



PEPSICO



REDUCING FOOD LOSS AND WASTE

“ Companies like ours have an important role to play in helping meet the challenges of the communities we serve, including cutting food waste in our operations and finding innovative new ways to put more nutritious food in the hands of those who are hungry and undernourished. ”



OUR POSITION

At the heart of PepsiCo is Performance with Purpose – our fundamental belief that business success is inextricably linked to the sustainability of the world around us. PepsiCo relies on high-quality raw materials for our products so we continuously look for innovative ways both to minimise the company’s impact on the environment and to lower costs.

In pursuit of this goal, we are committed to reducing the generation of waste in all forms in our company’s operations. With nearly one third of all food produced globally never consumed each year, continuing to explore new ways of reducing food waste across our value chain is an important part of this commitment.

PepsiCo recognises the Sustainable Development Goal Target 12.3 to halve global food waste and to reduce food losses at supply chain level. In line with The Consumer Goods Forum’s resolution on food waste reduction, we are working to further reduce the food waste we generate and apply innovative recovery options for all remaining food waste. The Food Loss & Waste Standard will be a helpful tool in these efforts.



**INDRA NOOYI,
CHAIRMAN &
CEO,
PEPSICO**

OUR ACTIONS

We employ our Resource Conservation programme (ReCon) to identify and eliminate sources of waste generation and to conserve raw materials. In 2015, 94% of the total waste generated in our operations was put to beneficial use; only approximately 6% were disposed of through more traditional methods, such as landfills.

Essential steps in measuring waste are a detailed evaluation of the manufacturing processes, the definition of different waste categories at a very granular level, and the development of appropriate reporting mechanisms. Such systems help highlight the greatest reduction opportunities.

For any waste that cannot be avoided despite all efforts, we continue to explore new beneficial use and recovery options. In a world of a growing population, increasing cost of food, concerns about inequality and food insecurity, diverting food waste from landfills and finding innovative ways of putting it to beneficial use are particularly important. Reducing food waste is also an important lever for reducing GHG emissions and tackling climate change.

Opportunities for putting food waste to beneficial use may lie within our own operations, or they may present opportunities for collaboration across our entire value chain. Oftentimes, it takes the collaboration of different

departments to implement programmes designed to reduce or recover waste.

For example, by using left-over peelings from our potato chip production, we have developed a new fertiliser, Naturalis, that provides a more sustainable way of increasing the harvest for our potato growers.

Oat hulls, a by-product of oat processing, have been converted to biomass for renewable energy production at several of our sites. Oat hulls are also diverted to the dietary fiber, livestock feed and bedding, and fuel markets. Oat hull sales have become an important business for Quaker.

Our Frito-Lay and Walkers operations have developed appropriate systems to recover millions of pounds of potato starch lost in the slicing and peeling process of manufacturing potato chips at plants in Canada, the United Kingdom and the United States. The recovered starch is processed into food grade starch for use in our own operations or into beneficial products for sale to other industries.

PepsiCo also donates products nearing the end of their shelf life in many markets.

OUR RESULTS

These different efforts help PepsiCo reduce our environmental impact by conserving valuable resources such as raw materials, water, or energy, thereby lowering GHG emissions. They also make good business sense as they help reduce operational costs associated with purchasing of raw materials as well as disposing of organic waste.

Finding ways of putting organic waste to beneficial use opens up opportunities for PepsiCo to strengthen relations within the communities we operate. For example, our Tropicana plant in Ft Pierce, Florida, works closely with St. Lucie County by purchasing landfill methane gas produced from decaying organic household waste at the county

landfill facility. Tropicana uses the methane, which would otherwise be flared off, to generate electricity and steam while creating revenue for the county. Similarly, our Quaker business in Iowa partners with the University of Iowa by providing oat hulls as a fuel source, supporting renewable energy production on campus.

To increase the impact of such actions and to speed up the reduction of food waste across the entire value chain, strengthened collaboration amongst all stakeholders - from mapping supply chain waste areas over developing breakthrough technology solutions to sharing best practices - is needed to drive future success.

KEY FIGURES

- 94% of total waste, including food waste, generated in PepsiCo's operations has been put to beneficial use
- More than 60 million pounds of potato starch recovered, equalling more than 90% of starch produced, in our snacks manufacturing facilities in the United States and Canada
- Almost 3,000 tonnes of fertiliser produced from organic waste of PepsiCo plant used by our potato growers in Turkey
- PepsiCo is a founding member of the International Food Waste Coalition