FRITO-LAY MODESTO, CALIF. FREIGHT FACILITY PROJECT

A SHOWCASE FOR SUSTAINABILITY

2019

PEPSICO

Frito Lay Good fun!

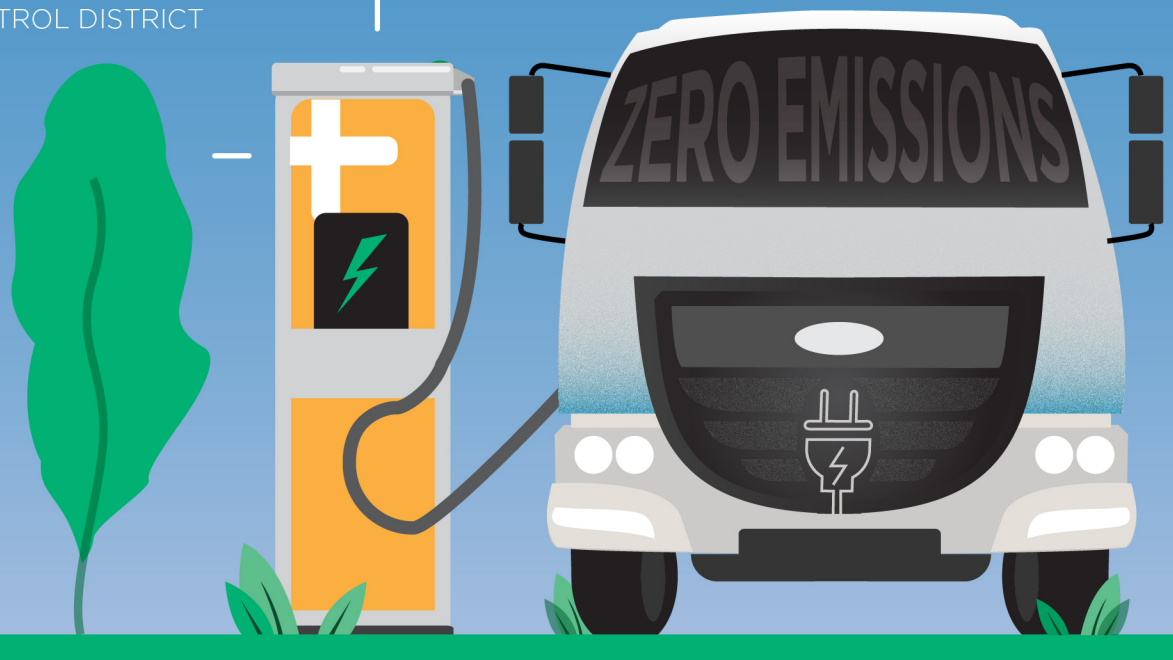
CALIFORNIA CLIMATE INVESTMENTS
Cap and Trade Dollars at Work

Frito-Lay is transforming its 500,000-square-foot Modesto, Calif., manufacturing facility – one of its largest in the U.S. – into an industry-leading showcase for environmentally sustainable manufacturing, warehousing and distribution.

