

## Particulars

### About Your Organisation

#### 1.1 Member Name

PepsiCo

#### 1.2 Membership Number

4-0041-09-000-00

#### 1.3 Membership Sector

Consumer Goods Manufacturers

#### 1.4 Membership Category

Ordinary

#### 1.5 Country

United States

### 2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

### 2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants - Processors and/or Traders
- I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- I am a social and human development NGO supporting the sustainable development of the palm oil industry

## Consumer Goods Manufacturers

### 1. Operational Profile

#### 1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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## 2. Palm Oil and Certified Sustainable Palm Oil Consumption

*Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.*

**2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership**

Fully Owned

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**2.1.1 In which markets does your company sell goods with palm oil and oil palm products?**

Europe °,North America °,China,India,Africa °,Latin America °,Rest of the World °

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**DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:**

an aggregate level (as in previous ACOP reporting cycles)

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**2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products**

<b>Description</b>	<b>Tonnes</b>
Total volume of crude palm oil (tonnes)	500637.00
Total volume of crude palm kernel oil (tonnes)	3621.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	0.00
<b>Total</b>	<b>504258.00</b>

**2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.**

<b>Description</b>	<b>Percentage</b>
Palm oil-based derivatives and fractions	0
Palm kernel oil-based derivatives and fractions	0

**2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions.**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	4
North America	1
Malaysia	0
Indonesia	0
China	13
India	13
Latin America	33
Africa	20
Rest of World	16

**2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:**

<b>Description</b>	<b>Crude/Refined Palm Oil (CSPO)</b>	<b>Crude/Refined Palm Kernel Oil (CSPKO)</b>	<b>Palm Kernel Expeller (CSPKE)</b>	<b>Certified Derivatives and Fractions</b>
RSPO Credits from Mill / Crusher	0.00	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	2590.00	0.00	0.00	0.00
Mass Balance (MB)	498047.00	3621.00	0.00	0.00
Segregated (SG)	0.00	0.00	0.00	0.00
Identity Preserved (IP)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>500637.00</b>	<b>3621.00</b>	<b>0.00</b>	<b>0.00</b>

**2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based**

<b>Description</b>	<b>Percentage</b>
Certified Palm oil-based derivatives and fractions	0
Certified Palm kernel oil-based derivatives and fractions	0

**2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:**

100.00%

**2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.**

100%- 99% MB 1% ISH credits. As part of our commitment to support smallholders, we have decided to maintain minimum 95% volume as RSPO-Certified sustainable palm oil from physical supply chain options, with the balance being made up exclusively of Independent Smallholder Credits. We believe this demonstrates shared responsibility to drive demand for physical certified palm oil while avoiding unintended exclusion or disadvantaging of smallholders that could result as a consequence of moving to 100% physical certified palm oil.

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**2.6 Please estimate the regional sales volume distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question 2.4) in the following countries/regions:**

<b>Countries/Regions</b>	<b>Percentage</b>
Europe	4
North America	1
Malaysia	0
Indonesia	0
China	13
India	13
Latin America	33
Africa	20
Rest of World	16

### 3. TimeBound Plan

#### 3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2015

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#### 3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2015

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##### 3.2.1 If the previous target year has not been met, please explain why.

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#### 3.3 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2020

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##### 3.3.1 If the previous target year has not been met, please explain why.

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#### 3.4 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2022

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##### 3.4.1 If the previous target year has not been met, please explain why.

In 2022 >99% of our volume was physically certified (MB) and we purchased equivalent to 1% in ISH credits. As part of our commitment to support smallholders, we have decided to maintain minimum 95% volume as RSPO-Certified sustainable palm oil from physical supply chain options, with the balance being made up exclusively of Independent Smallholder Credits. We believe this demonstrates shared responsibility to drive demand for physical certified palm oil while avoiding unintended exclusion or disadvantaging of smallholders that could result as a consequence of moving to 100% physical certified palm oil.

