



2014 Green Tier Annual Report

EMS Audit Report:

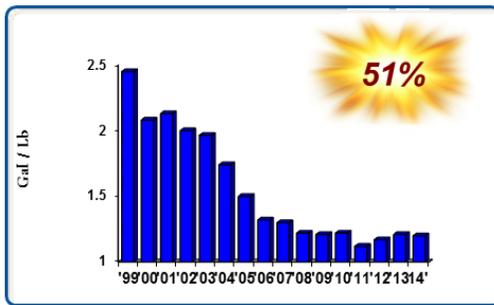
Frito-Lay Headquarters schedules external 3rd party audits for every site to ensure that the Environmental Management System program is working and that our site is striving to action plan our performance and we have the necessary tools to stay in compliance. Beloit Frito-Lay has continuously achieved a Well-Control site and is looked as a top environmental leader amongst Frito-Lay sites.

Compliance Report:

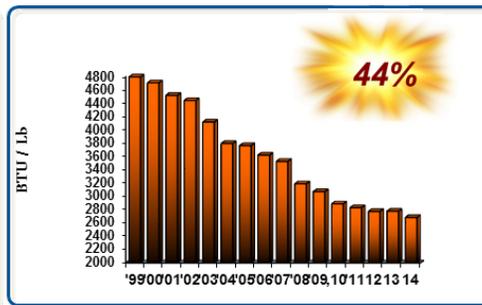
In 2014, Frito-Lay has been in compliance within all their environmental programs such as Air, Waste, Wastewater, Storm and Spill and Form R/Tier II reporting. The site reviews its action plans quarterly to ensure we are moving in the right direction towards our environmental goals. The site has a Green Team that includes team members and management that conduct the weekly/monthly/annual tasks to ensure that we are in compliance and our environmental program is communicated to the employees.

Description of progress:

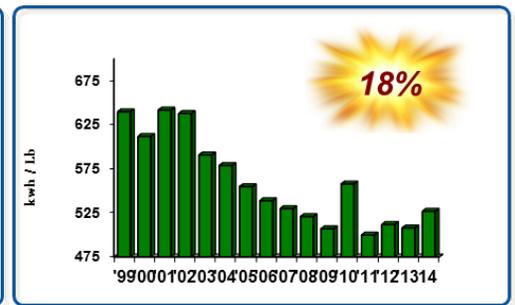
In 2014, the team's targets/objectives were to reduce water, gas, electric as well as improving the recycling program to reduce waste to landfill. Below are the results:



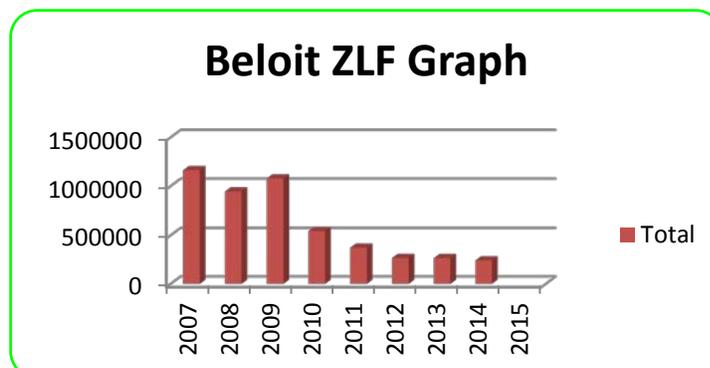
Water



Natural Gas



Electricity



Sustainability Metrics:

Please see attachment.

Executive Summary:

Frito-Lay will be completing its sixth year as a Green Tier participant on September 9th, 2015. Frito-Lay is committed to being a pre-eminent green company in Wisconsin and pursues many challenges and projects to achieve this vision. Frito-Lay continues to develop a 5 year sustainability plan to ensure we can continue to meet our aggressive targets as established as part of our Environmental Management System. The Green Team along with the Project Managers develop new environmental goals each year and review them with the site Leadership Team to ensure we stay on track with our 5 year Sustainability Plan. Below are the highlights of our 2014 improvements, which continue to reduce overall GHG emissions, waste and conserve valuable resources.

Environmental Performance:

Beloit Frito-Lay has an established vision of being the “Pre-eminent Green” company in Wisconsin. Since 1999, the site has reduced its dependence on natural gas by 40%, water by 50% and electricity by 18% per pound of finished product produced. The preservation of natural resources has become a major contributor to the plant’s year to year financial success. Frito-Lay continues to develop and execute against its 5 year near net zero strategy that addresses environmental compliance, the conservation of energy resources, greenhouse gas emission reductions and a comprehensive recycling program with only 1% of the site’s waste reaching landfill. The strategy encompasses a blend of technology, processes and behavior changes for both the manufacturing business as well as the distribution network. In 2013 the Z-team was created by team members to expand on the history of zero landfill. The team identified new recycling opportunities and educated the site on recycling. A recycling fair was held on-site to share with the employees their accomplishments as well to foster new ideas to continually improve. In 2014 the team has continued to focus on reducing landfill waste and encourage their peers to recycle everything they can. Through the teams efforts we were able to achieve a 9% improvement in 2014 over the prior year in waste to landfill reduction.

