

## Agriculture collaboration and engagement

The complexity of our global supply chains means making an impact in upstream farming communities requires partnership and collaboration with other stakeholders.

### Collaborations for climate resilience

As we work towards a more resilient, sustainable agricultural system, we are working with a variety of stakeholders to build climate resilience in our supply chain, starting at the farm.

- **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ):** A collaboration with GIZ, PepsiCo and small-scale potato farmers in northern Thailand aiming to scale regenerative agricultural practices throughout a whole-farm approach, in an effort to develop climate resilience and adaptation essential for sustainable farming management.
- **AgMission:** A team working to build and deploy a data-powered, climate action framework that bolsters productivity and resilience while enabling rapid-response adoption of farmer-driven climate-smart farming and ranching solutions.
- **International Center for Tropical Agriculture:** A technological project aiming to localize the risks and opportunities of climate change for our agricultural supply chain, providing our Agriculture and Procurement teams the detailed analyses they need to bring the Positive Agriculture agenda to life.
- **Soil and Water Outcomes Fund (SWOF):** A collaboration aiming to help participating farmers transition to climate-smart practices on close to one million acres by 2030, with the potential to reduce and capture up to three million metric tons of GHG emissions. SWOF was awarded funding through the USDA's Partnerships for Climate-Smart Commodities Initiative, along with approximately \$60 million in support from PepsiCo and other industry peers, to launch the Midwest Climate-Smart Commodity Program.
- **Practical Farmers of Iowa (PFI):** A long-term, strategic collaboration with PFI aiming to help drive regenerative agriculture practices across approximately 1.5 million acres of U.S. farmland by 2030. As part of this work, PepsiCo is making an upfront investment in people and operating systems, to increase farmer resilience, support sustainable sourcing practices and achieve greenhouse gas (GHG) emissions reductions across multiple commodities.
- **SWOF, PFI and IL Corn Growers Association (ICGA):** PepsiCo is supporting three well-respected farmer-facing organizations through a multi-year \$216 million investment aiming to support regenerative agriculture transformation on more than three million acres of U.S. farmland and deliver approximately three million metric tons of GHG emission reductions and removals by 2030.
- **Archer Daniels Midland (ADM):** A multi-year shared value program with ADM aims to reduce carbon intensity by expanding regenerative practices on up to two million acres across our shared supply chains. The project seeks to support farmers across the Midwest U.S. in building resilience to climate change and has the potential to eliminate over 1.4 million metric tons of GHG emissions.
- **Walmart:** In 2023, we announced with Walmart our shared aim to support regenerative agriculture across more than two million acres of farmland and deliver approximately four million metric tons of GHG emission reductions and removals by 2030. It will be a seven-year collaboration to pursue \$120 million worth of investments focused on supporting U.S. and Canadian farmers in their pursuit to improve soil health and water quality.
- **Fertiberia:** A sustainable fertilizer pilot program aiming to reduce emissions from potato cultivation in Spain.

### Technological solutions

We support innovative agricultural research and work to scale technological solutions to common agricultural challenges.

- **Agroscout:** An artificial intelligence-based system that identifies and monitors crop diseases, aiming to enable farmers to improve crop yields and reduce pesticide use.
- **N-Drip:** A program that aims to help farmers in our supply chain adopt high-efficiency irrigation technology to deliver significant water and energy savings compared to conventional systems. N-Drip's gravity-powered technology combines the water-saving benefits of high-pressure drip irrigation with lower energy, operating and maintenance demands. By helping farmers transition from the commonly used flood or trench irrigation – known to lose up to 70% of water to runoff or evaporation – this initiative tries to help improve farmer livelihoods through water savings of up to 50% while potentially reducing carbon and methane emissions by approximately 80% (per season, compared to flood or trench irrigation). N-Drip technology has been used by farmers in India, South Africa, Vietnam, Greece and the U.S., many of whom have reported higher crop yields, less need for use of fertilizers and a significant reduction in water-use compared to flood or trench irrigation.
- **Foundation for Food & Agriculture Research (FFAR):** A public-private partnership aiming to support bold science and fill critical research gaps and solve large-scale agricultural challenges.

## Commodity-specific

We collaborate with non-governmental organizations (NGOs) and community organizations aiming to improve sustainable agriculture and sustainable sourcing.

