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**2023 PepsiCo Annual Public
Reporting on the Roadmap
KPIs: Palm oil, Soy, PPP**

August 2024

Note: throughout this file, ‘supplier’ refers to PepsiCo's direct/Tier 1 suppliers unless otherwise specified.

INTRODUCTION

PepsiCo is a founding member of the Forest Positive Coalition of Action (FPC or Coalition) launched by the Consumer Goods Forum (CGF). The Coalition consists of 21 global consumer goods brands, retailers and manufacturers that work together and use their collective voice in an effort to accelerate systemic work to remove deforestation, forest degradation and conversion from the key commodity supply chains of palm oil, soy, and paper, pulp and fiber-based packaging, and drive transformative change across the industry. To support progress, PepsiCo became an original signatory to the Coalition. The previous strategy was rooted in remediating individual company supply chains often through certification. Going forward, the Coalition plans to focus on systemic change underpinned by two pillars of action – supply chain management and integrated land use approach – developed with significant input from both supply chain companies and other stakeholders.

The Coalition strives to:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains;
- Set higher expectations for traders to act across their entire supply base;
- Drive transformational change in key commodity landscapes; and
- Define measurable outcomes (Key Performance Indicators, KPIs) on which all members agree to track and report individually and collectively.

The Coalition has published road maps for palm oil, pulp and paper and soy and began issuing Annual Progress reports in 2020, with the latest published report in 2023.

The information contained in this report serves to cover PepsiCo’s company reporting for the 2024 CGF FPC annual reporting cycle on 2023 volumes.

POLICIES AND GOALS

PepsiCo aims to realize deforestation-free sourcing in our company-owned and operated activities and global supply chains by 2025 and conversion-free sourcing among the same activities by 2030.

All of our direct suppliers are expected to adhere to certain principles as part of our Stewardship of Forests and Natural Ecosystems Policy; our Global Policy on Sustainable Packaging (2021) and/or our Global Policy on Sustainable Palm Oil:

- Compliance with applicable legal and regulatory requirements
- Per AFi guidance, no conversion of forest or other natural ecosystems as from the earlier of existing sector-wide cutoff dates or December 2020. Tools that should be used where applicable to find areas not to be converted include:
 - High Carbon Stock Approach (HCS) toolkit

- High Conservation Value (HCV) Areas, including HCV Forests and intact forest landscapes
- No new conversion of any Peatlands and the use of best management practices for existing operations on Peatlands
- Compliance with our [Land Rights Policy](#)

We provide further details of our progress toward transparency in relevant supply chains and toward zero net deforestation in our [CDP Forests submission](#), for which we received an B score in palm oil and timber in 2023.

Secure land rights are a vital component of economic prosperity, sustainable food production, and the responsible management of natural resources, and therefore a Forest Positive approach. Since 2014, PepsiCo has been working with direct suppliers, civil society, and industry peers to implement our [Land Rights Policy](#), which calls for:

- Fair and legal negotiations for land transfers and acquisitions,
- Zero tolerance for land displacements of any peoples that are not conducted in accordance with IFC Performance Standards, including Free, Prior and Informed Consent (FPIC)
- Respecting the rights defined in the UN Declaration on the Rights of Indigenous Peoples, and
- The use of appropriate grievance mechanisms, such as the PepsiCo Speak Up! Hotline and the PepsiCo Grievance Mechanism for our Agricultural Supply Chain, for resolving potential disputes, which are detailed further in the Grievance Mechanism section of this document.

To support our [Land Rights Policy](#), these efforts are embedded in our sustainability work including:

- [PepsiCo Supplier Code of Conduct](#), which restates our expectation that all land acquisitions by our suppliers (including leasing and utilization) meet IFC Performance Standards, including FPIC;
- [PepsiCo Human Rights and Salient Issues Statement](#), which identifies land rights as one of our salient human right issues, meaning that we devote particular focus and resources towards managing land rights within our due diligence and other human rights tools; and

Through our contribution to developing external standards and criteria, including the NDPE Implementation Reporting Framework (IRF) for commodities such as palm oil, that align requirements on land rights with our policy and credible global standards (such as the IFC Performance Standards and the UN FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests in the Context of National Food Security (UN FAO Guidelines).

TIME BOUND ACTION PLANS

Palm oil

PepsiCo is working to achieve its forest positive (NDPE) goals which are implemented and monitored throughout the supply chain. PepsiCo has developed a Sustainable Palm Oil Policy with three key pillars: Sector Transformation towards NDPE, Thriving Communities and Ecosystems, and Transparency and Stakeholder Engagement.

All of PepsiCo's direct suppliers are expected to adhere to and cascade the NDPE requirements that PepsiCo has incorporated into the following principles as part of our Stewardship of Forests and Natural Ecosystems Policy (2023); our Global Policy on Sustainable Palm Oil (2020); and also our Lands Right Policy. These policies are assessed within PepsiCo's Palm Oil Supplier Scorecards, where suppliers are expected to have comprehensive environmental and social policies aligned with PepsiCo's NDPE objectives, and suppliers receive tailored feedback on requirements and improvements that can be made on a policy level.

