PepsiCo appreciates hearing from all stakeholders about our business and strives at all times to make our company better.

Over the last decade PepsiCo India has pursued the goal of replenishing more water than it consumes in its operations. This is a long-term journey, the first leg of which was focused on water consumed in manufacturing operations. By replenishing more water than PepsiCo India consumes in its manufacturing through making its plants water efficient, deploying rainwater harvesting systems within its plants, sponsoring community water projects and delivering water conservation through agriculture initiatives, PepsiCo India achieved positive water balance in 2009. The claim was verified by Deloitte by using the ISAE 3000* process which is an internationally recognized and accepted audit practice.

We continually review our processes and update our data as we know this is a critical step for all businesses. We stand by our audited results. PepsiCo has engaged with Amit Srivastava, the author of the India Resource Center report several times over the last year and has responded to all his questions in detail.

Water is an important issue for PepsiCo, not just in India, but around the world. We know that it is essential that we treat water as the limited resource it is by optimizing our water-use through greater efficiency, innovative processes and new technologies. We were one of the first companies of our size to develop public, system-wide goals for water-use efficiency improvement, and we are on track to meet this 2015 global goal for company-owned facilities.

PepsiCo, like many companies across sectors, began our water conservation journey within our operations, where we have the most control and can have the swiftest impact. We also realize that we must expand our reach into our communities and our supply chain, which is why we work with a variety of partners to deepen our impact. For example:

- PepsiCo and The Nature Conservancy are collaborating on a Positive Water Impact initiative which focuses on matching water challenges with locally relevant solutions. Following a pilot study involving five watersheds, which was described in the “Striving toward Positive Water Impact” report launched at Stockholm World Water Week, we are developing a broadly applicable tool that will allow discrete locations to focus on the local environment to determine water stress and to design watershed protection strategies that make sense in the context of those conditions.
- PepsiCo and the PepsiCo Foundation are working with the Columbia University Earth Institute on innovative approaches to holistic water management, including:
  - Foundation projects in India, Mali, and Brazil that work with farmers to achieve “more crop per drop” through crop selection and water management practices.
  - Foundation projects in Gujarat and Punjab that explore the linkages between agriculture, water, and energy. In Gujarat, the team is working with the Government to test new policies to encourage farmers to use less water in growing crops, and also consume less energy to pump that water.
- The PepsiCo Global Operations group is entering the second year of an innovative project with the Columbia Water Center to develop complex probabilistic models to identify and manage
supply chain water risk. The project is still in its early stages, but we believe it is a landmark approach to combining intensive scientific data with real-world business applications to help understand and mitigate the local impacts of water risk in the supply chain.

PepsiCo understands, through our work with farmers to reduce water use, that agriculture can represent as high as 90% of water withdrawals in some areas. This is why we have engaged in initiatives, in addition to those mentioned above, such as the development of a novel technology with the University of Cambridge in the UK, called i-crop, which allows targeted delivery of just the right amount of water to the root zones of the crop, thereby allowing significant volumes of water to be conserved in agriculture.

As part of our operational efforts, we believe that a critical part of our value chain is the communities we serve, which is why we have made a public commitment to enable access to safe water to three million people in developing countries by 2015 through PepsiCo and our philanthropic arm, the PepsiCo Foundation. As part of this commitment, we recently announced an expansion of our partnership with water.org through an $8 million PepsiCo Foundation grant that will enable approximately 800,000 people to have access to safe water by March 2016. Thanks to partners like water.org, the Columbia Water Center, the Safe Water Network, the China Women’s Development Foundation and others, we are well on our way to achieving access to safe water to three million people by 2015.

PepsiCo is committed to this long-term water journey and will continue to explore ways to deepen our efforts.