

Water, water everywhere?

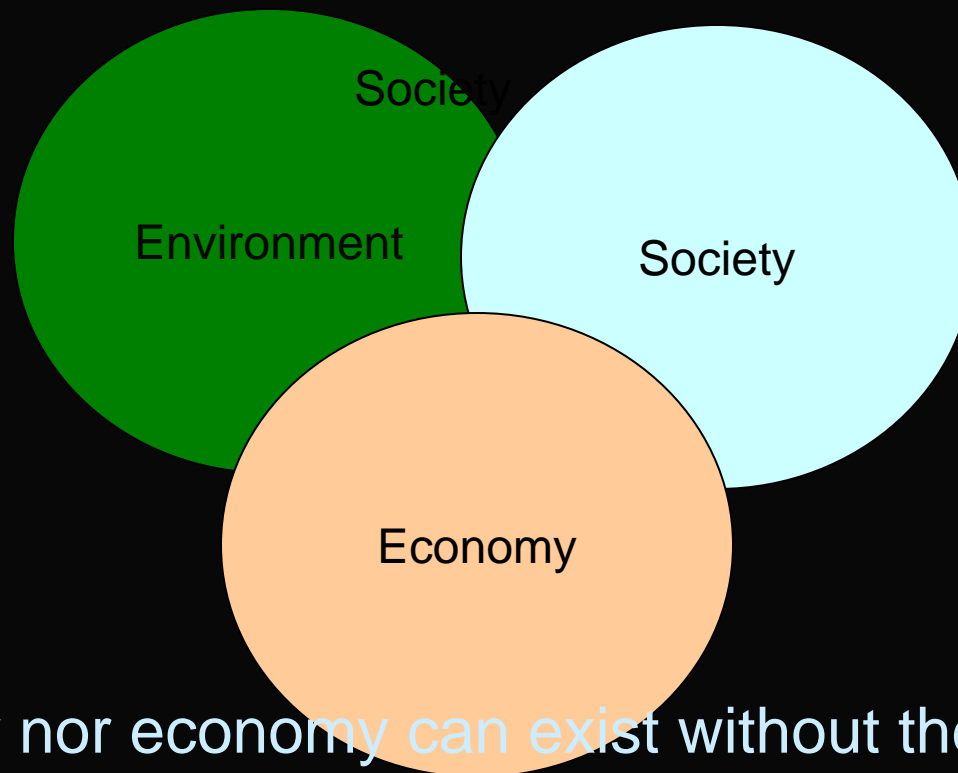


Company Policies and Practices Relating to Water and Human Rights
UN CEO Water Mandate Meeting
World Water Week 2009

Dan Bena
Director of Sustainable Development
PepsiCo



All roads begin with the context of the “Triple Bottom Line”



Neither society nor economy can exist without the environment



Water, more than most things, fits the triple bottom line well--sitting squarely at the nexus of water security, food security, and global health



Climate Change

Dramatic increase in severity of floods that adversely impact poor coastal communities



Water Scarcity

Already 1.2 billion people – 20% of world's population – lack clean drinking water



Sanitation and Health

2.6 billion people lack access to sanitation; In developing economies, 90-95% sewage and 70% industrial wastes dumped into and pollute the local water supply

Unrelenting Hunger and Food Security

Drought exacerbates the chronic hunger facing more than 1 billion worldwide



Abject Poverty and Gender Inequality

600 million children live in households earning less than \$1 a day--more than half of them girls



It is difficult to dispute—viscerally—that water is a right deserved by everyone, everywhere





PepsiCo's water stewardship approach has evolved to include myriad interdependent elements, with water as a human right being the overarching tenet

- Water as a **basic human right**
- **Conserving water** within our operations
 - quantity and quality; intake and discharge
- Reducing water use in **agriculture**
 - where the largest impact can be seen
- **Partnering** for change
 - through policy advocacy, engagement, and communication



