

Data Governance

A key role of the PepsiCo Sustainability Office is managing the integrity of the data on which we report. Data integrity is absolutely vital to maintaining the trust between PepsiCo and our stakeholders and is aligned with the high internal standards to which we hold ourselves.

Sustainability performance data is collected across our global operations and covers 40 discrete data points for 11 core sustainability topic areas. We report our sustainability data externally to inform stakeholders about our performance. It is critically important that the information we provide is accurate, as it is used by raters and rankers, investors, non-governmental organizations (NGOs), customers and consumers as part of their decision-making process in areas of purchasing, partnerships and investments. In addition to using sustainability data to articulate our past performance, we also use the information internally to inform our sustainability strategy and to prioritize tactics that help us meet our sustainability goals.

While our data management process has always been rigorous, in recent years we have re-evaluated processes, outlined improvements, and implemented enhancements to build on the strong foundation already in place.

Governance Process

We have taken a refreshed and centralized approach to sustainability information governance, informed in part by a detailed gap analysis by an expert third party. A dedicated team within the Sustainability Office has developed a robust data governance structure underpinning each of our sustainability goals, ensuring accuracy, consistency, and precision of the data, while driving accountability amongst our teams.

Data Governance includes documenting the processes and methodologies we use to gather and process data to ensure that processes are followed consistently and that they are repeatable. This allows us to accumulate year-over-year metrics to identify trends and long-term progress. Before sustainability performance is communicated externally, it undergoes a robust review process:

- a. Sustainability Office review and validation: Data files are reviewed by the Sustainability Office to deliver trusted and accurate information in accordance with the documented sustainability data governance calculation method.
- b. Subject Matter Expert review and certification: Subject Matter Experts certify that data is accurate and complete. This occurs at multiple levels throughout the organization, from those who manage the primary data sources to executives who review at the regional and global levels. This review process drives consistent accountability across all sustainability goals.
- c. Corporate Controls review: As a part of the finance function, the Corporate Controls team reviews sustainability information to confirm that financial, sustainability-related, and other claims specific to PepsiCo are supportable, accurate, appropriately described, and consistent with other document materials reviewed by the Corporate Controls team.
- d. Legal review: The Global Legal team reviews the data and context to ensure disclosures are appropriately stated and in line with disclosure standards.
- e. Disclosure Committee review: PepsiCo's Disclosure Committee and relevant senior leaders review any publicly shared documents of high visibility and interest to external stakeholders. The Disclosure Committee is comprised of executive leadership and is the final approval before information becomes publicly available.

In addition to our internal review process, some focus areas - including product, water, greenhouse gas (GHG), energy and waste metrics - are reviewed and verified by external third parties annually.

New advancements & use of technology

We continue to build capability to increase confidence in not only our internal data, but data collected throughout our supply chain, as we develop new tracking tools and methodologies in areas previously not measured. We believe this work, which is in progress, is the critical foundation that will drive confidence in and continue to enable more transparency in our reporting processes.

One example of how we're leveraging technology to improve our data integrity is through a newly established automated controls framework to review, monitor and evaluate some of our sustainability data. By using technology to automate a formerly manual process, we have realized improved process efficiency, increased confidence in the data and have significantly reduced the time required to review sustainability information.

We have also deployed a digitized platform that enables internal global collaboration on our various sustainability reports. The platform simplifies our reporting processes, delivers increased security and accessibility, and ensures version control of our governance and certification documentation.