

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$86 billion in net revenue in 2022, driven by a complementary beverage and convenient foods portfolio that includes Lay’s, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker and SodaStream. Through our operations, authorized bottlers, contract manufacturers and other third parties, we make, market, distribute and sell a wide variety of beverages and convenient foods, serving customers and consumers in more than 200 countries and territories.

Guiding PepsiCo is our vision to Be the Global Leader in Beverages and Convenient Foods by Winning with PepsiCo Positive (pep+). pep+ is our strategic end-to-end transformation that puts sustainability and human capital at the center of how we will create value and growth by operating within planetary boundaries and inspiring positive change for planet and people.

This CDP Forests Questionnaire 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 (Reform Act). Statements that constitute forward-looking statements within the meaning of the Reform Act are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “expressed confidence,” “forecast,” “future,” “goal,” “guidance,” “intend,” “may,” “objective,” “outlook,” “plan,” “position,” “potential,” “project,” “seek,” “should,” “strategy,” “target,” “will” or similar statements or variations of such words and other similar expressions. All statements addressing our future operating performance, and statements addressing events and developments that we expect or anticipate will occur in the future, are forward-looking statements within the meaning of the Reform Act. These forward-looking statements are based on currently available information, operating plans and projections about future events and trends. 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. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. The discussion of risks in this report is by no means all-inclusive but is designed to highlight what we believe are important factors to consider when evaluating our future performance.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
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Reporting year	January 1, 2022	December 31, 2022
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F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Cattle products

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Cattle products are only used in a few PepsiCo products in a small number of countries. Our current focus is on timber and palm oil, as we source substantially more of these commodities.

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Soybean oil is procured from Brazil, Argentina, Chile, the U.S., and Canada. PepsiCo procured approximately 56,000 metric tons of soybean oil in 2022.

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Other - Cocoa

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

Cocoa is primarily procured for use in our North America and Latin America food businesses. As CDP guidance evolves with regard to disclosure on cocoa and our current consumption is relatively small, PepsiCo has currently prioritized disclosure on the other two required commodities, timber and palm oil, for which we have implemented strong programs due to the substantive nature of consumption.

Other - Coffee

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Explanation if not disclosing

As CDP guidance evolves with regard to disclosure on coffee, PepsiCo has currently prioritized disclosure on the other two required commodities, timber and palm oil, for which we have implemented strong programs due to the substantive nature of consumption.

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Argentina
Australia
Belgium
Bosnia & Herzegovina
Brazil
Canada
Chile
China
Colombia
Costa Rica
Cyprus
Czechia
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
France
Georgia
Germany
Greece
Guatemala
Honduras
India
Ireland
Israel
Italy
Kyrgyzstan
Mexico
Netherlands
New Zealand
Pakistan
Panama
Paraguay
Peru
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
Serbia
Singapore
South Africa

- Spain
- Taiwan, China
- Thailand
- Turkey
- Ukraine
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Uruguay
- Viet Nam

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker Symbol	PEP

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

- Paper
- Primary packaging
- Secondary packaging
- Tertiary packaging

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina

Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Czechia
Dominican Republic
Ecuador
Egypt
Finland
France
Germany
Guatemala
Hungary
India
Ireland
Italy
Mexico
Netherlands
Norway
Pakistan
Peru
Portugal
Republic of Korea
Russian Federation
Saudi Arabia
Serbia
Singapore
South Africa
Spain
Sweden
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay

% of procurement spend

1-5%

Comment

Wood fiber products are used in a wide range of PepsiCo's primary, secondary, and tertiary packaging. Countries of origin are based on 2022 updated data.

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Refined palm oil
Palm oil derivatives

Source

Contracted suppliers (processors)

Country/Area of origin

Brazil
Canada
China
Colombia
Dominican Republic
Ecuador
Egypt
Guatemala
India
Mexico
Pakistan
Peru
Russian Federation
Saudi Arabia
South Africa
Taiwan, China
Thailand
Turkey
United States of America
Viet Nam

% of procurement spend

1-5%

Comment

In 2022, our global purchase of palm oil was 500,638 metric tons, of which palm kernel oil comprised 3,621 MT. Our top suppliers were Wilmar, COFCO, Willowton and AFIA International. PepsiCo sources the majority of its palm oil from mills located in Indonesia, Malaysia, and Colombia.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	Don't know	This information is confidential.

Palm oil	Don't know	This information is confidential.
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F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

1,661,512

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

70

Please explain

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

504,258

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

38.4

Please explain

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Timber products – Non DCF

% of non-DCF production/consumption volume from unknown origin

73

% of non-DCF production/consumption volume traceable only as far as country level

3

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

24

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Palm oil – Non DCF

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

79.07

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.48

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Australia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1.02

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

5.03

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Colombia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1.15

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.12

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.28

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

India

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

4.58

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Mexico

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

7.41

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Peru

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.07

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Timber products

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.79

Please explain

Method: We perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Para

% of total production/consumption volume

0.58

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Meta

% of total production/consumption volume

3.18

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Casnare

% of total production/consumption volume

1.5

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Cesar

% of total production/consumption volume

1.65

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Magdalena

% of total production/consumption volume

0.85

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Santander

% of total production/consumption volume

1.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Bolívar**% of total production/consumption volume**

0.64

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Notre de Santander**% of total production/consumption volume**

0.39

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Antioquia

% of total production/consumption volume

0.05

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Cundinamarca

% of total production/consumption volume

0.16

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kaoh Kong

% of total production/consumption volume

0

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Krong Preah Sihanouk

% of total production/consumption volume

0

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Los Rios

% of total production/consumption volume

0.59

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Esmeraldas

% of total production/consumption volume

0.52

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sando Domingo de los Tsachilas

% of total production/consumption volume

0.51

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Manabi**% of total production/consumption volume**

0.15

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Sucumbios**% of total production/consumption volume**

0.07

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Izabal**% of total production/consumption volume**

0.98

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Peten

% of total production/consumption volume

0.42

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Alta Verapaz

% of total production/consumption volume

0.61

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Escuintla

% of total production/consumption volume

0.26

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Quetzaltenango

% of total production/consumption volume

0.22

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

San Marcos

% of total production/consumption volume

0.05

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Colon

% of total production/consumption volume

0.95

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Atlantida**% of total production/consumption volume**

0.28

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Yoro**% of total production/consumption volume**

1.6

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Riau

% of total production/consumption volume

17.29

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sumatera Utara

% of total production/consumption volume

8.52

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Bangka Belitung

% of total production/consumption volume

0.86

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Bangka Tengah

% of total production/consumption volume

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Java

% of total production/consumption volume

0.02

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
North Sumatra**% of total production/consumption volume**

0.09

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
South Kalimantan**% of total production/consumption volume**

0

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Kalimantan Selatan**% of total production/consumption volume**

1.32

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Jambi**% of total production/consumption volume**

4.47

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Kalimantan Barat**% of total production/consumption volume**

2.21

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kalimantan Tengah

% of total production/consumption volume

4.29

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kalimantan Timur

% of total production/consumption volume

3.04

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Kalimantan Central

% of total production/consumption volume

0.1

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Kalimantan Oriental

% of total production/consumption volume

0.01

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Lampung

% of total production/consumption volume

1.21

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sulawesi Barat

% of total production/consumption volume

0.31

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Sulawesi Tengah**% of total production/consumption volume**

0.59

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Sumatera Selatan**% of total production/consumption volume**

1.57

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Aceh

% of total production/consumption volume

0.67

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sumatera Barat

% of total production/consumption volume

0.9

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Bengkulu

% of total production/consumption volume

0.87

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Sulawesi Selatan

% of total production/consumption volume

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Papua

% of total production/consumption volume

0.07

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Papua Barat

% of total production/consumption volume

0.07

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kepulauan Riau

% of total production/consumption volume

0.04

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Konawe Selatan**% of total production/consumption volume**

0.01

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Perak**% of total production/consumption volume**

1.13

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Pahang

% of total production/consumption volume

3.35

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sabah

% of total production/consumption volume

3.51

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sarawak

% of total production/consumption volume

3.46

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sarawak

% of total production/consumption volume

3.46

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Selangor

% of total production/consumption volume

0.43

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Negeri Sembilan**% of total production/consumption volume**

0.56

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Pulau Pinang**% of total production/consumption volume**

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Trengganu**% of total production/consumption volume**

0.48

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Johor**% of total production/consumption volume**

3.16

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Kedah**% of total production/consumption volume**

0.17

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kelantan

% of total production/consumption volume

0.24

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Melaka

% of total production/consumption volume

0.09

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Chiapas

% of total production/consumption volume

4.16

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Campeche

% of total production/consumption volume

0.27

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Veracruz

% of total production/consumption volume

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Tabasco

% of total production/consumption volume

0.99

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

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Forest risk commodity

Palm oil

Country/Area of origin

Nicaragua

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Atlantico Sur**% of total production/consumption volume**

0.32

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Panama

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Chiriqui**% of total production/consumption volume**

0.17

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
West New Britian

% of total production/consumption volume

0.17

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Morobe

% of total production/consumption volume

0.02

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

San Martin

% of total production/consumption volume

1.18

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Campamento Neshuya

% of total production/consumption volume

0.21

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Coronel Portillo

% of total production/consumption volume

0.03

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Ucayali

% of total production/consumption volume

1.52

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Loreto

% of total production/consumption volume

0.38

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Chon Buri**% of total production/consumption volume**

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Surat Thani**% of total production/consumption volume**

1.94

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Chumphon

% of total production/consumption volume

0.86

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Krabai

% of total production/consumption volume

1.33

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Trang

% of total production/consumption volume

0.48

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Nakhon Si Thammarat

% of total production/consumption volume

0.52

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Trat

% of total production/consumption volume

0.06

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Phangnga

% of total production/consumption volume

0.1

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Phattalung

% of total production/consumption volume

0.13

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of

PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Satun

% of total production/consumption volume

0.02

Please explain

Method: PepsiCo requests quarterly sourcing information from suppliers on traceability of supply to the mill level and publishes an annual updated mill list (https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-mill-list-2021.pdf?sfvrsn=6d6ac16d_3) PepsiCo has developed and implemented a Traceability Protocol for all direct suppliers which requires the names of all palm oil and palm kernel oil mills, their location coordinates and the percentage of PepsiCo's volume that is traceable to the mills. The protocol is the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. In 2022, 100% of the traceability to mill data from our suppliers was independently verified. At the end of 2022, our suppliers reported 98.08% of our palm oil volumes were traceable to the mill level.

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction
% of total production/consumption volume

2.55

Please explain

This data is from Costa Rica (Alajuela, Corredores and Puntarenas), Dominican Republic (Monte Plata and Hato Mayor), and Soloman Islands (Guadalcanal)

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

PepsiCo does not produce or consume biofuel derived from palm oil.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

- i. Description: Wood fiber products are used in a wide range of PepsiCo's primary, secondary, and tertiary packing. PepsiCo's main fiber need is corrugated cardboard for secondary packaging. PepsiCo has witnessed a growing interest among civil society, Socially Responsible Investors, governments and other key stakeholders in our practices associated with forest impact. PepsiCo closely monitors consumer and customer interest in our response to deforestation risks, including potential campaigns against consumer facing companies.

- ii. Scale of impact: Increased stakeholder concerns have not yet represented substantive detrimental impacts on our business. However, PepsiCo's aim is to demonstrate our responsibility toward forest-related stewardship and transparently communicate our efforts to tackle deforestation, so that a negative reaction to PepsiCo's reputation relative to the environment, which could adversely affect PepsiCo's business, does not arise.

Primary response

Greater due diligence

Total financial impact

0

Description of response

- i. Explanation of how financial figure is derived: cost impact is confidential.

- ii. Strategy: PepsiCo aims to achieve zero net deforestation in our company-owned and -operated activities and global supply chains from direct supplier to source. This is facilitated through proactively utilizing certification programs to verify compliance; for timber in our packaging, 70% of our total volume was certified to one of the following standards in 2022: FSC, PEFC, or SFI. PepsiCo recognizes the importance of having a credible system for third parties to raise concerns where they believe our standards are not being met. Our agricultural supply chain grievance mechanism helps prevent, identify and manage environmental and social concerns throughout our value chain, including those associated with timber. This allows third parties to raise concerns that our environmental and social goals and policies may not be upheld within our agricultural supply chain. We have engaged our direct suppliers who source from the companies at the center of complaints in 2022 to 1) Validate the allegations, 2) Demonstrate the importance we attach to addressing the concerns raised, 3) Understand corrective action steps already taken and planned in future, and 4) Influence those actions, monitor progress towards completion and ultimately address the complaint.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Brand damage

Description of impact

i. Description: Agriculture is an integral part of PepsiCo's supply chain, accounting for approximately one third of PepsiCo's emissions. The raw materials we use to produce our products are largely commodities subject to price volatility and fluctuations in availability caused by changes in global supply and demand, weather conditions, agricultural uncertainty or government incentives and controls. We have witnessed a growing interest among civil society, Socially Responsible Investors, governments and other key stakeholders in the role of consumer facing companies like PepsiCo tackle deforestation in their palm oil supply chains. PepsiCo closely monitors consumer and customer interest in our response to deforestation risks, including potential campaigns against consumer facing companies.

ii. Scale of impact: Increased stakeholder concerns have not yet represented substantive detrimental impacts on our business. However, PepsiCo's aim is to demonstrate our responsibility toward forest-related stewardship and transparently communicate our efforts to tackle deforestation, so that a negative reaction to PepsiCo's reputation relative to the environment, which could adversely affect PepsiCo's business, does not arise.

Primary response

Engagement in multi-stakeholder initiatives

Total financial impact

0

Description of response

i. Explanation of how financial figure is derived: cost impact is confidential

ii. Stakeholders and outcomes: Our strategy for sourcing palm oil is based on four pillars: Risk management (how we understand areas of concern and opportunity in our supply chain); Supplier engagement: (how we engage with suppliers to communicate expectations and improve performance); Positive impact: (how we collaborative to help transform the wider industry); and Transparency and stakeholder engagement (how we report our progress and engage with the stakeholders). We disclose our progress through annual reports. Collaboration with peers, the wider industry and stakeholders is

vital to achieving our sustainable palm oil goals. In 2021 we updated our approach to sustainable palm oil to adopt a more forest positive mindset; we committed to closer collaboration with peers and updated our palm oil policy to apply to companies at the company-wide level and committed to greater clarity and visibility via a review of our agricultural grievance process, led by an expert external organization. In 2022, we continued to play an active role in industry platforms (e.g. Palm Oil Collaboration Group, Consumer Goods Forum, AIM-Progress, and the Tropical Forest Alliance) and met regularly with civil society to consider ways to achieve shared goals. In 2022, 99% of our palm volumes were physically certified sustainable, with 98% of palm volumes traceable to mill.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Quantitative figure reported reflects our total production footprint for timber. Please see further explanation in comments section

Known or estimated deforestation/ conversion footprint (hectares)

75,587

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Methods and data sources: As part of PepsiCo's participation in the Consumer Goods Forum's Forest Positive Coalition of Action, we leverage this methodology in partnership with 3Keel to assess our total forest production footprint. For our timber products, we use our production footprint to provide insight into our deforestation strategy; to calculate this footprint, we provide 3Keel with country of origin, metric tonnes sourced within a 12-month period, and % of virgin material to convert into hectares. This informs PepsiCo on the total footprint of each commodity, supporting our work as part of CGF's strategy to transform areas equivalent to the size of Coalition's combined production-base footprint to forest positive by 2030. The Coalition is using its production-base footprint — a neutral estimate to represent the Coalition's impact and leverage in

commodity production — to determine the size of its ambition and inform local-level initiatives driving forest conservation, ecosystem restoration and community inclusion in the production of fibre-based packaging.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Other, please specify

Quantitative figure reported reflects our total production footprint for palm. Please see further explanation in comments section

Known or estimated deforestation/ conversion footprint (hectares)

148,868

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Methods and data sources: As part of PepsiCo's participation in the Consumer Goods Forum's Forest Positive Coalition of Action, we leverage this methodology in partnership with 3Keel to assess our total palm oil production footprint. For our palm oil, we use our production footprint to provide insight into our deforestation strategy; to calculate this footprint, we provide 3Keel with country of origin and metric tonnes sourced of palm oil and palm kernel within a 12-month period to be converted into hectares. This informs PepsiCo on the total footprint of each commodity, supporting our work as part of CGF's strategy to the size of Coalition's combined production-base footprint to forest positive by 2030.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods
External consultants

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

i. Tools, methods, effectiveness: We assess deforestation risks in our paper-based packaging supply chain on an annual basis using internal methods, supplemented with external support from Proforest on an as-needed basis, reporting results to the senior

vice president, chief supply officer. The combination of internal and external input into our risk assessment process helps ensure that necessary expertise is available for thorough coverage of stakeholder considerations and the overall commodity landscape. The risk assessment procedure helps identify the sustainability risks in the commodity and where they exist in our supply chain. This is part of an ongoing process through which we work with our suppliers to help them become more sustainable by following credible forestry standards and purchasing wood fiber only from sources that support responsible forest management, as outlined in our policies. To enable a greater understanding of and visibility into our supply chain, PepsiCo has been working with Proforest since 2016 to trace the supply chain and support implementation of our policies related to paper packaging.

ii. Significant issue – Availability of forest risk commodities: Proforest conducts on an ongoing basis an assessment of certification schemes that we recognize (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in our Stewardship of Forests and Natural Ecosystems, Land Use, and Sustainable Packaging policies. With the chain of custody certification requirements in collaboration with Proforest, PepsiCo will promote growth in forest-certified materials to address the issue of available forest risk commodities. Proforest also conducted a rapid assessment of our current performance and overview of risks involved in the main regions/countries of our paper packaging supply base. These findings are being addressed as we renew contracts; our percent certified material have increased in identified areas of higher risk as we renew contracts from 0% to 51% in Thailand and 10% to 100% in Brazil, comparing 2015 to 2022 volumes. Additionally, we perform an annual analysis of our contracted volumes to understand the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.