Transportation:

The over the road sector of Frito-Lay’s distribution team has been equally aggressive with their role in the site’s sustainability plan. In 2012, the site installed an on-site CNG fueling station and with the initial

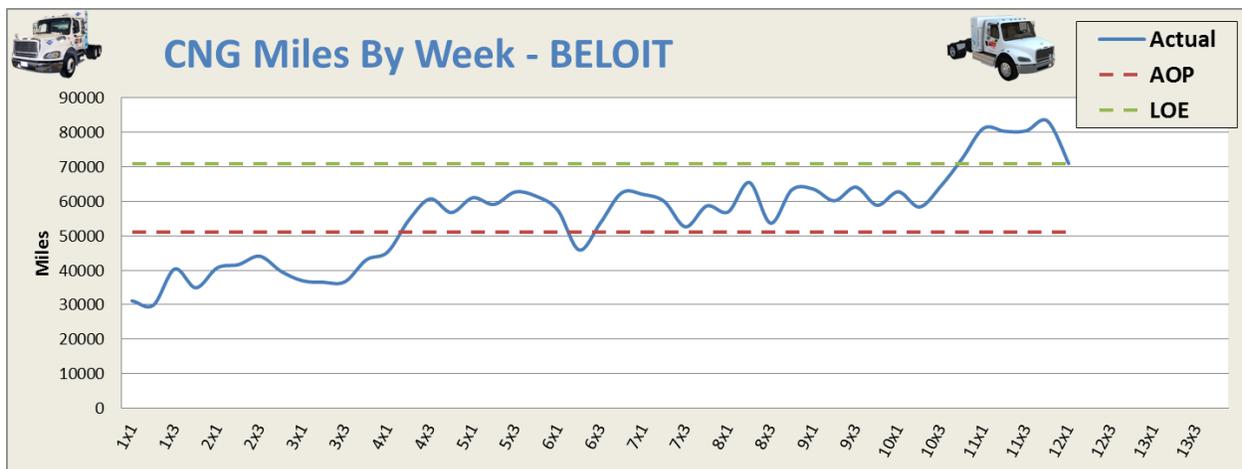
Frito-Lay nationally has a goal to reduce GHG and traditional Fossil fuels by 50% by 2020. This can be achieved by eliminating 2MM gallons per year of traditional fuel...



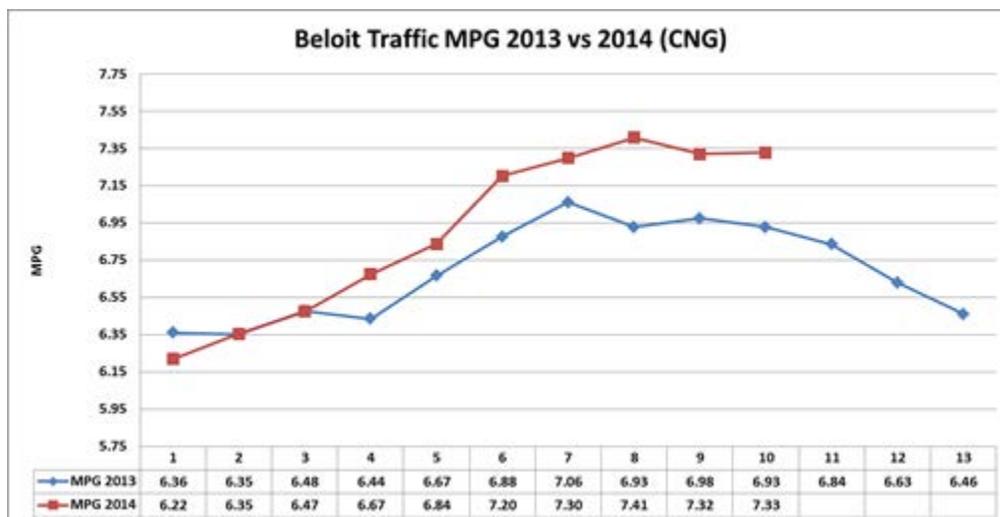
2011 (Annual Reductions vs Baseline) 2020
→ 24MM
→ \$110MM

12 CNG tractors the fleet reduced diesel consumption by 405,000 gallons and 680 metric tons of CO_{2e}. In 2013, an additional 12 tractors were purchased increasing the already largest CNG fleet in all of Frito-Lay and PepsiCo and enabling the fleet to double its CO_{2e} reduction. The Frito-Lay Sales Operation Fleet which serves the Wisconsin region has converted 49 sales route trucks over to a more fuel efficiency Sprinter model, which improved fuel economy by 80% from 10mpg to 18 mpg with an annual diesel fuel savings of over 40,000 gallons and over 350 metric tons of CO_{2e}.

