

INDEPENDENT LIMITED ASSURANCE STATEMENT



To: The Stakeholders of PepsiCo

Introduction and objectives of work

Apex Companies, LLC (Apex) has been engaged by PepsiCo, Inc. (PepsiCo) to provide limited assurance of select environmental data (subject matter) reported in its corporate social responsibility report (the Report). This Assurance Statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation in the Report are the sole responsibility of the management of PepsiCo. Apex was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter. This is the 13th year in which we have provided assurance over PepsiCo's Report.

Scope of work

The scope of our work was limited to assurance over the following information included within the Report for the period January 1, 2019 to December 31, 2019 (the 'Subject Matter'):

- Direct Greenhouse Gas (GHG) emissions (Scope 1) associated with Manufacturing & Warehouse Operations, Fleet Operations, Offices & Distribution Centers
 - 3,552,415 metric tons of CO2 equivalent
- Indirect GHG emissions: (Scope 2 Location – Based) associated with Manufacturing & Warehouse Operations, Offices & Distribution Centers
 - 1,556,523 metric tons of CO2 equivalent
- Indirect GHG emissions: (Scope 2 Market – Based) associated with Manufacturing & Warehouse Operations, Offices & Distribution Centers
 - 1,425,509 metric tons of CO2 equivalent
- GHG emissions from downstream vending machines and Company Owned Business Operated (COBO) coolers (Category 9: Downstream Transportation and Distribution)
 - 3,026,161 metric tons of CO2 equivalent
- Total Energy Consumption associated with Manufacturing & Warehouse Operations, Fleet Operations, Offices & Distribution Centers
 - 15,487,834 MWh
- Water Consumption associated with Manufacturing & Warehouse Operations
 - 83,063,684 kiloliters
- Waste Generation associated with Manufacturing & Warehouse Operations
 - 1,699,359 metric tons
- Primary Production associated with Manufacturing & Warehouse Operations
 - 30,582,282 metric tons

Our assurance does not extend to any other information included in the Report.

Reporting Boundaries

The following are the boundaries used by PepsiCo for reporting sustainability data:

- Operational Control
- Worldwide Manufacturing & Warehouse Operations

Reporting Criteria

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

Limitations and Exclusions

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

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

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Subject Matter in the Report are the sole responsibility of the management of PepsiCo.

Apex was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of PepsiCo.

Assessment Standards

- We performed our work in accordance with Apex's 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.

Summary of Work Performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of PepsiCo (including individuals at the plant, regional and corporate levels);

3. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence, 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 with representatives at PepsiCo headquarters in Plano, Texas and at nine (9) PepsiCo global locations including Maglic, Serbia; Casa Grande, Arizona; City of Industry, California; Cupar, United Kingdom; Forrestfield, Australia; Lima, Peru; Lynchburg, Virginia; Denver, Colorado and Celaya, Mexico; and
5. Agreeing a selection of the Subject Matter to the corresponding source documentation;
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 Subject Matter to ensure consistency with assured information.

Conclusion

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

- Nothing has come to our attention to indicate that the Subject Matter has not been properly prepared, in all material respects, in accordance with the Reporting Criteria; and
- 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, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff 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 required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:



Scott Johnston, Lead Verifier
Principal Consultant
Apex Companies, LLC.



John A. Stangline, Technical Reviewer
Regional Manager
Apex Companies, LLC.

June 15, 2020