Palm oil

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods
External consultants

Global Forest Watch Pro

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Loss of markets
Leakage markets
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers

Please explain

i. Tools, methods, effectiveness: We assess supply chain and palm oil industry risks to identify regions and issues that have the highest likelihood of risk and prioritize our efforts to raise standards. We also rely on other sources to assess risks, including: Engagement with direct and indirect suppliers; Feedback from assessments and audits conducted as part of our Sustainable Sourcing Program (SSP) and sustainable agriculture programs; Participation in collaborative forums; Feedback from civil society; Experience and knowledge of PepsiCo employees; Working with Proforest and other organizations with expertise in managing natural resources sustainably; Risks discovered and addressed through our grievance mechanism. PepsiCo engages in industry platforms designed to tackle risks, including the World Resource Institute's Global Forest Watch (GFW) Universal Mill List and the GFW Pro platform, to identify risks at the mill and plantation level. These methods were chosen for their thorough coverage of stakeholder considerations and the overall commodity landscape. This combination is effective in ensuring our awareness as the industry's collective knowledge grows, and through the collected insight we have established that smallholder production, worker rights, deforestation/peatlands, and land rights are the most significant to our palm oil supply chain.

ii. Example: In 2022, we implemented a risk-based approach to independent third-party verification of the mill traceability data and 100% of the suppliers who supplied to us in 2022 have undergone verification. 91.7% of the suppliers who will be supplying to us in

2023 have undergone verification or are scheduled to undergo this in 2024. During verification visits, we collect information on the percent of oil traceable back to plantation from our suppliers.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Timber products	Yes, we have partially mapped the value chain
Palm oil	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

As part of PepsiCo’s value chain mapping process, we engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in the Forestry and Natural Ecosystem Stewardship Stewardship, Land and Sustainable Packaging policies. In addition, Proforest conducted a rapid assessment of PepsiCo’s current performance and overview of risks involved in main regions/countries of our current paper packaging supply base. The supply chain mapping project commenced in 2016 and is ongoing. PepsiCo is also tracking all Tier 1 suppliers’ information including name, origin country, procurement volume, certification status, and recycled content. Currently, the majority of PepsiCo’s mapping extends to Tier 1 suppliers, but the level of Tier 2 and 3 suppliers are increasing in several regions.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

As part of PepsiCo’s value chain mapping process, we engaged Proforest and Peterson in the development of the Palm Oil Traceability protocol that describes the traceability reporting requirements for suppliers and verification of this data. Through supply chain traceability, PepsiCo is tracking mills-level information, including name, parent company, coordinates, origin country, procurement volume, and certification status. PepsiCo is able to map 100% of Tier 1 suppliers palm oil through 99% physical volume certification and 1% traceability to production unit.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	As part of our risk classification system, we partner with Proforest to conduct social and	We use the results from the Proforest assessments to evaluate our contracts and identify potential risks to the	

	<p>environmental assessments of our palm and timber supply to provide an overview of the risks involved in the geographic sourcing areas.</p>	<p>commitments outlined in our Forestry and Natural Ecosystem Stewardship Policy and our Sustainable Packaging Policy. For palm oil, we purchase all material as sustainably certified. For fiber packaging products, our percent certified material has increased in identified areas of higher risk as we renew contracts from 0% to 51% in Thailand and 10% to 100% in Brazil, comparing 2015 to 2022 volumes. Additionally, we perform an annual analysis of our contracted volumes to understand the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.</p>	
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F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

At PepsiCo, risk impact is evaluated based on the ability to achieve operational, financial, and strategic objectives and/or potential for creating a sustained adverse impact on the business' profit, or the Company's shareholder value and/or reputation. It leverages a five point scale (Minimal, Low, Medium, High, Critical) depending on its intensity. For quantitative purposes, one example is to use % of NOPBT (Net Operating Profit Before Taxes). Once climate risks have been identified, the next step in our process is to prioritize each risk based on the likelihood that it will occur, the financial

impact to PepsiCo should it occur (any impact over \$30 million would be considered substantive), and whether the activities needed to mitigate the risk are aligned with our overall climate strategy and business plan. For example, we incorporate environmental sustainability criteria into our Capital Expenditure Filter which is applied to all capital expenditure requests over \$10 million. Each request is reviewed not only against business financial metric and value to advancing our business strategy but also for the impact (positive or negative) that it will have on our environmental performance, including energy use and GHG emissions, and its contribution to our efforts to achieve our climate goal.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Chronic physical

Geographical scale

Country

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Declining ecosystem services

Primary potential impact

Supply chain disruption

Company-specific description

The materials PepsiCo uses to produce our products are largely commodities subject to price volatility and fluctuations in availability caused by changes in global supply and demand, weather conditions, agricultural uncertainty, or government incentives and controls. Particular to timber, PepsiCo recognizes that severe weather events, losses of ecosystem services, and an unsteady supply of certified sustainable material have the potential to adversely impact our supply chain over the next 1-3 years. For example, in 2022 FSC agreed to suspend all trading certifications in Russia to block all controlled wood sourcing from that area. This has impacted PepsiCo's ability to source FSC certified timber from Russia, which was one of the high-risk areas identified through our risk assessment with Proforest.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Many of the commodities used in our products are purchased on the open market. The prices we pay for such items are subject to fluctuation, and any increases could adversely impact our operating costs and decrease our operating profit growth.

Primary response to risk

Other, please specify

Global purchasing and hedging strategies

Description of response

i. Timeframe: In the normal course of business, we currently manage these risks through a variety of strategies, including global purchasing programs and systematic hedging strategies. Our global purchasing programs include fixed-price contracts, purchase orders and pricing agreements. Our hedging strategies include the use of derivatives to economically hedge price fluctuations related to a portion of our anticipated commodity purchases, primarily for agricultural products, energy and metals.

ii. Response effectiveness: Commodity Risk Management provides reasonable predictability of cost across our global commodity exposures while allowing controlled flexibility to adapt to unique market circumstances. For timber, PepsiCo considers country of origin and supplier business continuity planning by region. We have identified specific goals at the regional level to address the identified risks, thereby increasing our resilience to mitigate potential impacts.

Cost of response

0

Explanation of cost of response

As our management methods for these risks occur during the normal course of business and are interrelated with several other potential risks that may not be specific to forests, we consider our specific cost to manage these risks to be zero (0).

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Regulatory uncertainty

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

We are seeing increasing interest from national governments and supra-national agencies in the impact of deforestation and in setting regulations to increase transparency and reduce the environmental and social impacts of deforestation around the world. We have also seen an increase in international cooperation, which was highlighted in the past by UN Conference of the Parties. (COP)-17 and the Rio+20 Conferences that led to the REDD+ program enhancement, the U.S. Lacey Act, and the European Union Timber regulations. In 2021, more than 100 world leaders committed to end and reverse deforestation by 2030, in the COP26 climate summit's first major deal. In response, we implemented grievance mechanisms for our suppliers to better understand our agricultural supply chain, prevent, identify and manage environmental and social concerns throughout our value chain, including those associated with timber. PepsiCo must stay informed of these developments to facilitate ongoing compliance and alignment with our deforestation-related policies

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The financial impact of this risk is confidential

Primary response to risk

More ambitious forest-related commitments

Description of response

i. Timeframe: Through our Stewardship of Forests and Natural Ecosystems Policy, Land Use Policy, Palm Oil Targets, Palm Oil Action Plan, and Sustainable Packaging Policy, PepsiCo has created a robust framework to help achieve our goal of zero deforestation in our company-owned and operated facilities and global supply chains from direct suppliers to source.

ii. Response effectiveness: PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which such schemes deliver PepsiCo requirements outlined in our policies. In addition, Proforest conducted a rapid assessment of PepsiCo's current performance and overview of risks involved in main regions/countries of our current paper packaging supply base. We believe this groundwork, along with our policy framework and timber specific sourcing standards and goals will help us stay ahead of regulatory requirements.

Cost of response

0

Explanation of cost of response

The cost of managing this risk is confidential

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Reduced demand for products and services

Company-specific description

We are a leading global beverages and convenient foods company with brands that are respected household names throughout the world. Maintaining a good reputation globally is critical to selling our branded products. Socially Responsible Investors (SRIs), governments, civil society, the media and other key stakeholders have shown a growing interest in the link between timber for packaging and deforestation in company-owned operations and supply chains, leading to increased pressure on PepsiCo to respond to related concerns. PepsiCo has closely monitored consumer and customer campaigns, and their overall interest in responsible timber sourcing in our business and how we are addressing deforestation issues that may arise.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market value and revenue generation of the Company. Changes in consumer preference, for example, due to a negative reaction to PepsiCo's reputation relative to the environment could adversely affect PepsiCo's business.

Primary response to risk

More ambitious forest-related commitments

Description of response

i. Timeframe: Through our Stewardship of Forests and Natural Ecosystems, Land Use Policy, Palm Oil Targets, Palm Oil Action Plan and Sustainable Packaging Policy, PepsiCo has created a robust framework to help achieve our goal of zero deforestation in our Company-owned and operated facilities and global supply chains from direct supplier to source.

ii. Response effectiveness: To help us to better understand the risks in our supply chain, we are working with Proforest to provide traceability data of our supply chain. This includes conducting supply chain mapping with suppliers to identify high-risk suppliers, regions and countries where interventions are required. In addition, we plan to revise our paper packaging-related policies to clarify scope, make implementation targets more explicit and further develop requirements on recycled content. We believe that our policy framework and timber-specific sourcing standards and goals will help us manage the increasing reputational risk associated with timber and deforestation.

Cost of response

0

Explanation of cost of response

The cost of managing this risk is confidential

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Supply chain disruption

Company-specific description

As a leading global beverages and convenient foods company with a complementary portfolio of brands, including Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream, we make, market, distribute and sell a wide variety of convenient beverages, foods and snacks, serving customers and consumers in more than 200 countries and territories. As such, agriculture is an integral part of PepsiCo's supply chain. The raw materials we use to produce our products are largely commodities subject to price volatility and fluctuations in availability caused by changes in global supply and demand, weather conditions, agricultural uncertainty, or government incentives and controls.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Many of the commodities used in our products are purchased on the open market. The prices we pay for such items are subject to fluctuation, and any increases could adversely impact our operating costs and decrease our operating profit growth. The data comes from our climate risk assessment completed in 2021. The Global Climate team manages this and we plan to refresh our risk assessment every 2-3 years. This information is used to inform our leadership through the PepsiCo Risk Committee on the kinds of climate-related risks that PepsiCo faces and also used for resiliency/mitigation planning.

Primary response to risk

Other, please specify

Global purchasing and hedging strategies

Description of response

i. Timeframe: In the normal course of business, we currently manage these risks through a variety of strategies, including global purchasing programs and systematic hedging strategies. Our global purchasing programs include fixed-price contracts, purchase orders and pricing agreements. Our hedging strategies include the use of derivatives to economically hedge price fluctuations related to a portion of our anticipated commodity purchases, primarily for agricultural products, energy and metals.

ii. Response effectiveness: Commodity Risk Management provides reasonable predictability of cost across our global commodity exposures, while allowing controlled flexibility to adapt to unique market circumstances. For palm oil, PepsiCo considers country of origin, supplier business continuity planning by region and commodity risk management through financial planning on market-based commodities, thereby increasing our resilience to mitigate potential impacts.

Cost of response

0

Explanation of cost of response

As our management methods for these risks occur during the normal course of business and are interrelated with several other potential risks that may not be specific to forests, we consider our specific cost to manage these risks to be zero (0).

Forest risk commodity

Palm oil

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation
Supply chain

Primary risk driver

Regulatory uncertainty

Primary potential impact

Increased operating costs

Company-specific description

While most of the mechanisms to deliver more sustainable palm oil (e.g., RSPO, Consumer Goods Forum) are non-regulatory, we are seeing increasing interest from governments in using regulation to drive change. PepsiCo must stay informed of these developments to facilitate ongoing compliance and alignment with our palm oil related policies and action plan.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The financial impact of this risk is confidential.

Primary response to risk

More ambitious forest-related commitments

Description of response

Timeframe: In 2015, we published the PepsiCo Palm Oil Action Plan, describing our strategy for sourcing palm oil and achieving our goal of sourcing 100% sustainable palm oil by the end of 2020 - which was updated in April 2021. We aim to continue to source 100% RSPO certified volumes, of which at least 95% is physically certified and the remainder being comprised of independent smallholder credits, which supports independent smallholders outside our supply chain, giving farmers more options in the marketplace. We also publicize our Forestry Stewardship Policy, Land Use Policy and annual palm oil reporting.

ii. Response effectiveness: We work with Proforest to develop risk analysis and mitigation plans for key regions, as well as a verification process that stresses PepsiCo's goals on High Carbon Stock, High Conservation Values, peatlands, land rights, including Free, Prior and Informed Consent, human rights, and no burning, as described by RSPO. This involves a risk assessment of direct suppliers and their supply base (leveraging mill traceability data) to identify, assess, prioritize and address top compliance risks under PepsiCo's policies, including recommending priority mills and supply bases for verification assessments and engagement. We expect that this work will increase engagement with suppliers to monitor implementation of continuous improvement plans and help us stay ahead of regulatory requirements.

Cost of response

0

Explanation of cost of response

The cost of managing this risk is confidential

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Increased stakeholder concern or negative stakeholder feedback

Primary potential impact

Reduced demand for products and services

Company-specific description

We are a leading global beverages and convenient foods company with brands that are respected household names throughout the world. Maintaining a good reputation globally is critical to selling our branded products. SRIs, governments, civil society, the media, and other key stakeholders have shown a growing interest in the link between palm oil and deforestation in company-owned operations and supply chains. PepsiCo has closely monitored consumer and customer campaigns and general interest in responsible palm oil sourcing in our business.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market value and revenue generation of the Company. Changes in consumer preference, for example, due to a negative reaction to PepsiCo's reputation relative to the environment could adversely affect PepsiCo's business.

Primary response to risk

More ambitious forest-related commitments

Description of response

- i. Timeframe: In 2015, we published the PepsiCo Palm Oil Action Plan, describing our strategy for sourcing palm oil, which was updated in April 2021.
- ii. Response effectiveness: We provide regular, detailed information on progress toward delivering our palm oil-related goals, all of which are publicly available to stakeholders on our website. Additionally, we solicit feedback from civil society through direct meetings and workshops and consider reports by civil society and other organizations.

Our stakeholder collaboration efforts, including participation in the Palm Oil Working Group (POWG) of the CGF, membership in the TFA 2020, and regular meetings with NGOs to discuss our efforts, exchange information and consider ways to achieve shared objectives have resulted in increased confidence in our efforts. In 2022, we made progress through the work of the Independent Verification Working Group, one of the workstreams of the POWG. PepsiCo co-convenes the group, which is focused on determining approaches to independent verification for progress on deforestation, land rights and labor rights. The group has created functional working groups, which have a defined scope and frameworks for action. The groups are linked to already existing initiatives, including the social issues aspect of the IRF, the CGF Palm Oil roadmap and the IRF data verification protocol. In 2022, the group made good progress on developing a draft framework for Independent Verification of deforestation.

