

Corporate governance

Headquartered in [Harrison, New York](#), in the hamlet of [Purchase](#), with research and development headquarters in [Valhalla](#), New York, PepsiCo's Chairman and CEO is [Ramon Laguarta](#).^[96] The board of directors is composed of eleven outside directors as of 2010, including [Ray Lee Hunt](#), [Shona Brown](#), [Victor Dzau](#), Arthur C. Martinez, [Sharon Percy Rockefeller](#), [Daniel Vasella](#), [Dina Dublon](#), Ian M. Cook, [Alberto Ibargüen](#), and Lloyd G. Trotter. Former top executives at PepsiCo include [Steven Reinemund](#), [Roger Enrico](#), [D. Wayne Calloway](#), [John Sculley](#), [Michael H. Jordan](#), [Donald M. Kendall](#), [Christopher A. Sinclair](#), [Irene Rosenfeld](#), [David C. Novak](#), [Brenda C. Barnes](#), and [Alfred Steele](#).

On October 1, 2006, former Chief Financial Officer and President [Indra Nooyi](#) replaced [Steve Reinemund](#) as chief executive officer. Nooyi remained as the corporation's president, and became [Chairman of the Board](#) in May 2007, later (in 2010) being named No.1 on [Fortune](#)'s list of the "50 Most Powerful Women"^[97] and No.6 on [Forbes](#)' list of the "World's 100 Most Powerful Women".^[98] PepsiCo received a 100 percent rating on the [Corporate Equality Index](#) released by the [LGBT](#)-advocate group [Human Rights Campaign](#) starting in 2004, the third year of the report.^[99]

In November 2014, the firm's president Zein Abdalla announced he would be stepping down from his position at the firm by the end of 2014.^[100] In 2017, Ramon Laguarta became the president and became its CEO in 2018.

Headquarters

The PepsiCo headquarters are located in the hamlet of [Purchase, New York](#), in the town and village of [Harrison, New York](#). It was one of the last architectural works by [Edward Durell Stone](#). It consists of seven three-story buildings. Each building is connected to its neighbor through a corner. The property includes the [Donald M. Kendall Sculpture Gardens](#) with 45 contemporary sculptures open to the public. Works include those of [Alexander Calder](#), [Henry Moore](#), and [Auguste Rodin](#). [Westchester Magazine](#) stated "The buildings' square blocks rise from the ground into low, inverted ziggurats, with each of the three floors having strips of dark windows; patterned pre-cast concrete panels add texture to the exterior surfaces."^[101] In 2010 the magazine ranked the building as one of the ten most beautiful buildings in Westchester County.^[101]

During the 1960s, PepsiCo had its headquarters in [500 Park Avenue](#) in [Midtown Manhattan](#), New York City.^[102] In 1956 PepsiCo paid US\$2 million for the previous building at the site.^[103] PepsiCo built 500 Park Avenue in 1960.^[104] In 1966, [Mayor of New York City John Lindsay](#) started a private campaign to convince PepsiCo to remain in New York City.^[105] Six months later, the company announced that it was moving to 112 acres (45 ha) on the Blind Brook Polo Club in Purchase.^[106]

Charitable activities



Billboard of Pepsi-Cola in Venezuela ([ES](#))

PepsiCo has maintained a philanthropic program since 1962 called the PepsiCo Foundation,^[107] in which it primarily funds "nutrition and activity, safe water and water usage efficiencies,^[108] and education," according to the foundation's website.^[109] In 2009, US\$27.9 million was contributed through this foundation, including grants to the [United Way](#)^[110] and [YMCA](#),^[111] among others.

