



PEPSICO

PepsiCo Global Sustainable Agriculture Policy

PepsiCo's responsibility is to continually improve all aspects of the world in which we operate – environment, social, economic - creating a better tomorrow than today.

PepsiCo understands the critical role agriculture plays in all aspects of our business. Our products depend on a safe, high-quality, and affordable supply of agricultural raw materials to meet the demands of our business as well as the expectations of our consumers, customers and other stakeholders. PepsiCo recognizes that increasing pressure on global food supplies and an active regulatory outlook for greenhouse gas management create a new set of challenges and opportunities for our business. These challenges and opportunities are not only connected to the crops we need to support our brands, but also to a complex, global supply chain which involves thousands of independent farmers, hundreds of intermediaries (co-ops, third-parties and processors) and a small number of company-owned farms.

PepsiCo's strategy balances our need to adapt to a dynamic agricultural environment with our responsibility to respect and preserve the communities and environments that support our supply chains. Our Global Sustainable Agriculture Policy compliments our *Performance with Purpose* vision and commitment to generate shareholder value and economic growth while improving communities and driving environmental stewardship.

Our Aspirations regarding Sustainable Agriculture

Our aim is to ensure PepsiCo has continued access to the key agricultural raw materials necessary to supply growing consumer needs, while respecting the environment and communities involved in producing those raw materials. We recognize our challenge involves the need to make farming more productive while preserving natural resources, contributing to developing communities, and reducing our environmental impact.

PepsiCo Principles regarding Sustainable Agriculture

As we continue our journey in Sustainable Agriculture, PepsiCo's agriculture decisions and actions are based upon the following principles.

Sustainable agriculture should:

- Optimize the use of resources to improve farm productivity and eliminate the use of unnecessary resources
- Support increased farm productivity, improving crop yields and nutritional quality to meet existing and future global business growth
- Preserve and maintain soil fertility, water and air quality and biodiversity within the agricultural activities
- Enable local farming communities to protect and improve their well-being and environments
- Integrate approved and credible science and technology, where applicable.
- Comply with governmental laws, regulations and industry standards



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Setting and Achieving Goals

As part of our approach, we have established broad-based objectives that identify initiatives and projects aimed at improving the sustainability of our agriculture supply chain. Specific, measurable goals and programs may vary by commodity, geography and business relationship, based on the challenges and opportunities that exist in those areas.

Where PepsiCo has direct influence over agricultural operations, PepsiCo will implement specific programs and measurement processes to improve overall performance. When PepsiCo's influence is through third-parties or contracted agents, PepsiCo will work with these partners to improve and embedded best practices in their operations.

As we continue to innovate and build upon our understanding of these challenges and opportunities, PepsiCo may add or update these goals to reflect the availability of new technologies and crop inputs that become commercially viable.

Broad Objectives within the Agriculture Supply Chain	
Water Management	PepsiCo aims to optimize the applied water footprint to crops and to reduce water waste during irrigation as well as responsibly manage runoff risks of pollution or contamination of ground or surface water with pesticides, nutrients or soil.
Soil Conservation and Preservation	PepsiCo aims to preserve and improve soil fertility and nutrients, minimize soil loss through erosion and avoid soil damage due to disease and contamination.
Agrochemical Management	PepsiCo aims to optimise the use of pesticides, nutrients, and other agrochemicals. PepsiCo supports sustainable practices that substitute natural controls for some agrochemicals, foster ecosystem balance, reduce direct and indirect greenhouse gas emissions and reduce crop losses.
Energy Management	PepsiCo aims to optimize the use of energy in crop production and management of agricultural waste to improve economics for the farm and reduce both direct and indirect greenhouse gas emissions.
Farm Economics and Land Management	PepsiCo supports sustainable agriculture practices that enable farmers to improve product value by maximizing the desired outputs of an agricultural system while minimizing the required inputs and avoiding any negative impacts to the farm and surrounding lands. PepsiCo aims to work with farmers that develop a long-term economic plan of efficient, responsible farm production.
Social and Community Improvement	PepsiCo aims to invest in new knowledge and innovation in farming practices which can improve both social and human capital of the local economies. Sustainable agriculture practices can help to make best use of local and available resources to improve the welfare of communities supporting our agriculture supply chain.