Timber

PepsiCo's forest positive policies and goals apply to our fiber supply chains; we seek to source wood fibers for packaging that originate from certified, well-managed forests/plantations and do not involve controversial sources. We aim to optimize the use of post-consumer recycled fibers in our packaging materials wherever feasible. For virgin fiber, PepsiCo is striving to achieve 100% sustainably certified fiber for our company owned packaging by 2025. We seek Forest Stewardship Council (FSC) Forest Management and Chain of Custody certification but accept product certified under national schemes approved by the Program for the Endorsement of Forest Certification (PEFC) where it provides equivalent assurance and/or there is not enough FSC-certified product available to meet our needs.

Soy

We support protection of forests and other natural ecosystems in our soybean oil supply chain. In 2020, we became a member of the Roundtable on Responsible Soy Association (RTRS) and have been working with our suppliers to certify the soy we source from Latin America to RTRS standards. In 2022, we started to engage our suppliers from at-risk origins to align on evidence to provide in 2023 for Deforestation- and Conversion-Free (DCF) volumes. Our direct suppliers from at-risk origins have traceability and DCF monitoring systems in place, and we are working to incorporate these insights into our own traceability and DCF verification processes going forward.

For more detail, please visit our [palm oil ESG webpage](#) and in our [Implementation Plan](#) for our Global Policy on Sustainable Palm Oil, and our [Deforestation ESG page](#).

LANDSCAPE INITIATIVES

PepsiCo aims to address systemic issues facing communities and ecosystems in priority landscapes, including deforestation, land and workers' rights, and economic viability. We engage in on-the-ground initiatives with industry, civil society, and others that aim to support the transition to responsible production and play an active role in the wider transformation of the palm oil sector. These include both landscape projects that support conservation, restoration, community development, smallholder inclusion and responsible production practices, and issues-based programs that tackle specific challenges. To date, PepsiCo has prioritized investment in Landscape Initiatives in palm oil and pulp and paper origins due to significant volumes.

PepsiCo is supporting several landscape initiatives that work to holistically address sustainable production and natural ecosystem protection and restoration. In 2024, PepsiCo is conducting a risk mapping exercise in an effort to prioritize where we engage others to address landscape-level forest & ecosystems challenges taking into account deforestation risk, peat presence, and land rights. Our current initiatives are in palm oil sourcing landscapes and in 2023 we introduced two new early-stage programs: Sustain Kutim and Aceh Timur. The eight landscape initiatives we currently support are:

- [Siak Pelalawan Landscape Program](#) (Indonesia)
- [Coalition for Sustainable Livelihoods](#), and as part of the Coalition, we support the Production, Protection, Inclusion district initiative in Aceh Tamiang (Indonesia)
- [Sungai Linau Landscape Conservation and Livelihoods Program](#) (Indonesia)
- [Mexico Holistic Smallholder Program](#) (Mexico)
- [Agrovita Program](#) (Mexico)
- The [Rimba Collective](#), an innovative sustainable finance mechanism to support forest conservation and restoration in palm oil sourcing regions, for which we serve as a Founding Partner (SE Asia).
- Sustain Kutim (Indonesia), an early stage program focusing on the Kutai Kimur oil palm district.
- Aceh Timur (Indonesia), an early stage program focusing on the Aceh Timur oil palm district.

In pulp and paper, PepsiCo is supporting one initiative: WWF-Chile's Conservation Enterprises for the Resilience of Vulnerable Communities in the Bío Bío, Araucanía and Los Ríos administrative regions of Chile. Additional priority landscapes will be identified during 2024 through PepsiCo's partnerships with Earthworm Foundation, Proforest and WWF. PepsiCo has joined WWF's Forest Forward, a program for corporate action in support of nature, climate and people. We work with WWF on topics ranging from responsible sourcing of pulp and paper, to supporting landscape efforts such as restoration and improved management. The purpose of this partnership is to help us prioritize our forest-related activities in order to yield the greatest impact. Key considerations for new investments include:

- Geographical origins of major volumes of non-DCF fiber
- Feasibility of developing a transformational and scalable landscape initiative, or of supporting an existing initiative
- Scope to address forest-related issues beyond DCF requirements, including human rights and forest degradation not determined by the 'conversion' threshold.

See Annex 1 for details on PepsiCo's landscape initiatives.

GRIEVANCE MANAGEMENT PROCESS

We recognize that our policies may not prevent all adverse impacts in our value chain, and we aim to help provide or cooperate in effective remedy where appropriate. To facilitate this process, we have established mechanisms that allow our employees, stakeholders, and other potentially affected individuals to raise grievances and seek remedy. If any stakeholder believes that PepsiCo or one of our suppliers or partners has breached our policies or local law, they can raise a complaint through one of our available grievance channels:

- Our [Speak Up! Hotline](#) is a toll-free ethics hotline operated by an independent third party that provides PepsiCo stakeholders with a 24/7, confidential, and – where permitted by law – anonymous, means of reporting suspected violations.
- Our [Agricultural Grievance Mechanism](#) is open to anyone who has a concern that our policies and expectations are not being met in our agricultural supply chain.

