

**Statement of  
PepsiCo  
presented by  
Paula Uribe, Director, Government Affairs  
for the hearing  
“Call to Action: Private Sector Investment in the Northern Triangle and its Impact on  
Homeland Security”  
before the  
Subcommittee on Oversight, Management, & Accountability, Committee on Homeland  
Security  
United States House of Representatives  
February 17, 2022**

Good afternoon, thank you Chairman Correa, Ranking Member Meijer, and members of the Subcommittee for inviting PepsiCo to testify before you today. My name is Paula Uribe, and I am Director of Government Affairs at PepsiCo, based in Washington, DC.

It is an honor to speak before this committee about PepsiCo’s commitment to both the United States and the Latin American region.

Today, I will discuss PepsiCo’s current and future investments in the Northern Triangle, which we announced in December of last year.

First, some background on PepsiCo.

PepsiCo is the largest food and beverage company in the United States and the second largest globally, with a presence in over 200 countries. While we’re proud to serve almost every corner of the globe, we’re equally proud of our roots as an American-born company. Our portfolio of brands includes Pepsi-Cola and Frito-Lay, as well as Aquafina, Gatorade, and Quaker Oats.

Our business directly contributes to America’s prosperity. Together with our franchise bottlers, we employ and support the jobs of nearly 120,000 Americans across all 50 states and the District of Columbia. That number increases to nearly 500,000 when you consider PepsiCo’s broader impact. In addition, we spend \$2.2 billion annually on agriculture. We source over five million metric tons of potatoes, grains, fruits, vegetable oil and more in the U.S., from growers of all sizes.

In total, PepsiCo’s system-wide operations contribute approximately \$37.9 Billion to the nation’s GDP.

We have 81 manufacturing sites, and over 1,000 distribution centers and other facilities in the U.S., including in your congressional districts.

I’m proud to share that PepsiCo is deeply committed to sustainability initiatives that are at the heart of our recently launched global business strategy, PepsiCo Positive (pep+), which will transform our business operations: from how we source our ingredients and make our products, to how we leverage the power of our brands to help take sustainability mainstream and engage people to make better choices for themselves and the planet.

PepsiCo has been named a Global Top Employer by the Top Employers Institute for the second consecutive year, in addition to receiving 2022 Top Employer status in 32 countries and regions around the world, including five countries in Latin America (Brazil, Mexico, Chile, Colombia and Guatemala).

I will now share with you PepsiCo's efforts in Latin America.

PepsiCo has been in the Latin American and Caribbean region for over 100 years. PepsiCo Latin America includes all our foods and beverages businesses in that region, comprising 34 emerging and developing markets. Our business units include snacks, beverages, cookies & crackers, and nutrition.

Our business in Latin America generated \$7.6 billion dollars in net revenue last year.

We are a company with deep roots in the Latin America region; we have approximately 138 plants, including our 13 major bottling partners' plants. In addition, we have a large distribution network, including more than 24,000 routes and generating more than 77,000 direct jobs and millions of indirect jobs.

PepsiCo is committed to our local communities in the Northern Triangle.

Despite the COVID-19 crisis, we invested more than \$70 million USD in Guatemala during 2019 and 2020. This investment included the development of a new Mixing Center in Villa Nueva, just outside of Guatemala City, which has just been LEED (Leadership in Energy and Environmental Design) certified. As you may know, LEED is the most widely used green building rating system in the world and is a recognition of PepsiCo's commitment to building healthy, highly efficient, and cost-saving green operations around the world, particularly in regions suffering the extreme effects of climate change.

Additionally, as we announced in December, we expect to invest at least \$190 million USD in the Northern Triangle in the next three years through improvements to our infrastructure, and in ways aligned with our pep+ corporate sustainability agenda.

The Northern Triangle will be a regional hub for us, built around a strong network of manufacturing plants, distribution centers, and sales routes both for internal and external markets.

Our regional investments are aligned with our pep+ corporate sustainability agenda, through which we strive for positive action for the planet and people. Pep+ is focused on three pillars: positive agriculture, positive value chain and positive choices.

This includes spreading regenerative farming practices across seven million acres globally; becoming net water positive by 2030 by reducing absolute water use and replenishing watersheds; and achieving net-zero emissions by 2040 by increasing the use of renewable energy.

Another relevant piece of our Pep+ agenda is our commitment to providing meaningful jobs and growth opportunities for our people in the region and empowering them to enhance their well-being and make a positive impact at work, at home and in their local communities.

We expect these investments to drive and sustain jobs, to offer the opportunity for people in the Northern Triangle to build successful lives in their own communities. We are working to provide opportunities and good environments in their home communities.

In the Northern Triangle we support over 4,000 families directly and several thousands of families indirectly. The number of families PepsiCo supports will only grow as our presence continues to expand; we expect to increase direct employment by 3%, annually. Additionally, our bottler CBC supports over 3,000 direct jobs and over 11,000 indirect jobs, just in Guatemala.

I want to share some facts about employment in these countries:

- Our wages are 15% above the average salaries.
- Turnover rate is of 7%, in Guatemala. Our employees want to have a job at PepsiCo until retirement.
- Women make up 75% of managerial positions and more than 25% of our overall workforce.

We have been named Top Employer in Guatemala for the first time in 2022, an award that acknowledges the company's commitment to developing our talent, fostering diversity, and nurturing an inclusive and flexible working environment.

This is also the case for our entire value chain. For every direct job, we create 2.5 indirect ones there, therefore, we generate additional 10,000 jobs that also benefit from our unique approach to growth.

As part of our contribution to the agricultural sector, we work with producers to transfer technology and best practices and guarantee buying 100% of their harvest.

We work alongside local and global foundations and other partners, including the Inter-American Development Bank, to train and support female farmers in the region, with a joint investment of over \$700,000 USD.

These are just a few examples of how a PepsiCo job is a job that can really change the economic trajectory of entire generations.

As part of our pep+ framework, our Guatemala business, alongside our global Foundation, will train farmers in Suchitépé, Petén and Izabál around the efficient use of water and fertilizers to reduce the environmental impact of their activities.

Additionally, through the Next Gen Agro Fund, in alliance with Inter-American Development Bank, we promote sustainable agricultural practices and gender inclusion in the countryside, thereby encouraging solutions that strengthen the resilience of rural communities.

We are also working to increase technological access, including through programs to increase connectivity and implement digital processes, such as for those related to customs and obtaining permits.

Moreover, we are working to improve gender equality in the region. For example, women represent 30% of our regional Executive Committee for Central America, which is significantly higher than the median.

As part of our Brands with Purpose agenda, we are also partnering to reduce childhood malnourishment. Alongside CARE International, we recently launched the program Quaker Qrece, a holistic intervention in Guatemala comprised of a specialized food product that helps children with low to moderate malnourishment to overcome this condition, in parallel to a capacity-building program to improve nutrition and hygiene at the community level. It has benefited 2,200 kids in 2021 alone.

Finally, I thank you again for the chance to speak to you today and would like to take the opportunity to invite Chairman Correa, Ranking Member Meijer and all the honorable members of this Subcommittee to come see our operation in Guatemala and / or any other country in the Latin American region. It would be an honor to host you.