



Frito-Lay North America

Our Values: Sustained Growth | Empowered People | Responsibility & Trust

Tuesday, April 22, 2008

Company

<p>At 12:33 pm CST</p> <p><b>DOWJONES</b></p> <p>12696.7 -128.32</p>		<p><b>NASDAQ</b></p> <p>2372.03 -36.01</p>		<p><b>PEPSICO</b></p> <p>\$69.14 -0.76</p>	
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Company Info



**SunChips Unveils Solar Concentrator Field in Modesto With Special Guest, California Governor Arnold Schwarzenegger**



The SunChips brand today is hosting a special event to unveil the new solar concentrator field at Frito-Lay's Modesto, Calif., site, which will help to drive the production of thousands of bags of "solar powered" SunChips daily. California Gov. Arnold Schwarzenegger will be on hand to inaugurate the new solar field on Earth Day.

"I commend Frito-Lay and the California Energy Commission for working hand-in-hand to build this innovative project," Schwarzenegger said. "The plant will harness the power of Central Valley sunshine to reduce its natural gas use, air pollution and greenhouse gas emissions -- all while helping us meet our renewable energy goals."

**SunChips Presents 'Solar Powered' Ad in Today's USA Today**

*In honor of Earth Day, and as a creative way to share the news about how the Modesto plant is using solar energy to help make SunChips, a unique SunChips ad is featured in today's USA Today. This SunChips ad is unlike any other in that it is truly "solar powered" -- in order to read the SunChips messaging, it is necessary to hold the ad up to the sun.*

*"We're looking to highlight our commitment to solar energy in an engaging and fun way that will get people talking," said Dave Skena, Director of SunChips Marketing. "Running this ad nationally on Earth Day makes a great statement."*

[Click here](#) to view the SunChips ad, and pick up a copy of USA Today on newsstands nationwide.



The Modesto plant's 5-acre solar concentrator field includes 54,000 square feet of concave mirrors designed to absorb sunlight. The solar energy captured by the 192 solar collectors will generate steam that helps heat the cooking oil used in the SunChips manufacturing process. By using steam, the facility will be able to significantly reduce its use of natural gas. The first half of the solar collection system is already fully functional, with the entire system expected to be

SunChips from the Frito-Lay plant in Modesto, Calif., will be made with the help of the power of the sun.

operational by July.

"Frito-Lay is committed to utilizing innovative programs and technologies that help minimize our impact on the environment," said Leslie Starr Keating,

SVP - Operations. "By harnessing the power of the sun at our Modesto facility, we continue on our environmental journey and demonstrate that we can be positive stewards of our business and the planet."

To develop and install the new system, Frito-Lay partnered with the California Energy Commission, which provided a research and development grant, and enlisted the help of American Energy Assets, a provider of energy management solutions. Prior to construction, the installation design was reviewed by the National Renewable Energy Laboratory, a research arm of the U.S. Department of Energy.

"SunChips' focus on solar power is a natural fit, and by highlighting renewable energy, the brand hopes to inspire consumers to take their own small steps," said Gannon Jones, VP - Marketing. "As consumers look for products that share and support their commitment to the planet, Frito-Lay recognizes the importance of sustainability initiatives like solar power for the production in Modesto."

Be sure to check out tomorrow's PEPLine for photos from the Modesto event, which in addition to Gov. Schwarzenegger, will also be attended by California Energy Commission Vice Chair James Boyd, Modesto Mayor Jim Ridenour and associates from Frito-Lay and the SunChips team.

[Click here](#) to read the press release about today's event.

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### A Special Earth Day Message from Indra K. Nooyi, Chairman and CEO, PepsiCo

Dear Colleagues:

On Earth Day, I wanted to take a moment to acknowledge and applaud the extraordinary work that you and your teams are doing to continually improve our environmental programs and to find solutions to our environmental challenges.

