

‘Navigating the Resource Security Landscape’

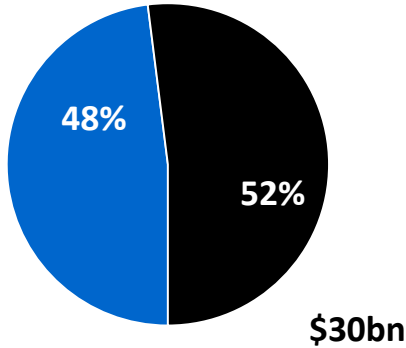
**Martyn Seal PepsiCo Europe
Environmental Sustainability Director**

Green Alliance - Monday 12th December 2011

The world's second largest food and drink company: 295,000 Employees

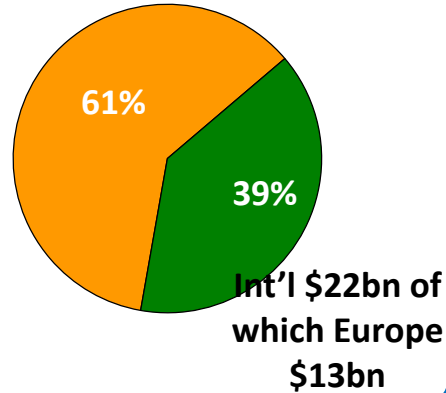
Food and Beverage net revenue

Snacks/Foods \$27bn



North America & International net revenue

US and Canada \$35bn



19 \$1B+ brands



Building a healthier portfolio



\$10bn to \$30bn nutrition business by 2020

Expanding our portfolio



Leading dairy business in Russia

Partners

magic breakfast
fuel for learning
registered charity number: 1102510

change 4 life
Eat well Move more Live longer

CARBON DISCLOSURE PROJECT

C3 COLLABORATING FOR HEALTH



Strategies and Scenarios 2030

- # Climate Change – adverse climatic events will impact our Supply Chain now and in the future. This includes severe disruptions with high costs
- # Water Availability and Quality – will impact where we operate and the resilience of our Supply Chains
- # Natural Resources – rising population and increasing consumption leading to high commodity prices and need to redesign products
- # Obesity – need to reformulate products to meet growing concerns on Health and Wellness

PepsiCo – We are an Agricultural Business



A normal day in a PepsiCo potato field?

Path to Zero – Our long term Sustainability vision



Passionate about Growing

Fossil Fuel Free

Caring about Water

Products with Purpose

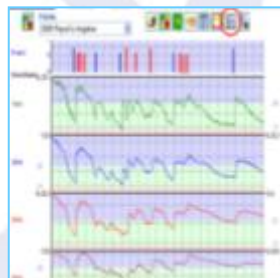
Collaborative Leadership

Passionate About Growing



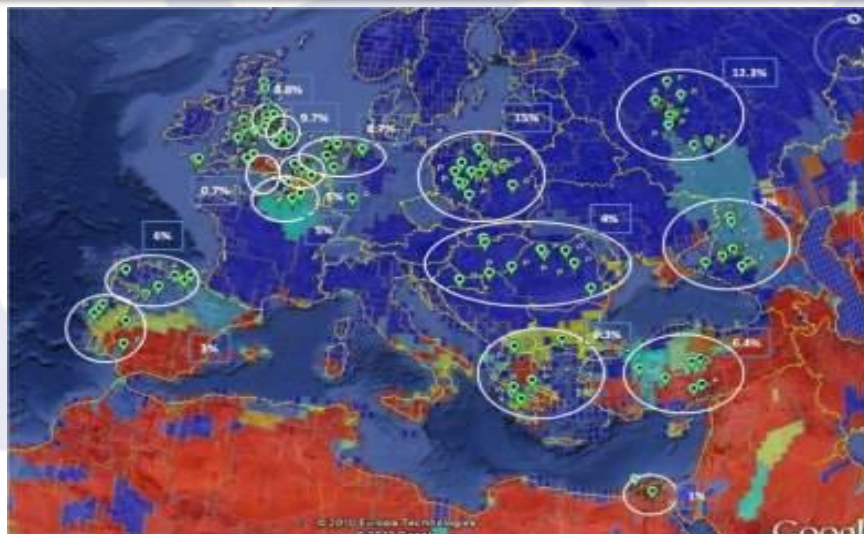
Sharing the 'science' with our Growers

I Crop roll out across three regions in 2011, 50 in 5 UK plans
Drip Irrigation trials – potential yield opportunity



Natural Fertilisers –

First PepsiCo fertiliser – 60% of Turkey usage in 2012



Supply 'Risk' Management



Crop Variety developments

Boxford Site : A different way of working

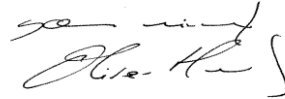


- **Collaborative Leadership:** How can we achieve Boxford's growth agenda sustainably and responsibly whilst meeting our external commitments

CLIMATE  EAST



- Lord Henley, Parliamentary Under Secretary, DEFRA:

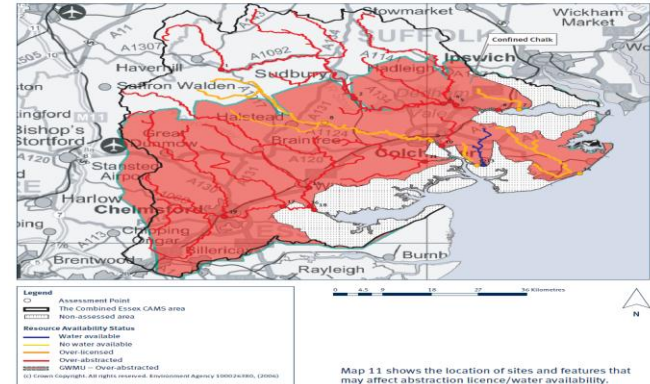


LORD HENLEY

“the work you are taking forward...strikes me as an excellent example of a forward-thinking business pro-actively assessing and addressing risks from climate change and working in partnership with local bodies to ensure business resilience”

Positive Water Impact

Map 11 Groundwater Management Unit 7 – Confined Chalk



Map 11 shows the location of sites and features that may affect abstraction licence/water availability.

- Boxford is located in a water-stressed catchment - classified as “over-abstracted”
- The site has already achieved 30% reduction in water consumption (2008-2009) and recover & re-use 20% of their water
- 2011 Pilot underway to assess how they could achieve Positive Water Impact by working with local partners