

REGENERATE, RESTORE, AND PROTECT PLAYBOOK

September 2026

REGENERATE, RESTORE, AND PROTECT (RRP) PLAYBOOK

WHAT IS IN THIS PLAYBOOK?

Overview: About the Playbook and the RRP Goal

How RRP Can Create Value

More On RRP Acres: Key Differences and How To Classify Acres

RRP Project Process: How To Design and Implement an RRP Project

OVERVIEW: **ABOUT THE PLAYBOOK AND THE RRP GOAL**

ABOUT THE RRP PLAYBOOK



Welcome to the **PepsiCo Regenerate, Restore, and Protect (RRP) Playbook**. We invite you to join us on this journey and are excited to work with you to implement and deliver RRP outcomes.

Each organization is at a different place in its sustainability journey, and we want to support your journey with learnings from ours. While PepsiCo does not control farm-level practices or conditions, we have created this playbook to share learnings and our view of best practices.

This playbook **provides technical details and practical guidance to support project development, delivery, and reporting** related to PepsiCo's updated RRP goal. It does not create requirements. Requirements for acre qualification and reporting are set out in the [RRP Guidelines](#).

WE CREATED THIS PLAYBOOK TO:

- Walk you through PepsiCo's aspiration
- Explain what factors determine whether projects count towards the RRP goal
- Provide insight on how to set, achieve, and report on goals and progress
- Share good practices that we've learned from implementing projects so far

THIS PLAYBOOK IS NOT MEANT TO:

- Dictate specific farming or ecosystem practices, as appropriate practices will differ by context
- Suggest that practices are required in all places to be eligible towards the RRP goal
- Set goals for another business or conditions for conducting business with PepsiCo

WHAT'S NEW IN THE UPDATED GUIDELINES AND PLAYBOOK

The Playbook might look a little different, but much of the core content is the same. What you'll find in this updated version is expanded definitions, information on the new Guidelines requirements, and a streamlined Project Process. The key updates are summarized below:

TOPIC	WHAT TO KNOW
REGENERATE, RESTORE, & PROTECT GOAL INFORMATION	The Playbook now includes information on the Protect and Restore addition, including clarifying what qualifies as restored/protected acres for goal accounting.
THE BUSINESS VALUE OF RRP	Expanded content on why nature is relevant to the business and how RRP can deliver business value.
CLARIFICATIONS ON PLACE-BASED ACTIVITIES	Includes guidance on where R,R, and P activities can occur, how rotational acres are considered, and how PepsiCo approaches Watershed Health Projects.
PROJECT APPROACH	The Playbook lays out a recommended 7-step project lifecycle.

REGENERATE, RESTORE, AND PROTECT GOAL: DELIVERING POSITIVE OUTCOMES ON 10 MILLION ACRES BY 2030

Regenerate, Restore, and Protect (RRP) is PepsiCo's aspiration to improve environmental outcomes across agricultural lands and adjacent ecosystems linked to our supply chain. It is one of the interconnected ambitions in our Positive Agriculture agenda.

WHY THIS WORK MATTERS TO US

Agriculture is at the core of PepsiCo's business. We rely on a stable, high-quality, affordable supply of crops to meet business needs and consumer expectations.

Agriculture today, however, both contributes to and is vulnerable to many of the environmental and social challenges we face, from soil degradation and biodiversity loss to water scarcity and extreme weather events.

WHAT RRP AIMS TO DO

Regenerate, Restore, and Protect (RRP) is a system of principles and practices designed to help build resilient farms and landscapes.

By scaling these practices across our sourcing regions, PepsiCo aims to strengthen its business resilience and support long-term farm and farmer viability while contributing to healthy soils, resilient watersheds, and thriving communities.

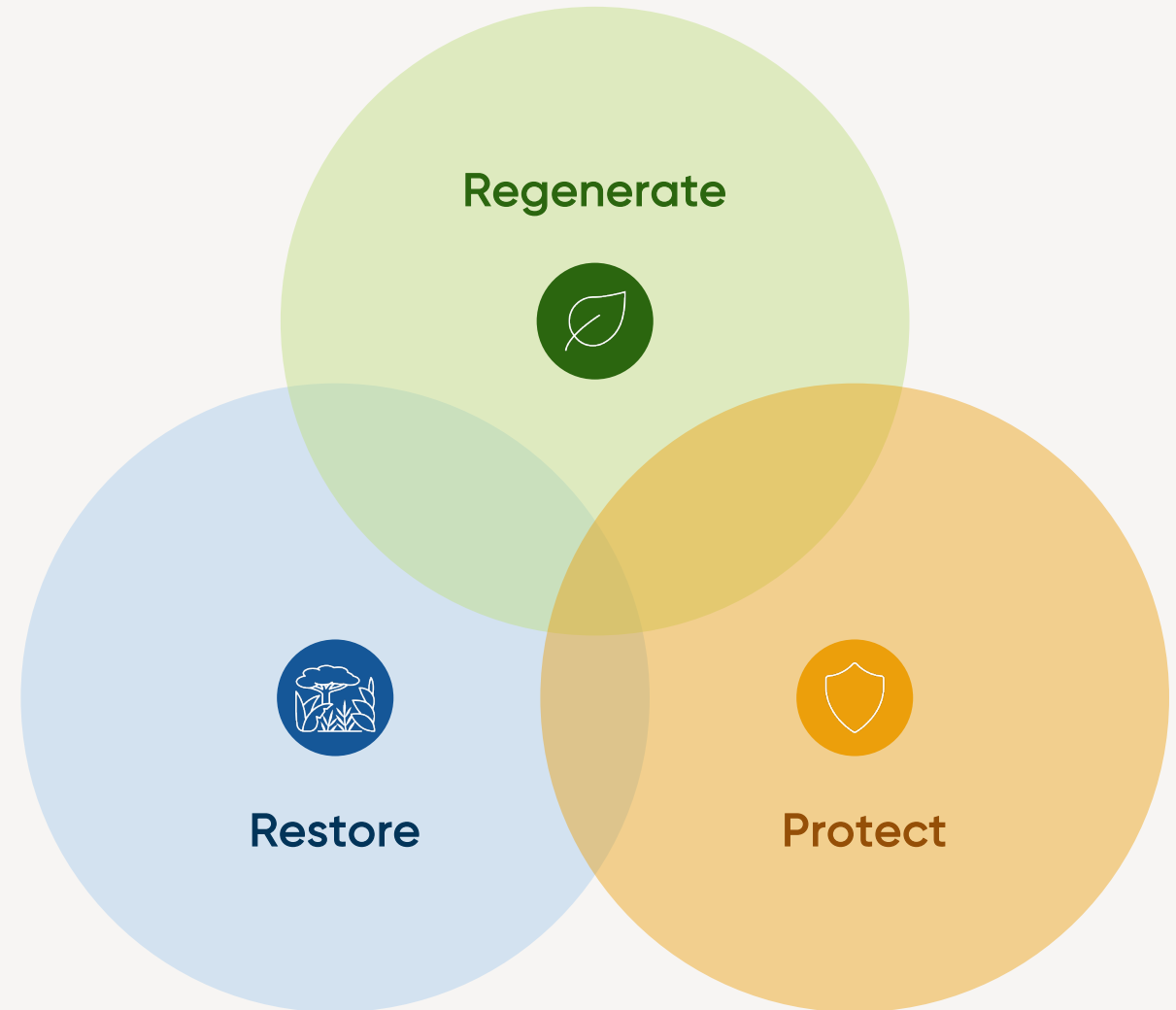
For a list of in-scope ingredients for the RRP goal, please visit the [RRP Guidelines](#).

WHY RRP? UNDERSTANDING THE GOAL OF 10 MILLION ACRES OF LAND REGENERATED, RESTORED OR PROTECTED

Regenerate, Restore, and Protect (RRP) is a system of principles and practices that seeks to help create a resilient farming system by regenerating, restoring, and protecting farms and their surrounding natural ecosystems.

On-farm *regenerative* practices can improve economic and environmental outcomes through field-level management. *Protecting and restoring nature* can enable surrounding ecosystems to deliver the foundational services that all agriculture depends on.

At PepsiCo, RRP is more than an expanded goal. It aims to build upon the work we are already doing in regenerative agriculture and helps strengthen our business.



WORKING ACROSS THE LANDSCAPE TO DRIVE BIGGER IMPACT

Resilient, positive outcomes can be strengthened through coordinated efforts beyond individual farm or field-level interventions, since in many cases, opportunities cannot be addressed solely within the boundaries of fields producing PepsiCo ingredients.