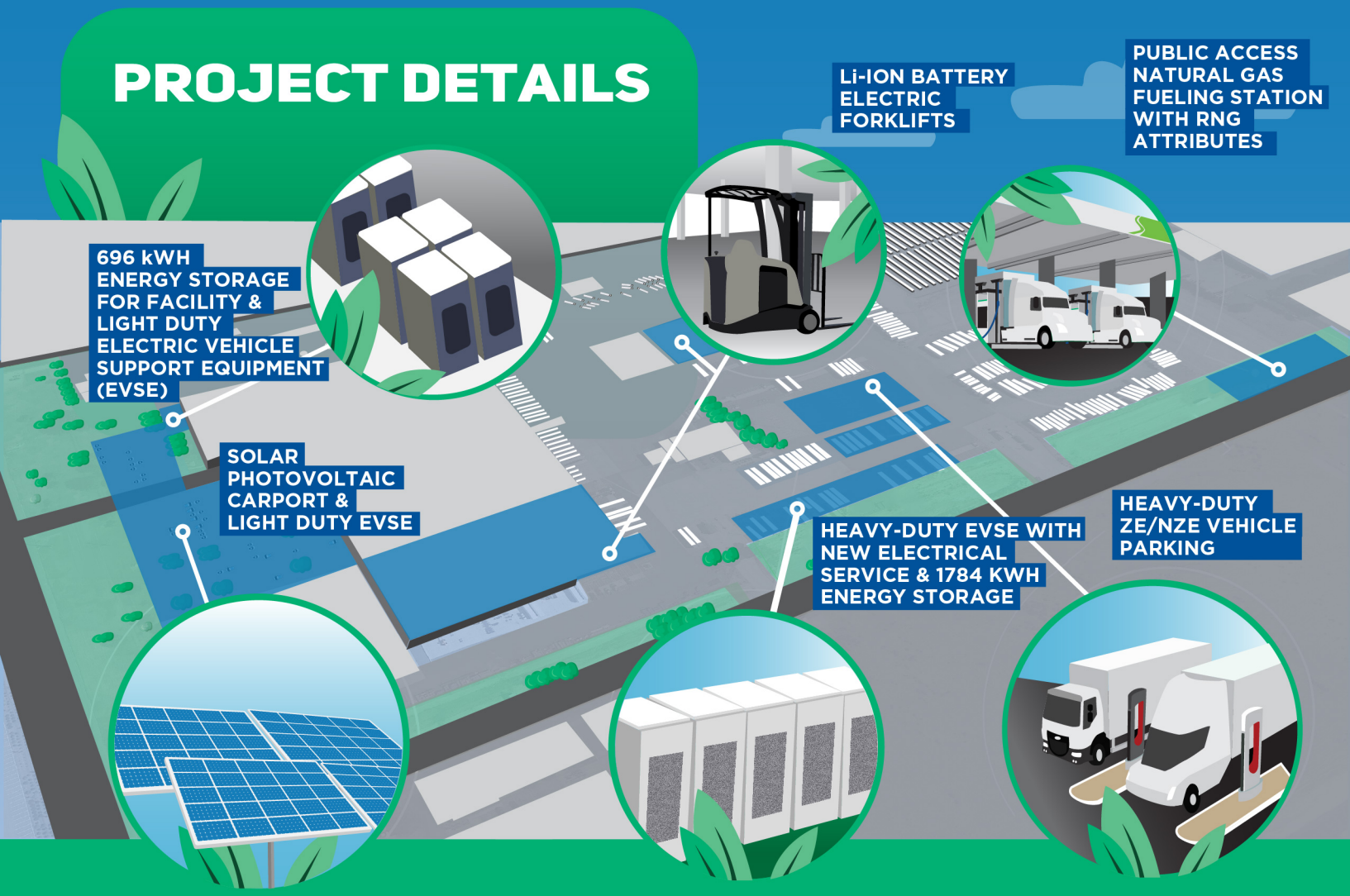
> **It's exactly this kind of a wide-ranging deployment of technology and innovation that is going to be so essential in our region to really meet all of our clean air goals.**
>
> **SAMIR SHEIKH**
> EXECUTIVE DIRECTOR AND AIR POLLUTION CONTROL OFFICER FOR SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

20% REDUCTION BY 2030

PepsiCo's furthering its mission to reduce its absolute greenhouse gas (GHG) emissions by 20 percent by 2030, thanks to Frito-Lay's zero-emission (ZE) and near-zero emission (NZE) project, as well as other sustainable initiatives across the company.



PROJECT DETAILS



As part of PepsiCo's mission to reduce its absolute GHG emissions, **Frito-Lay is completely replacing all existing diesel-powered freight equipment with ZE and NZE technologies** at its Modesto facility. We are also adding onsite solar power generation and storage to reduce grid impact.

> **Frito-Lay has been very proactive in updating our fleet to more modern technology. I feel like they have our interests at heart and they take care of their employees.**

ARLYN ESAU
DRIVER, FRITO-LAY MODESTO

> **We're giving back to our community, our customers and our employees, making sure that we're doing our part with air quality. And it feels really exciting to be a part of that.**

CHARLOTTE BURCH
FORKLIFT OPERATOR, FRITO-LAY MODESTO

INVESTMENT

Frito-Lay's Modesto, Calif., freight sustainability project is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged communities.

