



THE BUSINESS PLEDGE

SETTING TARGETS FOR SUSTAINABLE & RESPONSIBLE GROWTH AT PEPSICO



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On the 23rd of November 2017, PepsiCo hosted a session for a group of students from the American University of Sharjah. The session highlighted PepsiCo's sustainability initiatives that are in-line with UN's SDGs which focused on People, Products and Planet. The session discussed the strides PepsiCo took towards reducing water usage, increase health benefits in their products and the impact such initiatives had on cost reduction, sense of achievement and brand recognition.

WHAT WAS THE INITIATIVE THAT THE ORGANISATION HAD ESTABLISHED?

PepsiCo has initiated "Performance with Purpose" which focuses on sustainable development and growth. Though the program was introduced in 2006, it was re-established in 2016 with the intention of achieving their new targeted goals by 2025. They developed their sustainable agenda to focus on their 3 P's- People, Products, and Planet. To enhance their product goals, they aim on reducing added sugars, saturated fat and salt and increase nutrition. For the planet, they are focusing on having a positive water impact, lowering carbon emissions, achieving zero waste to landfill reducing wastage of food and recyclable packaging. Lastly, to benefit the people of the society, their objectives include advancing respect for human rights, supporting diversity and working caregivers and to spur prosperity. They emphasise this initiative throughout the organisation from top level management and staff members, to suppliers and distributors.



Apart from leaving a positive imprint on the society and environment, they believe that if they act responsibly, they can contribute to the sustainability of the world, and that it is the right thing to do for their business and the right thing to do for the world. Their main challenges that they are motivated to achieve are the United Nations Sustainable Development Goals for health and wealth being, climate action and economic growth. Apart from this, they also focus on the remaining goals such as clean water, gender equality, responsible production and consumption, good health and many more. They believe that their best days are yet to come, and they can see the continuous benefit that Performance with Purpose intends on achieving.

WHAT WAS THE MOTIVE FOR ESTABLISHING THE INITIATIVE?



WHAT WERE THE WAYS IN WHICH THE ORGANISATION IMPLEMENTED THE INITIATIVE?

One of the initiatives that PepsiCo has implemented is the Sustainable Farming Initiative (SFI), which is aimed at improving crop yields, grower's livelihood, responsible practices and worker rights. They plan to achieve this by reaching out to the farmers and training them accordingly. This helps improve the value chain and provides benefits to both the farmers and the society. Apart from this programme, PepsiCo has created and participated in various other programmes such as PepsiCo and United Nations World Food Programme, Pepsi Corps, Eco-Challenge and Water Credit Programme. They have also invested in or acquired companies such as Naked Juice, Tropicana, Quaker Oats etc. that are nutritious and they have also launched products with eco-friendly and reusable packaging. PepsiCo also provides education and employment opportunities to women aiming to create a gender balance in the society. Lastly, they have provided clean, safe and accessible water to 9 million people.

In addition to an improved brand image and a sense of achievement, the organisation also benefitted from reduced costs. With programmes like SFI, they decreased the use of water by one billion liters and saved approximately \$17 million. By reducing packaging weight and size of up to 89 million pounds, they achieved a \$48 million cost savings. The experience has provided the company and its employees an opportunity to learn, innovate and grow, helping them improve their value chain of the products. Since they believe that the private sector will be increasingly impacted by global and societal challenges, they believe that by implementing programmes that benefit the world, they will in turn reap benefits.

WHAT WAS THE IMPACT THAT THE INITIATIVE HAD ON THE ORGANISATION?

As Chairman and C.E.O of PepsiCo Indra Nooyi said, 'In a world that is being radically reshaped by sweeping forces of change – from technological innovation and globalization to resource scarcity, climate change and public health challenges – how companies make money is just as important as how much money they make.'

References

Business Goals: Performance with Purpose. (n.d.). Retrieved from <http://www.pepsico.com/sustainability/Performance-with-Purpose/Our-Goals> and http://www.pepsico.com/docs/album/sustainability-reporting/pep_csr14_sus_overview.pdf