As we strive to achieve NDPE, it is important that we support monitoring and response systems beyond our own palm oil supply chain that promote locally-driven solutions and sectoral collaboration. PepsiCo's investment in both the Aceh Tamiang and Siak-Pelalawan landscape programs includes partnership with WRI's Landscape Monitoring Initiative, which is piloting a forest monitoring system (Radar Alerts for Detecting Deforestation - RADD) and a multi-stakeholder collaboration structure. Notably, the project has set up collective verification and response/intervention protocols, the latter of which includes relevant stakeholders that have land managerial function in the corresponding jurisdiction. Our landscape program in Aceh has made good progress in supporting government engagement and alignment, including support for a satellite forest monitoring system aligned to government priorities which is operated in partnership with the district government. PepsiCo also supports sectoral collaboration through multiple channels, including monthly industry-wide grievance calls led by Earthworm Foundation, to plan collaborative action on particular cases or issues of concern. These actions include simple coordination of supplier engagement through to shared investment on the ground.

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COMMODITY SPECIFIC REPORTING

2023 PALM OIL PROGRESS

Traceability to Mill	98.2% of 2023 palm oil volumes are traceable to mill, an increase of 1.2% since 2023. Traceability to Mill enables PepsiCo to have a deeper understanding of the social and environmental issues within our supply chain. PepsiCo has been engaging its suppliers on this topic over several years and expects suppliers to develop and share traceability to mill data.
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Supply Chain Transparency	<p>2023 Mill list: https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/2023-global-palm-oil-mill-list.pdf</p> <p>2023 Supplier list: https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/2023-global-palm-supplier-list.pdf</p>
% of total commodity volume that is in scope of Element 1 reporting	<p>100% of our own sourcing volume is in scope of Element 1 reporting, which includes: 1) All product types: CPO and PKO; 2) All production types (inclusion of ISH); and 3) All suppliers in scope of reporting. PepsiCo does not currently collect volumes from category 4) in the CGF guidance: our indirect supply chain, i.e., co-manufacturers, JVs or franchisees. Therefore, those volumes are not included in our corporate disclosures.</p>
RSPO Certified Volumes	<p>PepsiCo continually strives to source certified sustainable palm oil. In 2023, nearly 99% of palm oil by volume is RSPO Mass Balance. The remaining 1% is covered by Independent Smallholder Credits.</p>
% DCF Volumes	<p>More than 69% Deforestation Free based on IRF Delivering Status (an increase of over 31% from 2022 volumes) and more than 79% Peat Free based on IRF Delivering Status (an increase of over 36% from 2022 volumes).</p> <p>Through a combination of collaboration with upstream companies and engagement with direct suppliers, PepsiCo has worked to improve NDPE performance over the last 12 months, utilizing the NDPE Implementation Reporting Framework (IRF). This has resulted in strong movement towards achieving PepsiCo's objective of 100% Delivering IRF status.</p> <p>PepsiCo strives to continually engage with direct suppliers and collaboratively with upstream suppliers to ensure sector progress towards reaching 100% Delivering in 2025, using the CGF methodology and reporting to drive transparency and accountability.</p>
% supply chain progressing towards DCF	<p>The NDPE IRF is our main tool for understanding mill-level performance against our NDPE objectives. In 2023, more than 69% of our volumes came from 'Delivering' mills. A further 8% came from 'Progressing' mills, 15% from mills in the 'Commitment and starting action' category, under 1% from mills in 'Awareness', 6% from 'Known' mills and less than 1% from 'unknown' mills. Suppliers are expected to annually develop and share IRF action plans that outline their roadmap for becoming 100% Delivering. These values have been calculated in alignment with the GCF-FPC Palm Oil DCF Methodology. Figures are supplier-declared with third-party verification (in most cases). Overall progress has been positive, and we believe additional progress can be made by encouraging more complete, timely reporting from suppliers and enhancing supplier understanding of the tool and associated action plans, particularly among suppliers who are new in our supply chain. Additionally, system-level progress is needed to ensure that mills are comprehensively implementing the required policies and practices aligned with the IRF Delivering Allocation Criteria on the ground; this will require supplier-level IRF action plans to close the implementation gaps by working with their mills, which is a part of PepsiCo's Sustainable Palm Oil Implementation Plan. PepsiCo will work with its direct suppliers with the aim to accelerate progress in 2024.</p>

Supplier Engagement on the Forest Positive Approach	We engaged 53 out of our 60 palm oil suppliers, representing >99% of our 2023 volumes, on the Forest Positive approach by means of a palm oil supplier scorecard tool. Scorecards assess supplier performance in their own operations and supply chain and provide a means to track and encourage supplier progress towards sustainable palm production. It is PepsiCo's expectation that our suppliers demonstrate continuous improvement across the scorecard criteria. The scorecards engage suppliers on several areas (traceability and verification; certification; policy and implementation; grievance management; and transparency) to highlight areas for improvement for suppliers and ways in which PepsiCo can support them. This process has been ongoing since 2017 and has supported the increase in supplier performance improvement.
Performance over time against the Forest Positive Approach	Through implementation of the supplier scorecard and engagement with our suppliers, we have observed marked improvement across the scorecard criteria. The overall performance on the supplier scorecards has increased from 36% in 2017, when PepsiCo launched the scorecard, to 62% in 2019 - following the integration of IRF data into the scorecard in the 2019 supplementary baseline - and most recently to 77% in the 2023 reporting cycle. In 2023, suppliers scored an average of 11.6 points out of 15 total possible.
Deforestation and/or peat Grievances	<p>4.1% or 76 out of a total of 1846 mills in PepsiCo's supply chain are linked or potentially linked to either deforestation or peat grievances. From these 76 mills, 66 are related to grievances exclusively to deforestation, 1 mill is linked only to peat, and 9 mills are linked to cases related to both peat and deforestation.</p> <p>As of the end of 2023, 32 mills (out of the total 1846 mills in PepsiCo's supply chain) linked or potentially linked to deforestation and peat grievances are undergoing suspension, as outlined by PepsiCo's Grievance Mechanism (GM).</p>

