

PepsiCo Positive Ag Playbook Supplier FAQs

Supplier FAQs

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This aims to answer frequently asked questions suppliers may have about PepsiCo Positive Ag Playbook. This document will be updated to reflect new questions that we receive. Should you not find an answer to your question, please reach out to pepsicoglobalprocurementsustainability@pepsico.com, adding your buyer in CC.

General

Why does my participation matter if I'm such a small part of your supply?

- PepsiCo's Regenerative Agriculture (RegenAg) goal of 7 million regenerative acres by 2030 requires the support of all our suppliers. Each additional acre that becomes regenerative will bring us one step closer to our goal, and everyone has a role to play in protecting our planet.

What's in it for my company?

- There are many economic and social benefits to Regenerative Agriculture, which you can learn more about in the Playbook. By engaging your farmers in RegenAg, you are also securing your long-term supply and supporting your company's sustainability goals.

What if I don't want to participate?

- As a company, we will eventually be requiring all suppliers supplying key ingredients to report on these metrics as they will be a critical part of our supplier selection. Getting on board now allows time for your team to understand the requirement and pilot the initiative yourself.

What if I don't know who my farmers are?

- Do you buy from the same supplier (or growers) each year? If so, we encourage you to start building relationships with them to understand where the crops - which are the source of the key ingredients you provide to PepsiCo - are grown. If you purchase from various suppliers throughout the year / each year, there may be certification schemes available to help unlock traceability in your supply chain and account for sustainability goals.

Do I have to do all the things in this Playbook?

PepsiCo recognizes that our suppliers will each be at a different place in their sustainability journey, and we want to make it as easy as possible for you to help us on ours. The Playbook will walk you through the suggested steps of implementing and measuring the impact of regenerative farming in your value chain and provide resources to help you along the way. The content of the Playbook is included to support you as you work towards fulfilling these requirements. If you are already on your regenerative agriculture journey, there is no need to start from the beginning and we ask that you register and report progress annually so we can together, demonstrate measured improvement, specifically in the carbon sequestration and reducing emissions impact area and at least one of the other 3 impact areas (building soil health and fertility, enriching watershed health, protecting and enhancing biodiversity). Additionally, suppliers are also encouraged to identify opportunities to improve the livelihoods of those in their supply chain and the surrounding communities.

Starting the journey

These are all new topics to me. Do I have someone I can ask for help?

- Please start by reading the Playbook and attending any PepsiCo sponsored training sessions. If you are still unsure about certain topics, consider reaching out to local NGOs, industry groups, and agronomic experts for help. Additionally, you can reach out to PepsiCo for help by contacting GP Sustainability at pepsicoglobalprocurementsustainability@pepsico.com.

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If I purchase from certified sustainable suppliers, do I need to complete the requirements from PepsiCo on regenerative agriculture?

- Yes, however, if you already meet PepsiCo's Sustainable Sourcing standards, there's a good chance you're well on your way to engaging in RegenAg. Read the Playbook and talk to your procurement contact about how certifications can help you make progress in RegenAg.

How do I know I chose the right farmer group?

- Quick Start Guide #1 of the Playbook can help guide you in your decision about which farmer group to begin with. However, ultimately there is no 'right' answer here – you know your situation best, and you can choose the farmer group that feels right to you.

How do I know the areas my farmers struggle with?

- Quick Start Guide #2 will help you understand which impact area your farmers may struggle with. We recommend that you have a discussion with your farmers to understand what current state practices they are incorporating on their farm.

Do I have to keep the same 2 impact areas throughout my program?

- The only impact area that you must include at all times is Carbon Sequestration & Emission Reduction. If you change your mind about the other impact area you'd like to prioritize, that's ok; however, keep in mind the impact areas are often closely related and improvement in one often leads to improvement in another. Consider adding another impact area, rather than replacing the one you started with.

Is there a minimum number of producers/farmers that I need to engage with?

- There is no minimum number of producers/farmers you need to engage with at the start. However, ultimately, suppliers will need to engage with a sufficient number of growers to drive impact across a land area equivalent to the volumes of key ingredients supplied to PepsiCo by 2030.

Do you know of farmers in my region who have done this before?

- In the Playbook there are Positive Ag Case Studies, which include examples from various regions around the world. You can also reach out to local universities, agronomists, and NGOs to identify additional examples and resources for your region.

Already on the journey

Could the suppliers add new practices to the Practice Bank?

- The practice bank includes categories of practices (e.g., low tillage) and not specific practices for a particular cropping system. It is likely that specific practices will map into one of the practice categories identified in the practice bank.
- Please reach out to PepsiCo for any suggestions of practices that do not appear to be represented in the Practice Bank by contacting GP Sustainability at pepsicoglobalprocurementsustainability@pepsico.com.

Can another project in development be used in conjunction with this goal?

- Yes, if you are already implementing practices that are aligned with PepsiCo's regenerative agriculture requirements, you can report annually on any existing project(s) underway.

Results and KPIs

Has PepsiCo considered the transition period for the implementation of regenerative practices? For example, the transition period in a crop like cocoa is longer than in an annual crop such as wheat.

- PepsiCo aims to spread the adoption of regenerative farming practices across 7 million acres by 2030 – approximately equal to 100% of the land used around the world to grow crops and ingredients for the company's products. We recognize that, depending on the crop or commodity, the continuous improvement journey and demonstrating impacts will require differing time horizons.