



Waste

Waste reduction, in all its forms, is a strategic imperative for PepsiCo, for the benefit it provides to our business in the form of cost savings and efficiencies gained. It is also inherent to being a good citizen of the communities where we operate, by reducing our environmental footprint.

Strive to Achieve Zero Waste to Landfill

In every community where we operate, we are working to minimize the amount of waste that we send to landfill. It is a journey that we have been on as a company since the very beginnings of Performance with Purpose, and year over year, we are making steady progress. **Our Performance with Purpose (PwP) 2025 goal is to strive to achieve zero waste to landfill in our direct operations by 2025**, and by the end of 2016, we had reduced the amount of waste our operations send to landfill to 6.8 percent of total waste versus 7.8 percent of total waste by the end of 2015.

Reduction of waste results in cost avoidance, as it minimizes the fee payments to facilities that accept waste. At the same time, we make every effort to reuse waste in productive ways. For example, we provide organic matter such as potato peels to farms, where they are used in animal feed. Our Quaker facility in Cedar Rapids, Iowa sells oat hulls to the University of Iowa, which converts the hulls into energy, replacing fossil fuels and supporting the University's renewable energy program.

While we are proud of the progress we have made against this goal to date, we are focused on closing the gaps that still exist. The biggest opportunities are in developing markets, where we will focus on building recycling infrastructure and advancing a culture of recycling, while implementing proven best practices from other parts of the PepsiCo business around the world.

Reduce Food Waste

As a global food and beverage company, we have a role to play in addressing the issue of food waste. Globally, approximately one-third of the food produced for human consumption is wasted each year, and that waste is a significant contributor to greenhouse gas (GHG) emissions. By reducing food waste, we can also make a meaningful impact in reducing our GHG emissions, and **we have set a goal to reduce food waste by 50 percent in our direct operations by 2025**. This goal is in support of the Consumer Good Forum and the larger UN Sustainable Development Goal (12.3) that aim to "halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains."

PepsiCo has had a long established effort to optimize efficiency in our manufacturing plants and our distribution supply chain. As we do so, we are utilizing the Food Loss and Waste Protocol, a framework launched in 2016 by a committee of respected organizations like the World Resources Institute, UN Environment Programme, World Business Council for Sustainable Development, and Consumer Goods Forum, as a set of guiding principles for quantifying and measuring food waste. For PepsiCo, reducing food waste will be a collaborative process with our operations, warehouse/distribution channels and retail partners in markets around the world.