2023 SOYBEAN OIL PROGRESS

Volumes	170,117.9 soybean equivalent. Conversion from soybean oil volumes is provided by the RTRS soy footprint calculator tool to convert 'Refined Oil' to soybean equivalent volumes
% of total commodity volume that is in scope of Element 1 reporting	<p>>99%; soybean oil is in scope, other soybean-based ingredients represent <1% of total volumes, which includes: 1) All product types (direct and complex soy); 2) All production types; 3) All suppliers in scope of reporting</p> <p>Note that PepsiCo does not currently collect volumes from category 4) in the CGF guidance: our indirect supply chain, i.e. co-manufacturers, JVs or franchisees. Therefore those volumes are not included in our corporate disclosures.</p>

Traceability to at-risk origins	54% of volumes come from the United States and are deforestation free. The remaining volumes come from Brazil (40%) and Argentina (6%). From the 46% of volumes originating from Brazil and Argentina, 17% do not have DCF assurance status. Therefore 8% of total global volumes do not have DCF assurance status. DCF status was calculated using supplier-reported DCF data.
Supply Chain Transparency	Our soybean oil originates from Brazil, Argentina, and the United States. Our soybean oil suppliers are Bunge, Cargill, ADM, Camilo Ferron Chile, and Perdue.
Supplier Engagement on the Forest Positive Approach	<p>In 2022, we started to engage our suppliers from at-risk origins to align on evidence to provide in 2023 for Deforestation- and Conversion-Free (DCF) volumes. Our direct suppliers from at-risk origins have traceability and DCF monitoring systems in place, and we are working to incorporate these insights into our own traceability and DCF verification processes going forward.</p> <p>In 2024, PepsiCo will engage suppliers to provide more traceability and DCF data. Additionally, we will engage suppliers to understand and encourage action on their public commitments, DCF methodologies and support for sectoral/ landscape initiatives. Suppliers were engaged to complete PepsiCo's traceability and DCF template. All direct suppliers have signed the PepsiCo Supplier Code of Conduct, and are expected to abide to PepsiCo's Stewardship of Forests and Natural Ecosystems Policy. PepsiCo has communicated the expectation on the CGF's DCF supplier and started to understand their engagement with landscape level action.</p>
RTRS Certified Volumes	PepsiCo is buying RTRS MB for 99% of its soy volumes from Latin America.
% DCF Volumes	<p>100% of our volumes are traceable to country of origin. 54% of volumes originate from the USA, 40% from Brazil and 6% from Argentina. Most of our suppliers in Brazil and Argentina origins have high traceability to farm for their direct and indirect sourced soy and in 2023 we worked to incorporate further supplier insights into our own traceability and DCF verification processes.</p> <p>92% of volumes supplied to PepsiCo are covered by suppliers that provided subnational traceability data for the sites supplying to PepsiCo. Of our 5 suppliers, one did not submit sub-national data, which represents the 8% of volumes not covered.</p> <p>We will keep working with suppliers to further understand the traceability and DCF of the physical volumes that they supply to PepsiCo.</p>
% supply chain progressing towards DCF	<p>In 2023, our suppliers reported that 83% of PepsiCo's volumes from Brazil are DCF.</p> <p>We have differences between PepsiCo's methodologies and supplier methodologies for reporting deforestation-free values, including using sector averages and not having cut off</p>

	dates of 2020. In 2024, PepsiCo is working on greater methodology alignment with suppliers to progress toward 100% DCF.
Embedded Soy	PepsiCo is working to understand and has started to map its embedded soy footprint. PepsiCo undertook industry analysis in relevant countries to understand the extent to which animal feed used contains soy.