Recently, there have been a lot of exciting initiatives launched and a couple of noteworthy awards received. I'd like to highlight a few:

- Today, Frito-Lay unveils its solar concentrator field at its Modesto, Calif., facility (see story above). Now, solar energy will provide the majority of heat needed to run our SunChips line in Modesto. At the Casa Grande, Ariz., facility, the team is taking this vision one step further by working to transform the plant to run almost entirely on renewable fuels and recycled water, a concept we call "net zero."
- Last week, PepsiCo Chicago's Hot Fill Pryor, Okla., facility received a Leadership in Energy and Environmental Design (LEED) Gold certification from the U.S. Green Building Council. With PepsiCo Chicago's three sites and Frito-Lay's distribution center in Rochester, N.Y., PepsiCo now has a total of four LEED certifications.
- In addition, PepsiCo Chicago's Gatorade's Blue Ridge facility in Virginia became the largest LEED-certified food and beverage site in the world. Earlier this month, PepsiCo was honored with the Environmental Protection Agency's (EPA) 2008 Energy Star Partner of the Year Award for its commitment to reduce greenhouse gas emissions through energy efficiencies. In addition, the company received the EPA's Sustained Excellence recognition, which is reserved for businesses that have shown a high level of commitment to improving energy efficiency over several years.

Our commitment to sustainability is long-standing and forms the foundation of our operating strategy of *Performance with Purpose* -- bringing together what is good for business and good for the world. As we work together to replenish the environment and set our sights toward a net-neutral impact on the environment in which we operate, I encourage all of us to continue on this journey so that we can make a positive difference in our communities and for the future generations.

Indra

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### SunChips Recognizes Jeff Green From the York Plant as an Eco Hero

As part of its program to recognize Frito-Lay employees who are embracing environmentalism by living "green" at work or away from work, and to share best practices among employees ([read previous PEPLine story](#)), the SunChips brand is today recognizing another Eco Hero: Jeff Green, Processing Planner/Scheduler in the Maintenance department at the York, Pa., site.



Jeff leads the North Division as a Co-Captain for the Resource Conservation group, and is the point person for all of the site's green efforts. In this role, Jeff has worked with the site to create significant productivity in the resource conservation accounts over the last two years, with York winning the Resource Conservation Award of Excellence in 2006. Jeff works to help meet or exceed company standards for all of York's utilities, and his support is also requested by other sites across the country.



Jeff Green, Processing Planner/Scheduler at York and Eco Hero.

Additionally, Jeff was featured in an EPA Energy Star Public Service Announcement ([read previous PEPLine story](#)), which can be seen in the current PepsiCo Corporate Sustainability Report.

Outside of work, Jeff has installed a solar panel on his home and recovers waste heat from drains, which help to lower his utility bills. He also installed a water heating system to eliminate the use of all natural gas for his hot water at home.

*All associates are encouraged to share a story about themselves or someone they know at Frito-Lay who is making a difference by living green. To recognize an Eco Hero, send a few sentences about this person (including his or her name, team/department and location) to [EcoHeroStory@fritolay.com](mailto:EcoHeroStory@fritolay.com). The best stories will be featured on a special [Earth Day employee Web site](#) and in PEPLine. Submit "Eco Hero" stories now and be a part of Frito-Lay's "Conserve and Preserve" initiative.*

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### Sales Operations Helps Drive FLNA's 'Conserve & Preserve' Commitment

Frito-Lay's Sales Operations team has embraced Frito-Lay's environmental sustainability commitment in a big way. With more than 4,000 Sales Operations associates, in Frito-Lay's hundreds of distribution centers and bin locations, the Sales Operations team's efforts are playing a key role in driving Frito-Lay's "Conserve & Preserve" goals.

Sales Operations has established its own Resource Conservation/Sustainability network, with designated associates for each of the 16 regions and three divisions who help identify and implement environmental programs within their areas. These associates work closely with the manufacturing "green teams" and the Headquarters sustainability team to ensure alignment and share best practices.



