

Corporate Social Responsibility (CSR) Policy Document of PepsiCo India Holdings Private Limited.

PepsiCo India

PepsiCo entered India in 1989 and has grown to become one of the largest food and beverage businesses in India. PepsiCo India Holdings Private Ltd. (“PepsiCo India”) has been consistently investing in the country and has built an expansive beverage and snack food business supported by 10 beverage bottling plants and 3 food plants. PepsiCo India’s diverse portfolio includes iconic brands like Pepsi, Lay’s, Kurkure, Tropicana, Gatorade and Quaker. Within two decades, the company has been able to organically grow eight brands each of which generate Rs.1,000 crore or more in estimated annual retail sales and are household names, trusted across the country.

PepsiCo India is driven by its global commitment to sustainable growth, Performance with Purpose: PepsiCo’s promise to provide a wide range of foods and beverages from treats to healthy eats; to find innovative ways to minimize our impact on the environment by conserving energy and water and reducing packaging volume; to provide a great workplace for our associates; and to respect, support and invest in the local communities where we operate. In 2009, PepsiCo India achieved a significant milestone, by becoming the first business to achieve ‘Positive Water Balance’ in the beverage world, a fact verified by Deloitte Touché Tohmatsu India Pvt. Ltd. The company has been Water Positive since then.

Title and Applicability

The CSR Policy has been prepared by PepsiCo India in line with the provisions of Section 135 of the Companies Act 2013. This policy shall apply to all Corporate Social Responsibility (CSR) initiatives, projects, programmes, and activities undertaken by PepsiCo India

This Policy shall serve as a guiding document to help identify, execute, and monitor CSR projects in keeping with the spirit of the Policy.

CSR Program Areas - India

The program areas shall be aligned with the PepsiCo Performance with Purpose philosophy which is in keeping with those in schedule VII of Section 135 of the Companies Act 2013. PepsiCo India through its CSR will support programs/projects and activities from among the following areas of action:

1. *CSR program areas aligning with clause I of Schedule VII*
 1. 1 Programs promoting sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation
2. CSR program areas aligning with clause I of Schedule VII

1. 2.1. Programs promoting sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation
2. 2.2. Programs promoting sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation
3. CSR program areas aligning with clause III of Schedule VII
 1. 3.1. Programs promoting gender equality and empowering women
4. CSR program areas aligning with clause IV of Schedule VII
 1. 4.1. Ensuring environmental sustainability, ecological balance, protection of flora and fauna
 2. 4.2. Natural resource conservation and management
5. CSR program areas aligning with clause V of Schedule VII
6. CSR program areas aligning with clause VIII of Schedule VII
 1. 6.1. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women
 2. 4.2. Natural resource conservation and management
7. CSR program areas aligning with clause IX of Schedule VII

Responsibility of Board of Director

As per the provisions of the Companies Act 2013 and the Rules of the Act, the Board of Directors of PepsiCo India shall:

1. After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed.
2. Align the company's CSR activities to keep up with the Corporate Social Responsibility Policy.
3. Endeavor to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.
4. If the Company fails to spend such amount, the authorized signatory shall, in its report made under clause (o) of the sub-section (3) of the section 134 of the Companies Act 2013, specify the reasons for not spending the amount.
5. The Board of Director shall have the power to make any change(s) in the constitution of the CSR Committee.

Composition of CSR Committee

The composition of the CSR Committee of the PepsiCo India is as under:

PepsiCo India Holdings Pvt. Ltd.

S. No.	Name
1	Mr. Rinkesh Satija
2	Mr. Prateek Gupta

PepsiCo India Sales Pvt. Ltd.

S. No.	Name
1	Mr. Mridul Rawal
2	Mrs. Yasodhara Roychoudhury

Roles and Responsibilities of CSR Committee

As defined under the provisions of the Companies Act 2013, the CSR Committee shall:

1. Prepare, revise and modify the CSR Policy for PepsiCo India and place the same with the Board of Director for its approval.
2. Provide guidelines for selection of projects/programmes and implementing partners to the CSR Coordinators and ensure that the programmes/projects undertaken by PepsiCo India are aligned with the approved CSR policy and Schedule VII of the Section 135, Companies Act 2013.
3. Review and approve annual budgets with respect to CSR programmes.
4. Develop a framework for monitoring of the CSR projects/programmes.
5. Assist the Board of Directors in preparation of the annual CSR report as required to be filed under the provisions of the Companies Act 2013/CSR rules;
6. Reviewing the findings and recommendations regards the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants;
7. In case PepsiCo India is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board of Directors;
8. Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Branch's CSR initiatives;

CSR Budget

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by PepsiCo India as specified in Schedule VII of the Companies Act 2013. PepsiCo India has not earned any net profit as defined in section 135 of the Companies Act 2013 in the last three

financial years . In case of any surplus arising out of CSR projects, the same shall not form part of business profits of PepsiCo India.

Implementation

PepsiCo India shall implement its CSR programmes/projects:

1. Through an implementation partner that may be a public charitable trust or a society registered under applicable Act or a Company registered under Section 8 of the Companies Act 2013;

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of PepsiCo India.

