

Press release

12 February 2009

Walkers cuts carbon and becomes first to retain Carbon Trust's Carbon Reduction Label

Walkers and The Carbon Trust today announced that Walkers has become the first company to retain its Carbon Reduction label, after reducing its carbon footprint by 7% - equal to 6g of CO₂e per standard bag of crisps, and an overall saving of 4,800 tonnes¹ of CO₂e.

Walkers became the first consumer brand in the world to display the Carbon Trust's Carbon Reduction Label in March 2007, with a commitment to reduce its carbon footprint by 3% by 2009. Having in fact achieved a 7% carbon reduction in the past two years, Walkers has now committed to reducing its carbon footprint further.

Initiatives contributing to the 7% carbon saving include:

- Reducing gas and electricity consumption by improving production line efficiencies, introducing new technology – such as high efficiency gas burners and low energy lighting - and educating front-line employees to be more energy-aware;
- Light-weighting packaging in conjunction with our suppliers;
- Switching to 100% British potatoes to lower food miles;
- Maintaining our training programme teaching our drivers to drive in the most fuel efficient way; and
- Running our delivery trucks on biodiesel containing 5% used cooking oil.

Commenting on the announcement, Salman Amin, President of PepsiCo UK & Ireland, Walkers' parent company, said:

“We're delighted that Walkers is the first company to retain the use of the Carbon Trust's Carbon Reduction Label, as consumers have told us that they welcome the Label and the commitment it represents.

The 7% reduction is a joint achievement with our suppliers, and Walkers will be building on this achievement as part of PepsiCo UK's wider commitment to reduce our energy consumption by 20% by 2011.”

The 7% carbon reduction has saved Walkers more than £400,000 over the past 2 years, which Walkers has re-invested in future energy saving projects.

General press office: 020 3003 6362
Trade press office: 01494 680 727
Email: press@pepsico.co.uk
www.pepsico.co.uk/news



New research, conducted by Populus in January 2009 shows that knowledge and understanding of the Carbon Reduction Label has increased substantially in the past two years.²

Additionally, nearly two out of three people (64%) think that all companies should be reducing carbon, and over half (58%) agreed that the Carbon Reduction Label will raise awareness of the environment impact of what they buy. More than half of those surveyed (56%) also said they would prioritise a product with a Carbon Reduction Label if the price was the same as one without.

Walkers' carbon savings are the first to be verified under PAS 2050, the new standard in lifecycle emissions measurement launched by BSI British Standards, DEFRA and the Carbon Trust. Under the new measure, Walkers' CO₂ emissions have fallen from 85g per standard pack to 80g³ over the past two years.

Tom Delay, Chief Executive of the Carbon Trust said:

"Qualifying to keep the Carbon Reduction Label is a real credit to Walkers. It is a result of their commitment to maintaining action on climate change and driving to engage their supply chain to deliver reductions in emissions.

As the first company to retain the Carbon Reduction Label, they have worked with us on an ongoing basis to ensure that this pioneering approach is both robust and relevant to business and consumers. This achievement shows that by encouraging companies to make public commitments to reduce their emissions via the label it provides the focus needed to deliver real change."

Walkers worked closely with suppliers to reduce the overall carbon footprint of its crisps. For example, packaging supplier Alcan, reduced its Walkers-related CO₂ emissions by focusing on waste reduction and process improvements.

Gerald Rebitzer, Global Director Product Stewardship at Alcan Packaging, said:

"Our collaboration with Walkers has been unprecedented. We've swapped information, expertise, and ideas with all the partners in the value chain. This value chain cooperation can be seen as a role model to implement life cycle thinking in practice – an essential element towards more sustainable products."

Paul Dickinson, Chief Executive of the Carbon Disclosure Project, said:

"As a result of working in collaboration with PepsiCo (and Walkers) together we have raised the awareness of suppliers to the benefits of measuring and managing carbon impact in the supply chain and of introducing new lower carbon processes. The Carbon Reduction Label is complimentary to this and helps raise consumer awareness on the importance of emissions reductions and encourages emissions reductions at product level."

– ENDS –

Notes to Editors:

The 7% carbon reductions can be broken down into the following:

- 41% Reduction in manufacturing gas consumption
- 37% Reduction in manufacturing electricity consumption
- 10.5% Light-weighting of corrugate boxes
- 5% Potato transport, including biofuel, reduced mileage and improved fuel efficiency

- 4.5% Reduction in emissions associated with producing crisp packets
 - 2% Product distribution efficiencies
1. The figure of 4,800 tonnes was calculated by multiplying the 6g of CO₂ per standard bag of crisps by the volume sales of standard bags of crisps produced from September 2007 to August 2008.
 2. 36% of consumers now say they are aware of and understand carbon labelling, a 10 point increase since July 2007, shortly after Walkers began to display the Carbon Trust's Carbon Reduction Label on its products.
 3. The original footprint of a bag of Walkers Crisps, calculated using the Carbon Trust's draft methodology in 2007, was 75g. Using the new PAS2050 methodology, developed by the Carbon Trust, Defra and BSI British Standards and utilising the Carbon Trust Code of Good Practice for Communications that specify rounding figures up/down to the nearest 5g, the 75g number has been re-based to 85g. The 7% reduction in the carbon footprint of Walkers crisps means that the number displayed on pack will fall to 80g. Additionally, since 2007, the carbon footprint of grid electricity used by Walkers has increased; this is factored into new the footprint assessment.
 4. Walkers' internal footprint from manufacturing shrank by 15% since 2006 These results build on long-term programmes, which have reduced Walkers' energy use per kg of crisps produced by almost 33%, from 4.6 kWh/kg to 3.1 kWh/kg, between 2000 and 2007.
 5. Walkers engaged suppliers throughout 2007 and 2008 through a series of Supplier Sustainability Summits, showing an initial 1% reduction in their emissions, and a 6% reduction in emissions associated with producing packaging. These saw Walkers share insights on climate risks and opportunities, and internal sustainability plans and projects. PepsiCo UK was a lead collaborator with the Carbon Disclosure Project's Supply Chain Leadership Collaboration Project, which helped suppliers measure and track their emissions and asked them to explain their climate change strategies that frame any carbon reduction plans. PepsiCo has committed to developing and implementing joint carbon reduction commitments with suppliers by the end of 2010.
 6. PepsiCo has pledged to continue to reduce carbon emissions by converting all energy used in direct operations to renewable sources within 14 years; reducing energy use by a further 20% per kg production by 2011; and achieving zero waste to landfill across its total supply chain by 2018.
 7. The BSI Publicly Available Specification (PAS) 2050 Standard is a method for measuring the embodied greenhouse gas (GHG) emissions from goods and services. The development of PAS 2050 commenced in June 2007 and has been informed by extensive consultation, input from expert work groups, research, and insights arising from testing the draft standard with pilot companies. Full details of the standard can be found at www.bsi-global.com.

For further information:

PepsiCo press office: 020 3003 6362
 Carbon Trust press office: 020 7544 3100