In 2014, Beloit Traffic has been averaging about 83,000 miles per week on the CNG fleet. We have 32 tractors in operation and expecting 2 more for 2015. We are also purchasing a CNG Hostler Truck to improve fuel costs. Assuming 83,000 miles per week x 52 weeks per year, the site will run approximately 4,316,000 miles yearly on CNG fuel. This was a fuel reduction of approximately 624,602 gallons of Diesel fuel saved by the site maximizing its CNG fleet.



The MPG also improved drastically with an average of 6.91 MPG on our CNG trucks in comparison to the diesel fleet average of 6.95 MPG. The CNG Fuel costs approximately \$1.99 per DGE at the pump verses the diesel fuel at an average of \$3.68 at the pump. Over the year this was roughly a \$1,055,577 savings in fuel costs and a reduction of greenhouse gases.



Stakeholder Involvement:

Becoming a Green Tier participant has enhanced the communication with internal and external stakeholders. We continue to educate our employees with environmental information and visit area schools to educate the students on the benefits of resource conservation and how they personally impact the plant. Environmental information is published in an internal monthly newsletter and communicated at our quarterly site meetings with the team members. This year we are introducing a fun waste challenge game that we hope is successful in engaging our employees and focusing them on waste reduction at work as well as at home.

DNR Relationship:

As a Green Tier participant we are able to network with the DNR as a resource to guide us in project decisions and determine the impact they will have on the environment. In 2014, we worked closely with the state in order to get permitted to discharge heat recovery condensation directly to our retention pond onsite.

Conclusion:

In 2014, Beloit Frito-Lay site is currently ranked as an outstanding performer in the Frito-Lay Resource Conservation and receive the #1 ranking in Starch Recovery Performance. The site also received the EPA WasteWise Partner of the Year Award for our recycling efforts. As a top performing site, Frito-Lay will continue to drive performance to the next level setting the bar even higher.

***Below is a web link on air quality where companies can take a look at the quality of the air on a specific day and take this into consideration during activities that may be planned on bad air quality days. Our actions as individuals and industries may be able to prevent designation of areas as “nonattainment” for the national ambient air quality standards. Together we can make a difference...

<http://dnr.wi.gov/air/aq/health/status.asp>

**WISCONSIN DNR GREEN TIER
SUSTAINABILITY METRICS**

Period Covered: 2014

Company Name:	Frito-Lay, Inc
Facility Name:	Frito-Lay, Inc
Address:	2810 Kennedy Dr.
City, State, Zip:	Beloit, WI 53511
Environmental Coordinator:	Lisa Carroll
Coordinator Phone:	608.361.5859
Coordinator E-Mail:	lisa.m.carroll@pepsico.com

Metric	Not Collected/ Not Available	Quantity	Units	Period - if not Calendar Year
DEMOGRAPHICS				
Sales	X			
Money saved because of material or process improvements	X		\$	
Profit or Loss	X		%	
Employees		677	Each	
Multiple between highest paid and lowest paid employee	X		%	
Alternative Transportation Support	X		\$ or ?	
Total Purchases	X		\$	
In-State Purchases	X		\$	
% of Purchases Made from Companies that participate in Green Tier or Green Masters:	X		%	
LAND				
Total Land	X		Acres	
Paved/Covered Land	X		Acres or sq ft	
ENERGY				
Electricity		21,184,500	kWh	2014
		-2	% reduction	
Natural Gas		367,979,000,000.00	btu	2014
		4.5	% reduction	
Renewable Energy (generated on-site)	X		% of total use	
Renewable Energy (as a % of utility electricity mix)	X		%	

WATER				
Total Water Used		163,917,468	gallons/year	2014
		2.8	% reduction	2014
Source - private well			% of total use	
Source - public system		100	% of total use	2014
Water Recycled/Reused	X		gallons/year	
	X		% reduction	
Regulated Pollutants Discharged (BOD, TSS, Metals)		322,026	lbs/ year	
	X		% reduction	
AIR				
Total Air Emissions		8.6 lbs/PM/HR	lbs/ year	
	X		% reduction	
Ozone-Depleting Substances		238	lbs/ year	
	X		% reduction	
Greenhouse Gas Emissions	X		lbs/ year	
	X		% reduction	
WASTE				
Hazardous Waste Disposal	X		lbs/ year	
	X		% reduction	
Universal Waste Disposal		7795	lbs/ year	
	X		% reduction	
Non-Hazardous Waste Disposal		240,560	lbs/ year	
	X		% reduction	
Material Recycled/ Reused		25,725,432	lbs/ year	
	X		% increase	
Recycled/ Reused Content	X		% of product	
TRANSPORTATION				
Hybrid Vehicles	X		Each	
Gasoline Used	X		Gallons	
Diesel Used - vehicles		560,662.00	Gallons	
Diesel Used - Generators	X		Gallons	
Alternative Fueled vehicles (CNG, LNG, Fuel Cell, Electric)		82,842	mm/btu	
ADDITIONAL METRICS				
Please list all other designations/certifications (for example: LEED,				

Green Globes, Green Masters, Energy Star, ISO 14001):

LEED EB Gold

Green Masters

EPA

WasteWise

ISO 22000 FSSC 22000 certified