Monitoring

PepsiCo India shall institute a monitoring and review mechanism to monitor its CSR project/programmes. The monitoring mechanisms shall include:

1. Clear targets, time lines and measureable indicators wherever possible
2. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules

Reporting

PepsiCo India shall monitor progress of CSR projects and report to the board of directors and the CSR Committee once in every quarter. The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

Validity of CSR Policy

Any modification/amendment in the CSR Policy shall be carried out by the CSR Committee with the prior approval of the Board of Directors of PepsiCo India.

S.No.	PepsiCo India Program	Schedule VII activity	Execution details	Target & Timeline
1	Direct Seeding of Rice (DSR)	Ensuring environment sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water;	Direct Seeding of Rice is a leading pioneering initiative to replace transplanting of paddy with direct seeding technology, which helps to reduce water consumption in paddy cultivation by nearly 30	By 2015 we aim to convert more than 17,000 acres from traditional method of growing paddy rice to DSR. The planned coverage is across states of Punjab, Haryana, Karnataka and Tamil Nadu.

percent. It also helps to cut down greenhouse gas (GHG) emissions by about 75 percent.

Additionally, the technique helps to reduce labour and electricity costs thereby significantly reducing cost of cultivation.

2	Support to People Living with HIV/AIDS (PLWHA) in Kolkata and creating mass awareness on prevention & treatment of HIV/AIDS across India	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation	Per UNAIDS estimate, India has more than 33 million PLWHA. The program aims at improving the lives of 30 families afflicted with HIV/AIDS through improvement in nutrition, education and skill building. This is done in partnership with West Bengal Voluntary Health Association (WBVHA). Further, the program focuses on awareness programs both within and outside the company to eliminate stigma, save lives and help mainstream PLWHA. This is done through company volunteers trained	By 2015 we aim to reach out to 5 million people compared to 1.2 million in 2010. Also, we will continue to supporting 30 families afflicted with HIV/AIDS and improving their status across nutrition, education and livelihoods parameters.
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by International Labour Organization (ILO).

3	Waste to Wealth (WTW)	Promoting preventive health care and sanitation	In partnership with an NGO, Exnora Green Pammal, WTW program is an innovative intervention launched in 2004 to demonstrate an economically viable, environmentally feasible and socially acceptable model for urban solid waste management. The program involves a four-way partnership between the municipal corporation, PepsiCo, EGP and the community. Since its launch, the program has improved the quality of life of more than 500,000 people in 8 municipalities across 3 states. The program is being implemented through 300 trained solid waste collectors called Green Ambassadors who come from the bottom of the	Following successful implementation of the WTW model, PIH has handed over 4 municipalities in Tamil Nadu (Chennai, Nagapattinam, Tenkasi, Cuddalore) and 1 municipal corporation in Haryana (Panipat), to the respective authority for sustained delivery of the model. Over the next few years we aim to demonstrate the WTW model at new locations and empower municipal authorities at existing locations for effective delivery.
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pyramid (BOP).
The Green
Ambassadors
undertake door to
door collection of
waste, segregate it
and send it to EGP-
managed treatment
yard for resource
recovery. As a
result of focus on
segregation at
source, only 20%
of waste collected
reaches the landfill.
For the remaining
80%, the organic
component of
waste is converted
into compost using
vermi-culture,
whereas the
inorganic
component is
sorted for
recycling.
Recyclable waste,
such as PET and
plastics, waste
paper and tetra
packs, is recycled.
Nearly 100 types of
recycled products
have been designed
with plasto-fiber
made from plastic
bags and water
pouches and these
are sold through
retail outlets. The
program has been
implemented in 5
municipalities in
Tamil Nadu
(Pammal, Chennai,
Nagapattinam,

Tenkasi, Cuddalore), 2 municipalities in Telangana (Sangareddy and Pothireddypalli in erstwhile Andhra Pradesh) and 1 municipal corporation in Haryana (Panipat).

4	Sustainable Water Resource Development and Management (SWRDM)	Ensuring environment sustainability, ecological balance and conservation of natural resources	SWRDM program is a joint community-led program that combines community interventions for water resource development with livelihood enhancement. The program was launched in 2008 in partnership with an NGO, Alternative Development Initiatives (ADI). First, a detailed hydro-geological study, based on the watershed, is conducted in and around the identified area. Since the community is the nucleus of this project, a deeply participatory approach is adopted right from the start. Further, ADI conducts a household baseline	By 2015 we aim to create recharge potential of more than 5 billion liters compared to 1 billion potential created in 2008.
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survey to better understand the needs of the community. Following the survey findings, PepsiCo India and ADI reach out to the community to jointly identify potential initiatives. Some of the key interventions include Ground Water Recharge & Conservation, Improved Agronomy, Livelihood Enhancement and Community & Gender Empowerment. During the course of the program, several village-level institutions are formed; these include Farmers' Groups, Water User Associations, Joint Liability Groups, Self-help Groups, etc.