Cost of response

0

Explanation of cost of response

The cost of managing this risk is confidential.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

i. Explanation of opportunity: PepsiCo understands the unique role packaging holds in shaping the way our products are presented to consumers, customers and communities. In addition to understanding its necessary role in protecting the quality and experience consumers have with our products, we believe that our most significant influence on forests is through our sourcing of paper and wood-based products and raw agricultural materials. As defined in our previous CDP response, PepsiCo considers an opportunity to be substantive based on the likelihood of it to occur, the potential financial impact with a threshold of \$30 million, and how sourcing activities align with our climate strategy and business plan.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,490,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market cap and revenue generation of the company. The 2022 net revenues for PepsiCo were more than \$86 billion. PepsiCo revenues are sensitive to changes in consumer preferences. For example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to ~\$2.49 billion. Changes in consumer preferences, for example, due to a positive reaction to PepsiCo's reputation, and the reputation of its products relative to the environment, could positively affect PepsiCo's business, financial condition or results of operations although it would be difficult to precisely identify the driving factors causing a change in consumer behavior.

Cost to realize opportunity

0

Strategy to realize opportunity

Through our Forestry and Natural Ecosystems Stewardship Policy, Land Use Policy, Palm Oil Targets, and Sustainable Packaging Policy, PepsiCo has created a robust framework to help achieve our goal of zero deforestation in our Company-owned and -operated facilities and global supply chains from direct supplier to source by 2025.

PepsiCo seeks to purchase only responsibly sourced wood fiber products and will not knowingly accept from its supply chain paper-based packaging that may contain wood fiber harvested illegally or sourced from protected forest areas. We are focused on developing and maintaining a deeper understanding of our paper-based packaging supply chain and our supply base sourcing as close to the forest of origin as possible. PepsiCo is working with our suppliers to help them become more environmentally sustainable in their practices by following credible forestry standards and purchasing fiber only from sources that support responsible forest management, as outlined in our policies. PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements outlined in our policies. In addition, Proforest conducted a rapid assessment of PepsiCo's current performance and overview of risks involved in main regions/countries of our paper packaging supply base.

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased brand value

Company-specific description

Socially Responsible Investors, governments, civil society, the media and other key stakeholders have shown a growing interest in the link between palm oil and deforestation in our company-owned operations and supply chains. PepsiCo has closely monitored consumer and customer campaigns and general interest in responsible palm oil sourcing in our business. As awareness around palm oil grows, improved consumer response to products carrying RSPO-certified sourced material represents a potential opportunity to grow our revenue. As defined in our previous CDP response, PepsiCo considers an opportunity to be substantive based on the likelihood of it to occur, the potential financial impact with a threshold of \$30 million, and how sourcing activities align with our climate strategy and business plan

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,490,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

PepsiCo's reputation and the behavior of consumers in choosing our products are important to the market cap and revenue generation of the Company. The 2022 net revenues for PepsiCo were more than \$86 billion. PepsiCo revenues are sensitive to changes in consumer preferences. For example, a one percent impact on PEP's market value (defined as our market capitalization) would equate to ~\$2.49 billion. Changes in consumer preferences, for example, due to a positive reaction to PepsiCo's reputation, and the reputation of its products relative to the environment, could positively affect PepsiCo's business, financial condition or results of operations although it would be difficult to precisely identify the driving factors causing a change in consumer behavior.

Cost to realize opportunity

0

Strategy to realize opportunity

In 2015, we published the PepsiCo Palm Oil Action Plan, describing our strategy for sourcing sustainable palm oil and including our goal to source 100% certified sustainable palm oil by the end of 2020, achieve and maintain PepsiCo and our suppliers' compliance with our various deforestation related policies and Supplier Code of Conduct; engage suppliers on various capacity building initiatives; and achieve greater traceability. We disclose results of our work annually in Palm Oil Progress Reports, synchronized with our Annual Communication of Progress to the RSPO.

Case study: In 2021, we achieved 100% certified sustainable palm oil, with 2% of our volume sourced comprised of Independent Smallholders (ISH) credits. We encouraged our direct suppliers to be RSPO members; since 2017, 100% of our direct suppliers have been RSPO members. We are also mapping to the mill of origin and aiming for 100%. In 2022, 100% of our palm oil was certified sustainable with 1% of our volume sourced comprised of Independent Smallholder Credits. 98.08% of our supply was traceable to the mill. Our Supplier Scorecards provide a means to track and encourage our suppliers' progress towards establishing policies and programs to enhance performance and capability in sustainable palm. Our Palm Oil Traceability Protocol, developed in collaboration with palm experts and industry partners, supports the development of better information systems to help achieve our goals and prioritize opportunities for improvement. Finally, our impact programs prioritize capacity building, particularly training and development.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Board-level committee	<p>i. Responsibility: Under PepsiCo's By-Laws and Corporate Governance Guidelines, the Board has the responsibility to manage the business of the Company. Because sustainability matters, including forests-related issues, are integrated into our business, the Board considers them an integral part of its oversight. The Sustainability, Diversity and Public Policy Committee assists the Board in providing more focused oversight over the Company's policies, programs and related risks that concern key sustainability matters. The PepsiCo Executive Committee (PEC) has direct oversight of the sustainability agenda, including strategic decisions and performance management.</p> <p>ii. Decision: In 2020, the PEC and the Board made the decision to review and approve the PEC's action to sign the Business Ambition for 1.5C pledge as well as PepsiCo's new climate goal in line with the pledge that was subsequently announced in early 2021, which requires forest-related actions and progress.</p>

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures	i. Board oversight: The Sustainability, Diversity and Public Policy Committee assists the Board with oversight of PepsiCo's policies, programs and risks concerning key sustainability matters. The committee typically meets 4x/year and is comprised of independent directors with a mix of public policy, risk, international and science-related skills,

		<p>Overseeing major capital expenditures</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>qualifications and experience. One of the key agenda item for these meetings is a review of progress on our sustainability goals, which include those related to deforestation. The Board also oversees PepsiCo’s integrated risk management framework to address top strategic, financial, operating, business, compliance, safety, reputational and other risks, including forests-related issues across the organization. The PepsiCo Risk Committee (PRC) is a cross-functional diverse group that meets regularly and is responsible for reporting progress on risk mitigation efforts to the Board. The Board receives updates on key risks throughout the year. Key risks related to sustainability matters, including risks applicable to climate change and forests-related issues, are included in our 2022 Annual Report on Form 10-K.</p> <p>ii. The governance mechanisms selected reflect PepsiCo’s comprehensive approach to sustainability. The full Board considers sustainability issues an integral part of its business oversight, as sustainability topics are integrated into, and not separate from, our business strategy.</p>
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F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Our Board has a comprehensive, ongoing director succession planning process designed to provide for a highly independent, well-qualified Board, with the diversity, experience and background to be effective and to provide strong oversight. Our Board regularly evaluates the needs of the Company and adds new attributes, viewpoints and experiences to the Board as necessary to best position the Company to navigate through a constantly changing global landscape. The Board established a Public Policy and Sustainability Committee in 2017. The Board amended the Committee’s charter and changed its name to Sustainability, Diversity and Public Policy Committee to reflect the Committee’s ongoing oversight over diversity and inclusion matters. The Committee assists the Board in providing more focused oversight over PepsiCo’s policies and programs and related risks that concern key sustainability, diversity and inclusion and

public policy matters. Members of this Committee provide the Board with unique perspectives on human capital management, talent development and diversity and inclusion and insights on public policy and sustainability-related matters that are particularly valuable as PepsiCo continues to focus on its sustainability goals and pursue strategies to drive long-term growth.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	i. Rationale: PepsiCo’s Sustainability Committee, an executive committee subcommittee, includes our Chief Financial Officer, Chief Operations Officer, Chief Executive Officers of key business units and Chief Sustainability Officer. The members of this committee were selected to ensure that key business functions that influence sustainability performance are engaged in overseeing sustainability efforts at the highest level. ii. Process for informing the position: The Sustainability Committee meets monthly and reviews progress against our climate and deforestation goals and forest-related initiatives, as well as assessing and approving improvements to our strategy. One example of this sustainability oversight is our commitment to climate change mitigation by signing the Business Ambition for 1.5C pledge in early 2020, setting our Science Based Target in late 2020, and publicly announcing our goal in 2021. Monitoring climate and forest-related issues falls directly under the responsibilities of the CSO, who oversees forestry-related issues and risks in the value chain, sets PepsiCo’s forestry targets, and works with business units on environmental product criteria, design, compliance, and performance,

			including palm oil in products and timber in packaging. Our CEO's at the business unit level along with the business unit CSO's are directly responsible for operationalizing the climate agenda and forestry targets at their respective business unit and delivering on our goals.
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F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Corporate executive team	Ending deforestation and/or conversion of other natural ecosystems	The executive team is responsible for overseeing the company's product and packaging sustainability risks and progress against targets, including deforestation targets, as part of their individual strategic objectives. Their performance related to the progress of targets contributes to PepsiCo's commitments outlined in the sustainable packaging policy and Forest and Natural Ecosystem Stewardship Policy. Performance against these strategic objectives is evaluated on an annual basis for each executive officer, in conjunction with individual contributions to broader strategic business	<p>i. Indicators: All executive officers oversee sustainability targets relevant to the organization, have annual strategic objectives that align with the achievement of our sustainability targets, including climate and forestry targets, and are evaluated annually against objectives related to PepsiCo's sustainability strategy.</p> <p>ii. Threshold for Success: The threshold for success is achieving our various climate and deforestation targets, including our goals for 100% RSPO certified palm oil and</p>

			imperatives, impacting total compensation and the payout of the annual incentive award.	sustainable procurement standards for timber by 2025. In this way, achievement of our deforestation goals incentivizes executive performance.
Non-monetary reward	No one is entitled to these incentives			N/A

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Selected products only

Commodity coverage

Palm oil

Timber products

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to eliminate deforestation

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Commitment to protect rights and livelihoods of local communities

Commitment to transparency

Commitment to align with the SDGs

Description of business dependency on forests
 Recognition of potential business impact on forests and other natural ecosystems
 Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
 List of timebound milestones and targets
 Description of forests-related performance standards for direct operations
 Description of forests-related standards for procurement

Document attachment

Please explain

i. Mechanisms: PepsiCo's standards are based on international conventions and reference best practices established by forest-related initiatives and industry groups. Specific to forests-related issues, PepsiCo's publicly available Stewardships of Forests and Natural Ecosystems Stewardship Policy and Land Policy are important components of the more comprehensive PepsiCo Responsible Sourcing Guidelines, which applies to all PepsiCo global operations and global supply chains from direct supplier to source. Details in these policies regarding our operational standards, references, targets and business context demonstrate a robust framework to help achieve our goal of zero deforestation in our company-owned and -operated facilities and global supply chains from direct supplier to source. Additionally, our Human Rights Policy specifies access to remedies. For example, PepsiCo aims to comply with across all commodities: (i) comply with applicable legal requirements of each country in which we operate and from which we source; (ii) No further development on High Carbon Stock Forests; (iii) No further development on High Conservation Values Forests; (iv) No new conversion of peatlands; and (v) Free, Prior and Informed Consent as outlined in our Land Policy. In addition, PepsiCo intends to: (i) Engage with appropriate industry and other groups to improve our understanding of deforestation issues, adapt our policy and achieve our goals; (ii) Provide appropriate grievance mechanisms for suppliers to report suspected breaches; (iii) Leverage our Supplier Code of Conduct as a means of communicating PepsiCo's Stewardship of Forests and Natural Ecosystems Policy and associated targets to our suppliers; and (iv) Periodically report on our performance against this policy and its associated targets. Our policies reflect PepsiCo's target to doing business the right way and transparently communicating to stakeholders our responsibility to ensure that we and our suppliers practice responsible forestry stewardship.

ii. Policy governance: The Public Policy & Government Affairs group reviews policies every two years and amends them as appropriate. Relevant policies are available via our Sustainable Sourcing page: <https://www.pepsico.com/our-impact/esg-topics-a-z/sustainable-sourcing>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Tropical Forest Alliance

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- Zero net deforestation
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women's empowerment
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2020

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Sector-wide agreement/recommendation

Commitment target date

2021-25

Please explain

i. Example of no deforestation: PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in our policies. In addition, Proforest conducted a rapid assessment of PepsiCo's current performance and overview of risks involved in main regions/countries of our current paper packaging supply base. We have also developed new form contract language for our sourced materials to be FSC- and SFI-certified, with the intention of further promoting compliance with our policy criteria. As we undertake new contracts, PepsiCo is negotiating by region to determine the capabilities to source certified materials. We identified Russia and parts of South/Southeast Asia as our primary focus to mitigate risks. PepsiCo intends to conduct another assessment of high-risk areas for deforestation and conversion. Additionally, PepsiCo became an original signatory to the Consumer Goods Forum (CGF) Forest Positive Coalition of Action (the Coalition), comprised of ambitious member companies aiming to moving efficiently and quickly towards a forest positive future and who understand the need to work collaboratively with multiple stakeholders. The strategy is rooted in four key areas of action – supply chain collaboration, investment in production landscapes, stakeholder and government engagement, and transparency and accountability. remediating individual company supply chains often through certification. PepsiCo's Chairman and CEO serves on the CGF Board of Directors. PepsiCo continues to work to eliminate deforestation through sourcing 100% recycled materials, including in high-risk countries, such as Columbia, and Argentina.

ii. Example of FPIC: PepsiCo recognizes the importance of having a credible system for third parties to raise concerns where they believe our standards are not being met, such as any compromise of Free, Prior and Informed Consent principles, our zero net deforestation and forest degradation, and potentially illegal and/or controversial activities occurring in our agricultural supply chain. Our Speak Up Hotline provides a means to report suspected violations of our policies or applicable law. PepsiCo's grievance mechanism for our agricultural supply chain complements our existing program to help prevent, identify and manage environmental and social concerns throughout our value chain, including those associated with timber. This allows third parties to raise concerns that our environmental and social goals and policies may not be upheld within our agricultural supply chain. The Speak Up Hotline is active globally. Our approach is available here: <https://www.pepsico.com/docs/default-source/policies/agricultural-supply-chain-grievance-mechanism-summary.pdf>.

iii. Rationale for cutoff date: PepsiCo is committed to doing business the right way and strives to realize deforestation-free sourcing in our company-owned and -operated activities and global supply chains by 2025. We recognize that PepsiCo has the opportunity to ensure that we and our suppliers operate in accordance with applicable legal requirements and practice responsible forest and natural ecosystem stewardship. PepsiCo will continue to source from suppliers that adhere to AFi guidance, no conversion of forest or other natural ecosystems as from the earlier of existing sector-wide cutoff dates or December 2020.