2023 PULP AND PAPER PROGRESS

Volumes	~1.2 million metric tons
% of total commodity volume that is in scope of Element 1 reporting	<p>100%. Majority of our sourcing volume is in scope of Element 1 reporting, which includes: 1) All product types: P&P products and fiber-based packaging; 2 - All production types; and 3) Suppliers in scope of reporting. Any out of scope volume represents those suppliers for whom we do not have traceability today.</p> <p>PepsiCo does not currently collect volumes from category 4) in the CGF guidance: our indirect supply chain, i.e., co-manufacturers, JVs or franchisees. Therefore those volumes are not included in our corporate disclosures.</p>
% recycled, % virgin fiber	<p>Supplier declared volumes in 2023:</p> <ul style="list-style-type: none"> 73% recycled fiber 27% virgin fiber
% certified volumes	<p>In 2023, 88.9% of our supplier-declared virgin fiber was declared certified input at the pulp mill level or covered by certification control mechanisms, with the following breakdowns (these values do not contain double counting. All volumes that are both FSC FM/CW and PEFC FM/CS have been counted as FSC FM/CW only):</p> <p>FSC Forest Management: 6.5% FSC Controlled Wood (CW): 81.6% PEFC Forest Management (not including volumes that are also FSC FM or FSC CW): 0.5% PEFC Chain of Custody (not including volumes that are also either FSC FM or FSC CW): 0.3%</p>
Supply Chain Transparency	<p>92.2 % of supplier-declared virgin fiber volumes were traceable to country of harvest. Origin countries included Australia, Austria, Brazil, Canada, Chile, China, Czech Republic, Denmark, Estonia, Finland, France, Germany, India, Latvia, Lithuania, New Zealand, Norway, Poland, Portugal, Russia, Slovakia, South Africa, Spain, Sweden, Turkey, United Kingdom, Uruguay, USA.</p> <p>Information about 2023 countries of harvest was secured through 'Traceability Declaration Documents' (TDDs), developed by Earthworm Foundation (EF). Our Tier 1</p>

	suppliers secured information from their paper mills including details of supplying pulp mills, and countries of harvest for all virgin fibre used by those pulp mills. This provides significantly greater upstream transparency than we have been able to achieve in previous years. EF assessed completed TDDs for accuracy and completeness, aggregated the data, and completed global and sector-level results reporting.
% from high priority origins	<1% of supplier-declared virgin fiber volume was from a High Priority Country of Harvest, determined via the Earthworm Foundation's Country Priority Matrix
<p>a) % Deforestation and Conversion free (DCF) volumes and breakdown into:</p> <ul style="list-style-type: none"> • % DCF certified (disaggregated by certification scheme) • % DCF monitored (field/remote) <p>b) % additional volumes from low-risk origins (volumes not already reported through the implementation options in metric a).</p> <p>c) % year on year change in DCF volume including narrative explanation</p>	<p>Of our total declared, traceable 2023 fiber volumes, DCF total = 76%</p> <p>a. % DCF certified and monitored:</p> <ul style="list-style-type: none"> • Recycled = 72.6% • Certified FSC FM = 1.8% • DCF Monitored = 0% <p>b. Low risk COH = 1.7%</p> <p>c. N/A 2023 is our first year of DCF measurement based on supplier-declared data</p> <p>Not DCF: 24% of the traceable supplier-declared volumes</p>
% volumes under engagement to progress towards DCF	<p>Priority opportunities to increase our DCF percentages are to:</p> <ul style="list-style-type: none"> • Achieve 100% traceability in our PPP virgin fiber supply chain • Achieve DCF for virgin fiber that is traceable, but not yet DCF. This volume is principally harvested in the US. In 2023, 269,740 MT are not DCF due to harvest in the US. Of this volume, 267,122 MT are covered by the FSC CW system. During 2024, engagement with the largest volume US virgin fiber suppliers can lead to assessment of their controlled wood systems for robustness in delivering DCF through 'pathway E' of the PPP roadmap guidance.
Suppliers informed about the Forest Positive Suppliers Approach	<p>During our 2023 traceability exercise, a majority of suppliers received communications from PepsiCo stating our efforts to trace the origins of the virgin and recovered fiber in our product packaging. From 2024, all suppliers will receive communication about our approach, as follows:</p> <ul style="list-style-type: none"> • Individual supplier engagement calls to: review DCF scores, discuss approved pathways to achieve, and agree on next steps. The PepsiCo team will outline our approach and expectations in each call and in writing via DCF operational guidance.

	<ul style="list-style-type: none"> Ahead of our 2024 traceability exercise, PepsiCo is designing an improved communication process to ensure all suppliers receive detailed information about our Forest Positive approach.
Priority Supplier Engagement	<p>Three (3) US suppliers account for the significant majority of our non-DCF virgin fiber, and will be prioritized to take action to achieve DCF through one or more of the recognized pathways.</p> <p>In 2024 we also aim to strengthen engagement with 100% of our suppliers on achieving full traceability, prioritizing any that indicate that they are unwilling or unable to provide required information (especially those that did not provide full information in 2023).</p>

ANNEX 1: LIST OF LANDSCAPE INITIATIVES

PepsiCo supports the following landscape initiatives in partnership with other actors as noted below. Descriptions of specific actions, projects supported, and intended contributions to delivering forest positive goals mirror the Program's objectives and do not necessarily reflect PepsiCo's individual contributions or goals.