In 2009, PepsiCo launched an initiative called the *Pepsi Refresh Project*. For the first time in 23 years, PepsiCo did not invest in Super Bowl advertising for its iconic brand. Instead, the company diverted this US\$20 million to the social media-fueled Pepsi Refresh Project: PepsiCo's innovative cause-marketing program in which consumers submitted ideas for grants for health, environmental, social, educational, and cultural causes.^{[112][113]} in which individuals submit and vote on charitable and [nonprofit](#) collaborations.^[114] The main recipients of grants as part of the refresh project are community organizations with a local focus and nonprofit organizations, such as a high school in [Michigan](#) that—as a result of being selected in 2010—received US\$250,000 towards construction of a fitness room.^[115] Following the [Gulf of Mexico oil spill](#) in the spring of 2010, PepsiCo donated US\$1.3 million to grant winners determined by popular vote.^[116] As of October 2010, the company had provided a cumulative total of US\$11.7 million in funding, spread across 287 ideas of participant projects from 203 cities in North America.^[117] In late 2010, the refresh project was reported to be expanding to include countries outside of North America in 2011.^[118]

Working conditions

Main article: [2021 Frito-Lay strike](#)

In July 2021, Frito-Lay, a subsidiary of PepsiCo became the subject to media attention over poor working conditions at its plant in Topeka.^{[119][120]} These conditions, which allegedly include forced overtime and 84-hour workweeks for months, led to a strike involving hundreds of workers at the Topeka location. The strike began on July 5 and ended on July 23, after ratifications of a two-year contract that guarantees workers at least one day off each week and raised wages.^{[120][121]}



Frito-Lay company is based in Texas

Environmental record

Rainforests and palm oil

PepsiCo Palm Oil Commitments^[122] published in May 2014 were welcomed by media as a positive step towards ensuring that the company's [palm oil](#) purchases will not contribute to deforestation and human rights abuses in the palm oil industry. NGOs warned^[123] that the commitments did not go far enough, and in light of the deforestation crisis in Southeast Asia, have called on the company to close the gaps in its policies immediately.

Genetically modified ingredients

PepsiCo has contributed US\$1,716,300 to oppose the passage of California Proposition 37, which would mandate the disclosure of [genetically modified crops](#) used in the production of California food products.^{[124][125][126]} PepsiCo believes "that genetically-modified products can play a role in generating positive economic, social and environmental contributions to societies around the world; particularly in times of food shortages."^[127]

Water usage (India, U.S., U.K.)

PepsiCo's usage of water was the subject of controversy in India in the early and mid-2000s, in part because of the company's alleged impact on water usage in a country where [water shortages](#) are a perennial issue. In this setting, PepsiCo was perceived by India-based environmental organizations as a company that diverted water to manufacture a discretionary product, making it a target for critics at the time.^[128]

As a result, in 2003 PepsiCo launched a country-wide program to achieve a "positive water balance" in India by 2009.^[129] In 2007, PepsiCo's then-CEO Indra Nooyi made a trip to India to address water usage practices in the country, prompting prior critic [Sunita Narain](#), director of the Centre for Science & Environment (CSE), to note that PepsiCo "seem(s) to be doing something serious about water now."^[128] According to the company's 2009 corporate citizenship report,^[130] as well as media reports at the time,^[131] the company (in 2009) replenished nearly six billion liters of water within India, exceeding the aggregate water intake of approximately five billion liters by PepsiCo's India manufacturing facilities.^[130]

Water usage concerns have arisen at times in other countries where PepsiCo operates. In the U.S., [water shortages](#) in certain regions resulted in increased scrutiny on the company's production facilities, which were cited in media reports as being among the largest water users in cities facing drought—such as [Atlanta, Georgia](#).^{[132][133]} In response, the company formed partnerships with non-profit organizations such as the [Earth Institute](#) and [Water.org](#), and in 2009 began cleaning new Gatorade bottles with purified air instead of rinsing with water, among other [water conservation](#) practices.^[134] In the United Kingdom, also in response to regional [drought](#) conditions, PepsiCo snacks brand Walkers' reduced water usage at its largest [potato chip](#) facility by 45 percent between the years 2001 and 2008. In doing so, the factory used machinery that captured water naturally contained in potatoes, and used it to offset the need for outside water.^{[135][136]}