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- Zero net deforestation
- No new development on peat regardless of depth
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women's empowerment
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Specific to commitment

Commitment target date

2020

Please explain

i. No deforestation: The goal of the program is to create sustainable landscapes and avoid the conversion of natural ecosystems for palm across both districts, which will produce deforestation-free and exploitation-free palm oil and maintain or enhance key conservation areas. In 2022, we continued to coordinate our efforts in this area with other companies as well as through working with civil society organizations and government. PepsiCo is supporting landscape programs in Indonesia and continuing its support in Mexico. In Indonesia, our landscape programs specifically include efforts to support smallholder livelihoods and production.

ii FPIC: PepsiCo undertook several actions in 2022 to meet our palm oil goals. Smallholder engagement and participation in the shift to sustainable palm oil is critically important and requires industry-wide initiatives and collaboration, especially in the largest and most fragmented production markets. We are committed to supporting the inclusion of smallholders in our supply chain and work with our suppliers to ensure that PepsiCo's palm oil policies are implemented in a way that supports them. This includes a specific policy commitment to support the inclusion of smallholders into sustainable supply chains through landscape support and direct purchase of ISH credits. As part of this commitment, PepsiCo is investing in landscape initiatives that support conservation, community development, smallholder inclusion and responsible production practices. The program builds upon existing local efforts and multi-stakeholder platforms to advance a shared vision of sustainable, inclusive palm oil production models that aligns with our FPIC targets. For example, in Aceh PepsiCo has directly supported the first RSPO certification of an independent smallholder group, which was achieved in November 2022. In 2023, we plan to continue to identify new opportunities to support smallholders in Aceh. In Siak and Pelalawan districts in Riau, in partnership with other supply chain companies PepsiCo supported 13 villages on best practices for better livelihoods in 2022 (bringing the cumulative total to 28 since 2020). This included training of 709 people on best agricultural practices and supporting 77 farmers to get formal cultivation licenses (legality). With regards to market support, in 2022 PepsiCo purchased 2,590 independent smallholder credits and received an award from FORTASBI (Forum of Sustainable Oil Palm Smallholders in Indonesia) in recognition of the support that PepsiCo's sourcing of Roundtable on Sustainable Palm Oil (RSPO) independent smallholder credits had made to the livelihoods of farmers in Indonesia. PepsiCo has committed to ensuring at least 95% volumes are physical certified supply chains, but with the balance being comprised exclusively ISH credits. We believe that balancing physical certified supply chains and ISH credits in this manner supports market development for RSPO certified oil across the supply chain and ensures inclusion of smallholders.

iii. Rationale for cut-off date: 2015 was the year PepsiCo first used RSPO-certified sustainable palm oil and palm oil products in own-brand products.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	<p>i. Description: PepsiCo considers sustainability issues, including forest-related issues, an integral part of its business objectives; sustainability topics are integrated into, and not separate from, our business strategy. Our sustainability strategy demonstrates PepsiCo’s goal to deliver top-tier financial performance while creating sustainable growth and shareholder value. The strategy sets out business objectives, including for those related to forests, through 2025.</p> <p>ii. Example: As a leading global consumer packaged goods company, it is a priority for PepsiCo to develop next-generation packaging that continues to meet the needs of our consumers for high quality, safety and consumer experience, while minimizing our environmental footprint. In line with this priority, we set a 2025 goal to design 100% of our packaging to be recyclable, compostable, biodegradable, or reusable (RCBR), increase recycled materials in our plastic packaging, and reduce packaging’s carbon impact. We recognize that we face technical and regulatory challenges with these goals—and we may encounter additional new or unanticipated obstacles—but we are committed to moving forward with innovative packaging design solutions in pursuit of our goals. We have set a goal to work with associations, governments and cross-sector collaborations to help implement long-term recovery and recycling solutions, including packaging inputs originating from forest commodities. Related to palm oil, PepsiCo incorporated our targets in our Global Policy on Sustainable Palm Oil. The policy provides our long-term vision for a sustainable palm oil sector and our targets to no deforestation, no development on peatlands, and no exploitation of indigenous peoples and local communities (NDPE standards). PepsiCo plans to</p>

			<p>reduce absolute GHG emissions across its direct operations (Scope 1 and 2) by 75% and its indirect value chain (Scope 3) by 40% by 2030 (2015 baseline), and PepsiCo will further scale sustainable agriculture and regenerative practices that help lead to emissions reduction and sequestration, as well as improved soil health and biodiversity, decreased deforestation, and increased productivity for farmers. This includes expanding the Company's global network of Demonstration Farms, which provide localized training and tools to implement sustainable practices and improve livelihoods.</p>
<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>11-15</p>	<p>i. Description: PepsiCo considers sustainability issues, including forest-related issues, an integral part of its business objectives; sustainability topics are integrated into, and not separate from, our business strategy. Our sustainability strategy demonstrates PepsiCo's goal to deliver top-tier financial performance while creating sustainable growth and shareholder value and provides a roadmap for achieving our sustainability objectives, including for those related to forests, through 2025. We believe our objectives and corresponding strategy demonstrate business value, will expand the community of engaged actors, accelerate uptake of sustainable practices and support the scale-up of solutions to systemic issues.</p> <p>ii. Example: As we continue our journey to improve our sustainable sourcing practices, we undertook an initial step in understanding the implications of our policies to support long-term implementation. We engaged Proforest to map the supply chain and support implementation of our policies related to paper packaging, including an assessment of certification schemes that we recognize (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements outlined in the Stewardship of Forests and Natural Ecosystems, Land Use and Sustainable Packaging policies. Finally, PepsiCo plans to reduce absolute GHG emissions across its direct operations (Scope 1 and 2) by 75% and its indirect value chain (Scope 3) by 40% by 2030 (2015 baseline). With agriculture accounting for approximately one quarter of worldwide GHG emissions and one third of PepsiCo's emissions, PepsiCo will further scale sustainable agriculture and regenerative practices that help lead to</p>

			emissions reduction and sequestration, as well as improved soil health and biodiversity, decreased deforestation, and increased productivity for farmers. This includes expanding the company's global network of Demonstration Farms, which provide localized training and tools to implement sustainable practices and improve livelihoods.
Financial planning	Yes, forests-related issues are integrated	11-15	<p>i. Description: PepsiCo considers sustainability issues, including forest-related issues, an integral part of its business objectives; sustainability topics are integrated into, and not separate from, our business strategy. Our financial planning, therefore, is inherently impacted by our objectives and strategy to achieve them. Our sustainability strategy demonstrates PepsiCo's goal to deliver top-tier financial performance while creating sustainable growth and shareholder value, and provides a roadmap for achieving our sustainability objectives, including for those related to forests, through 2025. We believe our objectives and corresponding strategy demonstrate business value, will expand the community of engaged actors, accelerate uptake of sustainable practices and support the scale-up of solutions to systemic issues.</p> <p>ii. Example: As a leading global consumer packaged goods company, it is a priority for PepsiCo to develop next-generation packaging that continues to meet the needs of our consumers for high quality, safety and consumer experience, while minimizing our environmental footprint. In line with this strategic priority, we set a 2025 goal to strive to design 100% of our packaging to be recyclable, compostable, biodegradable, or reusable (RCBR), increase recycled materials in our plastic packaging and reduce packaging's carbon impact. Related to palm oil, PepsiCo incorporated our commitments in our Global Policy on Sustainable Palm Oil. The policy provides our long-term vision for a sustainable palm oil sector and our targets to no deforestation, no development on peatlands and no exploitation of indigenous peoples and local communities (NDPE standards). In terms of financial planning, a certain portion of our budget is allocated to support ongoing progress for our goals and policies. Our capacity-building efforts also support the expansion of sustainable commodities, which may experience price fluctuations that are managed by our global purchasing</p>

			<p>programs and systematic hedging strategies. Our global purchasing programs include fixed-price contracts, purchase orders and pricing agreements. Our hedging strategies include the use of derivatives to economically hedge price fluctuations related to a portion of our anticipated commodity purchases, including for agricultural products.</p>
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F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

Third-party certification scheme

FSC (any type)
 FSC Chain of Custody
 PEFC Chain of Custody

SFI Forest Management standard
SFI Chain of Custody
SFI Fiber Sourcing certification

Base year

2015

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

70

% of target achieved relative to base year [auto-calculated]

70

Target status in reporting year

Underway

Is this target linked to a commitment?

Other environmental commitments

Please explain

Why and how target was chosen: PepsiCo seeks to purchase only responsibly sourced wood fiber products and will not knowingly accept from its supply chain paper-based packaging that may contain wood fiber harvested illegally or sourced from protected forest areas. PepsiCo is focused on developing and maintaining a deeper understanding of our paper-based packaging supply chain and our supply base sourcing as close to the forest of origin as possible. This is an extremely complex undertaking since PepsiCo does not purchase direct raw material from the forest. However, such action is important to achieving our ultimate goal of only purchasing responsibly sourced wood fiber products. PepsiCo works with suppliers to help them become environmentally sustainable in their practices by following credible forestry standards and purchasing their wood fiber only from sources that support responsible forest management, as outlined in our policies. PepsiCo recognizes the forestry standards below as credible within their scope and requires our suppliers to commit to utilizing the appropriate standard: FSC, PEFC and SFI.

ii. Strategy to meet target: To enable a greater understanding of, and visibility into, our supply chain, in 2016, PepsiCo began working with Proforest to trace the supply chain and support implementation of our policies related to paper packaging. For example, Proforest conducted an assessment of certification schemes that we recognize to analyze the extent to which they deliver PepsiCo requirements, as outlined in the Stewardship of Forests and Natural Ecosystems, Land Use and Sustainable Packaging

policies. In addition, Proforest conducted a rapid assessment of our current performance and overview of risks involved in main regions/countries of our current paper packaging supply base. The supply chain mapping project commenced in 2016 and is ongoing. In 2017, PepsiCo worked with a Tier-1 supplier to develop new contract language for sustainably-sourced materials, further promoting compliance with our policy criteria. As we look to renew contracts, PepsiCo has been negotiating by region to determine our suppliers' capabilities to source certified materials.

Target reference number

Target 2

Forest risk commodity

Palm oil

Year target was set

2015

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point**Third-party certification scheme**

RSPO Mass Balance

RSPO Book and Claim

Other, please specify

RSPO Independent Smallholder Credits

Base year

2015

Base year figure

0

Target year

2020

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

i. Why and how target was chosen: In 2010, PepsiCo set a goal to source exclusively 100% RSPO-certified sustainable palm oil by 2015. In 2013, PepsiCo further strengthened this goal to purchasing 100% physically RSPO-certified palm oil by the end of 2020, providing additional visibility into our palm oil supply chain. The RSPO has played a leading role in mobilizing commercial activity to encourage sustainable supply and setting baseline standards for sustainable palm oil, informing our choice to set this target. While we are committed to the RSPO and its process and standards, we are also looking to go beyond current RSPO standards in order to see further protection of forests, peatlands and human rights. Through our policies and actions, PepsiCo seeks to support the growth of sustainable palm oil, first by addressing standards in our own supply chain and then by working with others to drive improvement more widely which will make our supply chain more secure and support stable social, economic and environmental conditions for producers, mills and the communities they support. From 2022, we intend to use our market scale and engagement to support RSPO uptake and effectiveness to meet our target of 100 percent RSPO certification, through at least 95 percent being physically certified, with the balance comprised of ISH credits.

ii. Strategy to meet target: As more mass balance physically-certified sustainable palm oil (CSPO) became available, we strategically increased our use toward our goal to source 100% physically-certified sustainable palm oil by the end of 2020. In 2021, we achieved 99% physically-certified sustainable palm oil with the balance (8,162 MT) comprised of Independent Smallholders (ISH) credits, which are an effective way to recognize efforts made by smallholders to reach the level of RSPO certification. Contrary to reports of a surplus of RSPO-certified palm oil, physically-certified supply is limited or non-existent in some regions including some markets in the Americas. To address this problem, PepsiCo seeks to build certification capacity, which is why we are implementing a holistic program for sustainable palm oil in Mexico based on the RSPO Principles & Criteria framework. This capacity-building program involves the entire supply chain and provides training and technical assistance toward RSPO Certification.

Target reference number

Target 3

Forest risk commodity

Palm oil

Year target was set

2015

Target coverage

Company-wide

Target category

Traceability

Metric

% of volume traceable to traceability point

Traceability point

Mill

Third-party certification scheme

Base year

2015

Base year figure

0

Target year

2022

Target year figure

98

Reporting year figure

98

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

i. Why and how target was chosen: Palm oil is the most widely used edible oil in the world and an ingredient in several PepsiCo food products. Like many of our stakeholders, PepsiCo has ongoing concerns about how some palm oil is produced. Rainforest conversion, biodiversity loss and human rights abuses persist in various producing regions. Through our policies and actions, PepsiCo seeks to support the growth of sustainable palm oil, first by addressing standards in our own supply chain and then by working with others to drive improvement more widely. We believe that

fulfilment of these policies and targets will make our supply chain more secure and support stable social, economic and environmental conditions for producers, mills and the communities they support. Our traceability targets were chosen to provide more visibility into our supply chain to achieve our sustainable palm oil goals, and we have updated and achieved our goal to achieve 98% traceability to mill by 2022 based on the complexity of global supply and the availability of data from direct suppliers in some of our markets. We will continue to work with industry partners towards 100% traceability as part of our goal to sustainable palm oil.

ii. Strategy to meet target: PepsiCo worked with external experts including Peterson to develop and implement PepsiCo's Palm Oil Traceability Protocol, launched in 2017. The protocol was distributed to all direct suppliers along with a required semi-annual reporting template, which requires the names of all palm oil and palm kernel oil mills, their geo coordinates and the percentage of PepsiCo's volume that is traceable to the mills. We also implemented a training program in both English and Spanish and maintain a helpdesk. The protocol is also the basis for independent verification undertaken by suppliers to verify the quality of the management systems used to collect their supply chain data. We continue to make progress toward our goal of 100% traceability to the mill and, at the end of 2022, achieved our goal of 98% of the palm oil used traced to specific mills, an increase from 97% in 2021, 94% in 2017, 89% in 2016 and 65% in 2015. We will continue working with our suppliers to increase visibility of the mills in our palm oil supply chain through various engagement efforts, including our mill traceability data verification protocol.

Target reference number

Target 4

Forest risk commodity

Palm oil

Year target was set

2020

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of direct suppliers with no deforestation and/or conversion commitment across their entire business

Traceability point

Third-party certification scheme

Base year

2020

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

75

% of target achieved relative to base year [auto-calculated]

75

Target status in reporting year

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

i. Why and how target was chosen: Our Global Policy on Sustainable Palm Oil provides a long-term vision for sustainable palm oil production and use. As we seek to expand the benefits of sustainable palm oil while working to eliminate the harm that may be done, it is important to address standards in our own supply chain while addressing systemic issues in partnership with others, including suppliers, peer companies, civil society, governments and certification bodies, so that high environmental standards become the norm and human rights are respected. To achieve our long-term vision and meet our NDPE goals, PepsiCo is implementing a strategy comprised of three interconnecting targets: 1) Sector Transformation towards 100% No Deforestation, No Peat, No Exploitation (NDPE); 2) Thriving Communities & Ecosystems; and 3) Transparency & Accountability. Meeting our NDPE targets and the individual and collective actions required is an ongoing process and we have mapped our current work towards meeting our strategy through this implementation plan. These actions will evolve over time as targets are met and as our understanding of the issues and how to tackle them develops. We therefore set a goal that by the end of 2025, 100% of direct suppliers will have internal systems in place to measure, manage and report NDPE progress across their entire supply base and report via the NDPE Implementation Reporting Framework, an industry-wide reporting tool for companies. During 2022, PepsiCo continued to make progress towards operationalizing profiles for NDPE by working with the POCG and our suppliers to help them implement reporting on mills against the framework including by providing information and training via webinars and one-on-one discussions. In 2022, 75% of Tier 1 suppliers have provided IRF profiles, therefore monitoring direct and indirect suppliers for deforestation and peat for the

volumes that they source to PepsiCo. By end of 2025, 100% of our palm oil supply will be covered under the NDPE principles or within a timebound initiative that demonstrates progress to delivering, as measured by the NDPE Implementation Reporting Framework.

Target reference number

Target 5

Forest risk commodity

Palm oil

Year target was set

2020

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

Traceability point

Third-party certification scheme

Base year

2020

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

38.4

% of target achieved relative to base year [auto-calculated]

38.4

Target status in reporting year

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Why and how target was chosen: Our Global Policy on Sustainable Palm Oil provides a long-term vision for sustainable palm oil production and use. As we seek to expand the benefits of sustainable palm oil while working to eliminate the harm that may be done, it is important to address standards in our own supply chain while addressing systemic issues in partnership with others, including suppliers, peer companies, civil society, governments and certification bodies, so that high environmental standards become the norm and human rights are respected. To achieve our long-term vision and meet our NDPE goals, PepsiCo is implementing a strategy comprised of three interconnecting commitments: 1) Sector Transformation towards 100% No Deforestation, No Peat, No Exploitation (NDPE): 2) Thriving Communities & Ecosystems: and 3) Transparency & Accountability. Meeting our NDPE commitments and the individual and collective actions required is an ongoing process and we have mapped our current work towards meeting our strategy through this implementation plan. These actions will evolve over time as targets are met and as our understanding of the issues and how to tackle them develops. We therefore set a goal that by the end of 2025, 100% of direct suppliers will have internal systems in place to measure, manage and report NDPE progress across their entire supply base and report via the NDPE Implementation Reporting Framework, an industry-wide reporting tool for companies. During 2022, PepsiCo continued to make progress towards operationalizing profiles for NDPE by working with the POCG and our suppliers to help them implement reporting on mills against the framework including by providing information and training via webinars and one-on-one discussions. In 2022, 75% of Tier 1 suppliers have provided IRF profiles accounting for 78.9 of total palm volume. Of this, 38.4% of this palm volume is delivering against NDPE IRF. By end of 2025, 100% of our palm oil supply will be covered under the NDPE principles or within a timebound initiative that demonstrates progress to delivering, as measured by the NDPE Implementation Reporting Framework .

