will still end up in landfill.<sup>16</sup>

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