Farm-level interventions are most impactful when they consider the local landscape context. It is recommended a landscape approach is taken when designing and implementing Regenerate, Restore, and Protect projects.

What is a “Landscape Approach”?

A landscape approach is a collaborative management approach focused on bringing together multiple stakeholders to advance shared conservation goals that build resilience at a landscape scale. Landscape approaches are operationalized through projects that seek to drive systems-level change by maximizing impact beyond what one actor could accomplish alone.





ABOUT OUR PROGRESS

Farmers are at the heart of our business and are key to implementing RRP solutions on the ground.

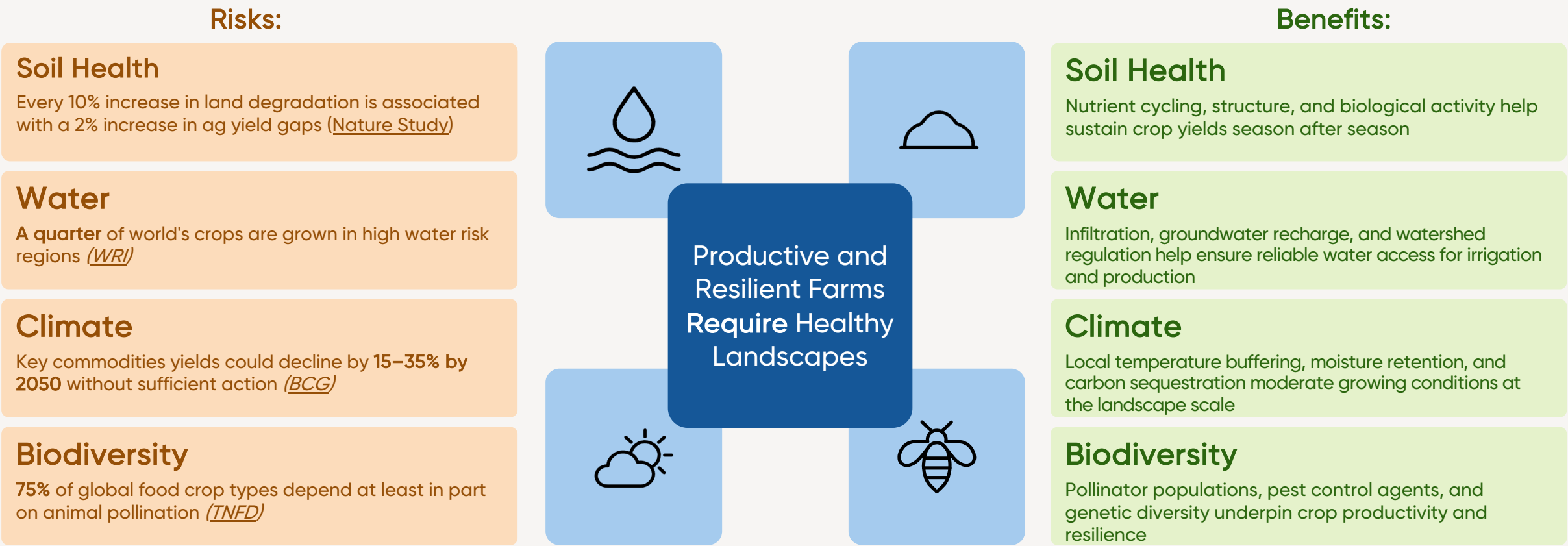
"I've spoken with farmers in our programs on 5 continents and their pride in improved soils and stronger operations is inspiring. Working with PepsiCo and supporting organizations has enabled tens of thousands of farmers to start to transition their farms towards practices like cover crops that help sustain or improve their yields and their bottom lines through the many shocks they face each year"

– Margaret Henry, Vice President of Sustainable and Regenerative Agriculture

HOW RRP CAN CREATE VALUE

HOW OUR REGENERATE, RESTORE, AND PROTECT STRATEGY HELPS ADDRESS RISKS AND DRIVES BENEFITS

Food production relies on ecosystem services, which face a range of risks across different sourcing regions. **Regenerate, Protect, and Restore** projects aim to address those risks and increase benefits for agriculture.



NATURE RESTORATION AND PROTECTION COMPLEMENT REGENERATIVE AGRICULTURE TO DELIVER BUSINESS VALUE

For PepsiCo, protecting and restoring nature is more than just a goal. This approach aims to build upon the work we are already doing in regenerative agriculture and help strengthen our business.

Regenerative Agriculture

On-farm practices can deliver climate, soil, water, and biodiversity outcomes to farmland and surrounding ecosystems through improved field-level management.

They can benefit farms and farmers through increasing resilience to climate events, improving farm conditions, and boosting profits.

Examples of Nature Benefits:

- Ecosystem services provision
- Landscape-level resilience



Examples of Regen Ag Benefits:

- Improved water quality and quantity
- Improved biodiversity
- Reduced pollution

Nature Protection and Restoration

Healthy ecosystems provide the foundational inputs of water availability, healthy soils, nutrient cycling, climate regulation, and biodiversity that all agriculture depends on.

Protecting and restoring nature in sourcing origins can help support healthy ecosystems for farmers now and in the future.

COLLABORATION CAN INCREASE THE SCALE AND IMPACT OF RRP

Engaging diverse stakeholders to deliver RRP projects can increase the sustainability and resilience of positive outcomes for business, farmers in a supply chain, and local communities, and may provide the following possible benefits:

 Faster INCREASED SCALE • Reach more people in more places • Create models adaptable for different contexts or regions REPLICABILITY & SUSTAINABILITY • Increased stakeholder network • Increased resources, capabilities, and bandwidth	 Better INCREASED INNOVATION • Introduce unique collaboration techniques and frameworks • Use shared knowledge and expertise for innovative thinking EFFECTIVENESS & EFFICIENCY • Improve capacity and capabilities across a landscape • Unlock matching or new funding streams & opportunities • Address multiple factors in tandem for coordinated impact	 Stronger SYSTEMIC CHANGE • Cultivate new leadership approaches and organizational strategies • Involve new stakeholders (e.g., Political, Financial, and/or Insurance stakeholders) CAPACITY BUILDING • Build organizational, financial, individual, and technical capacity of all stakeholders involved
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MORE ON RRP ACRES: **KEY DIFFERENCES AND HOW** **TO CLASSIFY ACRES**

A NOTE ON CLASSIFYING RRP ACRES

Acres for Regenerate, Restore, and Protect activities are counted separately and do not overlap for the purposes of our RRP goal. While some frameworks may consider regenerative agriculture a form of restoration and protection, for internal accounting purposes, PepsiCo distinguishes among the three.

For internal planning and accounting, acres are considered “Restored” or “Protected” only when they are not the same acres as the farm plots producing the PepsiCo ingredients; on those farm plots, the regenerative agriculture acre definition applies. Since restoration and protection outcomes are distinct and are achieved through different interventions and reporting requirements, acres for each are counted separately. Once an acre delivers specific impacts in line with PepsiCo’s RRP Guidelines, it qualifies for reporting towards our RRP goal.

This document provides an overview of certain key classification principles. For more detail, see [PepsiCo’s RRP Guidelines](#).

WHAT IS RRP? UNDERSTANDING THE GOAL OF 10 MILLION ACRES OF LAND REGENERATED, RESTORED OR PROTECTED

Regenerate, Restore, and Protect (RRP) is a system of principles and practices that seeks to create a resilient farming system by regenerating, restoring, and protecting farms and their surrounding natural ecosystems. These efforts often overlap and are mutually supportive, though they have some key differences. These three principles are defined as:



REGENERATE

Regenerative agriculture is a **systems-based, holistic approach** that looks beyond single crops or practices to the full landscape of agricultural production, recognizing the interconnections among soil, water, biodiversity, and people. It emphasizes collaboration across the value chain, linking farmers, suppliers, and other value chain participants.



RESTORE

Restoration refers to **implementing or supporting practices or actions** that facilitate the recovery of degraded or destroyed ecosystems to a desired ecological state, restore key ecosystem functions, enable species recovery, and rebuild and enhance ecosystem resilience.