Target reference number

Target 6

Forest risk commodity

Palm oil

Year target was set

2020

Target coverage

Company-wide

Target category

Engagement with direct suppliers

Metric

% of direct suppliers with no deforestation and/or conversion commitment across their entire business

Traceability point

Third-party certification scheme

Base year

2020

Base year figure

0

Target year

2025

Target year figure

100

Reporting year figure

50

% of target achieved relative to base year [auto-calculated]

50

Target status in reporting year

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Why and how target was chosen: Our Global Policy on Sustainable Palm Oil provides a long-term vision for sustainable palm oil production and use. As we seek to expand the benefits of sustainable palm oil while working to eliminate the harm that may be done, it is important to address standards in our own supply chain while addressing systemic issues in partnership with others, including suppliers, peer companies, civil society, governments and certification bodies, so that high environmental standards become the norm and human rights are respected. To achieve our long-term vision and meet our NDPE goals, PepsiCo is implementing a strategy comprised of three interconnecting targets: 1) Sector Transformation towards 100% No Deforestation, No Peat, No Exploitation (NDPE): 2) Thriving Communities & Ecosystems: and 3) Transparency & Accountability. Our Supplier Scorecards provide a means to track and encourage progress of our suppliers towards sustainable palm production. 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. We can therefore identify more capable partners who are poised to help drive industry leading actions, as well as suppliers at the other end of the spectrum with which we can focus capability building efforts to improve their foundational programs. We therefore set a goal to build capability of our direct suppliers, so that all suppliers score greater than 80% through our supplier scorecard process by the end of 2025.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions
Timber products	Yes	Volume from direct and indirect suppliers	<p>i. Methods: PepsiCo is focused on developing and maintaining a deeper understanding of our paper-based packaging supply chain and our supply base sourcing as close to the forest of origin as possible. This is an extremely complex undertaking since PepsiCo does not purchase direct raw material from the forest. For this reason, PepsiCo relies on third-party certifications such as FSC to determine traceability, based on mills where production occurs. We also perform an annual analysis of our contracted volumes through targeted outreach to global procurement contacts to understand the attributes of the fiber packaging products we purchase, including the source country, whether the volumes are certified to a specific sustainability standard, and if suppliers are considered high risk.</p> <p>ii. Example: For example, through FSC, SFI, and PEFC certification, we can trace 34% of our total paper-based packaging volume to the mill level, including for high-risk countries.</p>	Not applicable
Palm oil	Yes	Volume from direct suppliers only	<p>i. Methods: PepsiCo is implementing data systems and processes that allow us to identify the mills in our supply chain. We worked with Peterson and Proforest to develop a Palm Oil Traceability Protocol that describes the traceability reporting requirements for suppliers and verification of this data. As required by the Traceability Protocol, suppliers must report bi-</p>	Not applicable

		<p>annually on the name of all palm oil mills from which palm oil is sourced, geo coordinates of the mills and traceability percentage. Using a risk-based approach, the palm oil data submitted by suppliers are subject to verification by a third party to assess accuracy and completeness.</p> <p>ii. Examples: Recognizing the importance of building capacities to reach RSPO certification and smallholder inclusion, in 2021 PepsiCo sponsored a training program, in collaboration with Proforest and Femexpalma, for mills, associations and producers to build technical capacities of the Mexican palm oil sector on sustainability topics, such as RSPO certification schemes, evaluation and conservation of High Conservation Values (HCV), implementation of the RSPO Smallholder certification, internal control systems and evaluation of risks. To date, the program has supported 6 internal audits and the development of action plans for 6 Femexpalma affiliated members. In 2022, PepsiCo supported the first certification of independent smallholders in Mexico, meaning 117 smallholder producers and 2,665 have certified in the RSPO eligibility milestone.</p>	
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F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Country	Argentina Australia Austria Belgium Brazil Canada Chile China Colombia	99

		Czechia Dominican Republic Ecuador Egypt Finland France Germany Guatemala Hungary India Ireland Italy Mexico Netherlands Norway Pakistan Peru Portugal Republic of Korea Russian Federation Saudi Arabia Serbia South Africa Spain Sweden Thailand Turkey United Kingdom of Great Britain and Northern Ireland United States of America Uruguay	
Palm oil	Mill	Brazil Colombia Costa Rica Dominican Republic Ecuador Honduras Indonesia Liberia Malaysia Panama	98

		Papua New Guinea Peru Thailand	
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F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	70
Palm oil	Yes	100

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Chain of Custody

Chain-of-custody model used

% of total production/consumption volume certified

29

Form of commodity

Paper
Primary packaging
Secondary packaging
Tertiary packaging

Volume of production/ consumption certified

486,946

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

Actions: PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in the Stewardship of Forests and Natural Ecosystems, Land and Sustainable Packaging policies.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Recycled

Chain-of-custody model used

% of total production/consumption volume certified

24

Form of commodity

Paper
Primary packaging
Secondary packaging
Tertiary packaging

Volume of production/ consumption certified

391,999

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Actions: PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in the Stewardship of Forests and Natural Ecosystems, Land and Sustainable Packaging policies.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

12

Form of commodity

Paper
Primary packaging
Tertiary packaging

Volume of production/ consumption certified

198,305

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

i. Actions: PepsiCo engaged Proforest to map the supply chain and support implementation of its policies related to paper packaging, including an assessment of certification schemes that PepsiCo recognizes (e.g., FSC, PEFC, SFI) to analyze the extent to which they deliver PepsiCo requirements, as outlined in the Stewardship of Forests and Natural Ecosystems, Land and Sustainable Packaging policies.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

99

Form of commodity

Refined palm oil
Palm oil derivatives

Volume of production/ consumption certified

498,047

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

i. Actions: As more mass balance physically-certified sustainable palm oil (CSPO) becomes available, and as part of our goal to sustainably source palm oil, we set a target of sourcing 100% RSPO physically certified palm oil by the end of 2020. We achieved this goal, increasing our sourcing from 82% in 2019. In addition, we procured 3621 MT of Independent Smallholder Credits in 2022, which are an effective way to recognize efforts made by smallholders to reach the level of RSPO certification. To address the problem of limited physically-certified palm oil, PepsiCo also seeks to build certification capacity on our journey to 100%, supported by our supplier scorecard mechanism.

Forest risk commodity

Palm oil

Third-party certification scheme

Other, please specify

RSPO Independent Smallholder Credit

Chain-of-custody model used

Certificate trading

% of total production/consumption volume certified

1

Form of commodity

Refined palm oil

Palm oil derivatives

Volume of production/ consumption certified

3,621

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

i. Actions: As more mass balance physically-certified sustainable palm oil (CSPO) becomes available, and as part of our goal to sustainably source palm oil, we set a target of sourcing 100% RSPO physically certified palm oil by the end of 2020. We achieved this goal, increasing our sourcing from 82% in 2019. In addition, we procured 3621 MT of Independent Smallholder Credits in 2022, which are an effective way to recognize efforts made by smallholders to reach the level of RSPO certification. To address the problem of limited physically-certified palm oil, PepsiCo also seeks to build certification capacity on our journey to 100%, supported by our supplier scorecard mechanism.

ii. Examples: PepsiCo became an RSPO Member in 2009, and since then, we have been actively working with the RSPO, suppliers to promote the benefits of membership, which includes to the environment, workers, local communities and business overall. In 2018, PepsiCo participated in the revision of the 2013 principles and criteria, which strengthened the RSPO Standards, including on smallholder inclusion. 100% of our direct suppliers have been RSPO members since 2017. In 2022, we continued to focus on using our market scale and engagement to support RSPO uptake and effectiveness through a continued target to 100% RSPO certification and achieved our goal of least 95% being physically certified, with the balance comprised of Independent Smallholders (ISH) credits.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations

Supply chain

Description of control systems

PepsiCo uses FSC, SFI, and PEFC certification to assess compliance of timber products in our supply chain. We manage compliance by asking suppliers to submit proof of certification and volumes. PepsiCo is currently developing operational guidance for monitoring deforestation related to our timber products, which may impact future reporting on compliance data.

Monitoring and verification approach

Third-party verification

Other, please specify

Grievance mechanisms

% of total volume in compliance

61-70%

% of total suppliers in compliance

81-90%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

10-20%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Types of monitoring, monitoring frequency, response to non-compliance: One approach PepsiCo uses to monitor compliance is through FSC certification and annual verification. The grievance mechanism also provides continuous monitoring for our agricultural supply chain and complements our Speak Up! process. We are guided by Section 31 of the United Nations Guiding Principles on Business and Human Rights, which sets out the principles for good business-led grievance mechanisms. Annually, we engage our direct suppliers who source from the companies at the center of the complaint to: Validate the allegations; Demonstrate the importance we attach to addressing the concerns; Understand previous and future corrective action steps; and influence those actions, monitor progress towards completion and address the complaint. In every case, we look to engage suppliers first and promote corrective actions that solve problems and build capability for sustainable agricultural commodities. In cases where engagement does not lead to progress, we will consider all appropriate steps including significant action where deemed necessary. At the end of 2022, all grievances that were registered in our system, including legacy grievances, were resolved, leaving 0 open grievances. We continue to engage with suppliers, peers and others to make progress.

Forest risk commodity

Palm oil

Operational coverage

Direct operations

Supply chain

Description of control systems

PepsiCo believes that RSPO certified volumes are essential in sourcing palm oil grown in compliance with our NDPE targets. To facilitate pre-competitive collaboration and drive sustainable production, we have led through the 'Palm Oil Collaboration Group' the development and roll out of the NDPE IRF, an industry-wide tool that allows companies to report on palm that delivers on targets, or is on its way to delivery. We rolled this to our global supply network in 2020 – today, 75% of our suppliers have provided IRF profiles, and we aim to have 100% of our suppliers aligned with NDPE standards by 2022. We also work with our direct suppliers through our supplier scorecard mechanism to build capability to deliver NDPE compliant palm oil, and to address non-compliances found in our supply chain. Our publicly available grievance mechanism allows third parties to raise concerns that our environmental and social policies may not be upheld within our supply chain, including NDPE targets.

Monitoring and verification approach

Geospatial monitoring tool

Third-party verification

Other, please specify

RSPO certification; Supplier scorecards; Grievance mechanisms

% of total volume in compliance

31-40%

% of total suppliers in compliance

71-80%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

21-30%

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We conduct annual Supplier Scorecards to engage suppliers on traceability and verification; certification; policy and implementation; grievance management; and transparency. PepsiCo has engaged with suppliers through 1:1 meetings and webinars on NDPE IRF initiatives. To support the goals in our Palm Oil Strategy, in 2021 PepsiCo integrated the IRF into our supplier scorecard process. Reporting and performance against NDPE IRF will make up half of the total supplier score, encouraging ongoing improvement against the IRF and guiding how we support suppliers in delivering our shared NDPE targets (available at <https://ndpe-irf.net/>). The average supplier

performance score improved by approximately 2%, increasing from 2021 to 2022. By 2025, we aim to have 100% of our suppliers reporting their NDPE profiles. The grievance mechanism provides continuous monitoring for our agricultural supply chain. We engage our direct suppliers to: Validate the allegations; Demonstrate the importance in addressing concerns; Understand corrective action steps; Influence those actions, and Monitor progress towards completion. At the end of 2022, 8 grievances were registered in our system related to palm oil production in Brazil, Indonesia, Malaysia, and Papua New Guinea. We continue to engage with suppliers, peers and others to make progress.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

i & ii. Procedure and methods/tools: In order to source from Brazil, PepsiCo must comply with the Brazilian Forest Code. In addition to being articulated within our Supplier Code of Conduct (compliance with all applicable environmental laws and regulations), suppliers complete a self-assessment that assesses compliance with all applicable environmental laws in the country. In the case of suppliers in Brazil, this would then be further verified by an independent auditor, as part of the Sedex Members Ethical Trade Audit (SMETA) on-site audits conducted with these suppliers, as part of the Sustainable Sourcing Program. Legal environmental compliance is reviewed as part of the SMETA 4-Pillar methodology, section 10B4.1, stating: 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. The independent audit provides an additional layer of confidence in findings to ensure legal compliance.

iii. Why procedures are sufficient: As the procedures are multilayered, first by a supplier self-assessment followed by an independent audit, and in alignment with the established SMETA methodology, PepsiCo considers these procedures sufficient to ensure legal compliance.

Country/Area of origin

Argentina

Australia
Brazil
Colombia
Ecuador
Guatemala
India
Mexico
Peru
Thailand

Law and/or mandatory standard(s)

Brazilian Forest Code

Comment

Palm oil

Procedure to ensure legal compliance

i & ii. Procedure and methods/tools: In order to source from Brazil, PepsiCo must comply with the Brazilian Forest Code. In addition to being articulated within our Supplier Code of Conduct (compliance with all applicable environmental laws and regulations), suppliers complete a self-assessment that assesses compliance with all applicable environmental laws in the country. In the case of suppliers in Brazil, this would then be further verified by an independent auditor as part of the SMETA on-site audits conducted with these suppliers as part of the Sustainable Sourcing Program. Legal environmental compliance is reviewed as part of the SMETA 4-Pillar methodology, section 10B4.1, stating: 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. The independent audit provides an additional layer of confidence in findings to ensure legal compliance.

iii. Why procedures are sufficient: As the procedures are multilayered, first by a supplier self-assessment followed by an independent audit, and in alignment with the established SMETA methodology, PepsiCo considers these procedures sufficient to ensure legal compliance.

Country/Area of origin

Brazil
Colombia
Ecuador
Guatemala
India
Mexico
Peru
Thailand
Viet Nam

Law and/or mandatory standard(s)

Brazilian Forest Code

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders				PepsiCo is currently working to track the number of smallholders within our timber supply chain and we continue to encourage our suppliers to engage with smallholders.
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building Financial and commercial incentives	Offering on-site technical assistance and extension services Providing agricultural inputs Disseminating technical materials Organizing capacity building events Investing in pilot projects Financial incentives for certified products	3,935	<p>i. Description of main strategy: We are striving to supporting the inclusion of smallholders in our supply chain and work with our suppliers to ensure that our palm oil policies are implemented in a way that supports them. As part of this goal, PepsiCo is investing in landscape initiatives that support conservation, community development, smallholder inclusion and responsible production practices.</p> <p>ii. Engagement activities: In 2022, we continued to coordinate our efforts in this area with other companies as</p>



				<p>well as through working with civil society organizations and government. PepsiCo is supporting landscape programs in Indonesia and continuing its support in Mexico. In Indonesia, our landscape programs specifically include efforts to support smallholder livelihoods and production. For example, in Aceh PepsiCo has directly supported the first RSPO certification of an independent smallholder group, which was achieved in November 2022. In 2023, we plan to continue to identify new opportunities to support smallholders in Aceh. In Siak and Pelalawan districts in Riau, in partnership with other supply chain companies, PepsiCo supported 13 villages on best practices for better livelihoods in 2022 (bringing the cumulative total to 28 since 2020). This included training of 709 people on best agricultural practices and supporting 77 farmers to get formal cultivation licences (legality). With regards to market support, in 2022, PepsiCo purchased 2,590 independent smallholder</p>
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					<p>credits and received an award from FORTASBI (Forum of Sustainable Oil Palm Smallholders in Indonesia) in recognition of the support that PepsiCo's sourcing of Roundtable on Sustainable Palm Oil (RSPO) independent smallholder credits had made to the livelihoods of farmers in Indonesia. PepsiCo has committed to ensuring at least 95% of volumes are physical certified supply chains, but with the balance being comprised exclusively of ISH credits. We believe that balancing physical certified supply chains and ISH credits in this manner supports market development for RSPO certified oil across the supply chain and ensures inclusion of smallholders.</p>
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F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

i. Strategy: PepsiCo works with our suppliers to help them become environmentally sustainable in their practices by following credible forestry standards and purchasing their wood fiber only from sources that support responsible forest management, as outlined in our policies. PepsiCo recognizes the forestry standards below as credible within their scope and requires 100% of our suppliers commit to utilizing an appropriate standard: FSC, PEFC and SFI. We are also working with Proforest to trace our supply chain and understand the level of paper packaging certification and risk of paper used.

ii. Examples: In 2017, PepsiCo developed new contract language for our sourced materials to be FSC- and SFI-certified, further promoting compliance with our policy criteria. This contract language has since been implemented in 2018. As we undertake new contracts, PepsiCo has been negotiating by region to determine the capabilities to source certified materials. Our percent certified material has increased in identified areas of higher risk as we renew contracts from 0% to 51% in Thailand and 10% to 100% in Brazil, comparing 2015 to 2022 volumes.

iii. Number of suppliers engaged: In 2020, our RFI/RFP process was conducted across regions, regular meetings were held to evaluate and develop new opportunities, and PepsiCo implemented circular economy aspects with some suppliers such as selling scrap and unusable boxes to close the loop. As all suppliers must engage with PepsiCo during contract negotiations, we consider our engagement to be 100%.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

PepsiCo uses FSC, Chain of Custody, or national certification schemes approved by PEFC to negotiate contracts with suppliers on sustainable land management practices. Through this process and the work we are doing to increase our traceability, PepsiCo commits to realizing zero deforestation in our company-owned and -operated activities and global supply chains. Our percent certified material has increased in identified areas of higher risk as we renew contracts from 0% to 51% in Thailand and 10% to 100% in Brazil, comparing 2015 to 2022 volumes.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 1

