



## **BUREAU VERITAS NORTH AMERICA INDEPENDENT ASSURANCE STATEMENT**

### **Introduction and objectives of work**

Bureau Veritas North America, Inc. (BVNA) was engaged by PepsiCo to conduct an independent assurance of select environmental data reported in its corporate social responsibility report (the Report). This Assurance Statement applies to the related information included within the scope of work described below for the time period of January 1, 2017 to December 31, 2017. The intended users of the assurance statement are the stakeholders of PepsiCo. The overall aim of this process is to provide assurance to PepsiCo's stakeholders on the accuracy, reliability and objectivity of select information included in the Report.

### **Boundaries of the environmental data covered by the assurance:**

- Operational Control
- Worldwide
- Operations and Facilities as specified for each metric

### **Selected Information**

The scope of our work was limited to assurance over the following information included within the Report for the calendar year 2017 (the "Selected Information"):

- Direct Greenhouse Gas (GHG) emissions (Scope 1) associated with Manufacturing & Warehouse Operations, Fleet Operations, Offices & Distribution Centers
- Indirect GHG emissions: (Scope 2 Location – Based) associated with Manufacturing & Warehouse Operations, Offices & Distribution Centers
- Indirect GHG emissions: (Scope 2 Market – Based) associated with Manufacturing & Warehouse Operations, Offices & Distribution Centers
- GHG emissions from downstream vending machines and Company Owned Business Operated (COBO) coolers (Category 9:Downstream Transportation and Distribution)
- Total Energy Consumption associated with Manufacturing & Warehouse Operations, Fleet Operations, Offices & Distribution Centers
- Water Consumption associated with Manufacturing & Warehouse Operations
- Waste Generation associated with Manufacturing & Warehouse Operations
- Primary Production associated with Manufacturing & Warehouse Operations

### **Reporting Criteria:**

The Selected Information was evaluated against PepsiCo's internal reporting procedures for environmental data (the Reporting Criteria). The verification used a materiality threshold of 5%.

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## Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Text or other written statements associated with PepsiCo submissions and the Report
- Activities outside the defined reporting period

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## Responsibilities

The preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of PepsiCo.

BVNA was not involved in the collection of the information or the drafting of the Report. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- review the appropriateness and robustness of underlying reporting systems and processes used to collect, analyze, and review the environmental information reported;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions.

## Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

## Summary of work performed

As part of our independent verification, BVNA undertook the following activities:

1. Assessing the appropriateness of the Reporting Criteria for the Selected Information;
2. Conducting interviews with relevant personnel of PepsiCo (including individuals at the plant, regional and corporate levels);
3. Reviewing internal and external documentary evidence produced by PepsiCo;
4. Reviewing the PepsiCo data and information systems and methodology for collection, aggregation, analysis and review of information used to determine environmental data and information via web-based meetings at nine (9) PepsiCo global locations including Bradenton, Florida, USA; Cedar Rapids, Iowa, USA; Lianozovo, Russia; Mahul, India; Bihn Doung, Vietnam; Luzon, Quebec, Canada; Guarulhos, Brazil; Tarsus, Turkey; and Frito Lay Fleet Operations, USA;
5. Comparing a selection of the Selected Information to the corresponding source documentation;



PepsiCo, Inc.  
May 14, 2018

Page 3

6. Reviewing of PepsiCo information systems for collection, aggregation, analysis and internal verification and review of consolidated environmental data; and
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

The work was planned and carried out to provide limited, rather than absolute, assurance and we believe it provides an appropriate basis for our conclusions.

### **Conclusion**

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.
- It is our opinion that PepsiCo has established appropriate systems for the collection, aggregation and analysis of relevant environmental information, and has implemented underlying internal assurance practices that provide an appropriate degree of confidence that such information is complete and accurate.

### **Statement of independence, impartiality and competence**

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 185 years history in providing independent assurance services. Its assurance team has extensive experience in conducting verification over environmental information, systems and processes.

Bureau Veritas operates a certified<sup>1</sup> Quality Management System which complies with the requirements of ISO 9001:2008, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>2</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behavior and high ethical standards in their day-to-day business activities. No member of the assurance team has a business relationship with PepsiCo, its Directors or Managers beyond that of verification and assurance of sustainability data and reporting.



**Bureau Veritas North America, Inc.**

**Cleveland, Ohio**

**May 14, 2018**

<sup>1</sup> Certificate of Registration FS 34143 issued by BSI Assurance UK Limited

<sup>2</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition