

# Waste

## Overview

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.

## Strive to Achieve Virtually Zero Waste to Landfill in our direct operations<sup>1</sup>

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 for many years and are approaching virtually zero waste to landfill. In 2018, we reduced the amount of waste to landfill to approximately 4 percent, an improvement from the approximately 5 percent sent in 2017. We will remain committed in the coming years to achieving virtually zero waste to landfill, particularly in the developing markets, where we are building recycling infrastructure in our operations and building a culture of recycling. 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 materials 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.

## 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 within our direct operations, which we do as part of our virtually zero waste to landfill goal, we can also make a meaningful impact in reducing our GHG emissions. Our commitment to reducing food waste is in support of the Consumer Goods 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."

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<sup>1</sup> Virtually zero waste to landfill means that an organization achieved a landfill diversion rate of 98% or greater. PepsiCo aims to reach a 99% diversion rate by 2025 in its direct operations.