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Developing or distributing supply chain mapping tool

Supplier audits

Offering on-site training and technical assistance

Disseminating technical materials

Description of engagement

i. Strategy: PepsiCo updated our Global Palm Oil Policy in April 2021, reflecting our NDPE targets. We encouraged direct suppliers to be RSPO members; since 2017, 100% of direct suppliers have been RSPO members. Supplier Scorecards track and encourage our progress towards sustainable palm, and in 2021, we integrated the IRF into our supplier scorecard process. Reporting and performance against the IRF will make up half of the total supplier score, encouraging ongoing improvement against the IRF and helping to support suppliers in delivering our shared NDPE targets. Our palm traceability protocol supports development of better information systems to help achieve our goals, identify opportunities for improvement, and prioritize capacity building.

ii. Examples and number of direct suppliers: PepsiCo works with suppliers to drive compliance with our Policy and support their sustainability efforts. Based on our Supplier Scorecard methodology implemented among the 56 suppliers that we sourced from in 2022, we have seen marked improvements and an average supplier performance score improvement of approximately 3% since 2021. Informed by scorecard results, we continued to support capability building to improve practices via 1:1 sessions with subject matter experts and live webinars, focusing on scorecard outages and NDPE IRF. Our palm traceability protocol requires direct suppliers to provide a full mill list supplying them on a quarterly basis, including geo coordinates, parent company of the mills and certification/verification status, and undergo an independent third-party review of the reported data. We also attained approximately 98% traceability to mill by the end of 2022, 2) implemented our Palm Traceability to Mill Verification Protocol, with 100% of our direct suppliers' self-reported mill data independently verified.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

PepsiCo sources from RSPO certified suppliers. Since 2021, we integrated the IRF into our supplier scorecard process to encourage support our suppliers in our shared goal towards NDPE. Based on our Supplier Scorecard methodology implemented among the 56 suppliers that we sourced from in 2022 we have seen marked improvements and an average supplier performance score improvement of approximately 3% since 2021. Informed by scorecard results, we continued to support capability building to improve practices via 1:1 sessions with subject matter experts and live webinars, focusing on scorecard outages and NDPE IRF.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 4, Target 6

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Other

Details of engagement

Other, please specify

Multi-stakeholder and collaborative initiatives

Description of engagement

i. Strategy: PepsiCo is focused on developing and maintaining a deeper understanding of our paper-based packaging supply chain and its supply-base sourcing as close to the forest of origin as possible. This is an extremely complex undertaking since PepsiCo does not purchase direct raw material from the forest. However, such action is important to achieving our ultimate goal of purchasing only responsibly-sourced wood fiber products. Given our position in the value chain, PepsiCo looks for opportunities to understand strategies for engaging beyond first tier suppliers through multi-stakeholder initiatives and collaborative initiatives. We also work with our suppliers to help them become environmentally sustainable in their practices by following credible forestry

standards and purchasing their wood fiber only from sources that support responsible forest management, as outlined in our policies.

ii. Example: PepsiCo became an original signatory to the CGF Forest Positive Coalition of Action (the Coalition), comprised of ambitious member companies committed to moving efficiently and quickly towards a forest positive future and who understand the need to work collaboratively with multiple stakeholders. As a member of the Coalition, PepsiCo was involved in creating specific actions that were formalized in 2021 and continued in 2022 to: Engage direct suppliers and key upstream actors by: Requesting/Promoting the uptake of credible third-party certification where possible, including Chain of Custody; Actively engaging to promote implementation of Forest Positive sourcing across their whole PPP business (linking to the Collaborative Action) and increased use of recycled content; Actively engaging with the suppliers sourcing in countries where certification is not an option to promote sustainable forestry or is known to not adequately address all risks.

Explain the impact of your engagement on the selected action

Through PepsiCo's work with the Coalition and certification of sustainable forest management practices, we have been able to set a commitment to realize deforestation-free sourcing in our company-owned and -operated activities and global supply chains by 2025 and conversion-free sourcing by 2030. Our procurement team works to ensure there are internal systems in place that drive consequences for good or bad supplier performance, as well as report on progress using agreed KPIs at least annually. Supplier standards and expectations beyond first-tier suppliers on sustainable forest management are also embedded in our Stewardship of Forests and Natural Ecosystems Policy.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 1

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Restoring past deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Developing or distributing supply chain mapping tool

Disseminating technical materials

Participating in workshops
Investing in pilot projects

Description of engagement

i. Strategy: We work with suppliers to ensure PepsiCo's palm oil policies include smallholders and addresses our full supply chain, through traceability to mill, traceability to plantation (TTP), on the ground initiatives, and industry level engagement. We annually disclose a list of our direct suppliers and mills as of 2020. Self-reported traceability to mill data in 2022 was 98.08%, and was 100% independently verified. PepsiCo has convened the 'Palm Oil Collaboration Group' to discuss sustainability issues and challenges in a pre-competitive manner. The group is rolling out the NDPE IRF, an industry-wide reporting tool for companies to comprehensively report on NDPE progress across the supply base. The development phase included pilot studies and in the next phase, refineries and mills will be requested and supported to allocate fresh fruit bunches (FFB) to progress categories based on production practices in the concession or smallholder plot where the FFB is produced, which will become more feasible with more TTP information.

ii. Example: We created the Mexico Holistic Palm Program, a 3-year inclusive palm oil program that engages the supply chain at multiple levels: the sector level (with national palm oil federation Femexpalma), in the PepsiCo Supply Base (with our supplier Oleofinos) and with smallholders (with Oleopalma and the smallholders in their supply base). The demo farms, launched in 2019, enable the demonstration of sustainable agricultural practices, including nutrient management, productivity, quality and improving livelihoods to 17.69 tons/ha (in 2022). In 2022, the program hosted the First "Palmeros Sustentables" Conference, with the participation of over 250 people, including technicians, producers, and local governments. Additionally, the program is engaging with medium and large producers to support the implementation of sustainable practices. In collaboration with FEMEXPALMA and Proforest, the program has conducted a diagnostic baseline across 4,904 hectares, demonstrating the producers are in compliance with 31% of the RSPO Standard and developed an action plan to support their pathway to sustainable production. Finally, in 2022, 117 smallholder producers, representing 2,665 hectares and part of the Smallholder pilot program, became the first to pass the eligibility milestone as part of the RSPO Smallholder Standard.

Explain the impact of your engagement on the selected action

Through PepsiCo's engagement with smallholders and traceability to mill, traceability to plantation, and on the ground initiatives, and industry level engagement, PepsiCo has been able to improve supply chain activities and reduce deforestation. For example, the Mexico Holistic Palm Program, a 3-year inclusive palm oil program that engages the supply chain at multiple levels to help drive scale and expand the existing capacity of the Smallholders Program, nine demo farms were launched in 2019. The demo farms enable the demonstration of sustainable agricultural practices, including nutrient management, productivity, quality and improving livelihoods to 17.69 tons/ha (in 2022). In 2022, the program has conducted a diagnostic baseline across 4,904 hectares, demonstrating the producers are in compliance with 31% of the RSPO Standard and

developed an action plan to support their pathway to sustainable production. Finally, in 2022, 117 smallholder producers, representing 2,665 hectares and part of the Smallholder pilot program, became the first to pass the eligibility milestone as part of the RSPO Smallholder Standard.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s)

Target 3

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

Do you engage in landscape/jurisdictional approaches?	
Row 1	Yes, we engage in landscape/ jurisdictional approaches

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Commodity sourcing footprint Current and future sourcing risk Opportunity to build resilience at scale Opportunity to increase market access for smallholders and local communities Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Recognized as priority landscape by credible multi-stakeholder groups Response to regulation Risk of deforestation, forests/land degradation, or	We are taking a landscape approach to advancing regenerative agriculture, marked by collaboration between stakeholders within a designated region to advance shared sustainability goals while reconciling and optimizing multiple social, economic and environmental objectives. We launched several initiatives tackling some of our key commodities with this approach in the Midwest U.S., Mexico and Southeast Asia, and plan to expand into new priority landscapes. Many of the sustainable supply chain challenges and opportunities that we face stem from systemic challenges in the sourcing landscape, and therefore we believe that we must use both supply chain and landscape level engagement to achieve regenerative food systems. Therefore, we support several landscape initiatives that address systemic issues facing communities and ecosystems in priority landscapes, including deforestation; land, worker, and community rights; and economic viability. PepsiCo is a co-chair the CGF Forest Positive Coalition of Action to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains, while supporting sustainable forest management,

<p>conversion of other natural ecosystems</p> <p>Risk of biodiversity loss</p> <p>Risk of fires</p> <p>Risk of issues related to land tenure rights</p> <p>Risk of human rights issues</p>	<p>conservation and restoration. With this coalition, PepsiCo's goals and initiatives are in alignment and strive for specific goals, such as smallholder inclusion and reduced deforestation outside of concessions for palm and to eliminate deforestation and degradation of HCV forest and areas for timber. Our palm oil strategy articulates our specific role and the actions we intend to take in our own supply chain and to catalyze wider change. Our goal is to source 100% sustainable palm oil, which includes 100% RSPO certified volumes. We set three interconnected objectives that also guide our jurisdictional approach where we aim to address systemic issues facing communities and ecosystems in priority landscapes, including deforestation, land and workers' rights, and economic viability. In Riau, we are collaborating with seven companies on a landscape program for sustainable palm oil in the districts of Siak and Pelalawan. The goal of the program is to create sustainable landscapes across both districts that will produce deforestation-free and exploitation-free palm oil and maintain or enhance key conservation areas. This will build upon existing local efforts and multi-stakeholder platforms to advance sustainable, inclusive palm oil production models.</p>
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F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

LJ1

Country/Area

Indonesia

Name of landscape or jurisdiction area

Siak/Pelalawan

Types of partners engaged in the initiative design and implementation

- Subnational government
- Local civil society organization(s)
- International company(ies)
- Direct supplier(s)

Type of engagement

- Convener: High level of engagement in set-up, design, management and implementation
- Funder: Provides full or partial financial support

Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Improved capacity for community engagement in multi-stakeholder processes
Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Description of engagement

The program has three phases which are: 1) design the intervention, 2) define the partnership and 3) implement the intervention. PepsiCo is engaged with Siak District Government to support implementation of the District action plan, which includes providing training and funding for facilitators in seven rural communities and engaging with all local mills.

Engagement start year

2019

Engagement end year

Please specify
2025

Estimated investment over the project period (currency)

750,000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

In 2022 the Coalition was focused on implementation. This involved supporting 13 new villages with village facilitators to develop conservation and sustainable agriculture (bringing the total so far to 28), engaging 1,355 people to understand the land licencing requirements (leading to 77 farmers formally receiving the correct licences) and mapping more than 153,000 ha of priority areas for conservation and restoration. In addition, 53 mills were engaged on best practices and market requirements, and 100% of the landscape area was covered by satellite monitoring and alert systems for deforestation from World Resources Institute (WRI).

Landscape/Jurisdiction ID

LJ2

Country/Area

Indonesia

Name of landscape or jurisdiction area

Aceh/North Sumatra

Types of partners engaged in the initiative design and implementation

Subnational government
International civil society organization(s)
National civil society organization(s)
Local civil society organization(s)
Financial institution(s)
International company(ies)

Type of engagement

Partner: Shared responsibility in the implementation of multiple goals
Funder: Provides full or partial financial support

Goals supported by engagement

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Improved business models that enable inclusion (including smallholders)
Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)
Reliable commodity traceability and landscape monitoring/data collection system(s)

Company actions supporting approach

Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)
Support local governments (or equivalent) to enhance landscape governance structure, and provide them with resources to develop and implement sustainable landscape policies and/or management plan(s)

Description of engagement

PepsiCo is a founding member of the Coalition for Sustainable Livelihoods (CSL). CSL is a group of civil society and private sector organizations with a shared interest in sustainable development, active investments in the Aceh and North Sumatra provinces of Indonesia, and a strong desire to work collaboratively with government. The coalition members have agreed to work collectively to achieve common objectives for smallholder livelihoods, sustainable agricultural production and conservation in North Sumatra and Aceh. The Coalition aims to create sustainable commodity value chains (including palm oil) that create business and livelihood opportunities for the people of Aceh and North Sumatra while preserving natural resources.

Engagement start year

2019

Engagement end year

Not defined

Estimated investment over the project period (currency)

927,521

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

PepsiCo is a supporter of the Aceh Tamiang Verified Sourcing Area initiative and implementation of the landscape plan that the CSL has formulated. In late 2019, the district government formally adopted the plan and signed an agreement to work together towards specific targets on deforestation, livelihoods, and productivity in partnership with local stakeholders (a production-protection-inclusion model). In support of this, PepsiCo has invested in partnership with PT Mopoli Raya, Forum Konservasi Leuser (FKL), and IDH (The Sustainable Trade Initiative) in the restoration of 300 hectares of forest and supporting at least 500 smallholders to become more productive and sustainable. The first phase of this work was completed in 2021, with the project having restored 300 hectares of forest previously given to oil palm (using a combination of tree planting and natural regeneration), established two farmer groups and a community nursery, trained 500 farmers in best practices (6 modules per farmer) and supported formalisation of land titles for 789 smallholder plots.

In 2022 the CSL worked in support of district and provincial sustainability action plans, as well as facilitating a learning exchange between the kabupatens of Aceh Tamiang and Tapanuli Selatan which led to a simplification of land registration processes from smallholders. In 2023 the coalition will further develop its role in facilitating learning across provinces through additional learning exchanges, improved communications and local-issue working groups. One action already identified as a priority is to form a working group to guide industry on addressing labour rights issues in Aceh and North Sumatra palm oil. PepsiCo will support the group including as a participant in 2023.

Note: Value provided in “Estimated investment over the project period” column is reflective of EUR 350,000 to date investment and additional EUR 500,000 future investment converted to USD.

Landscape/Jurisdiction ID

LJ3

Country/Area

Mexico

Name of landscape or jurisdiction area

Chiapas/Tabasco

Types of partners engaged in the initiative design and implementation

National civil society organization(s)

International company(ies)

National/local company(ies)

Direct supplier(s)

Type of engagement

Partner: Shared responsibility in the implementation of multiple goals

Funder: Provides full or partial financial support

Goals supported by engagement

Improved business models that enable inclusion (including smallholders)

Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)

Increased uptake of certification

Company actions supporting approach

Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)

Description of engagement

In Mexico, PepsiCo supported Oleopalma's successful application to the RSPO Smallholders Support Fund, committing to match funding of the RSPO contribution 1:1, leveraging important resources to the benefit of smallholders. The program is expected to benefit more than 2,200 people and their communities over a three-year period. The objective of the program is for Mexican smallholders to achieve the RSPO independent group certification while contributing to their livelihoods and ensuring the sustainable supply of certified palm oil and in addition, to serve as a model of sustainable development for the palm oil industry in Mexico. The program is supported by the RSPO Smallholder Support Fund and is in partnership with Oleopalma, Oleofinos, Federación Mexicana de Palma de Aceite (Femexpalma), Smallholder Associations and Proforest. In 2019, Nestle joined the partnership to further the impact of the program.

Engagement start year

2018

Engagement end year

Please specify

2025

Estimated investment over the project period (currency)

800,000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

Nine demo farms were launched in 2019 with over 200 participants from the surrounding communities. Of the almost 8,000 oil palm producers in Mexico, nearly 95% of palm oil groves are less than 20 hectares and represents approximately 85% of national fruit production. Inclusion of smallholders is fundamental to meet a growing domestic demand for palm oil through sustainable intensification and to improve livelihood opportunities. The productivity rates of smallholders in Mexico are among the lowest

globally (12.1 TM of FFB/Year as a national rate yield in 2021) and have the potential to double. The demo farms enable the demonstration of good sustainable agricultural practices, including nutrient management, productivity, quality and improving livelihoods. Recognizing the criticality of mill support in smallholders reaching RSPO certification, PepsiCo sponsored a week-long workshop, in collaboration with Proforest and Femexpalma, for mills, associations and producers to learn more about how to implement the RSPO Smallholder certification. The topics covered in the workshop included development of internal control systems and monitoring systems, evaluation of risks, and HCVs. This course was part of a larger initiative to strengthen the technical capacity of the Mexican palm oil sector by hosting a series of 5 training events on RSPO licensed and endorsed courses on sustainability topics. The program welcomed new partners in 2022-2023: Cargill, RSPO and Oleofinos. In 2022, the program hosted the First “Palmeros Sustentables” Conference, with the participation of over 250 people, including technicians, producers, local governments. Additionally, the program is engaging with medium and large producers to support the implementation of sustainable practices. In collaboration with FEMEXPALMA and Proforest, the program has conducted a diagnostic baseline across 4,904 hectares, demonstrating the producers are in compliance with 31% of the RSPO Standard and developed an action plan to support their pathway to sustainable production. Finally, in 2022, 117 smallholder producers, representing 2,665 hectares and part of the Smallholder pilot program, became the first to pass the eligibility milestone as part of the RSPO Smallholder Standard. Beyond this, 90% of the producers demonstrated an increased income from the previous year, with an average yield of 17.69 tons/ha/year – a rate which exceeds the national average yield.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data		
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	0.76

LJ3	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Palm oil	5.15
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F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Brazil

Subnational area

Not applicable

Initiatives

Tropical Forest Alliance 2020 (TFA)

Other, please specify

Sustainable Packaging Coalition, EUROPEN, CGF Forest Positive Coalition

Please explain

i. PepsiCo role and fit within environmental strategy: PepsiCo is an active member of The European Organization for Packaging and the Environment, known as EUROPEN, serving on the Executive Committee and Scientific & Regulatory Affairs Committee, to drive forward our Global Sustainable Packaging Policy (see: https://www.pepsico.com/docs/album/esg-topics-policies/pepsico-sustainable-packaging-policy.pdf?sfvrsn=d808643c_4) As a member of the Tropical Forest Alliance (TFA), PepsiCo supports the TFA’s mission to foster public-private partnerships in which partners take voluntary actions, individually and collaboratively, to reduce tropical deforestation. The TFA is a multi-stakeholder partnership platform, initiated to support the implementation of private-sector targets to remove their deforestation from their palm oil, beef, soy, and pulp and paper supply chains. Hosted by the World Economic Forum, PepsiCo is a partner of the TFA and supports its mission, goals and objectives, including through active involvement in programs and initiatives to end commodity-driven tropical deforestation. PepsiCo is an original signatory to the CGF Forest Positive Coalition of Action (the Coalition), comprised of ambitious member companies striving to move efficiently and quickly towards a forest positive future and who understand the

need to work collaboratively with multiple stakeholders. The Coalition is focusing 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. Realizing the connection between deforestation and climate change, PepsiCo established an ambitious science-based goal to reduce absolute greenhouse gas (GHG) emissions by more than 40% across our value chain by 2030. To achieve this goal, we must reduce emissions in our agricultural supply chain, including palm oil, by implementing our NDPE policy goals (specifically no deforestation and no development on peatlands). Our involvement in these initiatives directly ties to PepsiCo's efforts to realize our goal of zero deforestation in our Company-owned and -operated facilities and global supply chains from direct supplier to source.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Thailand

Subnational area

Not applicable

Initiatives

Please explain

i. PepsiCo role and fit within environmental strategy: PepsiCo adopted the Consumer Goods Forum (CGF) Deforestation Resolution, which commits a wide range of food and beverage manufacturers and retailers to achieve zero net deforestation by 2020. While good progress has been made since it was issued in 2010, our industry has not fully realized the ambition set out in the resolution. To accelerate progress, PepsiCo became an original signatory to the CGF Forest Positive Coalition of Action (the Coalition), comprised of ambitious member companies striving to move efficiently and quickly towards a forest positive future and who understand the need to work collaboratively with multiple stakeholders. The previous strategy was rooted in remediating individual company supply chains often through certification. Going forward, the Coalition will 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. PepsiCo's Chairman and CEO serves on the CGF Board of Directors. Realizing the connection between deforestation and climate change, PepsiCo established an ambitious science-based goal to reduce

absolute greenhouse gas (GHG) emissions by more than 40% across our value chain by 2030. To achieve this goal, we must reduce emissions in our agricultural supply chain, including palm oil, by implementing our NDPE policy goals (specifically no deforestation and no development on peatlands). Our involvement in these initiatives directly ties to PepsiCo's efforts to realize our goal of zero deforestation in our Company-owned and -operated facilities and global supply chains from direct supplier to source.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Other, please specify

Involved in jurisdictional approaches

Country/Area

Indonesia

Subnational area

Please specify

Aceh

Initiatives

Please explain

PepsiCo role and fit within environmental strategy: PepsiCo is a founding member of the CSL. CSL is a group of civil society and private sector organizations with a shared interest in sustainable development, active investments in the Aceh and North Sumatra provinces of Indonesia, and a strong desire to work collaboratively with government. Within CSL, PepsiCo is a supporter of the Aceh Tamiang Verified Sourcing Area initiative and implementation of the landscape plan that the CSL has formulated. In late 2019, the district government formally adopted the plan and signed an agreement to work together towards specific targets on deforestation, livelihoods, and productivity in partnership with local stakeholders (a production-protection-inclusion model). In support of this, PepsiCo has invested in partnership with PT Mopoli Raya, Forum Konservasi Leuser (FKL), and IDH (The Sustainable Trade Initiative) in the restoration of 300 hectares of forest and supporting at least 500 smallholders to become more productive and sustainable. The first phase of this work was completed in 2021, with the project having restored 300 hectares of forest previously given to oil palm (using a combination of tree planting and natural regeneration), established two farmer groups and a community nursery, trained 500 farmers in best practices (6 modules per farmer) and supported formalisation of land titles for 789 smallholder plots. In Aceh, PepsiCo has directly supported the first RSPO certification of an independent smallholder group,

which was achieved in November 2022. In 2023, we plan to continue to identify new opportunities including expansion to Aceh Timur. In 2022, the CSL worked in support of district and provincial sustainability action plans, as well as facilitating a learning exchange between the kabupatens of Aceh Tamiang and Tapanuli Selatan which led to a simplification of land registration processes from smallholders. In 2023, the coalition will further develop its role in facilitating learning across provinces through additional learning exchanges, improved communications and local-issue working groups. Delivering NDPE policy goals supports our science-based target to reduce emissions by more than 40% across our value chain by 2030.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Indonesia

Subnational area

Please specify

Riau

Initiatives

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Palm Oil (RSPO)

Other, please specify

Palm Oil Collaboration Group, CGF Forest Positive Coalition of Action

Please explain

PepsiCo role and fit within environmental strategy: PepsiCo is an active member of the Shared Responsibility Task Force, and on October 31, 2019, the RSPO's Board of Governors approved landmark rules calling for "Shared Responsibility," and for all members of the organization to do their part to "Mobilize, Act and Transform" to fulfil the RSPO's mission. PepsiCo will continue to represent consumer goods manufacturers on the working group as a substantial member. PepsiCo is also a founding member of the North American Sustainable Palm Oil Network, whose mission is to educate, build momentum and assist North American companies in making and delivering on goals to source sustainable palm oil. The TFA is a multi-stakeholder partnership platform supporting the implementation of private-sector targets to remove their deforestation from their palm oil, beef, soy, and pulp and paper supply chains. Hosted by the World Economic Forum, PepsiCo is a partner of the TFA and supports its mission, goals and objectives through active involvement in programs and initiatives to end commodity-driven tropical deforestation. Since 2017, PepsiCo has taken the lead in convening the

'Palm Oil Collaboration Group' to discuss key sustainability issues and challenges in the palm oil space with companies and other stakeholders in a pre-competitive manner. The group developed and rolled out the No Deforestation, No Peat and No Exploitation Implementation Reporting Framework (NDPE IRF), an industry-wide reporting tool for companies. This work tackles human rights and social issues, independent verification of progress, addressing deforestation outside concessions, and monitoring and reporting on progress. PepsiCo is an original signatory to the CGF Forest Positive Coalition of Action, comprised of ambitious member companies striving to move efficiently and quickly towards a forest positive future and who understand the need to work collaboratively with multiple stakeholders. The Coalition is focusing 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. Delivering NDPE policy goals supports our science-based target to reduce emissions by more than 40% across our value chain by 2030.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Mexico

Subnational area

Please specify

Campeche, Chiapas

Initiatives

Please explain

In 2018, PepsiCo announced this three-year program to train and support smallholder palm oil producers in adopting sustainable palm oil cultivation practices and is expected to benefit more than 2,200 people and their communities over a three-year period. The program is supported by the RSPO Smallholder Support Fund and is in partnership with Oleopalma, Oleofinos, Federación Mexicana de Palma de Aceite (Femexpalma), Smallholder Associations and Proforest. In 2019, Nestle joined the partnership. The productivity rates of smallholders in Mexico are among the lowest globally (12.1 TM of FFB/Year as a national rate yield in 2021) and have the potential to double. The demo farms enable the demonstration of good sustainable agricultural practices, including nutrient management, productivity, quality and improving livelihoods. Recognizing the criticality of mill support in smallholders reaching RSPO certification, PepsiCo sponsored a week-long workshop, in collaboration with Proforest and Femexpalma, for

mills, associations and producers to learn more about how to implement the RSPO Smallholder certification. The topics covered in the workshop included development of internal control systems and monitoring systems, evaluation of risks, and high conservation values (HCVs). The program welcome new partners in 2022-2023, with the addition of Cargill (2022), RSPO (2023) and Oleofinos (2023). In 2022, the program hosted the First “Palmeros Sustentables” Conference, with the participation of over 250 people, including technicians, small, medium and large producers, local governments. In collaboration with FEMEXPALMA and Proforest, the program has conducted a diagnostic baseline across 4,904 hectares, demonstrating the producers are in compliance with 31% of the RSPO Standard and developed an action plan to support their pathway to sustainable production. Finally, in 2022, 117 smallholder producers, representing 2,665 hectares and part of the Smallholder pilot program, became the first to pass the eligibility milestone as part of the RSPO Smallholder Standard. Beyond this, 90% of the producers demonstrated an increased income from the previous year, with an average yield of 17.69 tons/ha/year – a rate which exceeds the national average yield.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Country/Area

Indonesia

Subnational area

Please specify

Aceh

Initiatives

Please explain

PepsiCo role and fit within environmental strategy: As part of our role in the CSL, PepsiCo has been supporting the development of the Aceh Tamiang district initiative and implementation of the landscape plan that the CSL has formulated. In late 2019, the district government formally adopted the plan and signed an agreement to work together towards specific targets on deforestation, livelihoods, and productivity in partnership with local stakeholders. In support of this plan, PepsiCo has invested in partnership with PT Mopoli Raya, Forum Konservasi Leuser (FKL), and IDH (The Sustainable Trade Initiative) in the restoration of 300 hectares of forest and supporting at least 500 smallholders to become more productive and sustainable. The first phase of this work was completed in 2021 with the project restoring 300 hectares of forest previously given

to oil palm, providing training to 500 farmers, and supported formalisation of land titles for 789 smallholder plots. In 2022, the CSL worked in support of district and provincial sustainability action plans, as well as facilitating a learning exchange between the kabupatens of Aceh Tamiang and Tapanuli Selatan which led to a simplification of land registration processes from smallholders. In 2023, the coalition will further develop its role in facilitating learning across provinces through additional learning exchanges, improved communications and local-issue working groups. One action already identified as a priority is to form a working group to guide industry on addressing labour rights issues in Aceh and North Sumatra palm oil. PepsiCo will support the group including as a participant in 2023 and provide continued support for the development of a government-led landscape management body and engagement with other stakeholders to develop an effective monitoring system and response protocol to deforestation alerts.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Engaging with communities

Country/Area

Indonesia

Subnational area

Please specify
Aceh

Initiatives

Please explain

PepsiCo role and fit within environmental strategy: In 2022, PepsiCo continued to work with other companies, civil society organizations and government. PepsiCo is supporting landscape programs in Indonesia and continuing its support in Mexico. In Indonesia, our landscape programs include efforts to support smallholder livelihoods and production. In Aceh, PepsiCo has directly supported the first RSPO certification of an independent smallholder group, which was achieved in November 2022. In 2023, we plan to continue to identify new opportunities including expansion to Aceh Timur. Siak and Pelalawan districts in Riau, in partnership with other supply chain companies, PepsiCo is supporting fifteen villages with full-time community coordinators and other capacity building efforts. Realizing the connection between deforestation and climate change, PepsiCo established a goal to reduce absolute GHG emissions by more than 40% across our value chain by 2030. To achieve this goal, we must reduce emissions in our agricultural supply chain, including palm oil, by implementing our NDPE policy goals. Our involvement in this work ties to our efforts to realize our goal of zero deforestation in

our company-owned and –operated facilities and global supply chains from direct supplier to source .

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Engaging with communities

Country/Area

Mexico

Subnational area

Please specify
Chiapas

Initiatives

Please explain

PepsiCo role and fit within environmental strategy: In February 2018, PepsiCo agreed to participate in Oxfam’s FAIR Company-Community Partnerships project in Indonesia. The project promotes a model for sustainable palm oil that benefits women, smallholder farmers, local communities, the environment, and participating companies. FAIR Company-Community Partnerships offer an alternative vision and business model for palm oil production. At the core of the project is the promotion of rights and development aspirations among women, small-holder farmers, and host communities. PepsiCo is the first palm oil buyer to publicly commit its participation and will be joined by others as the project progresses. We are contributing funds for projects and providing relevant business perspectives to the initiative, as well as sharing the lessons in our own supply chains and with our sector peers. In 2022, we continued to work with other companies, civil society organizations and government. PepsiCo is supporting landscape programs in Indonesia and continuing its support in Mexico. In Indonesia, our landscape programs include efforts to support smallholder livelihoods and production. For example, in Aceh PepsiCo has directly supported the first RSPO certification of an independent smallholder group, which was achieved in November 2022. In 2023, we plan to continue to identify new opportunities including expansion to Aceh Timur. In Siak and Pelalawan districts in Riau, in partnership with other supply chain companies, PepsiCo is supporting fifteen villages with full-time community coordinators and other capacity building efforts. Realizing the connection between deforestation and climate change, PepsiCo established a goal to reduce absolute GHG emissions by more than 40% across our value chain by 2030. To achieve this goal, we must reduce emissions in our agricultural supply chain, including palm oil, by implementing our NDPE policy goals. Our involvement in this work ties to our efforts to realize our goal of zero deforestation in

our Company-owned and -operated facilities and global supply chains from direct supplier to source.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Other, please specify

Nationwide in Indonesia and Malaysia

Subnational area

Not applicable

Initiatives

Please explain

Rimba Collective: PepsiCo is founding member of The Rimba Collective. The Rimba Collective is an innovative, long-term collaboration between Consumer Goods Manufacturers (CGMs), processors, traders and growers in the agricultural commodities industry. RC partner with NGOs, governments and conservation experts to deliver positive ecosystem outcomes at scale over the next 30 years and raise \$1bn for conservation or restoration of at least 500,000 ha.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Country/Area

Other, please specify

Nationwide in Indonesia and Malaysia

Subnational area

Not applicable

Initiatives

Please explain

Palm Oil Collaboration Group (POCG): The Palm Oil Collaboration Group (POCG) brings together companies from every stage of the palm oil supply chain to accelerate effective implementation of No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitments. Proforest has been providing technical coordination and support for the POCG and its working groups since the collaboration was established at the end of 2019.

The POCG is made up of more than 30 companies from all stages of the palm oil supply chain including producers, refiners, traders, manufacturers and retailers. The POCG is convened by PepsiCo and Cargill with other member companies convening the different working groups, which increasingly involve implementing partners and stakeholders.

The four working groups are focused on key themes, with further topical discussion groups within each: Implementation Reporting Framework Active Working Group (IRF AWG), Social Issues Working Group (SIWG), Production and Protection Beyond Concessions (PPBC), Independent Verification Working Group (IVWG).

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Other, please specify

Landscape program including forest protection; peatland protection and best management; sustainable agricultural production

Expected benefits of project

Creation of green jobs and sustainable livelihoods
 Improvement to sustainability of production practices
 Reduce/halt biodiversity loss
 Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

In Indonesia, PepsiCo is one of seven companies that are working together on a landscape program for sustainable palm oil in the districts of Siak and Pelalawan. The goal of the program is to create sustainable landscapes across both districts, which will produce deforestation-free and exploitation-free palm oil and maintain or enhance key conservation areas. This will build upon existing local efforts and multi-stakeholder platforms to advance a shared vision of sustainable, inclusive palm oil production models. The program has three phases which are: 1) design the intervention, 2) define the partnership and 3) implement the intervention. In 2022, the partners were focused on implementation. This involved supporting 13 new villages with village facilitators to develop conservation and sustainable agriculture (bringing the total so far to 28), engaging 1,355 people to understand the land licencing requirements (leading to 77 farmers formally receiving the correct licences) and mapping more than 153,000 ha of priority areas for conservation and restoration. In addition, 53 mills were engaged on best practices and market requirements, and 100% of the landscape area was covered by satellite monitoring and alert systems for deforestation from World Resources Institute (WRI).