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#### 4. Trademark Use

##### 4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

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##### 4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

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## 5. Actions for Next Reporting Period

### 5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

- Participation in RSPO Working Group or Task Forces
- Support Independent Smallholders (ISH)
- Contribute to the RSPO Smallholder Trainer Academy
- Financial contribution to the RSPO Smallholder Support Fund
- Direct investments in Smallholder Certification projects
- Involvement/direct investments in Jurisdictional/Landscape approach
- Direct/collective investments in conservation and restoration initiatives
- Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- No activities planned
- Others

#### Other

- Since 2017, 100% of our direct suppliers have been RSPO members. In 2022, we purchased 99% RSPO physically certified sustainable palm oil with the balance being made up exclusively of ISH credits.
- The No-deforestation, No-peat and No-exploitation (NDPE) Implementation Reporting Framework, known as NDPE IRF, is a reporting tool designed to help companies to systematically understand and track progress in delivering NDPE commitments in their palm oil supply chains. Having a consistent framework for reporting on these activities allows individual companies and the industry collectively to understand what is required to deliver NDPE commitments, monitor progress, identify gaps, and drive improvement. We will continue to support the global roll-out of the NDPE IRF implementation in 2023, including building linkages with RSPO as discussed during RSPO RT19 in November 2022. The framework recognises that RSPO certification is the strongest guarantee of delivery, and encourages and supports certification, but additionally allows companies to report on volumes that are at different stages of progressing towards delivery, where certification has not yet been achieved.
- We are committed to ensuring smallholder inclusion in our supply chain and the RSPO Smallholder Standard helps to increase access by simplifying the path to RSPO certification. We have and will continue to support the RSPO Smallholder certification scheme and look forward to positive impact from the new Principles and Criteria (P&C's). In addition to supporting the pilot Smallholder Program in Mexico, and the certification of the first independent group in Aceh, Indonesia in 2022, PepsiCo will seek to continue to support independent smallholders through the purchasing of smallholder credits.
- In February 2020, PepsiCo updated its Global Sustainable Palm Oil Policy to reflect internal learnings from our approach, feedback from suppliers and engagement with civil society. The updates strengthen our commitment to delivering an NDPE palm oil supply chain and work in collaboration with others to tackle systemic challenges across the palm oil industry.
- PepsiCo will continue to support Femexpalma (Federation of Mexican palm oil producers and processors) to implement sustainability across the palm growing regions in Mexico and further promote RSPO by providing technical support and capacity building and continue to champion the cause where RSPO certified palm oil is not yet available.

## Shared Responsibility

*The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility (SR) requirements will be done through ACOP and MyRSPO. As the process of verification of the reports is in development, the Shared Responsibility section in ACOP may change in future ACOP cycles. Evidence to show compliance to the SR requirements shall be uploaded via your membership profile in MyRSPO. Please login to your MyRSPO account and upload the relevant policies, plans and relevant reports there. If you do not have a policy or your policy does not cover all items, you will be required to provide a Declaration of Support for the relevant policy items in your MyRSPO profile. Additional information on the required policies and plans applicable to all sectors as well as the annual uptake targets for supply chain actors can be found on <https://rspo.org/members/shared-responsibility> or email the Shared Responsibility team at [sharedresponsibility@rspo.org](mailto:sharedresponsibility@rspo.org).*

### Information & Public Availability

**1.1 Does your organisation have organisational management documents publicly-available?**

Yes

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### Ethical Conduct & Human Rights

**1.2 Does your organisation have a publicly-available Policy covering Ethical Conduct & Human Rights?**

Yes

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**1.2.1 Does the policy cover:**

- Ethical conduct for contractors
- Ethical conduct for recruitment
- Respect of human rights, including for suppliers and sub-Contractors

### Legal Compliance

**1.3 Does your organisation comply with all applicable legal requirements?**

Yes

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**1.4 Does your organisation require its third party contractors to comply with legal requirements, i.e. including a clause on legal compliance in the contracts?**

Yes

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### Complaints & Grievances

**1.5 Does your organisation have a Grievance Mechanism that is accessible to all affected parties?**

Yes

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**1.5.1 Is your Grievance mechanism in line with the principles of the RSPO's Complaints System?**

Yes

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**Land Use & FPIC**

**1.6 Does your organisation have a publicly-available policy covering Commitment to respect Free Prior and Informed Consent (FPIC) in the Palm Oil Supply chain?**

