



BUREAU VERITAS NORTH AMERICA INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

Bureau Veritas North America, Inc. (Bureau Veritas) was engaged by PepsiCo to conduct an independent assurance of select occupational health and safety data to be included in PepsiCo's Dow Jones Sustainability Index (DJSI) submission and corporate sustainability 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.

This information and its presentation in PepsiCo's Dow Jones Sustainability Index (DJSI) submission and corporate sustainability report (Reports) are the sole responsibility of the management of PepsiCo. Bureau Veritas was not involved in the drafting of the Reports. Our sole responsibility was to provide independent verification on the accuracy of information included in the scope of work. This is the sixth year in which we have provided verification over selected occupational health and safety data included in PepsiCo's Dow Jones Sustainability Index (DJSI) submission and corporate sustainability report.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide Manufacturing, Warehouse, Distribution Centers, Offices, and Sales Operations

Scope of work

PepsiCo requested Bureau Veritas to include in its independent review the following:

- Verify the accuracy of the following data for the 2017 reporting period:
 - Occupational Fatalities for Employees, Dependent Contractors, Independent Contractors and Third Parties;
 - Number of Lost Time Incidents (Occupational Injuries and Illnesses) for Employees and Dependent Contractors
 - Number of Hours Worked for Employees and Dependent Contractors
 - Number of Recordable Incidents for Employees and Dependent Contractors (Occupational Injuries and Illnesses)
 - Environmental Compliance Fines paid (in local country currency)
- Appropriateness and robustness of underlying reporting systems and processes used to collect, analyze, and review the environmental information reported; and
- Evaluation of the reported data against PepsiCo's internal reporting procedures.

Bureau Veritas North America, Inc.

Health, Safety, and Environmental Services

520 South Main Street, Suite 2444

Akron, Ohio 44311-1087

Main: (330) 983-0850

Fax: (330) 252-5105

www.us.bureauveritas.com



Limitations and Exclusions

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

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

This limited assurance engagement relies on a risk based selected sample of occupational health and safety 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.

Methodology

As part of our independent verification, our work included:

1. Interviews with relevant personnel of PepsiCo (including individuals at the plant, regional and corporate levels);
2. Review of internal and external documentary evidence produced by PepsiCo;
3. Review of PepsiCo global aggregate occupational health and safety data and verification of a sample of source data via remote/desktop document review and interviews for nine facilities in Bradenton, Florida and Cedar Rapids, Iowa in the United States; Lauzon, Canada; Mahul, India; Binh Dong, Vietnam; Lianozovo, Russia, Tarsus, Turkey; and Guarulhos and Sorocaba, Brazil.
4. Review of PepsiCo information systems for collection, aggregation, analysis and internal verification and review of occupational health and safety data.

Assessment Standards

We performed our work in accordance with Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports and 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 Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of ± 5 -percent was set for the assurance process.

Conclusion

On the basis of our methodology and the activities described above, it is Bureau Veritas' opinion that:

- Nothing has come to our attention to indicate that the reviewed information within the scope of our verification is not materially correct.
- Nothing has come to our attention to indicate that the reviewed information is not a fair representation of the actual data for calendar year 2017.
- It is our opinion that PepsiCo has established appropriate systems for the collection, aggregation and analysis of quantitative data within the boundaries of the reporting for determination of the following for PepsiCo employees, dependent and independent contractors and third parties: Number of fatalities.
- It is our opinion that PepsiCo has established appropriate systems for the collection, aggregation and analysis of quantitative data within the boundaries of the reporting for determination of the following:



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- For PepsiCo employees and dependent contractors: Lost Time Injuries, Occupational Illnesses, environmental fines and Working Hours. *Occupational illnesses are determined based on the definition "any abnormal condition or disorder - other than one resulting directly from an accident - caused by, or mainly caused by, work-related factors and recognized during the year as part of national schemes or regulations."*
- For PepsiCo employees, dependent contractors, independent contractors, and third parties: occupational fatalities.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specializes in quality, health, safety, social and environmental management with more than 185 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ 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)², 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.



Bureau Veritas North America, Inc.
Cleveland, Ohio
July 6, 2018

¹ [Certificate of Registration FS 34143 issued by BSI Assurance UK Limited](#)

² [International Federation of Inspection Agencies – Compliance Code – Third Edition](#)