

## **Independent assurance statement by Deloitte LLP ('Deloitte') to PepsiCo UK ('PepsiCo UK') on selected information included in the PepsiCo UK Sustainability Reporting 2015**

### **What we looked at: scope of assurance work**

PepsiCo UK engaged us to perform limited assurance procedures on the company's compilation of selected environment and health performance indicators for the year ended 31 December 2015. The assured data<sup>1</sup> appear within the PepsiCo UK – Environmental Sustainability Basis of Reporting and key data table 2015 and the PepsiCo UK – Human Sustainability Basis of Reporting and key data table 2015' (the "Reports") available at <http://www.pepsico.co.uk/what-we-believe/Performance-with-Purpose> and are indicated by the \* symbol. For the year ended 31 December 2015 the assured indicators comprise:

#### **Environmental sustainability**

- Total direct energy use by PepsiCo UK (kWh)
- Total indirect energy use by PepsiCo UK (kWh)
- Total water use (litres)

#### **Human Sustainability**

- Percentage of sales of Single Serve Savoury Snack Portions that deliver 160 Calories or less
- Percentage of sales of Savoury Snacks that are significantly lower in fat, or reduced in fat but provide positive nutrition
- Percentage of total PepsiCo UK sales volume from products defined as Healthier by OFCOM Nutrient Profile

### **What standards we used: basis of our work and level of assurance**

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 Revised (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) for carrying out assurance engagements on non-financial information. This is a limited assurance<sup>2</sup> engagement, which is designed to give a similar level of assurance to that obtained in a review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

### **What we did: our key assurance procedures**

The ISAE 3000 standard requires that we review the systems, processes and controls that deliver the selected performance data. Our work consisted primarily of making enquiries of company personnel and carrying out analytical procedures and sample tests as follows:

- understanding, analysing and testing on a sample basis the collation, validation and reporting of the selected performance data by PepsiCo UK in accordance with their definitions and basis for calculation which can be found at <http://www.pepsico.co.uk/what-we-believe/Performance-with-Purpose>; and
- reading and analysing the content of the Report against the findings of our work, industry practices and other relevant information and, as necessary, making recommendations for improvement.

<sup>1</sup> Scope of performance data is described in the Basis of Reporting documents for 2015 available at: <http://www.pepsico.co.uk/what-we-believe/Performance-with-Purpose>.

<sup>2</sup> The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a six-monthly interim financial report.

The limited assurance<sup>2</sup> procedures engagement excludes procedures such as testing of source data and operating effectiveness of controls and is substantially less in scope than a reasonable assurance engagement. Accordingly we do not provide reasonable assurance on those matters specified in this statement.

### **What we found: our conclusions**

Based on the work we performed, nothing has come to our attention that causes us to believe that the performance data, indicated by the \* symbol in the PepsiCo UK – Environmental Sustainability Basis of Reporting and key data table 2015 and PepsiCo UK – Human Sustainability Basis of Reporting and key data table 2015 documents available at <http://www.pepsico.co.uk/what-we-believe/Performance-with-Purpose>, have not been prepared, in all material respects, in accordance with PepsiCo UK's definitions and basis of reporting.

Based on the work we performed, we are not aware of anything that causes us to believe that the performance data is materially misstated.

### **PepsiCo UK's responsibilities**

The directors are responsible for the preparation of the Sustainability Reporting 2015 and for the information and statements contained within it. They are responsible for determining PepsiCo UK's objectives in respect of health and environmental performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

### **Deloitte's responsibilities and independence**

Our responsibility is to independently express a conclusion on the selected performance data in the PepsiCo UK – Environmental Sustainability Basis of Reporting and key data table 2015 and PepsiCo UK – Human Sustainability Basis of Reporting and key data table 2015 documents available at <http://www.pepsico.co.uk/what-we-believe/Performance-with-Purpose> indicated by the \* symbol as defined within the scope of work above.

We complied with Deloitte's independence policies, which address and, in certain areas, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants. We have confirmed to PepsiCo UK that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity in the provision of this engagement.

This statement is made solely to PepsiCo UK in accordance with our letter of engagement for the purpose of the directors' governance and stewardship. Our work has been undertaken so that we might state to PepsiCo UK those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PepsiCo UK for our work, for this statement, or for the conclusions we have formed.

**Deloitte LLP**  
London, United Kingdom

XX July 2016