Yes

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**1.6.1 Does your organisation have a procedure in place to identify legal, customary or user rights, and people entitled to compensation?**

No

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**Smallholders**

**1.7 Does your organisation support oil palm smallholders (groups)?**

Yes

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**1.7.1 Does your organisation report on the actions to support the inclusion of smallholders?**

Yes

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**Labour & Labour Rights**

**1.8 Does your organisation have a publicly-available policy covering Labour & Labour Rights?**

Yes

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**1.8.1 Does the policy cover:**

- No discrimination and equal opportunities
- Pay and working conditions at least at legal or industry minimum standards and are sufficient to provide decent living wages (DLW)
- Freedom of association and Collective bargaining
- Protection of children, as well as the workforce of suppliers and third-party contractors
- Prevention of all forms of harassment, including sexual harassment
- No forced or trafficked labour

**Occupational Health & Safety**

**1.9 Does your organisation have a publicly-available Policy covering Occupational Health & Safety?**

Yes

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**1.9.1 Does your organisation have a Standard Operating Procedure (SOP) for Occupational Health & Safety?**

Yes

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**Waste Management**

**1.10a Does your organisation have a waste management plan that includes reduction, recycling, reusing and disposal based on the hazardous characteristics?**

Yes

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**1.10a.1 Is this plan implemented?**

Yes

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**Water Management**

**1.11 Does your organisation have a water management plan to promote efficient use and continued availability of water sources?**

Yes

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**1.11.1 Is this plan implemented?**

Yes

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**Energy Use**

**1.12 Does your organisation have an energy use plan to improve the efficiency of the fossil fuels used and to optimise renewable energy?**

Yes

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**1.12.1 Are there records of implementation of the plan ie. monitoring and reporting?**

Yes

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**Climate Change & Greenhouse Gas (GHG)**

**1.13 Does your organisation have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG) including identification and assessment of GHG emissions and implementation of a plan to reduce or minimise them?**

Yes

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**Claims and labels**

**1.15 Does your organisation promote the use of off-product RSPO claims and labels?**

No

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## Challenges and Support

### 1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

#### Others

Environmental and Human rights challenges. We recognize that there are significant environmental and human rights challenges facing the palm oil industry, including forest and peatland conversion, labour and land rights issues and the need to support smallholders and local communities. Our strategy, updated in 2021, aims to address these challenges in our own supply chain and the industry more widely.

Our goal is to promote the transformation of the palm oil sector to support thriving communities, human rights and the health of vital ecosystems and source 100% RSPO palm oil. Our approach is underpinned by a series of policies that are embedded in our business and supply chain, including our Global Policy on Sustainable Palm Oil, updated in 2020. Specific actions include:

1. Continuing to increase visibility in our supply chain; we disclose a complete list of our direct suppliers and mills on an annual basis. Self-reported traceability to mill data in 2022 was approximately 97.84% which was 90.2% independently verified. This disclosure leverages our ongoing work on traceability and responds to the need for greater transparency which plays a critical role in helping to understand and address deforestation and human rights challenges. Greater collaboration and transparency from all supply chain actors is required and represents a significant opportunity to drive change.
2. Developing, supporting and implementing landscape programs in Indonesia and Mexico
3. Supporting focus-issue programs on specific topics. For example in 2022 we continued to work with other palm oil buyers and producers on a program led by Business for Social Responsibility (BSR) to develop systems to protect children living on and around oil palm plantations. The program has been running since 2019 and includes developing a Child Protection and Safeguarding Implementation Manual as well as a series of capacity building workshops to enable suppliers to learn, discuss and implement pragmatic measures to strengthen the rights and protection of children. In 2022 the program has been testing implementation of the manual with plantations, in order to understand opportunities for improvements. These efforts have resulted in positive brand and supplier engagements, with a deeper understanding of salient labor issues facing the oil palm sector. With growing support from partner brands, the industry is set to take much needed collective action on addressing impacts on children's rights.

Because the issues in the palm oil industry are systemic and widespread, the solutions that drive improvement at scale require pre-competitive collaboration and investment by end users, intermediaries, producers, civil society, investors and government. This requires a significant level of coordination and support through organizational platforms. PepsiCo plays a central role in multiple collaboration spaces with significant impact for the whole sector.

The RSPO is very helpful in this regard, though more organizational platforms are needed to foster sustained and wide-spread collaboration. We continue to evaluate and participate in several positive impact programs that bring industry supply chain actors together. Our consideration of these programs is guided in part by a risk assessment process that identifies geographic areas within our supply chain that are at high risk of policy non-conformance. Contrary to reports of a surplus of RSPO certified palm oil, physically certified supply is limited or non-existent in some regions in which we source, including some markets in the Americas. To address this problem, PepsiCo seeks to build certification capacity, \_\_\_\_\_

which is why we implemented a holistic program for sustainable palm oil in Mexico.

**Supply chain traceability.** Another challenge is traceability of the supply chain to ensure that the palm oil we buy is produced in-line with our policy commitments and RSPO certification. PepsiCo has implemented data systems and processes that allow us to identify the mills in our supply chain. We worked with Peterson and Proforest on the development of a Palm Oil Traceability Protocol that describes the traceability reporting requirements for suppliers and verification of this data. PepsiCo requires its suppliers to report biannually on all palm oil mills from which palm oil is sourced. As required by the Traceability Protocol, the name of the palm oil mills, GPS coordinates of the mills, parent company, certification status and traceability percentage need to be reported. A training program on how to use the protocol was implemented for suppliers. We also established a traceability helpdesk with Peterson to provide suppliers with on-going assistance. With this significant level of effort, we have established mill-level traceability accounting for approximately 97.8% of our source volume, and PepsiCo will publish its 2022 mill list as usual.

Based on our evaluation of the quality of the data received to date, we implemented a risk-based approach to independent third-party verification of the mill traceability data and 90.2% of the suppliers who will be supplying to us in 2023 have undergone verification or have scheduled this in 2024. We have also supported efforts to improve traceability management on the ground via our landscape programs in Aceh and Riau.

**Smallholder engagement.** Representing approximately 40% of the world's palm oil production, smallholders are fundamental to driving impact on the ground. Common challenges include a wide dispersion of growers, lack of expertise on sustainability topics, reduced yields and limited access to financing – among others. RSPO's Smallholder Trainer Academy (STA) provides a unique platform for sharing scalable and replicable training on sustainable farming practices, specifically for smallholders. In Indonesia, many smallholders in the most high-risk areas have no RSPO Mills available to sell to, blocking their access to physical certified supply chains. PepsiCo has addressed this by purchasing 100% RSPO certified oil, supporting smallholder certification and a commitment to supporting small holders with purchasing volumes of ISH credits. However, in the long-term, greater efforts by all stakeholders in the value chain will be required to increase smallholder access and interest in certification. It will require the alignment of stakeholders and the creation of a harmonized narrative around sustainability requirements, benefits and incentives. Additionally, RSPO's leadership is critical in promoting the uptake of the smallholder standard, particularly in exploring how the smallholder pilots have progressed and where additional support is needed. It would be helpful if RSPO could bring stakeholders to the table to discuss and address existing barriers to broader adoption by smallholder groups.

**Public perception of palm oil.** There continues to be a negative public perception of palm oil in some markets and PepsiCo proactively advocates for RSPO sustainably produced palm oil by increasing the production and supply of sustainable palm, especially in markets where there is limited supply.

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## 1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Communication and/or engagement to transform the negative perception of palm oil
- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Engagement with peers and clients
- Promotion of CSPO through off product claims
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

### Others

Delivery of 100% RSPO certified sustainable palm oil as part of our strategy. As part of PepsiCo's aim to deliver sustainable palm oil in our own supply chain and across the industry more widely, we aim to continue to source 100% RSPO certified sustainable palm oil, while helping to lift production standards across the palm oil sector. To achieve these objectives, we are implementing a holistic strategy built on three interconnecting commitments: 1) Sector transformation towards 100% NDPE, 2) Thriving communities and ecosystems, and 3) Transparency and accountability.