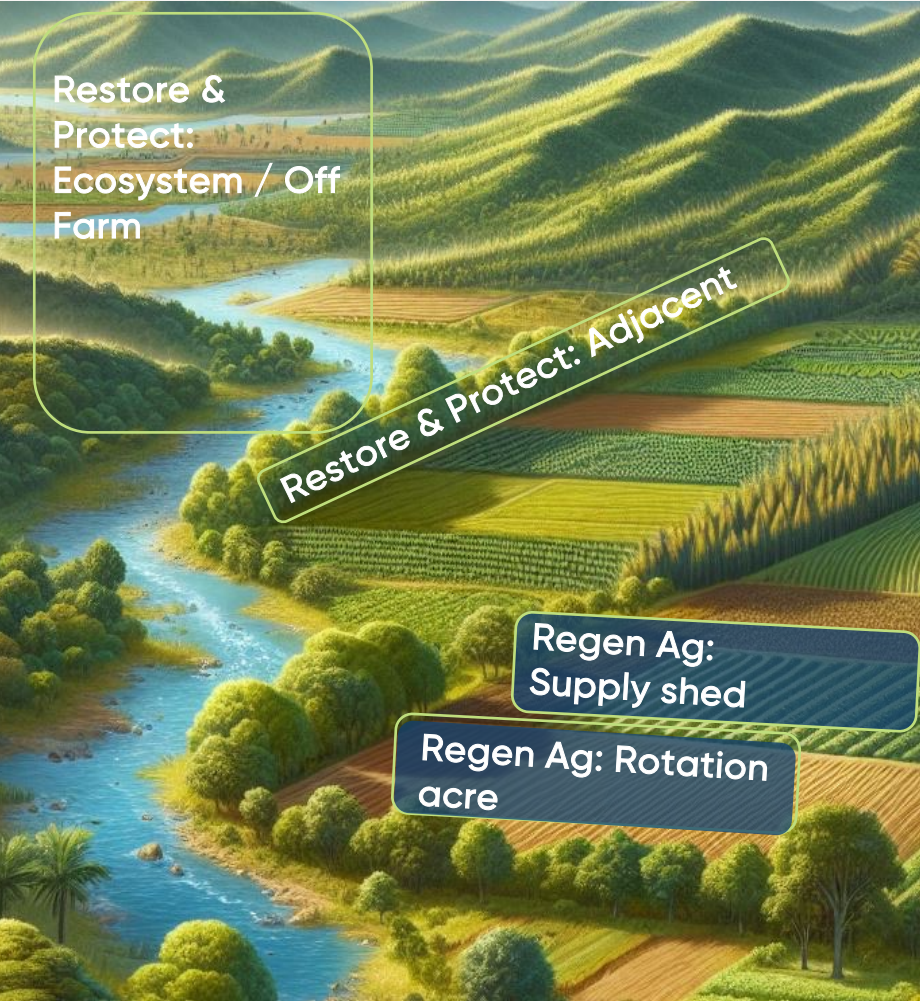


PROTECT

Protection refers to **supporting the establishment or effective management of ecologically representative, well-connected, and equitably governed systems** of protected areas and other effective area-based conservation measures (OECMs). Areas should be biologically representative, climate resilient, and provide benefits to biodiversity, water, climate, and/or people.

For additional details on Restore and Protect, check out the [RRP Guidelines](#).

PLACE-BASED DIFFERENTIATION OF REGENERATE, RESTORE, AND PROTECT



REGENERATE

What: Systems-based and holistic approach to farming that supports several beneficial outcomes for farmers, society, and companies

Where: On-farm, in fields producing PepsiCo ingredients (inclusive of supply shed and rotational acres)

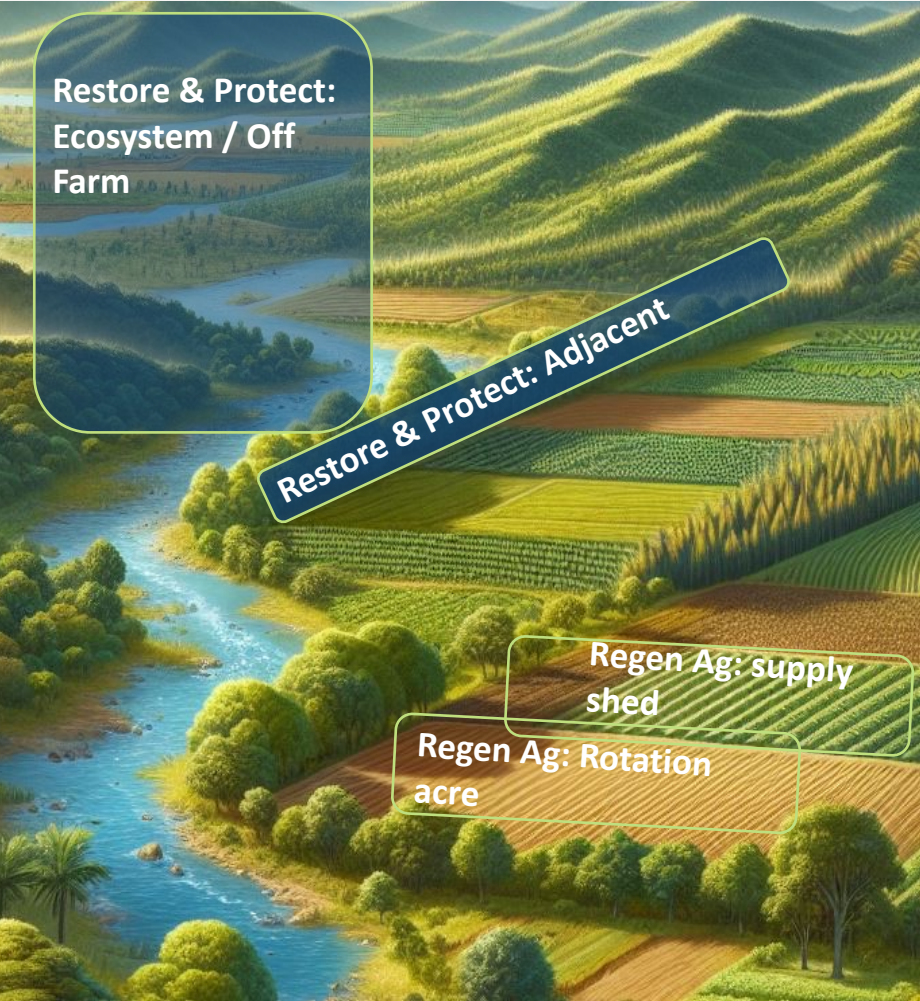
Outcome: Measured improvement in two of four environmental outcome areas (climate, soil, water, and biodiversity)

SAMPLE PRACTICES*

Cover crops (incl. nutrient-fixing cover crops)	Irrigation efficiency
4R Nutrient management	Drainage water management
Conservation tillage	Integrated pest management
Crop residue management	Organic Fertilizers Use
Silvopasture	Agroforestry

*See SAI Platform's [Regenerating Together Program Resources](#) for more information on regenerative agriculture practices and their potential effects on environmental outcomes.

PLACE-BASED DIFFERENTIATION OF REGENERATE, RESTORE, AND PROTECT



RESTORE

What: Implementing or supporting practices or actions that facilitate the recovery of degraded or destroyed ecosystems

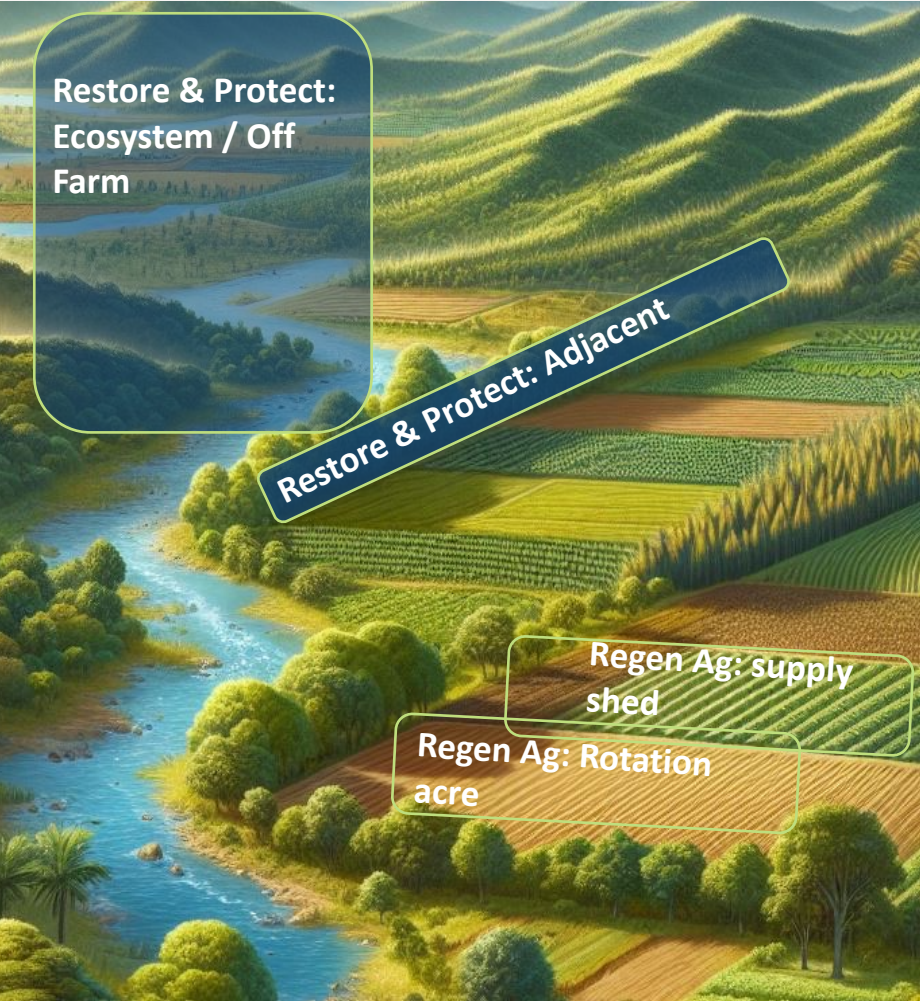
Where: On- and off-farm land adjacent to fields producing PepsiCo ingredients and connected ecosystems.

