

PepsiCo Launches 2025 Sustainability Agenda Designed to Meet Changing Consumer and Societal Needs

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PURCHASE, N.Y., Oct. 17, 2016 /PRNewswire/ -- PepsiCo, Inc. (NYSE: PEP) today announced an ambitious global sustainability agenda designed to foster continued business growth in a way that responds to changing consumer and societal needs. The company's efforts, which focus on creating a healthier relationship between people and food, include specific 2025 goals to continue transforming PepsiCo's food and beverage product portfolio, contribute to a more sustainable global food system and help make local communities more prosperous.

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<https://www.multivu.com/players/English/7954151-pepsico-performance-with-purpose-sustainability-agenda>

PepsiCo Performance with Purpose Infographic

These new initiatives continue PepsiCo's decade-long commitment to delivering *Performance with Purpose*, a pioneering vision launched in 2006 rooted in the fundamental belief that business success is inextricably linked to the sustainability of the world we share.

"To succeed in today's volatile and changing world, corporations must do three things exceedingly well: focus on delivering strong financial performance, do it in a way that is sustainable over time and be responsive to the needs of society," said PepsiCo Chairman and CEO Indra Nooyi. "The first ten years of PepsiCo's *Performance with Purpose* journey have demonstrated what is possible when a company does well by also doing good. We have created significant shareholder value, while taking important steps to address environmental, health and social priorities all around the world."

"PepsiCo's journey is far from complete, and our new goals are designed to build on our progress and broaden our efforts," Nooyi continued. "We have mapped our plans against the United Nations Sustainable Development Goals, and we believe the steps we are taking will help lift PepsiCo to even greater heights in the years ahead. Companies like PepsiCo have a tremendous opportunity – as well as a responsibility – to not only make a profit, but to do so in a way that makes a difference in the world."

Three Pillars of Sustainable Growth

PepsiCo's *Performance with Purpose* agenda for the coming decade is focused on three core priorities:

1. Helping to improve health and well-being through the products it sells.
2. Protecting our planet.
3. Empowering people around the world.

Across its business and in partnership with others, PepsiCo is taking a holistic approach to achieving progress in all three areas. The company's plans have been informed by current scientific research, consumer expectations and dialogue with key stakeholders, as well as by the United Nations' 2030 Agenda for Sustainable Development.

In pursuing these goals, the company's actions will be consistent with responsible capital allocation, commitment to its financial targets and the creation of shareholder value. The company believes that achieving these goals will enhance its long-term financial performance and returns.

"During the past decade, PepsiCo has become a role model for global companies by demonstrating that aligning business and societal interests is a recipe for strong financial results," said Bill George, senior fellow, Harvard Business School. "PepsiCo's example is a positive reminder that the world's top-performing companies are increasingly measured by more than short-term financial returns. They can and must be forces for good in the world, and those that embrace this mindset will be best positioned to deliver for both shareholders and society."

Products

PepsiCo's ambition is to enable better nutrition at scale by continuing to develop a broader portfolio of food and beverage choices and increasing access to great-tasting, nutritious options.

Informed by the latest dietary guidelines of the World Health Organization and other authorities, the company will continue to refine its food and beverage choices to meet changing consumer needs by reducing added sugars, saturated fat and sodium levels in its product portfolio.

The company has set the following goals for 2025:

- At least two-thirds of its global beverage portfolio volume will have 100 calories or fewer from added sugars per 12-oz serving.
- At least three-quarters of its global foods portfolio volume will not exceed 1.1 grams of saturated fat per 100 calories.
- At least three-quarters of its global foods portfolio volume will not exceed 1.3 milligrams of sodium per calorie.
- The rate of sales growth of what the company refers to as Everyday Nutrition products will outpace the rate of sales growth in the balance of PepsiCo's portfolio. Everyday Nutrition products include those that deliver whole grains, fruits and vegetables, dairy, protein and hydration.
- It will provide access to at least three billion servings of nutritious foods and beverages to underserved communities and consumers.

The company also reaffirms its commitment to deliver on its Global Labeling and Responsible Advertising to Children Policies. PepsiCo has and will continue to support industry actions in these areas.

Planet

PepsiCo's ambition is to reduce the environmental footprint of the food system through operational efficiencies and mobilization of its suppliers and business partners.

The company supports the Paris Climate Agreement and is focused on reducing its environmental impact while growing its business. It will continue improving the efficiency of its manufacturing and distribution operations while also broadly extending its environmental stewardship efforts across its global value chain.

As part of its focus on protecting the planet, PepsiCo will work to achieve positive water impact; significantly lower its carbon emissions, with significant efforts to reduce emissions related to agriculture and packaging; promote sustainable sourcing of crops; and reduce waste.

"The planet is facing unprecedented challenges that require us to make transformational changes to the way we grow the economy, feed the world and provide dignified employment," said Dr. Andrew Steer, president and CEO, World Resources Institute. "I welcome the breadth of PepsiCo's approach and I urge the company to continue leading on these important issues. PepsiCo's actions demonstrate how business can serve as an agent of change and enable the type of solutions needed for us to thrive in a resource-constrained world."

