

Nutrition Governance

In 2016, PepsiCo reviewed our sustainability governance structure to identify opportunities to strengthen the integration of sustainability into our business agenda and processes. This includes our Product-related sustainability goals, which focus on improving the nutritional profile of our product portfolio. Beginning in 2017, PepsiCo's senior leadership team, made up of the Chairman & CEO, Sector CEOs and top functional leaders, assumed direct oversight of the sustainability agenda, strategic decisions and champions performance management. This ensures that sustainability is a key accountability factor for every member of our senior leadership team. Placing sustainability accountability within the company's most senior leaders reflects the emphasis we place on achieving our sustainability agenda.

Strategy and progress against our sustainability goals are discussed during meetings of the full senior leadership team on a regular basis, providing opportunities for our senior leadership to align on major strategic issues relating to sustainability. In between these meetings, senior leadership team members remain actively engaged in executing against our sustainability goals, inclusive of our Product-related goals, driving the agenda with their teams.

In particular, our R&D team plays a critical role in the science and research supporting innovation. PepsiCo R&D supports our progress on our Nutrition strategy by delivering innovation built on a strong foundation of science and technology. R&D undertakes research to create technical solutions for product development with platforms specifically focused on health and nutrition and provides tools to enable the development of products with improved nutrition profiles.

At the same time, our Global Beverage and Global Snacks Groups focus on commercializing these products in the marketplace. Each of the Global Groups is then responsible for managing our global brands within each of these categories, and each has accountability for ensuring consumer acceptance of products with improved nutritional profiles in the marketplace.

Innovation and reformulation efforts are underway in many of our brands in our portfolio around the world. Our product renovation efforts are global in order to make the greatest impact; an example of this impact is our roll out of new recipes of Mirinda and 7UP with 30% less sugar in more than 80 markets. To achieve our goals, each of these markets and, in some cases, regions have developed tailored strategies to take into account local taste preferences, challenges and cultural differences to enable a greater likelihood of consumer acceptance without compromising the improved nutritional profile.