Outcome: Demonstrate improvement of converted or degraded areas towards desired ecological state.*

LOCATION	SAMPLE INTERVENTIONS
Edge of Field	Hedge rows, pollinator strips, buffer strips
Marginal land	Perennialization, afforestation, invasive species removal
Riparian / Waterways	Invasive species removal, grassed (in-field) waterways
Forests and Grasslands	Reforestation, habitat corridor connectivity
Wetlands and Watersheds	Mangrove or peatland restoration, watershed replenishment

*Desired Ecological State describes how healthy, natural land should look and act when it is functioning properly. It is a benchmark used to understand if restoration activities are having their intended effect. Desired ecological *condition* is used when defining indicators, and discussing progress, outcomes, or performance relative to the desired state.

PLACE-BASED DIFFERENTIATION OF REGENERATE, RESTORE, AND PROTECT



PROTECT

What: Supporting the effective management of ecologically representative protected areas and other effective area-based conservation measures

Where: On- and off-farm land adjacent to fields producing PepsiCo ingredients and connected ecosystems.

Outcome: Increased investment in and/or derisking of the establishment, expansion, and management of protected areas, OECMs, and strategic land-use planning to maintain ecological integrity.

LOCATION	SAMPLE INTERVENTIONS
Edge of Field	Maintaining and managing existing hedgerows as wildlife habitat
Marginal land	Help landowners enroll marginal acres in gov't conservation programs
Riparian / Waterways	Transferring streamside land to conservation
Forests and Grasslands	Supporting forest conservation projects with strong governance and financing
Wetlands and Watersheds*	Supporting the designation of wetlands as protected areas

*Wetlands and Watershed health, and other Protect interventions can be a great opportunity for collective action and landscape approaches.

MORE ON REGENERATE: FIVE DIMENSIONS OF REGEN AG

Regenerative agriculture, or regen ag, is a set of farming and grazing practices that improve the land's ecological functions by working with nature. Below are the five priority impact areas that define where and how regenerative agriculture delivers impact.

Improved outcomes in at least two of the environmental impact areas below (livelihoods is optional) must be demonstrated to count towards the goal.



Carbon emission reduction and sequestration

Mitigate climate change by sequestering carbon and reducing emissions.



Soil Health

Build the fertility of the soil to support a healthy and productive ecosystem above and below ground, including improving the soil microbiome, and increasing farm resilience.



Enhanced biodiversity

Support the protection of species and ecosystems within and around farms to build more productive and resilient agricultural landscapes.



Watershed Health

Improve watershed health by reducing nutrient runoff and other water pollution, improving water-use efficiency, and supporting water quality and improved surface water flows and groundwater recharge.



Improved livelihoods

Support the economic prosperity of farmers and farm worker security connected to vulnerable farming communities linked to our supply chains, for example through increased yields or trainings, while promoting economic empowerment and inclusion.

MORE ON RESTORE AND PROTECT: UNDERSTANDING KEY TERMS

Through Restore and Protect, we aim to improve the resilience of farming landscape ecosystems. Both approaches complement our existing regen ag work to heal and preserve the ecosystems our business relies on.

RESTORE

WHAT IS THE GOAL?

Implement or support actions that facilitate the recovery of degraded or destroyed ecosystems

WHAT DOES THIS MEAN?

Improve nature’s health over time – making it more natural, diverse, and functional – to increase the value of the ecosystem to agriculture

WHAT MIGHT THAT LOOK LIKE IN PRACTICE?

- More native plants and animals, fewer invasive species
- Better plant growth and variety
- Healthier soil and better water levels

PROTECT

WHAT IS THE GOAL?

Support the establishment or effective management of ecologically representative, well-connected, and equitably governed systems of protected areas and other effective area-based conservation measures.

WHAT DOES THIS MEAN?

Protect healthy and intact ecosystems to maintain natural processes that provide value to agriculture

WHAT MIGHT THAT LOOK LIKE IN PRACTICE?

- Officially designating land as protected (like creating a nature preserve) or establishing easements or wildlife corridors
- Helping manage existing protected areas better through funding, community support, and improved management



A NOTE ON DEFINING SUPPLY SHEDS

A supply shed is defined as the region from which a supplier regularly sources significant amounts of the raw materials that a company purchases. A supply shed is also referred to as a sourcing region.

A common way to determine a supply shed boundary is to identify the first collection point or processing facility, or a group of collection points in proximity, from which the raw materials are regularly sourced; then outline the sourcing area from this collection point / the area of overlapping collection points such that one can reasonably assume farmers within this area will supply part or all their raw materials to the collection point(s) producing the purchased ingredient.

SUMMARIZING REGENERATE RESTORE AND PROTECT: THE WHERE AND THE WHAT OF RRP ACTIONS

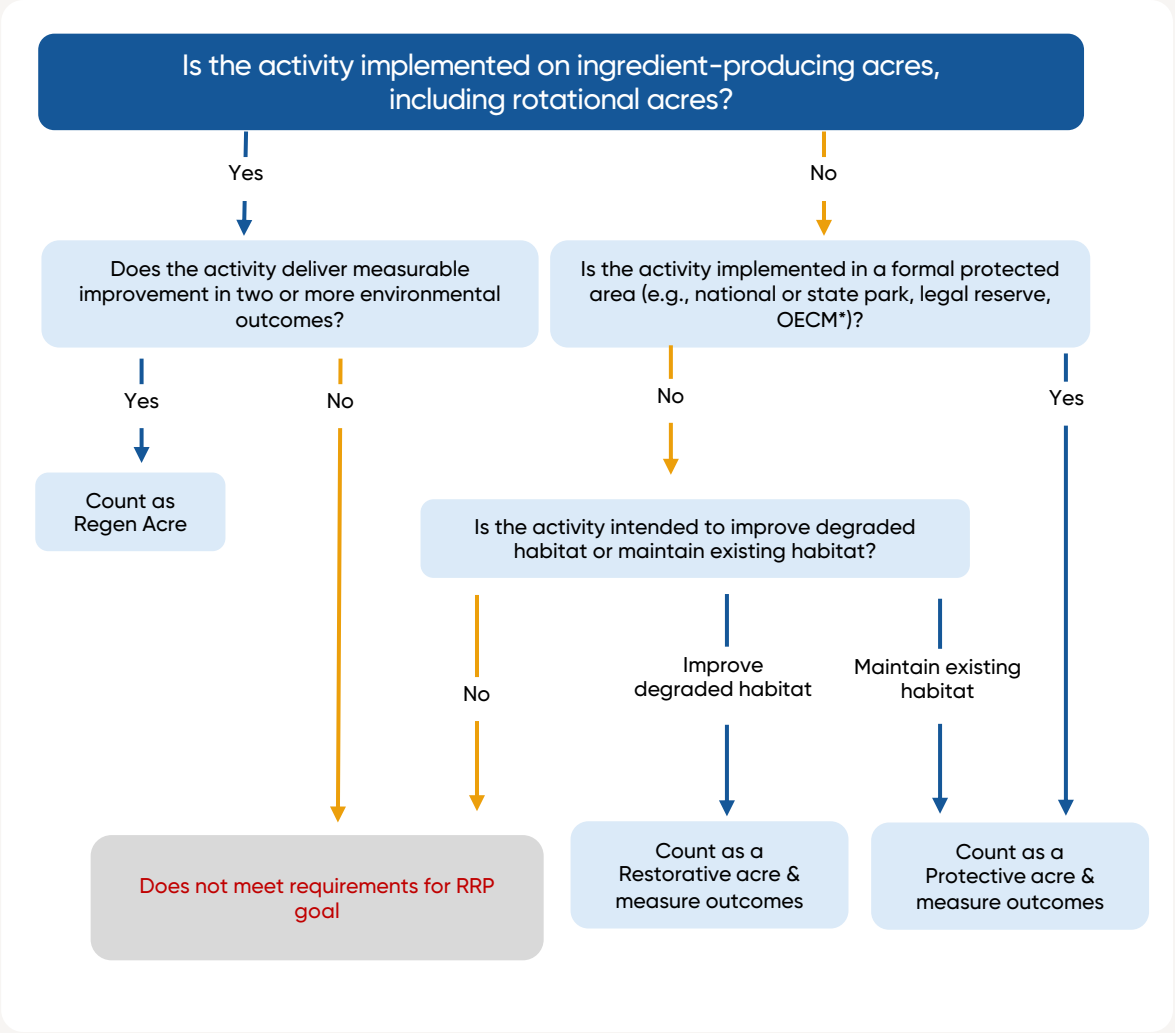
RRP projects are defined not only by the type of activity or intervention but also based on what outcomes are achieved and where the project takes place. Each acre is counted only once toward the RRP goal to prevent double-counting.