As a result of water reduction practices and efficiency improvements, PepsiCo in 2009 saved more than 12 billion liters of water worldwide,^[137] compared to its 2006 water usage. Environmental advocacy organizations including the [Natural Resources Defense Council](#) and individual critics such as [Rocky Anderson](#) (mayor of [Salt Lake City, Utah](#)) voiced concerns in 2009, noting that the company could conserve additional water by refraining from the production of discretionary products such as Aquafina.^[138] The company maintained its positioning of bottled water as "healthy and convenient", while also beginning to partially offset environmental impacts of such products through alternate means, including [packaging](#) weight reduction.^[139]

Pesticide regulation (India)

See also: [Pesticide regulation](#)

PepsiCo's India operations were met with substantial resistance in 2003 and again in 2006, when an environmental organization in New Delhi made the claim that, based on its research, it believed that the levels of [pesticides](#) in PepsiCo (along with those from rival The Coca-Cola Company), exceeded a set of proposed safety standards on soft drink ingredients that had been developed by the Bureau of Indian Standards.^[139] PepsiCo denied the allegations, and India's health ministry has also dismissed the allegations—both questioning the accuracy of the data compiled by the CSE, as it was tested by its own internal laboratories without being verified by outside peer review.^{[140][141]} The ensuing dispute prompted a short-lived ban on the sale of PepsiCo and The Coca-Cola Company soft drinks within India's southwestern state of [Kerala](#) in 2006;^[142] however this ban was reversed by the Kerala High Court one month later.^[143]

In November 2010, the [Supreme Court of India](#) invalidated a criminal complaint filed against PepsiCo India by the [Kerala](#) government, on the basis that the beverages did meet local standards at the time of the allegations. The court ruling stated that the "percentage of pesticides" found in the tested beverages was "within the tolerance limits subsequently prescribed in respect of such product," since at the time of testing "there was no provision governing pesticide adulteration in cold drinks."^{[144][145]} In 2010, PepsiCo was among the 12 multinational companies that displayed "the most impressive corporate social responsibility credentials in emerging markets", as determined by the [U.S. Department of State](#).^[146] PepsiCo's India unit received recognition on the basis of its water conservation and safety practices and corresponding results.^[147]

Packaging and recycling

Environmental advocates have raised concern over the environmental impacts surrounding the disposal of PepsiCo's bottled beverage products in particular, as bottle [recycling](#) rates for the company's products in 2009 averaged 34 percent within the U.S.^[148] In 2019, [BreakFreeFromPlastic](#) named PepsiCo a top 10 global plastic polluter for the second year in a row.^[149] The company has employed efforts to minimize these environmental impacts via [packaging](#) developments combined with recycling initiatives. In 2010, PepsiCo announced a goal to create partnerships that prompt an increase in the beverage container recycling rate in the U.S. to 50 percent by 2018.^[150]

One strategy enacted to reach this goal has been the placement of interactive recycling kiosks called "Dream Machines" in supermarkets, [convenience stores](#), and [gas stations](#), with the intent of increasing access to recycling receptacles.^{[151][152]} The use of [resin](#) to manufacture its [plastic bottles](#) has resulted in reduced packaging weight, which in turn reduces the volume of [fossil fuels](#) required to transport certain PepsiCo products. The weight of Aquafina bottles was reduced nearly 40 percent, to 15 grams, with a packaging redesign in 2009. Also in that year, PepsiCo brand [Naked Juice](#) began production and distribution of the first 100 percent [post-consumer recycled plastic bottle](#).^[153]