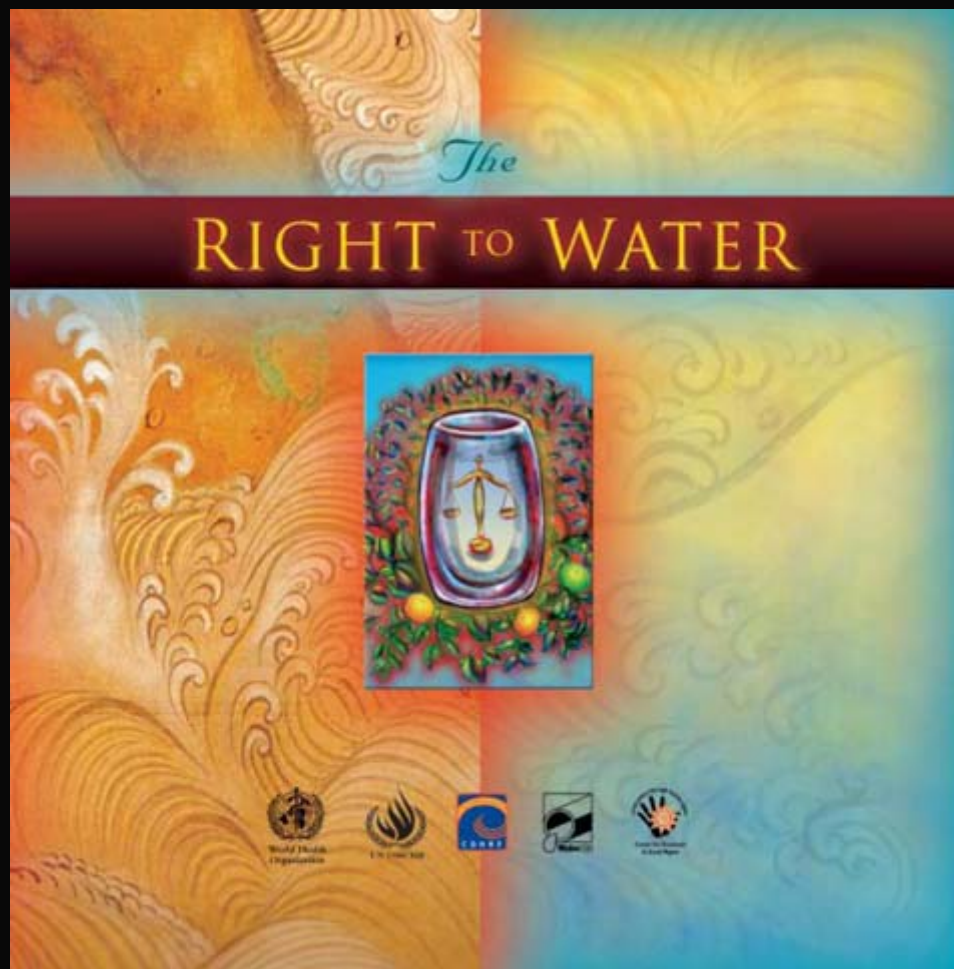
Water as a basic human right might sound intuitive, but there are specific expectations to consider

*“Water is the essence of life and human dignity. Water is fundamental to poverty reduction, providing people with elements essential to their growth and development.... Water is recognized, not only as a limited natural resource and a public good but also as a human right. The right to water entitles everyone to **sufficient, safe, acceptable, physically accessible and affordable water**, and it must be enjoyed without discrimination and equally by women and men.”*

--Dr Gro Harlem Brundtland

--Sergio Vieira de Mello

Respect...protect...fulfill



Joint WHO / UN High Commissioner
on Human Rights document



In 2009, in collaboration with Northstar Asset Management, PepsiCo became one of the first companies of our size to publicly recognize water as a basic human right, in the context of the WHO/ UN framework

- **Safety**: We will ensure that our operations preserve the quality of the water resources in the communities in which we do business;
- **Sufficiency**: Our operating objective is to ensure that our use of water will not diminish the availability of community water resources to the individuals or the communities in the areas in which we operate;
- **Acceptability**: We will involve communities in our plans to develop water resources, and will assure transparency of any risks or challenges to the local governments and community members in an on-going manner;
- **Physical Accessibility**: We will assure that our operations will not adversely impact physical accessibility of community members to community water resources and will address community concerns in a cooperative manner;
- **Affordability**: We will appropriately advocate to applicable government bodies that safe water supplies should be available in a fair and equitable manner to members of the community. Such water should be safe and of consistent and adequate supply and affordable within local practices.