- **Bonsucro:** A global, multi-stakeholder sustainability platform for sugarcane, which aims to collectively accelerate the sustainable production of sugarcane, including through its Production Standard. Offering both credits and physically certified sugarcane, Bonsucro recognizes the crucial role of smallholder farmers and seeks to promote their inclusion through, for example, the Production Standard for Smallholder Farmers.
- **Agriba Sustentable Program:** A project with the International Maize and Wheat Improvement Center (CIMMYT) and Trimex that aims to contribute to scaling sustainable farming practices across Mexico's second-largest wheat producing region.
- **LEAF (Linking Environment And Farming):** A project in the U.K. aiming to support all Quaker oat growers in reaching the LEAF sustainability standard.
- **Holistic Palm Program and Agrovita:** Two programs in collaboration with Femexpalma and ProForest that aim to enhance the long-term sustainability of the Mexican palm oil industry and strengthen the livelihoods and resilience of smallholder farmers. The programs work to deliver these goals by improving access to technical support and cooperative professionalization with an aim toward certification, supporting crop and income diversification strategies and driving uptake of regenerative and protective farming practices.
- **Roundtable on Sustainable Palm Oil (RSPO):** A not-for-profit organization that unites stakeholders from the seven sectors of the palm oil industry (oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental NGOs and social NGOs) to develop and implement global standards for sustainable palm oil.
- **Illinois Corn Growers Association (ICGA):** PepsiCo supports the ICGA's Precision Conservation Management Innovation Project to help address farmers' environmental concerns such as water quality, soil health and GHG emissions by offering agronomic and financial support, as well as economic analysis, to enable sound business decisions related to conservation practices.

## Pre-competitive collaboration

We enter into collective action-focused initiatives with others in our industry, including our competitors, in an effort to advance solutions to systemic agricultural challenges that we all face across key commodities.

- **Farm and Food Council:** Business advisory council with commodity organizations whose strategic initiative aims to deepen relationships with farmers and improve our decision-making as a business, and consists of national agricultural organizations that represent farmers growing key inputs in our supply chain such as potatoes, corn, soybean, wheat and sugar.

- **Food systems on the global climate agenda at COP28:** PepsiCo joined forces with food and agriculture organizations for the Action Agenda on Regenerative Landscapes, which called for scaling the transition to regenerative agriculture by 2030. Leading players across the agriculture supply chain, along with farmers, civil society, financiers and local government representatives will consolidate efforts aiming to collectively scale-up implementation and land transition commitments.
- **World Economic Forum's First Movers Coalition for Food:** Aiming to create demand for low-emission agricultural commodities by creating a combined procurement commitment for sustainably-produced and low-emission agricultural commodities.
- **Consumer Goods Forum (CGF):** A collaboration through CGF's Forest Positive Coalition of Action, aiming to collectively accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains.
- **Cool Farm Alliance:** A collaboration that brings together farmers, NGOs, multinational food suppliers and retailers to promote agricultural practices that mitigate greenhouse gas emissions.
- **Field to Market:** An initiative to bring together a diverse group of grower organizations, agribusinesses, food, beverage, apparel, restaurant and retail companies, conservation groups, universities and public sector stakeholders aiming to define, measure and advance the sustainability of food, feed, fiber and fuel production in the United States. In 2022, Field to Market was awarded funding from the USDA through the Partnerships for Climate-Smart Commodities opportunity with an approximate funding ceiling of \$70 million.
- **Rimba Collective:** An initiative led by buyers and processors of palm oil aiming to collectively support long-term, sustainable conservation and restoration of forests. It aims to provide \$1 billion to protect or restore more than 1 million acres of forest, supporting 32,000 individuals in forest communities in Southeast Asia over 30 years, starting in Indonesia.
- **Midwest Row Crop Collaborative (MRCC):** A collaboration aiming to drive positive environmental change in the upper Mississippi River Basin, the MRCC develops solutions for removing barriers to widespread adoption of regenerative agricultural practices, with members spanning the food and agriculture supply chain.
- **Sustainable Agriculture Initiative (SAI):** An initiative to bring companies together in an effort to accelerate the widespread adoption of sustainable agriculture practices and the transformation to sustainable food systems.
- **STEP Up for Agriculture (Supporting Trusted Engagement and Partnership for Agriculture):** A pioneering initiative by PepsiCo and Unilever and retailer partners to strengthen the capacity of farmer-facing organizations in the U.S. and Europe. Through tailored advisory support and a "train the trainer" model, the program focuses on building organizational capabilities, promoting regenerative agriculture practices and driving sustainable supply chain solutions with measurable environmental impact.
- **The Sustainable Market Initiative Agribusiness Task Force:** An initiative that aims to enable regenerative farming practices to be widely adopted by understanding what actors in the supply chain can do differently to make regenerative farming a 'no-brainer' business decision for farmers.
- **One Planet Business for Biodiversity:** An international working group aiming to protect and restore cultivated and natural biodiversity within the agricultural supply chains, engage institutional and financial decision-makers and promote policy recommendations that advance nature-positive biodiversity.