The decision framework on the right helps illustrate how to determine whether acres should be classified as regenerative, restorative, or protective based on implementation scope and environmental outcomes.

A note on rotational acres

A rotational acre is an acre in rotation with a PepsiCo crop on a farm with acres assignable to PepsiCo’s supply shed. Rotational acres under regenerative agriculture management that deliver measurable regenerative impacts can qualify for the RRP goal.

Check out the [How To Classify Acres: Counting Rotational Acres In Regenerative Agriculture Projects](#) slide for additional details.



SUMMARIZING THE DISTINCTION BETWEEN REGENERATE, RESTORE, AND PROTECT

RRP efforts often overlap and are mutually supportive, though they have some key differences as summarized below:

Goal Element	What it is	Where It Happens	Targeted outcomes	In the long run
Regenerate	Implementing best practices within field boundaries that benefit key ecosystem functions and services - nutrient and carbon balance, erosion resistance, resilient agricultural production, and biodiversity.	In-field on farms growing PEP ingredients, including supply shed, and rotational acres	Improvement in at least two areas across climate, soil, water and/or promotion of biodiversity.	Projects must demonstrate improvement of target outcomes
Restore	Implementing or supporting practices or actions that facilitate the recovery of degraded ecosystems to a desired state, restoring key ecosystem functions, enabling species recovery, and rebuilding ecosystem resilience.	Adjacent on- and off-farm land, connected ecosystems	Improvement of converted or degraded areas towards desired ecological state.	Project indicator(s) demonstrate a recovery trajectory
Protect	Supporting establishment or effective management of ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures (OECMs).	Adjacent on- and off-farm land, connected ecosystems	Increased investment in and derisking of the establishment, expansion, and management of protected areas, OECMs, and strategic land-use planning.	Project activities enable sustained ecological integrity

On Classifying Acres: See the following slides on how to classify acres for specific scenarios such as rotational acres, and in Watershed Health Projects.

ON ENGAGED VS IMPACTED ACRES ACROSS RRP

The table below offers a summary comparing how Engaged vs Impacted Acres are defined across Regenerate, Restore, and Protect. Remember that Engaged Acres are not reported externally, and projects are not required to have Engaged acres before reporting Impacted acres.

	Engaged	Impacted
Regenerate	Project activities has started, and regenerative agriculture practices have been deployed, but measurable improvements in 2 outcome areas are not yet demonstrated	Regenerate acres count as Impacted when improvements are measured in at least 2 outcome areas across climate, soil, water and/or promotion of biodiversity.
Restore	Project activities have started (e.g., restoration plan developed, site mapped, patrols established, native species planted) but not yet advanced enough for the sufficient monitoring period to confirm trajectory towards a desired ecological state.	Restore acres count as “Impacted” when they demonstrate the improvement of converted or degraded areas towards desired ecological condition, e.g. native species have been planted and survived X seasons (long enough to understand the survival rate), through the monitoring of at least one ecological KPI.
Protect	Project activities have started (e.g., land identified, management plan under development, stakeholder engagement initiated, infrastructure for conservation underway) but the following outcomes are not yet achieved: 1) Land not yet designated as protected or transferred to public ownership 2) Land has not yet been designated to formal protected area status 3) Contributions have not yet been made to improve the effective management of protected areas and Other Effective Area-based Conservation Measures (OECMs).	Protected Acres count as “Impacted” when they provide documented evidence of PepsiCo’s contributions to: 1. Purchase of land as privately protected areas or transfer to public ownership, 2. Designation of otherwise unprotected public or private land into a formal protected area status, OR 3. Initiatives to improve the effective management of protected areas and OECMs. Protected areas and OECMS will be measured by size of designated area where the primary objective is for biodiversity protection; ecological condition of the protected site relative to the intended condition; and site durability, including strong financing, governance, community support and capacity, and management capacity.

HOW TO CLASSIFY ACRES: COUNTING ROTATIONAL ACRES IN REGENERATIVE AGRICULTURE PROJECTS

A **rotational acre** is an acre in rotation with a PepsiCo-sourced ingredient on a farm with acres assignable to PepsiCo's supply shed. Counting rotational acres recognizes the regenerative impact of the **full rotation**; capturing PepsiCo's investment in practice change across the whole cycle, not just the years a PepsiCo crop is in the ground.

- Rotational acres can count toward the RRP goal if they:
- 1. Are part of a rotation with a PepsiCo-sourced ingredient, in a supply shed where PepsiCo sources that ingredient.
 - 2. Meet all criteria for regenerative agriculture acres (impact in at least two outcome areas, address local risks).
 - 3. Have impacts **attributable to PepsiCo's intervention**, directly or through a collective initiative, in which case only PepsiCo's proportional share is reported.
 - 4. Are reviewed and approved by the **GSO Ag team**.

For EOY reporting, the PepsiCo-crop acre and the rotational acre are reported in different cells.

Rotational Acres Example

A 600-acre farm runs a 3-year **potato-corn-wheat** rotation. In this example, PepsiCo sources **only potato**. In any given year, 200 acres are in soy, and 400 are in rotational corn or wheat. Across the full cycle, all 600 acres deliver regenerative impact tied to PepsiCo's investment. All 600 are countable each year (200 potato + 400 rotational).

Year	Field 1 (200 ac)	Field 2 (200 ac)	Field 3 (200 ac)	Countable
Year 1	Potato	Wheat	Corn	200 potato + 400 rot.
Year 2	Corn	Potato	Wheat	200 potato + 400 rot.
Year 3	Wheat	Corn	Potato	200 potato + 400 rot.

HOW TO CLASSIFY ACRES: WATERSHED HEALTH PROJECTS

Watershed Health Projects are a specific subset of Restore and Protect projects. Interventions can and should target growers outside of PepsiCo's supplier network but within the same watershed and supply shed, complementing the on-farm activities of farmers growing PepsiCo ingredients.

On Qualification

All Watershed Health Project acres that are not growing PepsiCo ingredients qualify through Restore and Protect pathways, regardless of whether the activity (e.g., efficient irrigation) would otherwise look like a regenerative agriculture practice.

This allows the project to operate under a single monitoring plan aligned with the watershed-level outcome.