SIK PELALAWAN LANDSCAPE PROGRAM	
Location	Riau, Indonesia
Other Partners Involved	Proforest and Daemeter, together known as CORE (the Consortium of Resource Experts); Cargill; L'Oreal; GAR, Musim Mas; Unilever; Danone; Siak District Government; Pelalawan District Government; Lingkar Temu Kabupaten Lestari; Sedagho Siak; Asppuk; Earthworm; Winrock
Commodity	Palm Oil
Timeline of engagement	2019 - 2025
Type of engagement	Disbursed financial
Specific actions or projects that are supported by the Program	<ul style="list-style-type: none"> RADD landscape monitoring system established 9 Land Use Plans developed covering protection of 9,826 Ha riparian buffer, mangrove, and customary forest Enabling village forest protection of 3,433 ha and national regulation of forest recovery program of 106 ha Supporting 39 "high priority" villages on various village programs building systemic conditions at ground level to protect high conservation value areas Supporting good agricultural practices training of 3640 people and supported 183 smallholders to receive STDB business registration entitling clean and clear farm from deforestation and land tenure conflict Engagement with 50+ palm oil mills on NDPE Setting up implementing teams for District Action Plan on Sustainable Palm Oil

How the actions intend to address systemic issues and contribute to delivering forest positive goals	The SPLP program aims to address conservation and restoration goals for protecting and enhancing forests, peatlands and natural ecosystems. It also seeks to contribute towards improving the livelihoods of palm oil smallholders, and respecting labor and community rights within the palm oil sector. The program actively participates in multistakeholder partnership platforms through district policies and plans.
Linkages to shared landscape goals	<ol style="list-style-type: none"> 1. By 2025, palm oil produced in and sourced from Siak and Pelalawan districts is verified deforestation and peatland development free 2. By 2025, in at least 50 high priority villages the livelihoods of palm oil farmers and their communities has improved 3. By 2025, palm oil in Siak and Pelalawan is produced with respect for human rights of workers and communities 4. By 2025, Functioning multistakeholder platforms are in place that include the local government and provide a clear governance and transparent reporting on sustainable palm oil production in the districts

ACEH AND NORTH SUMATRA LANDSCAPE INITIATIVE (PART OF THE COALITION FOR SUSTAINABLE LIVELIHOODS)

Location	Aceh and North Sumatra, Indonesia
Other partners involved	IDH, FKL, Unilever, Musim Mas
Commodity	Palm Oil
Timeline of engagement	2019 - 2023
Type of Engagement	Disbursed financial
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Establishment of Centre of Excellence (CoE) in Aceh Tamiang as a regional enterprise • Support restoration of forest • Commissioned an integrated SourceUp monitoring system covering Aceh Tamiang and Aceh Timur through a near real-time deforestation monitoring system (RADD system) • 500 Smallholders trained on good agricultural practices (GAP) • Increased land legality resolution through land certificates
How the actions intend to address systemic issues and contribute to delivering forest positive goals	Aceh Tamiang District is part of the Eastern Leuser Ecosystem. It is home to rare species and a source of commodities such as palm oil, natural rubber, pulp, and coffee and with total area for production for all commodities more than 200,000 ha. The Aceh landscape program aims to protect natural forest in the Leuser ecosystem, working with companies to delink palm oil from deforestation, while supporting sustainable palm oil production and improved livelihoods. The program focuses on multistakeholder partnership among the government of Aceh Tamiang, companies and implementing partners.
Linkages to shared landscape goals	<ul style="list-style-type: none"> • Reduce deforestation rate • Establish an integrated monitoring system at jurisdictional level • Increase the area of ecosystem recovery • Enhance the protection of forest area & the Leuser ecosystem • Increase sustainable palm oil production • Provide incentive mechanisms and link to market • Increase land legality

	<ul style="list-style-type: none"> • Encourage good labor practices throughout the supply chain • Develop landscape governance by sharing multi-stakeholder roles
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SUNGAI LINAU LANDSCAPE CONSERVATION AND LIVELIHOODS PROGRAM

Location	Riau, Indonesia
Other partners involved	Proforest and Daemeter, together known as CORE (the Consortium of Resource Experts) Supported by a coalition of companies (Cargill, IFF, Nestlé, Musim Mas, Asia Pulp & Paper)
Commodity	Palm Oil
Timeline of engagement	2021 - 2027
Type of engagement	Disbursed financial
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Participatory mapping and land use planning • Village peat regulation developed and implemented across Sungai Linau Landscape • Capacity building of local government to apply to social forestry license and development of forest management plans • Community-based Forest monitoring in Hutan Desa • Identify alternative livelihood opportunities for minority groups & build the capacity of communities of village-owned enterprises to support establishment of self-sustaining businesses
How the actions intend to address systemic issues and contribute to delivering forest positive goals	This area hosts one of the last remaining large blocks of lowland peat forest in Sumatra, home to critically endangered species (i.e. Sumatran tiger and elephants). The program aims to protect forest (and peatland) in the frontier areas beyond traditional concessions. The framework of the program is developed through the understanding that successful conservation activities should always go hand in hand with efforts to improve livelihoods of communities surrounding the conservation areas.
Linkages to shared landscape goals	<ol style="list-style-type: none"> 1. 45,000 ha of peat forest with an effective monitoring and response system in place by 2027 2. 10,000 ha of peat forest within Giam Siak Kecil-Bukit Batu Biosphere Reserve area effectively protected by 2027 3. 20,000 ha of peatland restored with rewetting technique by 2027 4. By 2027, Sungai Linau Landscape Program will have avoided >500,000 tCO2 emissions. The program will also contribute to 160,000 tCO2 emissions reduction on peatland and surrounding area by 2027 5. 50% of households (~300) joining the program have improved their livelihoods or benefitting from alternative sources of income by 2027