Specifically, PepsiCo plans to:

- Improve the water-use efficiency of its direct agricultural supply chain by 15% in high-water-risk sourcing areas by 2025. These savings equate to the same approximate volume of water used in PepsiCo manufacturing operations.
- Improve the water use efficiency of its direct manufacturing operations by 25% by 2025. This is in addition to the 25% improvement in water-use efficiency the company has achieved since 2006 and will include a focus on high-water-risk areas.
- Replenish 100% of the water it consumes in its manufacturing operations within high-water-risk areas, ensuring that the water is replenished in the same watershed from which it was extracted.
- With the PepsiCo Foundation and its partners, work to provide access to safe water to a total of 25 million people in the world's highest water-risk areas by 2025, a continuation of efforts that began in 2006.
- Reduce absolute greenhouse gas emissions across the company's value chain by at least 20% by 2030, with a focus on collaborating with suppliers, business partners and customers to reduce emissions related to agriculture, packaging and transportation.
- Sustainably source both direct and major non-direct agricultural raw materials by 2020 and 2025, respectively. Building on its earlier goal, PepsiCo also intends to invest in the necessary measures to

- complete its plans to sustainably source 100% of the palm oil and cane sugar it purchases by 2020.
- Achieve zero waste to landfill across its direct operations by 2025.
- Reduce the food waste it generates in its direct operations by 50% by 2025.
- Design 100% of its packaging to be recoverable or recyclable by 2025, while partnering to increase packaging recovery and recycling rates.

People

PepsiCo's ambition is to empower people and social development across its operations, supply chain and communities.

Building on its support for the United Nations Guiding Principles on Business and Human rights, PepsiCo is significantly broadening its focus on respecting human rights across the company's supply chain. In addition, the company is pursuing new initiatives to promote diversity in its global workforce, support the advancement of women, and spur social and economic development in communities around the world.

"Thousands of farmers and communities around the world benefit from PepsiCo's sustainable sourcing practices," said Paul Rice, President & CEO, Fair Trade USA. "Beyond improving the livelihoods of families and contributing to positive social outcomes, sustainable sourcing is increasingly important to a growing number of consumers who want to shop their values through Fair Trade Certified products."

Specifically, PepsiCo plans to:

- Expand its Sustainable Farming Initiative (SFI) to approximately 7 million acres by 2025, covering crops that collectively comprise approximately three-quarters of its agricultural-based spend. PepsiCo's SFI is focused on promoting environmentally responsible agricultural practices, improving crop yields and growers' livelihoods, and respecting human rights.
- Extend the principles of the company's Supplier Code of Conduct to all franchisees and joint venture partners. These principles already apply to PepsiCo's direct suppliers.
- Invest \$100 million in partnership with the PepsiCo Foundation to support initiatives to benefit 12.5 million women and girls around the world by 2025.
- Continue developing a diverse, inclusive and engaged workforce that reflects the communities where it does business. These efforts include a continued focus on achieving gender parity in PepsiCo's management roles and pay equity for women.

PepsiCo's Product, Planet and People goals are more fully discussed in the company's 2015 Sustainability Report, available at www.pepsico.com/purpose.

About PepsiCo

PepsiCo products are enjoyed by consumers one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$63 billion in net revenue in 2015, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 22 brands that generate more than \$1 billion each in estimated annual retail sales.

At the heart of PepsiCo is Performance with Purpose – our fundamental belief that the success of our company is inextricably linked to the sustainability of the world around. We believe that continuously improving the products we sell, operating responsibly to protect our planet and empowering people around the world is what enables PepsiCo to run a successful global company that creates long-term value for society and our shareholders. For more information, visit www.pepsico.com.

Cautionary Statement

This communication 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. Forward-looking statements are generally identified through the inclusion of words such as "aim," "believe," "estimate," "expect," "goal," "intend," "may," "plan," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements are generally identified through the inclusion of words such as "aim," "believe," "estimate," "expect," "goal," "intend," "may," "plan," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking

statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements, including changes in demand for PepsiCo's products, changes in the legal and regulatory environment, regulatory initiatives, including the imposition by any jurisdiction (within or outside the U.S.) of a new or increased taxes or other measures that impact PepsiCo's products and the timing thereof, PepsiCo's ability to compete effectively, PepsiCo's ability to achieve its goals with respect to products, people and planet, unfavorable economic conditions in the countries in which PepsiCo operates, and the other factors discussed in the risk factors section of PepsiCo's 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. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

PepsiCo Hello Goodness Vending Machine

PepsiCo's "Everyday Nutrition" Portfolio

Indra K. Nooyi, Chairman and CEO, PepsiCo

PepsiCo's Sustainable Farming Initiative

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/pepsico-launches-2025-sustainability-agenda-designed-to-meet-changing-consumer-and-societal-needs-300345624.html>

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