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**Sent:** Monday, August 21, 2017 7:49 AM  
**Subject:** Week 194 Learning's- Positive water balance story

[REDACTED]

[REDACTED]

Dear Friend and Colleague,

[REDACTED]

[REDACTED]

I want to share with you our positive water balance story. You know that society asks us whether we are depleting water as an Industry. India is a water challenged country. We have 16 % of the world's population but only 4 % of the world's water. This is because we do not have a systematic way of collecting and storing rain water. Please search for Chirapunjee paradox to get a feel of India's water problem. I am happy to report to you that we as PepsiCo, have once again achieved positive water balance in 2016, a positive water balance of 14.11 billion litres compared to 12.65 billion litres in 2015. This audit is done by Deloitte. I have attached a small presentation from Bhaskar , showing the water body progress in and around our plants. This is really heart- warming work. I would urge you to visit these water bodies if you are near a plant on your next trip and you will be proud of PepsiCo!

What is positive water balance?

A company achieves positive water balance when it gives back to society more than it consumes for the everyday manufacture of its brands.

How is positive water balance achieved?

Positive water balance is achieved by simultaneously working on 2 fronts – First, by reducing our water debit, that is, the amount of water used within our operations and second by increasing our water credit- that is the amount we gave back, by recharging and replenishing water through sustainable initiatives in agriculture, within communities and in our plants.

Water debit - Using less of water in the manufacturing process. For example, glass bottles need water to clean them before production. As the shift to PET happens, we will use less water.

Water Credit:

a. By recharging and replenishing water used for agriculture. Rice is planted in standing water. Our direct seeding of rice system ensures that there is no need for standing water in a paddy field. B. By in plant water recharge and harvesting the rain water. c. By building and charging water bodies within five kilometres of the plant. This is important since the local society needs to see and feel the water positive work that we do for that community.

Who all have collaborated to make this work for PepsiCo?

We have a truly cross functional team working on this. We have the plant managers who are finally accountable to the local society, we have PPGA, we have the Comms team and we have Legal involved. All these teams have helped make this happen for PepsiCo. This is a really proud achievement and we are already seeing benefits of this water approach. We have been able to restart production to full capacity in our Palakkad plant, we have got a long pending consent certificate in Mamandur, we have the ministers in Karnataka and Tamilnadu coming as guests of honour for our water projects. We have the society thanking us in their own special way for storing water for their annual requirements. Great job everyone. The water audit with Deloitte was a careful follow up by Juhi and Antara.

Will we be communicating this?

We have to find ways and means of communicating this. At the local society level, the plant manager and his teams will engage to get this communication across. At a bureaucrat and government level, we need to flag this as an important contribution and we must figure out how we can communicate this in packaging to our consumers. I would request you to communicate this achievement to your circle. Little drops make build an ocean of trust !!

Thank you and all the best for August

Warm regards,

Shiv