“Operationalizing” our commitment will be a challenging journey, and it helps to have a committed CEO

“There is no
Performance
without
Purpose”



*"Sustainability is one
of PepsiCo's most
important business
imperatives."*

Indra K. Nooyi
Chairman and CEO
PepsiCo





Our PepsiCo Social Investment group has a robust strategy to help **respect**, **protect**, and **fulfill** the human right to water

Public Goal: In direct support of the Millennium Development Goals, bring safe water to one million people in underserved populations by 2010



Protection at the
**Watershed
Resource**

Earth Institute



Distribution to the
people that need it

WaterPartners
Safe Water Network



Purification of the water for
the community **Sanitation &
Hygiene**
at discharge to prevent
Recontamination

Safe Water Network





A “human” example

WaterCredit

Helps preserve **access** to water, at an **affordable** price, in a **sustainable** way



As the head of household, this mother has 3 children, her husband is seriously ill and unable to work. She took out separate WaterCredit loans for a water hook up at her home and then another for the family's toilet.



கீழ்க்கண்டவாறு -- திருச்சி மாவட்டம் -- கீழ்க்கண்டவாறு

வ. எண்	பெயர்	பொது	பொது	பொது	பொது
1	17-07			2600	1000
2	21-07	1800	300	2100	1000
3	16/07/2016	1000		1000	1000
4	16/07/2016	1000		1000	1000
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கீழ்க்கண்டவாறு -- திருச்சி மாவட்டம் -- கீழ்க்கண்டவாறு

வ. எண்	பெயர்	பொது	பொது	பொது	பொது
1	பொது	1		250	
2	பொது	4		90	
3	பொது	1		800	
4	பொது				
5	பொது	2		460	
6	பொது	1		410	
7	பொது	78		780	
8	பொது				
9	பொது	2		400	
10	பொது				
11	பொது			100	
12	பொது				
13	பொது				
14	பொது				
15	பொது				
16	பொது				
17	பொது				

Loan payment record





India Agro Case Study: Rice Paddy



A small change in agro yields significant impact



- If 25% of the national paddy cultivation can be moved to direct seeding, **water savings will be over 25 trillion liters**
 - the total quantity consumed by Industry annually in India
- Direct savings
 - **30-40% saving on water**
 - **increased farm yields and income**
- Decreased methane generation
- Pilot acreage increased five-fold from 2006 to 2007
- Farmers are keen to do more each year; hope to reach 1800 hectares by 2010



Seeding Using Pepsi Seeder



40 days

Pepsi's paddy
cultivation method
saves water by 40%



So, where do we stand on this journey? Our current, admittedly subjective, scorecard

Safety



Robust global water testing program, governance, and standards; Earth Institute alliance for “more crop per drop”

Sufficiency



Water scarcity mapping; best practice tool implementation; sustainable agro; water footprinting

Acceptability



Currently formalizing the process for community engagement; embedding into our business systems (e.g., sustainable engineering guidelines)

Physical Accessibility



Robust global water testing program, governance, and standards

Affordability



Active advocacy efforts; UN CEO Water Mandate; US International Declaration on Water Policy; National Water Steering Committee of Confederation of Indian Industries (CII); WBCSD; WEF



Businesses must realize the multiplier effect of expanding their influence across their supply chain

WE HAVE
DEVELOPED A
MODEL FRAMEWORK
WITH WHICH TO
LEVERAGE
COLLABORATION,
EXPAND OUR
INFLUENCE, AND
PARTNER WITH KEY
STAKEHOLDERS