$30.8 MILLION

$15.4 MILLION

Grant from California Climate Investments

$13.5 MILLION

Frito-Lay matching funds

$1.9 MILLION

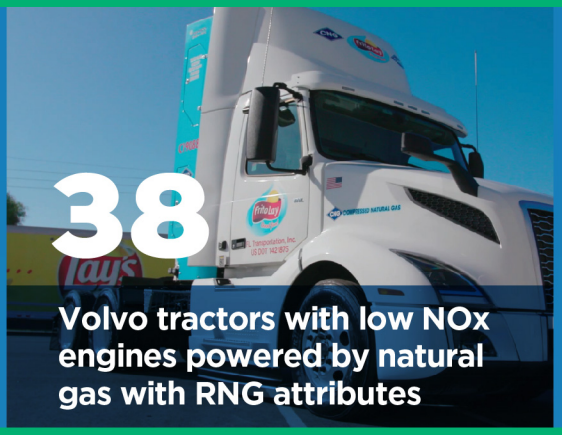
American Natural Gas with in-kind contributions from Café Coop

HOW IS THIS PROJECT CONTRIBUTING TO AIR QUALITY IN THE CENTRAL VALLEY?

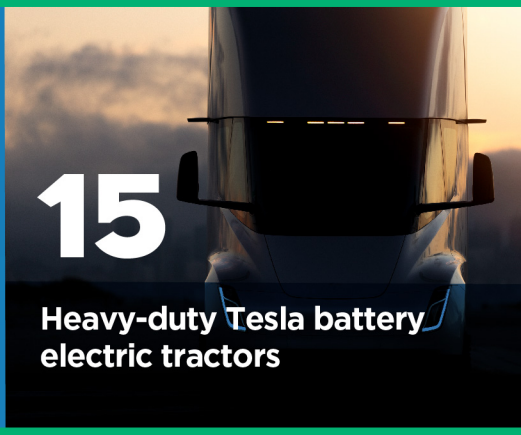
This transition to zero- and near-zero emission vehicles and equipment contributes to improved local air quality by generating fewer tailpipe emissions.

VEHICLES

OUR ZE AND NZE EQUIPMENT LINEUP:



38
Volvo tractors with low NOx engines powered by natural gas with RNG attributes



15
Heavy-duty Tesla battery electric tractors

12
Crown battery electric forklifts powered by lithium-ion technology

6
Peterbilt 220EV battery electric box trucks

3
BYD 8Y battery electric yard tractors

INFRASTRUCTURE

2.7
Megawatt-hours of onsite battery storage

1
Public access CNG station with RNG attributes

1

14
1 Megawatt solar carport with 14 employee electric vehicle charging stations

> **We hope this work will become an operating model for all of our facilities across the U.S., and that we act as the catalyst to accelerate adoption of alternative fuel vehicles across the industry.**
>
> **MICHAEL O'CONNELL,**
> VICE PRESIDENT OF SERVICE AND DISTRIBUTION, PEPSICO

> **Bravo to Frito-Lay for its commitment to improving air quality and reducing greenhouse gas emissions as an integral part of their business model.**
>
> **ALEXANDER SHERRIFFS, M.D.**
> CARB BOARD MEMBER AND SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT BOARD MEMBER

PARTNERS

ANG American Natural Gas
BYD
café coop
CALSTART
California Air Resources Board
California Climate Investments — Cap and Trade Dollars at Work
chargepoint
UC Riverside CE-CERT
Crown lift trucks
gna Gladstein, Neandross & Associates — Clean Transportation & Energy Consultants
Peterbilt
Project Clean Air
San Joaquin Valley Air Pollution Control District
Volvo
Meritor

MILESTONES

2019

Q2

Frito-Lay's Modesto, Calif., freight sustainability project officially kicked off in April 2019 with the delivery of 10 Volvo tractors using natural gas with renewable attributes.

Q4

Frito-Lay hosted a project launch event for the Modesto community, partners and government officials at the Modesto site on Oct. 3, 2019.

Q4

The project continues to gain traction with the installation of the forklift charging stations at the Modesto site and deployment of 12 Crown battery electric forklifts powered by lithium-ion technology.

WITH MORE TO COME

2020

Q1

Frito-Lay will introduce 28 additional Volvo tractors with low NOx engines powered by natural gas with renewable attributes, 3 BYD 8Y battery electric yard tractors, truck charging systems for BYD and Peterbilt trucks, and a natural gas station with renewable attributes will be constructed adjacent to the Modesto facility.

Q2

6 Peterbilt 220EV battery electric box trucks will be brought into operation at Frito-Lay's Modesto site.

Q3

Work on the project will continue as truck charging systems and battery storage for Tesla electric tractors are installed.

Q4

The project will conclude when 15 heavy-duty Tesla battery electric tractors, 1 megawatt carport photovoltaic array with battery storage and electric vehicle charging stations for employees are installed in Modesto.