Example Scenario

Within the same supply shed, PepsiCo supports:

Activity	Acres	Counts toward	Monitored against
Regen ag practices in fields growing PepsiCo ingredients, with measured improvement in ≥2 impact areas	20,000	Regen Ag	Regen Ag outcomes (soil, water, biodiversity, climate, livelihoods)
Efficient irrigation practices on farms not growing PepsiCo ingredients	10,000	Restore	Watershed-level outcome metric
Off-farm wetland protection improving watershed water quality and quantity	5,000	Protect	Watershed-level outcome metric

Total: 35,000 acres

RRP PROJECT PROCESS: HOW TO DESIGN AND IMPLEMENT AN RRP PROJECT

OVERVIEW OF THE PROJECT PROCESS

PepsiCo strives to make each project fit-for-purpose, grounded in local realities, informed by data, and designed to contribute meaningfully to our Regenerate, Restore, and Protect ambition. Our recommended project design and implementation approach follows the basic steps below:



KEY STEPS IN THE RRP PROCESS:

- 1. Understanding the context:** Using the context analysis process, explore the specific environmental, social, and economic conditions of the production area to identify potential risks, opportunities, and priorities.
- 2. Design your project:** In collaboration with relevant stakeholders and local experts, choose appropriate regenerative, restorative, or protective outcomes and associated practices, activities, funding model, and monitoring plan based on the context, desired outcomes, available resources, and stakeholder readiness.
- 3. Activate your plan:** Collaborate with farmers and local organizations to apply the selected practices and provide technical and financial support to support the transition.
- 4. Monitor Progress:** Following the monitoring plan, track progress toward desired outcomes, evaluate effectiveness, and gather data to inform adaptive management.
- 5. Validate Outcomes:** Ensure the validity of project outcomes in accordance with the project-specific monitoring plan and corresponding credible measurement approach.
- 6. Report Progress:** As part of PepsiCo’s annual reporting requirements, submit information on project scope and outcomes measured.
- 7. Learn and Adapt:** Maintain a focus on learning, iteration, and continuous improvement, aiming to strengthen practice implementation and outcomes over time.

If you are working with PepsiCo on developing an RRP project, please reach out to your contact at GSO Ag for additional guidance, tools, and templates.

STEP 1: UNDERSTAND THE CONTEXT



PepsiCo projects must include a **context analysis** to clearly understand the on-the-ground risks and opportunities. This is critical for examining key challenges and opportunities across short-term business priorities, medium- and long-term business resilience, social and environmental risks, and reputation.

This should be done in conjunction with engagement with local stakeholders (including indigenous communities where applicable), global, local, and regional risk tools, internal leaders from multiple functions, external stakeholders, and subject matter experts.

STEP 1: UNDERSTAND THE CONTEXT

Positive Agriculture aims to drive business transformation for the long-term resilience of PepsiCo and the communities and ecosystems we rely on.

Designing projects with risks and opportunities in mind can shift a project from addressing symptoms to addressing root causes, delivering resilient outcomes. As such, RRP projects should understand challenges and opportunities across multiple time frames, which is to be completed through the Context Analysis.

What does the Context Analysis aim to do?



Help you understand types and severity of potential supply chain and business risks, as well as available resources and opportunities to create value



Develop common understanding of challenges and potential solutions (project activities, practices, etc.)



Complement desk and quantitative information with local on-the-ground information and stakeholder engagement



There are numerous publicly available tools, such as the [Climate Resilience Platform](#), and [WRI Aqueduct](#), that can be leveraged for place-based assessments of key environmental risks.

STEP 1: IN ADDITION TO REGENERATE, THE PROJECT PROCESS AIMS TO IDENTIFY OPPORTUNITIES FOR RESTORE AND PROTECT

Our strategy is to focus on Restore and Protect action in concentrated areas where it addresses current or potential physical risks to PepsiCo supply chains, seeking a focus on areas that:

1 enhance our supply chain resiliency and impact beyond what is achieved by focusing on regenerative agriculture alone,

Examples: incorporating edge-of-field action where erosion is a key risk, incorporating pollinator strips where loss of pollinators is a risk, or incorporating hedge rows as habitat for beneficial species for pest management.

2 and/or are of strategic importance for the long-term resiliency of our supply chains and focused action by PepsiCo, in collaboration with others in the landscape is reasonably likely to lead to more resilient natural ecosystems, communities, and food production in the long term.

Examples: supporting forest conservation and restoration in landscapes where deforestation risk poses a risk to agriculture (e.g., reduced rainfall, increased flooding) or our license to operate; or supporting watershed health initiatives in areas where water stress can reduce productivity, drive farmers out of production, or increase reliance on imports.

A combination of the following factors will lead to prioritization of these areas:

- Risk of impacts to natural ecosystems from agriculture production
- Risks that nature loss poses to PepsiCo agricultural supply chains
- Volume exposure and long-term presence of origin in PepsiCo supply chains
- PepsiCo's ability to have positive influence on the ecosystem and farming landscape

STEP 2:

DESIGN YOUR PROJECT

Ideal project design seeks to ensure that efforts are strategic, collaborative, and measurable, and ultimately driving impact that is targeted, accountable, and scalable.

The following boxes show important recommended components of effective project design, which do not have to be completed sequentially. In practice, you may likely develop multiple components concurrently, ideally in collaboration with relevant stakeholders. Some activities may happen before the Context Analysis is finalized.

SMART Outcome Selection

- Start by articulating your project's target outcomes, which should be based on the outcomes of the context analysis

Stakeholder Engagement

- Understand relevant stakeholder perspectives and motivations for potentially partnering with you on your project

Theory of Change

- Begin to articulate how you will reach the selected outcomes with local stakeholders and how those will evolve over time towards sustained impact

Support Activities

- Identify what activities you need to do to support farmers' and local communities' actions

Capabilities and Needs

- Compile what capabilities and resources you have available and your additional needs to effectively implement your Theory of Change and support activities

Collaboration and Funding Model

- Determine who and how to work together and identify funding sources to ensure the project's budget is secured

Measurement Plan

- Articulate your approach to measurement, based on impact areas, customer reporting needs, and tool/model availability

STEP 2:

BEST PRACTICE FOR DESIGNING A PROJECT FOR ADDITIONALITY

The concepts highlighted below cover best practices for RRP projects to serve as meaningful investments that generate lasting impact over time.

ADDITIONALITY RECOMMENDATIONS

Best practice is that regenerative agriculture, nature restoration, and protection projects represent new action, so adopting RRP practices **represents a shift from 'business-as-usual'** by going beyond standard practice and working to address the practical barriers (whether cost, technical know-how, or access to resources) that would otherwise prevent change.

When designing a project, ask: Does PepsiCo's involvement lead to increased scale, quality, and/or depth of impact? If not, how can this project go beyond business as usual?

PERMANENCE RECOMMENDATIONS

The following practices can enable RRP projects to support enduring change:

- **Accumulation and Time Validity:** Acres are counted annually, which means progress should be actively sustained. Best practice is to keep acres enrolled in a program year after year.
- **Permanence:** Projects should work to protect the land's health, create sustained improvements, and consider contingency plans for the unexpected to ensure the overall ecosystem benefit isn't lost.

STEP 2:

ON BASELINE SETTING FOR YOUR PROJECT MEASUREMENT PLAN

The guidance below provides an overview of recommendations for how to establish your baseline for each of the RRP pillars to measure progress towards your outcomes, as established with your measurement plan.

REGENERATE

- Baseline data may be generated through three approaches
- (1) project-based modelling
- (2) historical data
- (3) industry-specific figures where project-based modelling is not representative or feasible (as approved by GSO Ag and Control on a case-by-case basis).

More information on Regenerate baselines on the next slide.

RESTORE

- The restoration baseline reflects the current condition of relevant indicators (e.g., ecosystem function, species composition, and structure) relative to the desired ecological state (DES).
 - Indicators may be derived from existing datasets, models, or tools, and supplemented with direct field measurements where necessary.
 - The methods, data sources, and assumptions used to establish the baseline must be clearly documented
- The DES describes how healthy, natural land in the project's location should look and act when it is functioning properly, and the KPI(s) seek to measure the most relevant element(s) of ecosystem function for local agriculture

PROTECT

- Provide an overview of the land's current management or lack thereof
- Evidence that land protected is intact with ecological integrity

STEP 2:

ON BASELINE SETTING FOR REGENERATIVE AGRICULTURE

A single baseline must be established for each grower group using a clearly defined and documented methodology, and sampling must follow the guidance on the following slide. Project-based modeling and historical data are the preferred approaches as they rely on project-specific primary data. Industry specific figures, developed by a credible and regionally relevant source, may be used on a case-by-case basis, as approved by GSO Ag and Control. More details on the two preferred approaches are provided below:

PROJECT BASED

If the baseline will be calculated through project-based modelling, data must be collected on control fields representative of "conventional" practices among farmers in the growing region. Baseline data is collected over a three-year period; once three years of data are available, the baseline is set as the average of those years. Initial data collected in the first year may be used as an interim baseline for early reporting.

HISTORICAL DATA

May be used where three years of representative and reliable data are available for the same crop and region, and if seen as more accurate than project-based modeling. This may include measured or modelled data reflecting conventional practices. If the outcomes show continuous improvement, even if the initial practices began before PepsiCo's baseline year, those acres can count towards our goal. For example, a farmer could have implemented soil health practices in 2010 and still be getting additional improvements in soil health in 2023. If modelled or measured impact shows continuous improvement, those acres count as Regenerative.