HOLISTIC PALM PROGRAM: POR UN MEXICO PALMERO SUSTENTABLE

Location	Southeast Mexico
Partner	Femexpalma, Proforest, Nestle, Cargill, Oleofinos, Oleopalma, RSPO
Commodity	Palm oil
Timeline of engagement	2016 – 2027
Type of engagement	Disbursed financial

Specific actions or projects that are supported	<ul style="list-style-type: none"> • Creation of RSPO Supply chain guide and Certification Practical guide • Support smallholder producers in process of RSPO certification & legally constitute smallholder producer associations, 117 smallholders with improved livelihood conditions to date • ~35,000 MT of RSPO-certified palm oil brought into market in 2023; expected to reach 82,000 MT by 2026 • 7 mills achieve certification and traceability to plantation by 2026 (6 done to date) • Regenerative agriculture practices implemented and will be monitored for impact • 40% increase in land area verified as deforestation-free by 2026 (via land use change analysis). To date: 145 smallholders trained in conservation, human rights and FPIC; ~22,000,000 has covered in the HCV probability map; 70,000 ha covered in the HCV Regional Assessment; Over 7,600 ha covered in Land Use Change Analysis
How the actions intend to address systemic issues and contribute to delivering forest positive goals	The Holistic Program aims to build a business case for investment in sustainable palm oil production in Mexico. The Program focuses on transformation of the palm sector through multistakeholder partnerships and ensuring thriving communities and ecosystems. Visit the Mexico Holistic Palm Program website to learn more about the program.
Linkages to shared landscape goals	<ol style="list-style-type: none"> 1. Ensuring inclusion of smallholders 2. Strengthening and providing training on sustainability issues 3. Promoting No Deforestation, No Peat, No Exploitation (NDPE)

AGROVITA	
Location	Southeast Mexico
Partner	Proforest, PepsiCo Global Foundation, PepsiCo Mexico Foundation, Femexpalma, supply chain partners
Commodity	Palm oil, cocoa, plantain
Timeline of engagement	2021 - 2030
Type of engagement	Disbursed financial
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Regenerative agriculture practices implemented and monitored for impact: <ul style="list-style-type: none"> ○ Palm oil: intercropping, conservation tillage, 4R nutrient management, pollinator habitat development ○ Cocoa: agroforestry, use of organic fertilizers, crop residue management, cover crops, application of livestock manure directly and/or post composting, agroforestry ○ Plantain: agroforestry • ~7,000 ha verified as deforestation free, ~6,400 hectares covered by an HCV-HCS evaluation, 800+ farmers committed to DCF • Carbon capture analysis completed and setting targets in 2024
How the actions intend to address systemic issues and contribute to	Agrovita is aligned with the Mexican government's priorities linked to the socio-economic development of the Southeast of Mexico, to develop local supply chains, and to build

delivering forest positive goals	<p>capacities and resilience of producers. Agrovita has leveraged multistakeholder partnerships in an effort to deliver these goals, including industry associations, buyers, producers, and government.</p> <p>By partnering with the Global Foundation and Mexico Foundation, Agrovita has engaged both with agricultural supply chains and with the surrounding communities in three states. This engagement has proven to be an effective approach for delivering regenerative agriculture practices and improving livelihoods, focused on PepsiCo's supply chain for plantain, cocoa and palm oil in Southeast Mexico.</p>
Linkages to shared landscape goals	<ol style="list-style-type: none"> 1. Value chain development: Develop small and medium-sized producers in South Mexico for PepsiCo Mexico Foods (PMF) boutique crops, including plantain and cocoa to increase the availability in the local market through training and technical assistance which improves productivity and implements sustainable practices such as regenerative agriculture. 2. Improved food security and nutrition: The program seeks to contribute to improved food security and water access by supporting improvement of community infrastructure including installation of community gardens and rainwater harvesting systems. 3. Sustainable food systems: Engage in a multi-stakeholder and cross-supply chain approach to contribute to a more sustainable food system – promoting regenerative farms, thriving communities and a more resilient agriculture sector

RIMBA COLLECTIVE	
Location	Indonesia and Malaysia
Other partners involved	Lestari Capital, Nestle, Proctor & Gamble, Unilever
Commodity	Palm Oil
Timeline of engagement	2021 - 2046
Type of engagement	Disbursed financial
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Create private sector-enabled forest conservation initiatives • Strengthen equitable livelihoods for forest-frontier communities and provide a secure source of income • Contribute to the Government's targets to expand social forestry, accelerate peat and mangrove restoration, and reduce deforestation
How the actions intend to address systemic issues and contribute to delivering forest positive goals	Rimba Collective aligns with the Government of Indonesia's focus on protecting the country's natural capital whilst generating resilient jobs, attracting high quality international and domestic capital, and driving economic development to recover from the COVID-19 crisis. The initiative's 25-year project agreements aim to directly benefit an estimated 32,000 local people in forest-frontier communities, strengthening equitable livelihoods and providing a secure source of income. It also seeks to contribute to the Government's targets to expand social forestry, accelerate peat and mangrove restoration, and reduce deforestation.
Linkages to shared landscape goals	<ol style="list-style-type: none"> 1. Protect or restore over 500,000 ha of tropical forests in Southeast Asia 2. Improve livelihoods of 32,000 local people in forest-frontier communities

