

## Partnerships and Engagement

June 2023

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

### CLIMATE RESILIENCE

As we work to reach our pep+ Positive Agriculture and Positive Value Chain goals, we are working with a variety of partners to build climate resilience in our supply chain, starting at the farm.

- **United States Agency for International Development (USAID), Inter-American Development Bank (IDB), and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ):** A collaboration between international development donor organizations to enhance the resilience of our farmers through more inclusive, gender-responsive, and climate-smart solutions.
- **AgMission Climate:** A team working to collaborate to build and deploy a data-powered, climate action framework that bolsters productivity and resilience while enabling rapid-response adoption of farmer-driven smart farming and ranching solutions.
- **International Center for Tropical Agriculture:** A technological partnership 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 partnership 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 more than three million 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 partnership with PFI 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, establish sustainable sourcing and achieve GHG emissions reductions across multiple commodities.
- **Archer Daniels Midland (ADM):** A multi-year shared value partnership with ADM to reduce carbon intensity by expanding regenerative practices on up to two million acres across our shared supply chains. The project will 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.

### 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, enabling farmers to improve crop yields and reduce pesticide use.
- **N-Drip:** A partnership to help farmers in our supply chain adopt their game-changing high efficiency irrigation technology across 25,000 acres by 2025. N-Drip's gravity-powered technology combines the water-saving benefits of high-pressure drip irrigation with lower energy, operating and maintenance demands.

- **Foundation for Food & Agriculture Research (FFAR):** A public-private partnership to support bold science and fill critical research gaps and solve large-scale agricultural challenges.

## COMMODITY-SPECIFIC

We have developed joint action plans with non-governmental organizations (NGOs) and community organizations to improve sustainable agriculture and sustainable sourcing.

- **Bonsucro:** A project to engage with smallholders, recognizing their importance and the need for capacity building in small producers. In 2021, PepsiCo partnered with a supplier in Mexico to pilot the Bonsucro Smallholder Standard, which resulted in 25 smallholder cane sugar producers becoming certified – among the first in the country.
- **Agriba Sustentable Program:** A project with the International Maize and Wheat Improvement Center (CIMMYT) and Trimex that will greatly contribute to scaling out sustainable farming practices across Mexico's second-largest wheat producing region.
- **LEAF (Linking Environment And Farming):** A project in the UK to support all Quaker oat growers in reaching the LEAF sustainability standard.
- **Holistic Palm Program and Agrovita:** Two programs in partnership with Femexpalma and ProForest that aim to enhance the long-term sustainability of the Mexican palm industry as well as strengthen the livelihoods and resilience of smallholder farmers who comprise the majority of suppliers.
- **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 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. The project is helping spread regenerative practices over 600,000 acres by 2030.

## PRE-COMPETITIVE COLLABORATION

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

- **Consumer Goods Forum (CGF):** A collaboration through CGF's Forest Positive Coalition of Action, 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:** A partnership to bring together a diverse group of grower organizations, agribusinesses, food, beverage, apparel, restaurant and retail companies, conservation groups, universities, and public sector partners 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 to collectively support longterm, sustainable conservation, and restoration of forests. It aims to provide US\$1 billion to protect or restore 500,000 hectares of forest, supporting 32,000 individuals in forest communities in Southeast Asia over 25 years, starting in Indonesia.

- **Midwest Row Crop Collaborative (MRCC):** A partnership to drive positive environmental change in the upper Mississippi River Basin, the Midwest Row Crop Collaborative develops solutions for removing barriers to widespread adoption of regenerative agricultural practices, with members spanning the full food and agriculture value chain.
- **Sustainable Agriculture Initiative (SAI):** An initiative to bring together 160+ companies to accelerate the widespread adoption of sustainable agriculture practices and the transformation to sustainable food systems.
- **The Sustainable Market Initiative Agribusiness Task Force:** A partnership that aims to enable regenerative farming practices to be widely adopted at scale by understanding what each actor in the value chain can do differently to make regenerative farming a 'no-brainer' business decision for farmers.
- **One Planet Business for Biodiversity:** An international working group to protect and restore cultivated and natural biodiversity within the agricultural value chains, engage institutional and financial decision-makers and promote policy recommendations that advance nature-positive biodiversity.