

PUK Human Sustainability - 2015 Basis of Reporting and Key Data Table

Our Basis of Reporting outlines the scope of the data and our data collection procedures.

Scope of data

This Human Sustainability Update includes volume and revenue data for PepsiCo products sold in the UK & Ireland by our four businesses: Walkers, Juice, Quaker and Non-Juice Beverages ("Beverages"). This year we are independently assuring KPIs 1, 2 & 3. The data and information reviewed as part of the external assurance cover the period 1 January 2015 to 31 December 2015. The products / brands included in each business are:

- **Walkers:** includes all the crisps and snacks (inc popcorn) sold by Walkers (Walkers Core, Doritos, Baked, Baked Stars, Cheetos, Crinkles, Deep Ridged, Nobby's Nuts, French Fries, Monster Munch, Max, Quavers, Sensations, Squares, SunBites, Wotsits, Walkers Extra Crunchy, Ruffles, Tiger Nuts, Mighty Lights, Hoops & Crosses, Deli, Pops, Mix-Ups and Snack a Jacks (classified under Quaker until 2011))
- **Juice:** Tropicana, Trop 50, Trop Energy, Copella, Naked and Alvalle
- **Quaker:** Oat So Simple, Quaker Oats, Quaker Pots, Scott's Porage, Oat Bars, Breakfast Biscuits, Crunchy Bars, Quaker Warm & Crunchy, Quaker RTE cereals inc Wholesome Crunch, Granola.
- **Beverages:** Pepsi, 7-UP, Mountain Dew, Lipton Iced Tea, Gatorade & SoBe varieties

The Franchise nature of the Beverages business, where we supply concentrate mixes to our bottler Britvic Soft Drinks plc, means we do not have access to equivalent financial data. We have therefore used volume data on several portfolio-wide metrics. All the remaining businesses (Walkers, Juice and Quaker) we have full visibility of the financial data.

Data collection procedures

The financial data for this update are collected once a year at the end of the financial year. The Planning teams for each one of the businesses consolidate the volume and revenue data for the latest financial year, with volume and gross revenue detail by SKU (Stock Keeping Unit). SKUs represent larger collations of our individual packets, cartons or other servings - for example a pallet containing a number of multipacks. The Corporate Planning team collects the data from the planning teams and combines it with the nutritional data from the Nutrition team to produce the KPIs and data analysis included in this update.

The Corporate Planning team collects the annual volume and revenue data by SKU from the Planning teams. The data are provided in excel spreadsheets. The data are kept by each one of the businesses in separate databases (Business Objects is the key database for Walkers, Juice and Quaker) which are managed by the Planning teams and Sales force, and maintained by the IT function.

Separately the PepsiCo UK Nutrition team provides nutritional information for each flavour sold by the company (e.g. Walkers Ready Salted crisps, Tropicana Orange Original with juicy bits, Snack a Jacks Crispy Cheese, Pepsi Max) for the equivalent time period.

The nutrition information in the database is obtained from technical formula sheets. UK and EU Food Labelling regulations indicate that the nutrient content of a product should be labelled as the average value; allowing for natural variability and seasonal variability of foodstuffs and be determined by either analysis of the final food, calculations from known or actual values of ingredients or calculations from generally established and accepted published data. Nutrition information on our technical formula sheets is derived from a combination of these methods. Nutrition information is updated in line with permitted tolerances as recipes are adapted. The data in this update cover the nutritional profiles of the products in our portfolio as they were at 31 January 2015 and do not take account of any reformulation carried out during the year. For new products launched during 2015 nutrition profiles were taken at date of their launch.

In order to combine the SKU information (e.g. '87749: 14-bag multipack display') with the nutritional information (e.g. fat level per serving or salt level per serving by flavour), further data processing needs to take place so we can translate the SKU information into detail by flavour.

For example, a "14-bag multipack display" SKU actually contains 96 x 14 bags of 25g each. Each set of 14 bags further breaks down into 4 bags of Ready Salted crisps, 3 bags of Roast Chicken, 3 bags of Smoky Bacon and 4 bags of Steak and Onion - each flavour having a slightly different nutritional profile. This is particularly relevant for the Walkers data given the size of the portfolio (over 500 SKUs in 2015) as well as the variety and complexity of what goes into these SKUs.

Quality of the data

The volume and gross revenue data provided by the Planning teams and included in this update is the 2015 data that was audited and consolidated into the PepsiCo Global Profit and Loss accounts and annual reports.

Comparability of data in future years will be impacted by:

- Products which have been delisted
- New products coming to the market
- Evolution of the nutritional information i.e. where products are reformulated to be lower in nutrients such as sodium, saturated fat

We will evolve our processes to incorporate these changes.