

PepsiCo Plans \$5B Investment in Mexico

DAVOS, Switzerland (PRNewswire) — PepsiCo, Inc. announced plans to invest \$5 billion in Mexico over the next five years. The investment is designed to further strengthen PepsiCo's food and beverage business in Mexico, one of the most attractive markets in Latin America with a growing middle class and numerous opportunities for long-term economic growth.

PepsiCo has a long and successful history in Mexico, a key country in the company's global growth plans. PepsiCo has invested aggressively in recent years to strengthen its presence in developing and emerging markets, which in 2012 represented 35 percent of PepsiCo's net revenue.

"The investments we've made to bolster our position in key markets around the world are fueling our success and positioning PepsiCo to deliver sustainable long-term growth," said PepsiCo Chairman and CEO Indra Nooyi. "PepsiCo brands have been enjoyed by Mexican consumers for more than a century and we see tremendous opportunities to further expand our food and beverage business. We're confident in Mexico's future and we believe this investment will create significant value for PepsiCo, our customers, our shareholders and for Mexico as a whole."

PepsiCo's investment, which is expected to create 4,000 new jobs in the Mexican economy, will focus on four key strategic priorities:

Innovation & Brand Building: PepsiCo intends to continue to invest behind its portfolio of iconic food and beverage brands and expand the range of products in its portfolio to cater to the wide and evolving needs of Mexican consumers. In addition, PepsiCo will work to further strengthen its research and development capabilities, such as the company's state-of-the-art Global Baking Category Innovation Center in Monterrey.

Infrastructure: PepsiCo has plans to expand its production capacity by adding new manufacturing lines to meet growing consumer demand. The company also intends to invest in additional selling and delivery infrastructure throughout the country, including new technologies designed to enhance service to retail customers and increase efficiency across go-to-market systems.

Agriculture: PepsiCo will work to strengthen its partnerships with local farmers and invest in sustainable agriculture programs that benefit both the company and the growers by improving yields, conserving resources and boosting demand.

Community: The PepsiCo Mexico Foundation will continue to invest in local communities and societal development projects throughout the country.

"PepsiCo is committed to growing in Mexico, for Mexico," Nooyi added. "Our investment is guided by Performance with Purpose, which is PepsiCo's global vision

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for building a profitable and sustainable corporation that is a good investment for our shareholders, a good environment for our employees, a good citizen in our communities and a good steward of our planet's resources. Performance with Purpose is driving sustained value for PepsiCo around the world and it will be central to how we operate in Mexico for many years to come."

PepsiCo was one of the first companies to recognize the important interdependence between corporations and society when it articulated its Performance with Purpose direction in 2007. There are many examples of how this strategy has had a positive impact throughout Mexico, including:

- Opened a Global Baking Category Innovation Center in Monterrey, focused on baking technology that can be adapted across the company's Mexico product portfolio and around the world.
- Signed a regional five-year public-private partnership with the Inter-American Development Bank to spur social and economic growth in 26 countries across Latin America and the Caribbean.
- Entered the fresh dips and spreads category in Mexico with the Obela brand through a joint venture with the Strauss Group.
- Reduced water consumption by 42 percent per unit of production since 2006 through innovative water conservation technologies and processes across the company's value chain.
- Diverted approximately 14 million chip and cookie bags from going into Mexican landfills since 2011 through a program with TerraCycle
- Consistently invested through the PepsiCo Mexico Foundation in long-term, scalable initiatives to empower communities through projects that include health, education and environmental components as well as collaboration with local community-based organizations.

About PepsiCo

PepsiCo is a global food and beverage leader with net revenues of more than \$65 billion and a product portfolio that includes 22 brands that generate more than \$1 billion each in annual retail sales. Our main businesses – Quaker, Tropicana, Gatorade, Frito-Lay and Pepsi-Cola – make hundreds of enjoyable foods and beverages that are loved throughout the world. PepsiCo's people are united by our unique commitment to sustainable growth by investing in a healthier future for people and our planet, which we believe also means a more successful future for PepsiCo. We call this commitment 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. For more information, please visit www.pepsico.com [1].

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