Given the impacts associated with some palm oil cultivation, we understand that stakeholders want PepsiCo to move as fast as possible, which is why we have developed a dedicated, cross-functional, global team with deep expertise to execute our strategy and accelerate progress toward achieving our commitments. We meet directly with stakeholders on palm oil on a frequent basis and welcome the opportunity to listen to their concerns, receive input and advice about our programs, and explain our approach to support the development of a sustainable palm industry. We are open to engaging with any organization that is willing to work constructively with us.

Purchase of RSPO credits. In 2022 PepsiCo achieved 100% RSPO certification through two supply chain models: RSPO Mass Balance physically certified and Independent Smallholder Credits. In line with our commitment to at least 95% physical certified, we purchased 99% RSPO mass balance certified oil. In recognition of the efforts made by smallholders to achieve RSPO certification, PepsiCo directly supported smallholders by purchasing Independent Smallholder Credits for the remaining 1% (2,590 credits)

Supporting Uptake of RSPO Certification in Latin America: Mexico. Prior to 2020, there was no RSPO certified palm oil domestically available in Mexico and PepsiCo supported the first RSPO certification in Mexico in collaboration with Proforest and Femexpalma. The RSPO Principles & Criteria's (P&C's) provided us with the framework for a capacity-building program in Mexico, where we built a partnership that involves the entire supply chain. At the federal level, we are working with Femexpalma to consolidate its role in representing and supporting the sustainability of the palm oil sector. This involves strengthening the expertise of the team, with the support of Proforest, so they can provide advice and support to its members through capacity building. PepsiCo has also supported the development of local expertise in sustainability – and helped drive a demand for that expertise.

Early on, baseline diagnostics were conducted against the RSPO P&Cs for 8 Femexpalma members, representing 22,000+ hectares and 90,000+ tons of crude palm oil (CPO). These diagnostics identified existing compliance and served as a key step in shaping technical assistance with Mexican mills. This baseline enabled Femexpalma and PepsiCo to focus capacity building on common gaps and demonstrate an improvement of 18% of Femexpalma members in compliance against the RSPO P&Cs in 2019. Femexpalma members increased their level of compliance with RSPO P&Cs from 45% in 2019 to 60% in 2020 – demonstrating positive steps towards certification and a commitment to sustainability. This progress was made possible by conducting diagnostics, developing action plans and supporting technical assistance - which is aligned with Femexpalma's aim to support members to achieve sustainability goals, including RSPO certification through training and technical assistance.

In 2019 and 2020, PepsiCo supported Femexpalma and Proforest in implementing a series of courses to accelerate the adoption of sustainable practices in Mexico, including a course on Social and Environmental Impact Assessments, RSPO Lead Auditor P&Cs, Standard Operating Procedures, RSPO Independent Smallholder Standard, and RSPO Supply Chain Standard.

At the supplier level, PepsiCo engages with Oleofinos, PepsiCo's main supplier in Mexico, 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 be committed to 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. In 2022, PepsiCo is supporting the first certification of independent smallholders in Mexico, which means 117 smallholder producers and 2,665 has certified in the RSPO eligibility milestone. This will drive the inclusion of smallholders within sustainable supply chains and it is fundamental since approximately 80% of the palm oil in Mexico is produced by smallholders.

Also, in collaboration with Proforest and FEMEXPALMA, the program supported 6 internal audits and the development of action plans for 6 FEMEXPALMA affiliated members. On average, the mills achieved 64% compliance against the RSPO Standard, with 2 mills reaching over 80% compliance.

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**1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here**

PepsiCo Palm Oil ESG Information: <https://www.pepsico.com/our-impact/esg-topics-a-z/palm-oil>

Global Policy on Sustainable Palm oil: [https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/global-policy-for-sustainable-palm-oil.pdf?sfvrsn=57aba3ae\\_2](https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/global-policy-for-sustainable-palm-oil.pdf?sfvrsn=57aba3ae_2)

Traceability protocol : [https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-traceability-protocol.pdf?sfvrsn=8a70453d\\_3](https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/pepsico-palm-oil-traceability-protocol.pdf?sfvrsn=8a70453d_3)

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