

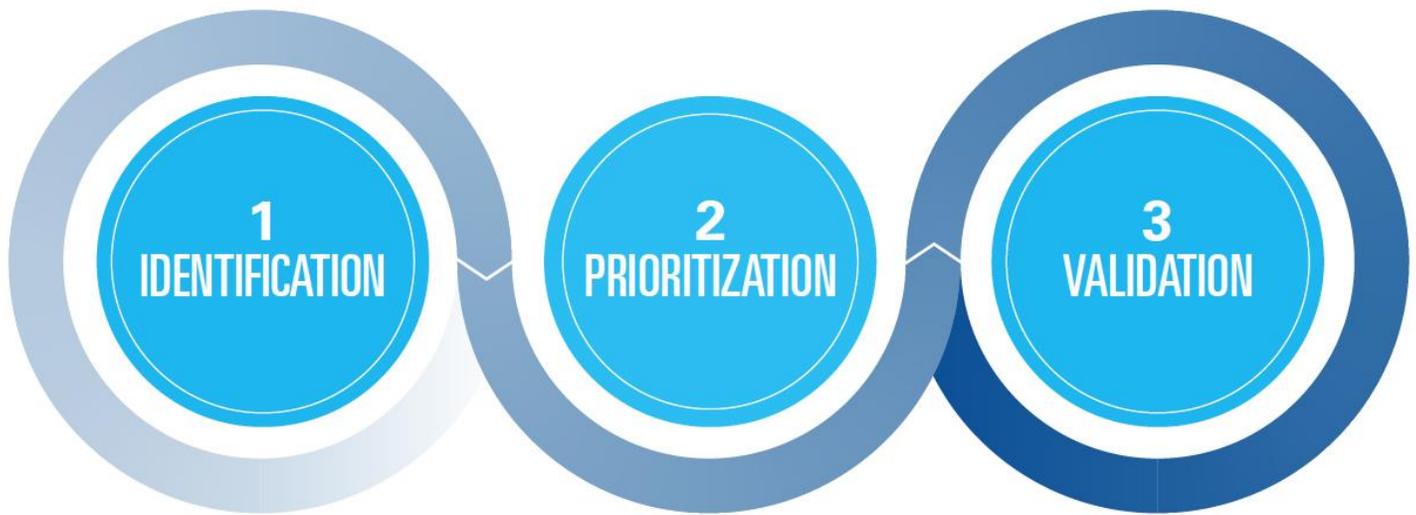
## GRI Material Topics & Boundaries\*

### How we determine GRI Materiality Topics

Year-round engagement with diverse stakeholders informs our sustainability reporting and overarching sustainability strategy. We publicly report on topics that are priorities for both our business and our key stakeholders.

In 2017, we completed our second formal assessment to identify Material Topics, defined by the GRI Sustainability Reporting Guidelines as those topics “that reflect an organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.” In addition, GRI recommends that qualitative analysis, quantitative assessment and discussion are used to determine if a topic is material.

Our 2017 assessment of Material Topics included:



#### **IDENTIFICATION**

We identified 28 industry-specific topics for prioritization, based on industry research and a benchmarking analysis of competitors and peers. This includes priorities for not only our business but also for key stakeholders.

#### **PRIORITIZATION**

We prioritized the 28 industry-specific topics based on feedback from key internal and external stakeholders through interviews, surveys and review of source materials. We interviewed knowledgeable internal and external stakeholders to gather diverse insights into topics where PepsiCo has significant impact, and topics that influence stakeholders’ view of PepsiCo. We supplemented these interviews with internal and external prioritization surveys.

#### **VALIDATION**

After analyzing stakeholder input, we narrowed the list of 28 industry-specific topics for prioritization to 17 topics specific to our business across the product, planet, people and company and governance pillars. We validated the results in a workshop with members of our Sustainability, Communications and Public Policy and Government Affairs leadership teams. We then shared results for validation by members of the PepsiCo Executive Committee (PEC) before disseminating them more broadly, both internally and externally.

We will continue to monitor emerging issues and changes in topics and priorities through internal discussions, our bi-annual forums with Ceres and through other external opportunities as they arise.

### GRI Materiality Topic Assessment Results

Through our process to identify Material Topics, we reconfirmed that our identified Material Topics align with our corporate priorities, support our 2025 Performance with Purpose agenda and reinforce the integration of sustainability throughout our business. The results of this assessment largely re-affirmed our current Material Topics with only slight changes from the Material Topics we reported in our 2016 Sustainability Report.

This list of 17 Material Topics comprises issues that we intend to manage, measure and report on. These are the topics that our stakeholders have said are the most relevant to PepsiCo, and those that they are most interested in understanding our management of and progress on. Our Material Topics may change in accordance with future assessments of Material Topics. Future assessments may result in adopting new Material Topics should they rise in importance or removing current Material Topics should they no longer be considered of significant importance.

#### ♥ PRODUCTS

- .....
- Food Quality & Safety
- .....
- Nutritional Product Profile
- .....
- Marketing & Labeling

#### 🌱 PLANET

- .....
- Agriculture
- .....
- Deforestation
- .....
- Energy & Climate Change
- .....
- Operational Waste & Food Waste
- .....
- Packaging
- .....
- Water

#### 👤 PEOPLE

- .....
- Community Engagement
- .....
- Employee Talent & Diversity
- .....
- Human Rights
- .....
- Workplace Health & Safety

#### COMPANY & GOVERNANCE

- .....
- Ethics & Corporate Governance
- .....
- Financial Performance
- .....
- Public Policy Engagement
- .....
- Supply Chain Management

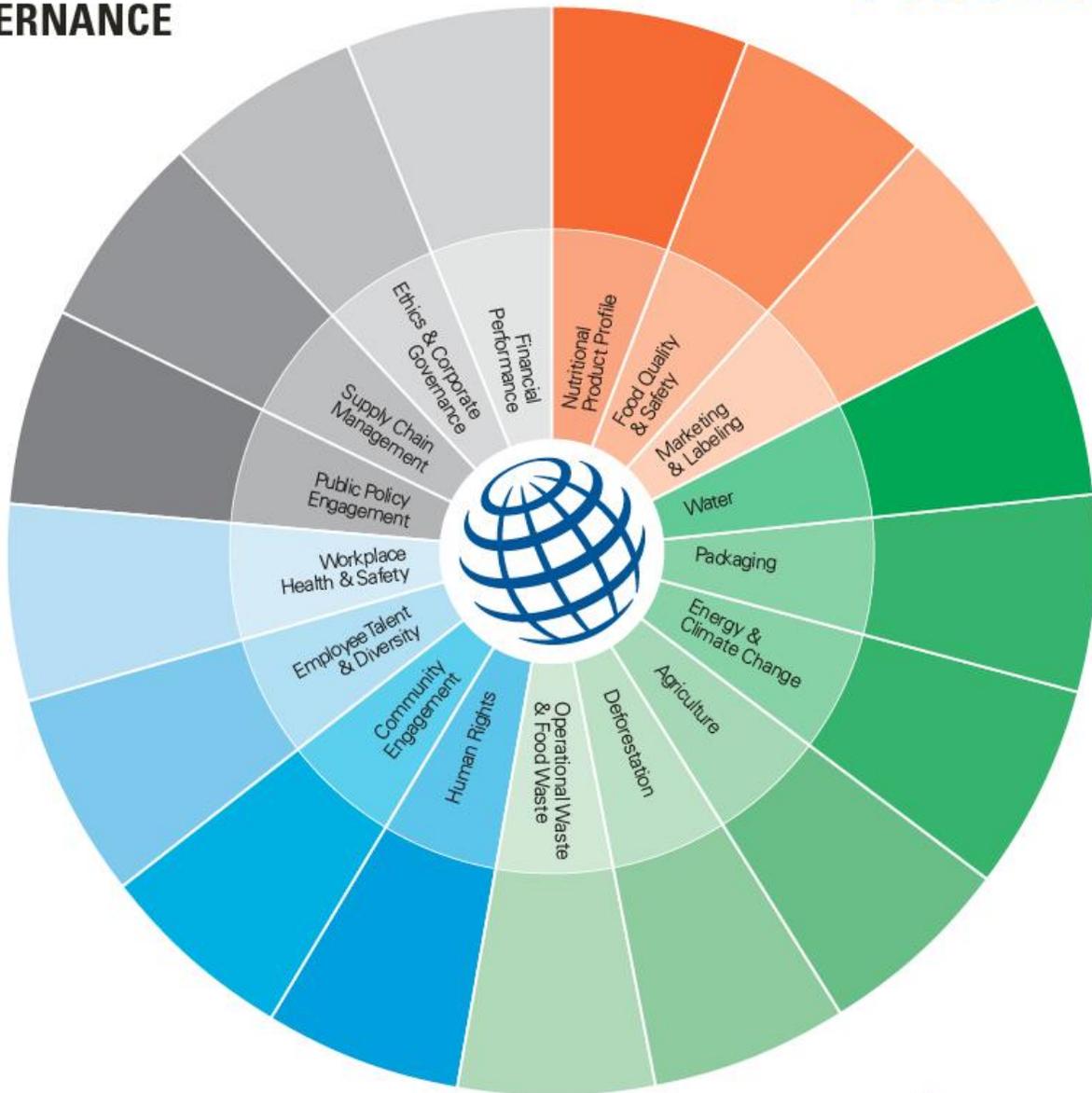
PepsiCo has an impact on most of these topics through our direct operations. However, we recognize that for many of these topics, the most significant impacts occur within our value chain. We seek to manage these impacts regardless of where they reside through direct management or through working relationships with partners in our value chain and industry.

The GRI Material Topics assessment process identifies sustainability-related topics that are most frequently prioritized in conversations with external stakeholders who are focused on sustainability-related issues, and that are important to achieving our PwP 2025 Agenda.

*\*In this communication and in our other sustainability reports and statements, when we use the terms “material,” “materiality” and similar terms, we are using such terms to refer to topics that reflect PepsiCo’s significant economic, environmental and social impacts or to topics that substantially influence the assessments and decisions of stakeholders in what the GRI Sustainability Reporting Guidelines define as “material topics.” We are not using these terms as they have been defined by or construed in accordance with the securities laws or any other laws of the U.S. or any other jurisdiction, or as these terms are used in the context of financial statements and financial reporting, and nothing in this communication or other sustainability reports and statements should be construed to indicate otherwise.*

**COMPANY & GOVERNANCE**

**♥ PRODUCTS**



**PEOPLE**

**PLANET**