Sales Operations has taken significant strides in electricity management and is now focusing on landfill waste reduction and elimination.

*Seven distribution centers have installed photo voltaic systems, which convert sunlight into electricity.*



*By installing high-efficiency lighting, Sales Operations is conserving energy and saving money.*

When it comes to electricity management, Sales Operations has installed high-efficiency lighting across most of its sites, which are not only conserving energy but also leading to significant cost savings. Seven distribution centers have installed photo voltaic systems, which convert sunlight into electricity. And all facilities each year participate in Change a Light campaigns, aimed at encouraging the use of lighting that has earned the EPA's Energy Star.

When it comes to landfill waste reduction, Sales Operations is focusing on the "Three Rs" -- reduce, reuse, recycle, even issuing a "Zero Landfill" challenge to its distribution centers and establishing programs to recycle everything from office paper to cardboard point-of-sale displays to toner cartridges and much more. Associates have also focused on avoiding printing documents whenever possible.

"With so many facilities around the country where not only our own associates, but also Sales associates, work, Sales Operations can make a big impact on Frito-Lay's sustainability goals," says Bob Denninger, Senior Group Manager - Sales Operations Support. "We've already made great progress across a variety of areas, and we plan to do even more in the months and years ahead."

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### Use Frito-Lay's Earth Day Web Site to Celebrate Earth Day Every Day

As Frito-Lay employees carry the lessons learned on Earth Day into the future, make sure to visit the company's internal Earth Day Web site --

[https://www.mypepsico.com/ep/flna/Earth\\_Day/index](https://www.mypepsico.com/ep/flna/Earth_Day/index)

-- for resources and information that field leaders they can use to plan environmental initiatives at their sites and to educate employees about Frito-Lay's "Conserve & Preserve" commitment. The site features Earth Day celebration resources, including planning guides for leaders and posters about living "green" and the ongoing Eco Hero program, and everyday "green" resources, including news coverage and highlights of Frito-Lay's environmental initiatives and SunChips print and TV ads featuring environmental messages.



Field leaders are encouraged to explore the site and to use the resources in a way that works best for their sites and associates. Questions or feedback about the site? E-mail [employee.feedback@fritolay.com](mailto:employee.feedback@fritolay.com).

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### 10 Tips From RISE About How to 'Conserve & Preserve' Natural Gas/Fuel

*RISE -- PepsiCo's Native American employee network -- is championing the "Conserve & Preserve" plank of Frito-Lay's Vision and the "Environmental Sustainability" plank of PepsiCo's "Performance With Purpose" focus as part of its Vision to "Unify PepsiCo's Native American people and capitalize on our diversity to enhance our knowledge and our respect for Mother Earth" and "To embrace our culture and strengthen our bodies and inspire our spirits."*



*As part of that commitment and in celebration of Earth Day, RISE is pleased to provide associates with these practical tips they can use to "Conserve & Preserve" natural gas/fuel in their daily lives:*

- **Don't drive aggressively.** Avoiding speeding, rapid acceleration and hard braking not only saves gas, it improves safety!

- **Avoid idling vehicles.**
- **Remove excess items from vehicles.** Avoid keeping unnecessary items, especially heavy ones from the trunk and other areas of the vehicle.
- **Carpool whenever possible.**
- **Walk or ride a bike instead of driving whenever possible.**
- **Take advantage of public transportation.**
- **Replace vehicle air filters regularly.** Replacing a clogged air filter can improve your car's gas mileage by as much as 10%.
- **Combine various errands into one trip.** Plan ahead of time to make your time on the road as efficient as possible. With a little planning, you can avoid retracing your route and reduce the distance you travel as well.
- **Get regular engine tune-ups.** Fixing a car that is noticeably out of tune or has failed an emissions test can improve its gas mileage by an average of 4%.
- **Keep tires properly inflated.** You can improve your gas mileage by around 3.3% by keeping your tires inflated to the proper pressure.

*RISE membership is open to all employees. To join, e-mail Pamela Hobbs.*

To learn more about RISE, [click here](#) to visit RISE's Web site.

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### **New Video Highlights FLNA Manufacturing's 'Conserve & Preserve' Progress and Priorities**

[Click here](#) to watch a special video featuring Adam Warren, of FLNA Operations' Sustainability & Productivity team, providing a brief update for employees about Frito-Lay's recent progress and the upcoming plans for environmental sustainability within manufacturing.

*The video is the first in a series of sustainability updates from leaders across FLNA. Look in PEPLine in the months ahead for videos about how Frito-Lay's Fleet and Packaging teams are also driving the "Conserve & Preserve" plank of Frito-Lay's Vision.*

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### **Senior Management Meeting Video Showcases Frito-Lay's Green Initiatives and PepsiCo's 'Performance With Purpose' Progress**

A series of videos were developed for the recent Senior Management Meeting, highlighting the impressive environmental sustainability work of PepsiCo's 185,000 worldwide associates and showcasing the company's progress over the last two years as parts of its *Performance with Purpose* agenda. [Click here](#) to view a video about PepsiCo's Environmental Sustainability efforts, including information about Frito-Lay's "net zero" efforts at the Casa Grande, Ariz., plant, as well as green initiatives across Frito-Lay and PepsiCo.

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### **Quick Quiz: Show Your EcoKnowledge for a Chance to Win a Prize**

*Use the information in this special edition of PEPLine and in the 'Good Fun' magazine recently mailed to associates to answer the questions below by this Friday, April 25. From all the correct answers PEPLine receives, five associates' names will be drawn at random to receive a \$25 gift card to Wal-Mart -- a key customer, and like Frito-Lay, a company with a commitment to environmental sustainability. Winners will be announced in PEPLine next week.*

## **Earth Day Quiz**

1. Which four Frito-Lay plants are part of the EPA's Performance Track program?
2. In which city is Frito-

Lay's "green" distribution center located?	<input type="text"/>
3. In an important first step toward a fully biodegradable bag, Frito-Lay last year successfully tested a new package made partially from what?	<input type="text"/>
4. Frito-Lay recently "flipped the switch" on the largest business-owned photovoltaic power system in which state?	<input type="text"/>
5. Frito-Lay is working to make which manufacturing site a "net zero" plant run almost entirely on renewable fuels and recycled water?	<input type="text"/>
Your name	<input type="text"/>
Your e-mail address	<input type="text"/>
Your work location (city and state)	<input type="text"/>
<input type="button" value="Submit"/>	

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### 'Conserve & Preserve' by the Numbers

*Here are some fun facts about Frito-Lay's resource conservation plans and progress:*

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#### 10%

*Amount by which Frito-Lay has reduced its packaging in the market over the last five years by reducing both the size and thickness of packaging -- without affecting its ability to keep chips fresh.*

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#### 5 Million

*Number of trees Frito-Lay frontline associates save each year by reusing and recycling shipping cartons.*

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#### 5%

*Amount Frito-Lay will have reduced its fuel usage by the end of 2008, compared to 2006.*

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**4**

Number of Frito-Lay manufacturing facilities named to the Environmental Protection Agency's prestigious Performance Track Program in recognition of their exceptional environmental performance. The sites are: **Jonesboro, Cucamonga, Wooster and Orlando.**

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**7**

Number of Frito-Lay distribution centers with photovoltaic ("PV") systems. PV systems convert sunlight into usable, utility-grade electricity that feeds into the facility's electrical distribution equipment and offsets the company's purchase of utility power. The seven sites are: **San Diego Mega, La Mirada, City of Industry, LA Mega, Sylmar, Rochester and the Arizona Service Center.**

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**250**

Number of Olympic-sized swimming pools that could be filled with the amount of water Frito-Lay saved last year. That's 171 million gallons of water!

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**33,000**

Homes that could be heated throughout the winter with the amount of energy Frito-Lay saved last year.

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