Primary motivation: PepsiCo is voluntarily pursuing this program in recognition that smallholder engagement and participation in the shift to sustainable palm oil is critically important and requires industry-wide initiatives and collaboration, especially in the largest and most fragmented production markets. Therefore, we are investing in landscape initiatives that support conservation, community development, smallholder inclusion and responsible production practices. The goal of the program is to create sustainable landscapes across both districts which will produce deforestation and exploitation-free palm oil and maintain or enhance key conservation areas. As the one of the largest palm oil producing region in Indonesia and with extensive areas of peatland and forests, developing approaches for sustainable palm oil that can work in Riau is important in PepsiCo's work to support systemic change across the industry.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2019

Target year

Indefinitely

Project area to date (Hectares)

10,000

Project area in the target year (Hectares)

2,248,109

Country/Area

Indonesia

Latitude

1.275

Longitude

100.905833

Monitoring frequency

Annually

Total investment over the project period (currency)

750,000

For which of your expected benefits are you monitoring progress?

- Creation of green jobs and sustainable livelihoods
- Improvement to sustainability of production practice
- Reduce/halt biodiversity loss
- Securing continued supply of agricultural commodities

Please explain

Measured outcomes: In 2020 and in 2021, the Coalition focused on implementing activities within the workplan, including providing support to local communities, engaging mills, improving traceability, and coordinating on deforestation monitoring. Project coverage refers to the total ha in the Siak and Pelalawan districts; PepsiCo currently supports 28 rural communities in these districts, supporting 53 local social dialogue engagements in Siak and 49 in Pelalawan to facilitate discussion of labor unions, company regulations, and collective labor agreements in 2022. To develop and implement a district wide TTP strategy, including a risk calibrated approach as relevant, 53 mills (100%) have been engaged on the importance of and need for conservation, restoration, and rehabilitation. In 2022, the Coalition began mapping high priority areas of forest and peat, training 709 individuals on conservation activities, mapped more than 153,000 ha of priority areas for conservation, engaged with 53 mills on sustainability while remaining in alignment with government and Pelalawan the Coalition's role in supporting the implementation of the district action plan for sustainable palm oil.

Project reference

Project 2

Project type

- Other, please specify
 - Landscape program including sustainable agricultural product, forest restoration, agroforestry, reforestation, small engagement and support

Expected benefits of project

- Compliance with certification
- Creation of green jobs and sustainable livelihoods
- Improvement to sustainability of production practices
- Protection of land tenure
- Reduce/halt biodiversity loss
- Restoration of natural ecosystem(s)
- Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

As part of its role in the Coalition for Sustainable Livelihoods (CSL), PepsiCo's primary motivation has been supporting the development of the Aceh Tamiang district initiative and implementation of the landscape plan that the coalition has formulated. In 2022, the CSL worked in support of district and provincial sustainability action plans, as well as facilitating a learning exchange between the kabupatens of Aceh Tamiang and Tapanuli Selatan which led to a simplification of land registration processes from smallholders. In 2023, the coalition will further develop its role in facilitating learning across provinces through additional learning exchanges, improved communications and local-issue working groups. The landscape coalition is also supporting the development of a landscape level.

Primary motivation: PepsiCo recognizes the value of the Leuser Ecosystem as a particularly sensitive and valuable ecosystem that should be protected in order to benefit the wildlife, natural resources and people of Aceh, North Sumatra and Indonesia. PepsiCo also recognizes that the situation surrounding the Leuser Ecosystem is complex and there is a need to balance development and conservation outcomes. In Aceh, the fragmented nature of the palm oil supply chain and the complications arising from various forest functions within the 2.6 million hectare Leuser Ecosystem, that is designated as a National Strategic Area for Environmental Protection Function, demonstrates the need for a multi-stakeholder approach. Therefore, we are supporting the implementation of the PPI Compact signed by Local Government and private sector in 2019 (<https://www.idhsustainabletrade.com/news/aceh-tamiang-to-become-sustainable-producing-region-as-1st-step-towards-vsa/>).

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2019

Target year

Indefinitely

Project area to date (Hectares)

20,000

Project area in the target year (Hectares)

43,000

Country/Area

Indonesia

Latitude

4.274905

Longitude

97.87216

Monitoring frequency

Annually

Total investment over the project period (currency)

927,521

For which of your expected benefits are you monitoring progress?

- Compliance with certification
- Creation of green jobs and sustainable livelihoods
- Improvement to sustainability of production practice
- Protection of land tenure
- Restoration of natural ecosystem(s)
- Securing continued supply of agricultural commodities

Please explain

This project serves as a pilot project contributing to the targets of Aceh Tamiang Compact. Focusing in a sub-district of Tenggulun, the project will contribute to the reduction of deforestation, improvement of sustainable palm oil production and land legality/conflict resolution in Aceh Tamiang through following interventions: Protection: Developing forest monitoring and improving traceability in the direct surroundings of two PT Mopoli Raya's concessions. Establishing forest-friendly livelihood models to reduce forest encroachment. Production/securing continued supply of agricultural commodities: Increasing capacity of independent smallholders and growers via good agricultural practices to increase production. Inclusion: Increasing smallholders' access to finance, inputs and sustainability practices. At jurisdiction level, this project is one of the building blocks of PPI Compact in Aceh Tamiang which focuses on three pillars: Production, Protection and Inclusion. The establishment of a compact governance body – Centre of Excellence – is an essential part of the compact work. Improvement to sustainability of production practices and protection of land tenure: The first phase of this work was completed in 2021, with the project having restored 300 hectares of forest, trained 500 farmers in best practices (6 modules per farmer) and supported formalization of land titles for 789 smallholder plots. In later parts of 2021, there was slight increase in possibilities for work in the field. In 2022, 77 smallholders received Plantation Registry Letters by district government ensuring compliance of land with sustainability and business norms. Compliance with certification: In November 2022, PepsiCo directly supported the first RSPO certification of an independent smallholder group. In 2023, we plan to continue to identify new opportunities to support smallholders in Aceh and will provide continued support for the development of a government-led landscape management body and engagement with other stakeholders to develop an effective monitoring system and response protocol to deforestation alerts. The landscape coalition is also supporting the development of a landscape level HCS/HCV (High Carbon Stock/High Conservation Value) map and capacity building for government institutions in sustainable land management.

Project reference

Project 3

Project type

Other, please specify

Sustainable agricultural production and conservation

Expected benefits of project

Compliance with certification

Improvement to sustainability of production practices

Is this project originating any carbon credits?

No

Description of project

We launched a holistic program for sustainable palm oil in Mexico that engages the entire supply chain: from the national palm oil federation Femexpalma to our main supplier Oleofinos, to Oleopalma and the smallholders in their supply base. We are working with Femexpalma to consolidate its role in supporting the sustainability of the palm oil sector, strengthening the expertise of the team to support to its members through capacity building and applied research. PepsiCo engages with Oleofinos to improve transparency and traceability.

Primary motivation: Contrary to reports of a surplus of RSPO-certified palm oil, physically-certified supply is limited or non-existent in some regions including, for example, some markets in the Americas. To address this problem, PepsiCo seeks to build certification capacity on our journey to 100%, which is why we are implementing a holistic program for sustainable palm oil in Mexico based on the RSPO Principles & Criteria framework. This capacity-building program involves the entire supply chain and provides training and technical assistance toward RSPO certification.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2016

Target year

2025

Project area to date (Hectares)

70,000

Project area in the target year (Hectares)

70,000

Country/Area

Mexico

Latitude

17.9895

Longitude

92.9475

Monitoring frequency

Annually

Total investment over the project period (currency)

800,000

For which of your expected benefits are you monitoring progress?

Compliance with certification

Improvement to sustainability of production practice

Please explain

To date, these growers have demonstrated an average of an 96% increase in yields, from an average of 9 tons/ha (in 2019) to 17.69 tons/ha (in 2022). In 2022, the program hosted the First “Palmeros Sustentables” Conference, with the participation of over 250 people, including technicians, producers, and local governments. Additionally, the program is engaging with medium and large producers to support the implementation of sustainable practices.

Compliance with certification: In collaboration with FEMEXPALMA and Proforest, the program has conducted a diagnostic baseline across 4,904 hectares, demonstrating the producers are in compliance with 31% of the RSPO Standard and developed an action plan to support their pathway to sustainable production. Finally, in 2022, 117 smallholder producers, representing 2,665 hectares and part of the Smallholder pilot program, became the first to pass the eligibility milestone as part of the RSPO Smallholder Standard. Note that latitude/longitude refers to an identified location within the region for which the program applies. At the supplier level, PepsiCo engages with Oleofinos, PepsiCo’s main supplier, to improve transparency and traceability. In 2018-2019, PepsiCo supported development and implementation of Oleopalma’s roadmap for certification of their Jalapa and Palenque mills. In March 2020, Oleopalma’s Jalapa mill became the first RSPO certified mill in Mexico. In 2020, Femexpalma organized a webinar for Oleopalma to share lessons learned on the certification process with the wider industry. PepsiCo continues to engage in supporting the uptake of RSPO certification in the local market. Our goal is to continue to implement the RSPO smallholder Certification to bring 5,000 metric tons (MT) ISH to market by 2023 and source 100% domestic production of RSPO Mass Balance (MB) by 2025. PepsiCo has supported the protection of over 70,000 ha under the identification of HCV in the Southeast of Mexico. PepsiCo has also supported the creation of the HCS-HCV probability maps to facilitate the conservation of forests and HCV on the smallholder’s context, these tools have been developed by Proforest and endorsed by the RSPO and HCSA and cover the four-palm oil producing states. The HCS-HCV probability maps were launched in 2021 and is a resource that could support the 18 Mexican mills to meet NDPE goals.

Project reference

Project 4

Project type

Other, please specify

Sustainable agricultural production and conservation

Expected benefits of project

Compliance with certification

Creation of green jobs and sustainable livelihoods

Improvement to sustainability of production practices

Reduce/halt biodiversity loss

Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

In collaboration with Lestari Capital, Nestlé, Procter & Gamble and Wilmar, PepsiCo is a Founding Partner of the Rimba Collective, which aims to protect and restore over 500,000 ha of tropical forests in Southeast Asia and therefore create a significant private sector-enabled forest conservation initiatives. The Rimba Collective complements the palm oil industry's efforts to end deforestation by integrating and embedding funding for conservation across the supply chain. The initiative creates a transformative and sustainable financial model for long-term forest conservation investments that simultaneously support economic development and job creation for local communities.

Primary motivation: Professionalization and improved coordination of conservation and restoration are an important part of PepsiCo's strategy to support systemic changes in the palm oil Industry. The Rimba Collective complements the palm oil industry's efforts to end deforestation by integrating and embedding funding for conservation across the supply chain. The initiative creates a transformative and sustainable financial model for long-term forest conservation investments that simultaneously support economic development and job creation for local communities.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2021

Target year

2046-2050

Project area to date (Hectares)

300,000

Project area in the target year (Hectares)

500,000

Country/Area

Indonesia

Latitude

6.2

Longitude

106.816666

Monitoring frequency

Annually

Total investment over the project period (currency)

35,000,000

For which of your expected benefits are you monitoring progress?

- Compliance with certification
- Creation of green jobs and sustainable livelihoods
- Improvement to sustainability of production practice
- Reduce/halt biodiversity loss
- Securing continued supply of agricultural commodities

Please explain

Improvement of sustainability of production practices and securing continued supply of agricultural commodities: Creation of green jobs and sustainable livelihoods: The initiative's 25-year project agreements will directly benefit an estimated 32,000 local people in forest-frontier communities, thereby strengthening equitable livelihoods and providing a secure source of income.

Reduce/halt biodiversity loss: This initiative also contributes to the Indonesian Government's targets to expand social forestry, accelerate peat and mangrove restoration, and reduce deforestation with a target of at least 500,000 ha conserved or restored. The initiative's project portfolio will initially focus on Indonesia, before expanding to projects across Southeast Asia. Projects funded by Rimba Collective will be prioritized based on the potential to protect and restore large, continuous areas of natural ecosystems and critical habitats. Creation of green jobs and sustainable livelihoods: Other priorities include generating measurable ecosystem service benefits and resilient livelihoods for local communities. Compliance with certification: All projects will undergo third-party verification. The mechanism became operational in late 2021, and the focus for 2023 will be the development of the project portfolio and the inclusion of additional partners from across the supply chain.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

Other, please specify

Various data points across disclosure modules related to palm volume and traceability have been verified

Data points verified

Palm volumes and % volumes of the mills sourced which are already delivering on no-deforestation targets or have timebound plans in place.

Verification standard

NDPE IRF Verification Protocol

Please explain

PepsiCo verifies forests information via two different means which work in combination:

1. Verification of traceability to mill information received. PepsiCo requires all Tier 1 suppliers to disclose traceability information to undergo a traceability verification, on a yearly basis. -Reference document: PepsiCo Palm Traceability Protocol. The protocol is publicly available on PepsiCo website and details the methodology for correctly measuring and calculating traceability percentages reported https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-traceability-protocol.pdf?sfvrsn=8a70453d_3 - the methodology has 2 main steps: a. review of the risks involved in the data collected and submitted to PepsiCo, looking at the actions the suppliers undertakes to ensure the data are correct (internally and externally) and supply chain complexity. b. review of the incoming volumes and traceability data collection and percentage calculation
- 2) Verification of NDPE Data. PepsiCo requires that all Tier 1 suppliers disclose NDPE IRF data, on a yearly basis. The NDPE IRF is a tool to collect NDPE performance of mills, detailing the % volumes of the mills sourced which are already delivering on no-deforestation targets or have timebound plans on how to deliver so. Reference document for the NDPE IRF is the NDPE IRF Verification protocol. The protocol is publicly available and details the verification approach, including qualification requirements for third parties who are willing to be involved. The document is available here: <https://www.ndpe-irf.net/technical-Methodology> – the methodology relies on the verification of traceability information received, and includes a combined review of evidence directly collected from the mills or publicly available databases.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

With respect to deforestation-free supply chains, barriers and challenges include:

- Our ability to trace supply, meaning the ability of a buyer or end user to have accurate data on the specific sources of its purchased commodities, working back through direct suppliers all the way to individual plantations
- Availability of public sector initiatives whereby government legislators, regulators and other officials work in concert with the private sector to incentivize forest conservation, protect forests through effective enforcement of laws and anti-corruption measures, improve transparency and achieve synergy between laws/regulations and certification schemes
- Ability to identify areas at high-risk of deforestation in order to prioritize action
- Root causes of deforestation such as poverty and the inability of small holders to produce commodities sustainably
- Lack of availability of credibly-certified volumes for certain commodities in some markets
- Lack of universally-accepted definitions and protocols, leading to varying certifications and related claims
- Our ability to collaborate with key public and private actors to achieve meaningful results

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Value chain complexity

Comment

With respect to deforestation-free supply chains, barriers and challenges include:

- Our ability to trace supply, meaning the ability of a buyer or end user to have accurate data on the specific sources of its purchased commodities, working back through direct suppliers all the way to individual plantations
- Availability of public sector initiatives whereby government legislators, regulators and other officials work in concert with the private sector to incentivize forest conservation, protect forests through effective enforcement of laws and anti-corruption measures, improve transparency and achieve synergy between laws/regulations and certification schemes
- Ability to identify areas at high-risk of deforestation in order to prioritize action
- Root causes of deforestation such as poverty and the inability of small holders to produce commodities sustainably
- Lack of availability of credibly-certified volumes for certain commodities in some markets
- Lack of universally-accepted definitions and protocols, leading to varying certifications and related claims
- Our ability to collaborate with key public and private actors to achieve meaningful results

F8.2

(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Improvement in data collection and quality

Comment

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	86,392,000,000

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

No

SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

Requesting member

McDonald's Corporation

Forest risk commodity

Timber products

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

Requesting member

McDonald's Corporation

Forest risk commodity

Palm oil

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

Requesting member

Restaurant Brands International

Forest risk commodity

Timber products

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

Requesting member

Restaurant Brands International

Forest risk commodity

Palm oil

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

Requesting member

Walmart, Inc.

Forest risk commodity

Timber products

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

Requesting member

Walmart, Inc.

Forest risk commodity

Palm oil

Primary reason

Insufficient data on what is sold to requesting member

Please explain

PepsiCo does not currently have the capability to allocate certified volumes in the many thousands of product types currently sold to our customers, or to allocate those certified volumes to the many individual customers we have.

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Palm oil

Estimate GHG emissions and removals from land use and land use change

No

Please explain

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms

