

GRI Materiality Topics ASSESSMENT

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. Our list of Global Reporting Initiative (GRI) Material Topics represents the issues that we plan to continue managing, measuring and reporting on. These are the sustainability-related topics that we believe are currently the most relevant not only to PepsiCo, but also our stakeholders. In 2017, we completed our most recent formal assessment, defined by the GRI Sustainability Reporting Guidelines.

In late 2018, we conducted a refresh, as we streamlined our sustainability agenda further. This refresh reconfirmed the results of our 2017 assessment, identifying the most significant issues that “reflect an organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders,” as per the GRI definition. Our 2017 Material Topics assessment and late 2018 refresh included a three-step process:



IDENTIFICATION

We identified 28 industry-specific topics for prioritization, based on industry research, a benchmarking analysis of competitors and peers, and stakeholder input.

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.

VALIDATION

After analyzing stakeholder input, we narrowed the list of 28 industry-specific topics for prioritization to 17 topics specific to our business. 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.

In this Sustainability Report 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 substantively 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 Sustainability Report or our other sustainability reports and statements should be construed to indicate otherwise.

This list of 17 material topics specific to our business includes 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.

Through our refresh in 2018,

WE ORGANIZED OUR MATERIAL TOPICS AS FOLLOWS:



- Next Generation Agriculture
- Positive Water Impact
- Circular Future for Packaging
- Improved Choices Across Our Portfolio
- Climate Change Mitigation
- People & Prosperity
- Company & Governance