After the baseline is established, best practice is for updates to occur no more frequently than every three years and only where the baseline is no longer representative due to changes in project size, composition, or methodology. Any updates or deviations from the original baseline methodology should be documented and shared with GSO Ag.

At the beginning of project development, projects may choose to report three-year rolling averages. The rationale is to minimize year-over-year fluctuations stemming from external influences, such as weather events, pest & disease pressure, etc., and to provide a more accurate picture of actual project performance.

STEP 2:

ON SAMPLING FOR BASELINES AND OUTCOME MEASUREMENT IN REGEN AG

Use the best-fit sampling approach for your given project context to ensure that the sampling is statistically significant. Best practice is to record the approach used for baseline quantification, sampling strategies, models, calculations, estimates or adjustments.

For large collections of farms, where individual sampling may not be possible for every farm, data from a representative sampling of farms may be collected.

ADDITIONAL SAMPLING RECOMMENDATIONS:

- A. The farm population to be sampled is as homogeneous as possible, accounting for elements such as similar farm size, soil type, geographic location, and baseline practices.
- B. The following are common sampling approaches:
 - a) Sample a minimum of the square root of the total number of participating farmers, or
 - b) Follow the sample size guidance established by the Sustainable Agriculture Initiative Platform (shown in the table to the right), or
 - c) An alternate method, or a mix of approaches, as approved by GSO Ag.
- C. In the first year of measurement, farmers selected for sampling should be selected at random.
- D. Preference for the same or similar farms to provide data annually (best efforts, as some attrition is expected) to enable year-on-year comparison.

Number of farms	Measurement sample size
0-10	6
11-20	10
21-30	13
31-50	18
51-100	24
101-200	30
201-500	36
501-5000	40

STEP 3:

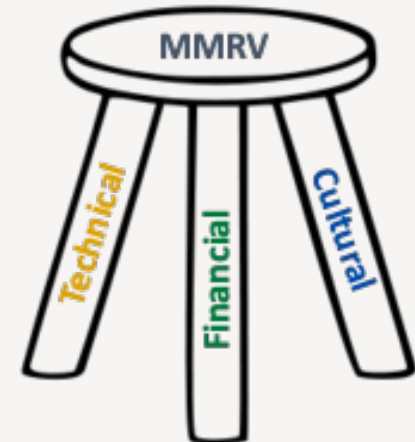
ACTIVATE YOUR PLAN

PepsiCo aims to drive regenerative, restorative, and protective outcomes by collaborating with farmers, communities, and organizations that align with our aspiration to create resilient agricultural landscapes. Farmers and local communities operate within unique ecological, economic, and social contexts, meaning agricultural processes that work in one place won't necessarily work everywhere. PepsiCo recognizes that successful adoption depends on designing and implementing practices that are tailored to local realities.

PepsiCo engages in regenerative, restorative, and protective projects through a "three-legged stool" model for successful, trust-based activation. More on this is available in the Guidelines.

BEST PRACTICE RECOMMENDATIONS:

- Interventions that center on farmer- and community-well-being can build trust, support adoption, and help ensure that projects drive meaningful, lasting outcomes. Practice adoption and implementation should be approached as collaborative, adaptive processes, shaped by continuous learning, and grounded in the conditions of each farming system.
- Our experience working across sourcing regions shows that adoption accelerates when programs are locally co-designed, simple to join and report on, and supported by trusted technical partners. Projects ideally emphasize collaboration across the value chain (linking farmers, communities, suppliers, and other stakeholders) to co-create solutions that deliver shared value and long-term resilience.
- Be receptive to feedback and learning during the pilot process and keep track of potential future improvements. Use adaptive management to revise the program approach where appropriate.
- Be especially aware of any barriers that farmers are facing to the adoption of RRP practices and try to address those barriers as projects evolve.



STEP 4:

MONITOR PROGRESS

PepsiCo’s MMRV framework combines flexibility with rigor, allowing for context-specific approaches while maintaining clear standards for accuracy and comparability. Impacts are measured using qualified tools or methods through self- or second-party assessments, with each acre represented either by direct reporting or through sampling. Standardized sampling methodologies and well-defined baselines help ensure consistency across projects, while guidance on measurement tools and modeling can support reliable, efficient data collection. For further guidance on baselines, please contact PepsiCo’s Global Sustainable Agriculture team.

At a high level, MMRV includes:

- Selecting the desired outcomes and determining what metrics and indicators will be used to measure progress against those outcomes
- Identifying the right tool(s) needed to measure progress
- Working with farmers, communities, suppliers, implementers, and/or other relevant stakeholders to collect and validate data
- Reporting on progress through PepsiCo’s end-of-year reporting form
- Sharing learnings and updates with farmers and other key stakeholders
- Iterating on program design by integrating lessons learned into the project

Outcome Area	Example Outcome	Example Indicator	Example Metric
SOIL	Increased soil health	Soil Organic Matter (SOM)	% increase SOM
WATER	Reduce water usage	Volume of water used or reduced	L / acre
BIODIVERSITY	Increased cultivated biodiversity	Crop diversity	Crop diversity per km2
GREENHOUSE GAS	Reduce greenhouse gas (GHG) emissions	Tonnes of greenhouse gas emissions reduced	CO2/MT or MT CO2/acre reduced
	Increase GHG sequestration	Tonnes of greenhouse gas emissions sequestered	CO2/MT or MT CO2/acre sequestered
LIVELIHOODS	Improve farmer economic prosperity	Profitability	% change in net income
NATURE RESTORATION	Improvement of converted or degraded areas	Presence and richness of native species in a degraded area	% increase in native species in a given areas
NATURE PROTECTION	Establishment or expansion of protected areas	Increased investment in the establishment or expansion of protected areas	Amount of financial contribution towards local protected areas and OECMs

The table above provides example indicators and metrics that could be used to understand the impacts of RRP projects. Outcome indicators should be selected to be fit for purpose for each project’s unique context.

STEP 4:

MONITOR PROGRESS

While all RRP projects require a context analysis and monitoring plan, Restore and Protect projects have different qualification standards and associated monitoring requirements than regenerative agriculture.

Criteria	Restoration	Protection
In-Scope Land Type	Degraded, unproductive land	Ecologically representative protected areas and land under other effective area-based conservation measures
Landscape Ambition	Directional improvement in one or more ecological condition indicators from a baseline towards a set of biological and physical conditions that define the desired ecological state (i.e., fully recovered ecosystem function) relative to a local reference or benchmark ecosystem.	Sustained ecological integrity, which means the area can maintain native biodiversity and essential processes (such as nutrient cycling and energy flow) under normal environmental stress.
Measurement	Must measure at least one ecological condition KPI for qualification. Example indicators used to assess recovery include species composition (both increases in beneficial native species and reductions in invasive species), structural diversity (the variety of plants and animals that fill different functions), vegetation cover/growth rate, water table depth (such as through peatland rewetting), and soil organic matter. Restoration acres need not demonstrate that the ecosystem has fully reached the desired ecological state during the project period; rather, they must demonstrate a credible trajectory toward that state.	Provide evidence of contributions, such as proof of a long-term conservation/land protection agreement, to sustained integrity through at least one of the following: 1. Purchase of land as privately protected areas or transfer to public ownership, 2. Designation of otherwise unprotected public or private land into a formal protected area status (e.g., conservation easements or wildlife corridors), OR 3. Contributions to initiatives to improve the effective management of protected areas and OECMs, including strong financing, governance, community support, and management capacity. Other ways of demonstrating impact will be considered on a case-by-case basis, with approval from the Global Sustainability Office required.
Qualifying Acres for Accounting and Reporting	The implementation area where the project’s restoration and/or protection intervention(s) take place. For protection, this equals the size of the protected area, whereas restoration is the land on which restoration activities have taken place. In specific cases related to watershed health projects, please check with your RRP team to check project eligibility. In a co-funded project, report both the project’s collective acres and the proportional share of acres attributable to PepsiCo.	
Additional Reporting Requirements	Project Information: Timeline, target R&P acres, supply chain and business relevance, nature-related risks addressed, cost per acre Outcome Reporting: Undertaken intervention, ecological condition KPI(s), measurement tool/methodology, acres engaged and/or impacted	

Note: Impactful nature restoration and protection projects depend on understanding the specific conditions and dynamics of a landscape, informed by local subject matter experts.

STEP 5:

VALIDATE OUTCOMES

PepsiCo considers a spectrum of validation, ranging from self-assessment to second-party field validation (by someone who is not the farmer/implementer but may be involved in the project) to third-party validation. A given project's validation approach should be articulated in its monitoring plan and approved by PepsiCo's Global Sustainable Agriculture team to qualify for reporting.

Restore and Protect projects will be reviewed by PepsiCo's Global Sustainable Agriculture team to validate that they:

- Are reporting in accordance with the project-specific monitoring plan; and
- Have followed a robust and appropriate claims framework that corresponds with the claim PepsiCo can make

Achieving RRP acres does not require third-party certification, nor do they need to undergo a verification audit.* Rather, the goal is designed to be a continuous improvement process that each farmer, implementer, or program enters into in the way that best fits their farming and ecosystem circumstances. The validation approach a program chooses to follow must be documented in the project monitoring plan, as reviewed by PepsiCo's Global Sustainable Agriculture team, and be made available to PepsiCo's Global Sustainable Agriculture team upon request

*Regenerate, Restore, and Protect acres that are part of formalized landscape-scale initiatives or other collaborative programs must be reported in accordance with the collective monitoring and claims framework, which may involve third-party verification if required by the initiative.

STEP 6:

REPORT PROGRESS

PepsiCo requires that impacts related to the Regenerate, Restore, and Protect goal be reported annually through the End-of-Year reporting form and process. Reporting should capture both the scope of each project and information on impacts measured.

The table below lists example information collected during the reporting process to give a sense of the expected data points.

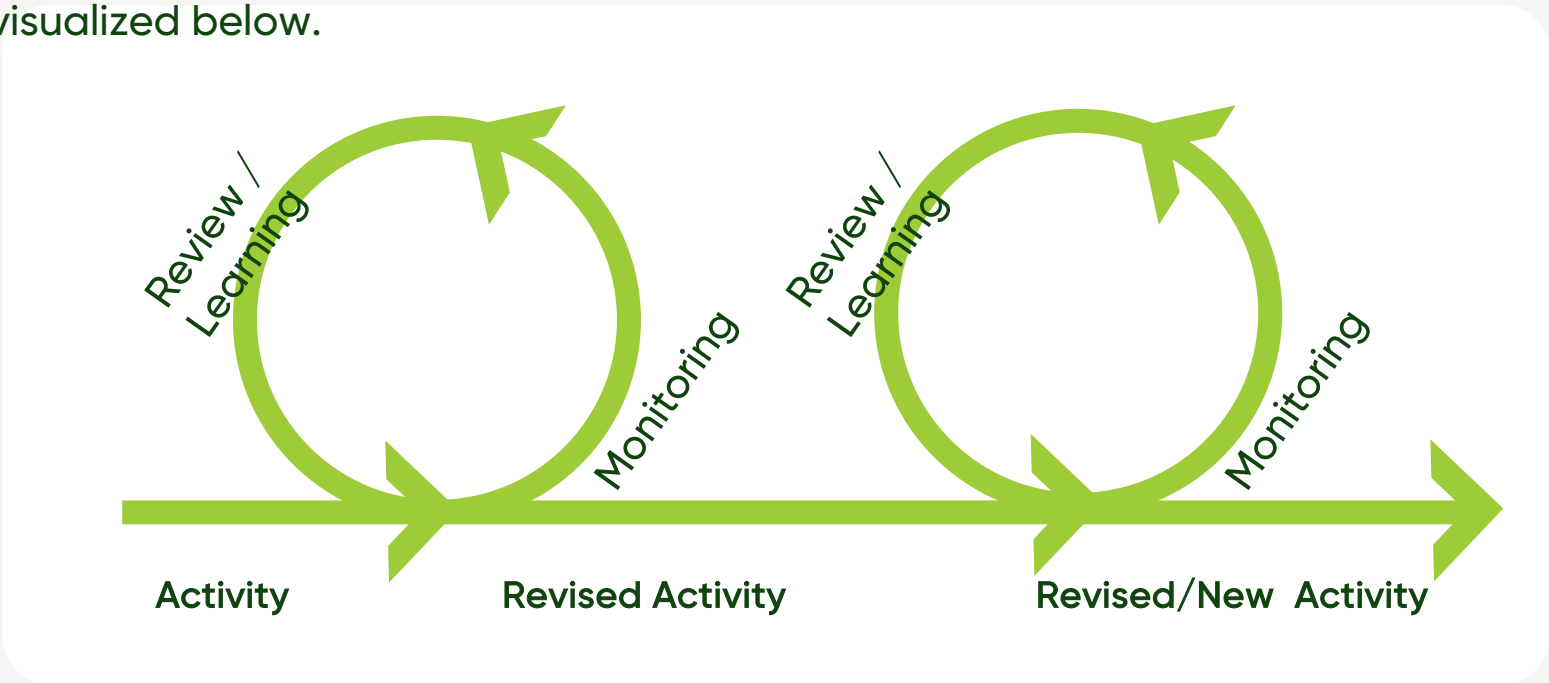
	Regenerative Agriculture: Example of Information Collected for EOY Reporting	Restore and Protect: Example of Information Collected for EOY Reporting
Project Scope	- Project timeline - Total farmers implementing practices - Practice(s) introduced - Total acres farmed by participating farmers - Location relative to supply chain	- Project timeline - Target acres - Business relevance - Financial overview
Impacts	- Outcomes measured in a minimum of two of soil health, watershed health, biodiversity, and climate - Measurement System - Unit - Baseline - Intervention (measured outcome) - Additional KPIs if used - Total Engaged Acres - Total Impacted Acres with at least one practice and measured improvements in two outcome areas	- Restoration and Protection - Intervention Practices - Outcomes measured - Tool or methodology used - Total acres impacted and/or engaged - Collective acres (if project has multiple partners with acre attribution claims)

STEP 7:

LEARN & ADAPT

Regenerate, Restore, and Protect is a pathway, not an endpoint. As such, the objective of our goal, and the core of PepsiCo Positive Agriculture activation, is one of continuous improvement. **PepsiCo strives to work with farmers and local organizations to continually increase the magnitude of positive impacts and the resilience of communities, farmers, ecosystems, and agricultural lands over time.** The agricultural and community leaders at the forefront of this change play an essential role in supporting other farmers during their transition and providing evidence of the best practices for various regions and farming systems.

Best practice is for project teams to hold a “pause, reflect, and adapt” session to revisit the assumptions in the theory of change at regular intervals (e.g., annually or at least every three years, depending on the project context), confirm their continued relevance, and assess whether project activities need to be adjusted based on the learning to date. This suggested process is visualized below.



STEP 7:

LEARN & ADAPT

It is a best practice to use adaptive management and the learning loop described on the previous slide to refine your project as it is activated and to address barriers that arise during implementation. Below are several example scenarios that illustrate where adaptive management can help a team adjust course, improve effectiveness, or respond to new opportunities:

REGENERATE

Results and challenges:

1. Adoption of cover crops is lower than expected after the first season.
2. Some farmers report increased labor requirements and uncertainty around short-term yields.
3. Early monitoring shows limited biodiversity response in certain fields.

Potential adjustments:

1. Adjust technical assistance and training based on farmer feedback.
2. Refine practice recommendations or sequencing to reduce labor burden.
3. Extend the monitoring timeframe or add intermediate indicators to detect early progress.

RESTORE

Results and challenges:

1. Native vegetation establishment is slower than anticipated due to drought conditions.
2. Survival rates vary significantly across restoration sites.
3. Initial assumptions about natural regeneration prove overly optimistic.

Potential adjustments:

1. Revise restoration methods (e.g., species selection, planting density, timing).
2. Adjust timelines and expectations in the Theory of Change.
3. Incorporate additional site preparation, irrigation, or protection measures as needed.

PROTECT

Results and challenges:

1. Protected areas are designated, but enforcement capacity is limited.
2. Threats such as illegal extraction or encroachment persist.
3. Data availability on management effectiveness is uneven.

Potential adjustments:

1. Reallocate resources toward governance, enforcement, or community engagement.
2. Modify KPIs to include management effectiveness or threat reduction indicators.
3. Strengthen partnerships with local authorities or community organizations to improve outcomes.

JOIN US ON THIS JOURNEY

Your collaboration matters.

Every organization brings unique strengths, challenges, and opportunities to this work. We recognize that each team may be at a different stage in their journey, and this playbook aims to meet you where you are.

Whether you're beginning to explore regenerate, restore, and protect practices or already implementing advanced programs, we aim to provide the support, resources, and collaboration needed to succeed together.

Have questions or comments?
Reach out to GSO Ag for more information!