On March 15, 2011, PepsiCo unveiled the world's first plant-based [PET](#) bottle. The bottle is made from plant-based materials, such as [switch grass](#), [corn husks](#), and pine bark, and is 100% recyclable. PepsiCo plans to reuse more by-products of its manufacturing processes such as orange peels and oat hulls in the bottles. PepsiCo has identified methods to create a molecular structure that is the same as normal petroleum-based PET—which will make the new bottle technology, dubbed "Green Bottle", similar to Coke's "PlantBottle" idea from 2009, which feel the same as normal PET. PepsiCo have said to pilot production in 2012, and upon successful completion of the pilot, intends moving to full-scale commercialization, however in 2021 there are still no records of such bottles being produced.^[154]

In a bid to reduce packaging consumption, in recent years the PepsiCoPartners launched as a service offering carbonated drinks dispensers within the US. The dispensers are currently being trialed in large corporate offices and universities.^[155]

In 2020 PepsiCo teamed up with French biochemistry startup [Carbios](#) in order to promote and establish a new recycling method for used plastic bottles. This method uses enzymes to dissolve plastic very thoroughly and the final leftovers can be used to produce textiles.^[156]

Energy usage and carbon footprint

PepsiCo, along with other manufacturers in its industry, has drawn criticism from environmental advocacy groups for the production and distribution of plastic product packaging, which consumed an additional 1.5 billion US gallons (5,700,000 m³) of [petrochemicals](#) in 2008. These critics have also expressed apprehension over the production volume of plastic packaging, which results in the [emission](#) of [carbon dioxide](#).^[157] Beginning largely in 2006, PepsiCo began development of more efficient means of producing and distributing its products using less energy,^[158] while also placing a focus on [emissions reduction](#).^[157] In a comparison of 2009 [energy usage](#) with recorded usage in 2006, the company's per-unit use of energy was reduced by 16 percent in its beverage plants and 7 percent in snack plants.^[130]

In 2009, Tropicana (owned by PepsiCo) was the first brand in the U.S. to determine the [carbon footprint](#) of its [orange juice](#) product, as certified by the [Carbon Trust](#), an outside auditor of carbon emissions.^[159] Also in 2009, PepsiCo began the test deployment of so-called "green [vending machines](#)", which reduce energy usage by 15 percent in comparison to average models in use. It developed these machines in coordination with [Greenpeace](#), which described the initiative as "transforming the industry in a way that is going to be more [climate](#)-friendly to a great degree."^[159]

PepsiCo has announced a global company goal of transitioning its electricity sources to 100% renewable energy, although they did not specify a specific year of which this goal would hypothetically occur at. PepsiCo has additionally also publicly announced its goal of decreasing its main operation's greenhouse gas emissions by 75% as compared to the 2015 baseline, by 2030.^[160] Although these goals are highly ambitious, they demonstrate PepsiCo Inc.'s commitment to protecting the environment. As of 2023, PepsiCo is still committed to working towards protecting the environment through measures such as the one aforementioned. PepsiCo has succeeded in achieving 23% of their absolute emissions target reduction as of 2022.^[160]

Product nutrition

According to its 2009 annual report, PepsiCo states that it is "committed to delivering sustainable growth by investing in a healthier future for people and our planet,"^{[60][130]} which it has defined in its mission statement since 2006 as "Performance with Purpose".^[161] According to news and magazine coverage on the subject in 2010, the objective of this initiative is to increase the number and variety of healthier food and beverage products made available to its customers,^[162] employ a reduction in the company's [environmental impact](#),^[163] and to facilitate [diversity](#) and healthy lifestyles within its employee base.^[citation needed] Its activities in regards to the pursuit of its goals—namely environmental impacts of production and the nutritional composition of its products—have been the subject of recognition from health and environmental advocates and organizations, and at times have raised concerns among its critics. As the result of a more recent focus on such efforts, "critics consider (PepsiCo) to be perhaps the most proactive and progressive of the food companies", according to former [New York Times](#) food industry writer Melanie Warner in 2010.^[131]

Product diversity

From its founding in 1965 until the early 1990s, the majority of PepsiCo's product line consisted of carbonated soft drinks and convenience [snacks](#). PepsiCo broadened its product line substantially throughout the 1990s and 2000s with the [acquisition](#) and development of what its CEO deemed as "good-for-you" products, including [Quaker Oats](#), [Naked Juice](#), and Tropicana orange juice.^[164] Sales of such healthier-oriented PepsiCo brands totaled US\$10 billion in 2009, representing 18 percent of the company's total revenue in that year. This movement into a broader, healthier product range has been moderately well received by nutrition advocates; though commentators in this field have also suggested that PepsiCo market its healthier items as aggressively as less-healthy core products.^[165]

In response to shifting consumer preferences and in part due to increasing governmental regulation, PepsiCo in 2010 indicated its intention to grow this

segment of its business, forecasting that sales of fruit, vegetable, [whole grain](#), and [fiber](#)-based products will amount to US\$30 billion by 2020.^[166] To meet this intended target, the company has said that it plans to acquire additional health-oriented brands while also making changes to the composition of existing products that it sells.^[166]

Ingredient changes in Pepsi

Public health advocates have suggested that there may be a link between the [ingredient](#) makeup of PepsiCo's core snack and carbonated soft drink products and rising rates of health conditions such as [obesity](#) and [diabetes](#). The company aligns with personal [responsibility](#) advocates, who assert that food and beverages with higher proportions of sugar or salt content are fit for consumption in moderation by individuals who also exercise on a regular basis.^[167]

Changes to the composition of its products with nutrition in mind have involved reducing fat content, moving away from [trans-fats](#), and producing products in [calorie](#)-specific [serving sizes](#) to discourage [overconsumption](#), among other changes.^[162] One of the earlier ingredient changes involved sugar and caloric reduction, with the introduction of [Diet Pepsi](#) in 1964 and [Pepsi Max](#) in 1993—both of which are variants of their full-calorie counterpart, [Pepsi](#). More recent changes have consisted of [saturated fat](#) reduction, which [Frito-Lay](#) reduced by 50% in [Lay's](#) and [Ruffles](#) potato chips in the U.S. between 2006 and 2009.^[167] Also in 2009, PepsiCo's Tropicana brand introduced a new variation of orange juice (Trop50) sweetened in part by the plant [Stevia](#), which reduced calories by half.^[167] Since 2007, the company also made available lower-calorie variants of [Gatorade](#), which it calls "G2".^[168] On May 5, 2014, PepsiCo announced that the company would remove [brominated vegetable oil](#) from many of its products, but a timeframe was not discussed.^[169]

Distribution to children

As public perception placed additional scrutiny on the marketing and distribution of carbonated soft drinks to children, PepsiCo announced in 2010 that by 2012, it will remove beverages with higher sugar content from primary and secondary schools worldwide.^[170] It also, under voluntary guidelines adopted in 2006, replaced "full-calorie" beverages in U.S. schools with "lower-calorie" alternatives, leading to a 95 percent reduction in the 2009 sales of full-calorie variants in these schools in comparison to the sales recorded in 2004.^[171] In 2008, in accordance with guidelines adopted by the International Council of Beverages Associations, PepsiCo eliminated the advertising and marketing of products that do not meet its nutrition standards, to children under the age of 12.^{[172][173]}

In 2010, [Michelle Obama](#) initiated a campaign to end [childhood obesity](#) (titled [Let's Move!](#)), in which she sought to encourage healthier food options in [public schools](#), improved food [nutrition labeling](#), and increased [physical activity](#) for children. In response to this initiative, PepsiCo, along with food manufacturers [Campbell Soup](#), Coca-Cola, [General Mills](#), and others in an alliance referred to as the "[Healthy Weight Commitment Foundation](#)", announced in 2010 that the companies will collectively cut one trillion calories from their products sold by the end of 2012 and 1.5 trillion calories by the end of 2015.^[174]