SUSTAIN KUTIM

Location	Indonesia
Other partners involved	Proforest, GIZ, Nestle, McDonalds, Barry Callebaut
Commodity	Palm oil
Timeline of engagement	2023 - 2027
Type of engagement	Disbursed financial
Specific actions or projects that are supported	<p>The program is at the early stages and currently funding is being used to convene stakeholders and for participatory mapping in priority villages. Funding is expected to be used to support the following detailed activities:</p> <ul style="list-style-type: none"> • Establish a functioning multistakeholder platform • Monitor land use management, identify and jointly -manage HCV areas • Strengthen tenurial and operational legalities of local communities and smallholders • Village land-use planning, together with cooperative farmer groups and communities to secure land, monitor and manage community forests, improve agricultural practices and support alternative livelihoods • Increased sustainable production from smallholders and companies • Support smallholders in meeting certification standards (e.g., ISPO, RSPO)
How the actions intend to address systemic issues and contribute to delivering forest positive goals	Kutai Kimur is among the ten oil palm districts in Indonesia for remaining natural forest cover. Sustain Kutim aims to ensure sustainable palm oil production and the protection of HCV areas in the district. To strengthen the effectiveness of the program it brings together representatives of local communities, smallholders, workers private sector and CSOs in an active multistakeholder platform
Linkages to shared landscape goals	<p>Project goals include:</p> <ol style="list-style-type: none"> 1. Protect an extension of 30,000 ha of natural ecosystems 2. Improve the livelihoods of 1,500 participating smallholders 3. Increase supply of FFB OP from registered/traceable and (certified) sustainably managed smallholder plantations to the processing plants 4. 200 palm oil and natural rubber plantation workers receive at least one element of better working conditions 5. At least 5 communities achieve self-determination of their natural resources and land tenure security through formalized spatial plants, village enterprises or social forestry

ACEH TIMUR

Location	Indonesia
Other partners involved	IDH, FKL, Unilever, Musim Mas
Commodity	Palm oil
Timeline of engagement	2023 - 2026
Type of engagement	Disbursed financial
Specific actions or projects that are supported	The program is at the early stages and currently funding is being used for coordination between FKL, local partners, and local Government for field level activities.
How the actions intend to address systemic issues and contribute to delivering forest positive goals	<p>Aceh Timur District is a significant producer of forest commodities and is experiencing rapid deforestation due to increased demand. Over a five-year period, the district lost 12,870 hectares of forest cover.</p> <p>This program seeks to build consensus, implement sustainability measures, and support local communities and livelihoods to combat unsustainable commodity production and</p>

	forest degradation, especially considering the district's proximity to the Leuser ecosystem. The program works to protect HCV areas and rehabilitate forests through community partnership.
Linkages to shared landscape goals	Project goals: <ol style="list-style-type: none"> 1. Improved protection management in 10,000 ha in HCV/HCS area 2. 1,000 ha forest rehabilitated through natural regeneration that consists of partnership development with the community 3. 5 mills convened that include Musim Mas and Golden Agri Resources (GAR) supply chains; and 4 palm oil concessions signed commitments via PPI (Production-Protection-Inclusion) compacts. 4. 1 mill committed to NDPE with a business plan to implement the commitment 5. 500 smallholders and 20 extension services trained on e-learning applications and GAP (30% women participation)

WWF-CHILE'S CONSERVATION ENTERPRISES FOR THE RESILIENCE OF VULNERABLE COMMUNITIES	
Location	BíoBío, Araucanía and Los Ríos administrative regions of Chile
Partner	Earthworm Foundation, WWF Chile, Nestle
Commodity	PPP
Timeline of engagement	2023 – 2025
Type of engagement	Disbursed financial
Specific actions or projects that are supported	<ul style="list-style-type: none"> • Adapt the Nature Pays methodology developed by the WWF network to the context of Chile to generate social and environmental impact through improving market access for community conservation enterprises to contribute to sustainable livelihoods and landscape restoration. • Complement ongoing work with one community conservation enterprise (CCE) in Nahuelbuta, identify a portfolio of other CCEs, and share the systematized and adapted methodology including key lessons learned with key stakeholders, donors, and the WWF network to drive additional scaling up of community participation in restoration across the country.
How the actions intend to address systemic issues and contribute to delivering forest positive goals	Aims to strengthen community conservation enterprises and improve livelihoods for community nurseries in Nahuelbuta, and scale through work with other CCEs in the ecoregion. Plans to provide case studies and materials with the aim to increase the social impact of restoration, improve generic material available for efforts and integrate these concepts in public policy.
Linkages to shared landscape goals	WWF-Chile is working through Chile's National Forest Dialogue and have defined a landscape prioritization with forest companies and other NGOs for restoration. Nurseries are expected to contribute plants to these efforts and generate community livelihood benefits.

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.