

**RESOLVED:** Shareholders request PepsiCo annually issue a transparency report on global public policy and political influence, disclosing company expenditures and activities outside of the United States. Such report should disclose company funding and in-kind support directed to candidates or electioneering, lobbying, scientific advocacy, and charitable donations for the preceding year including:

- recipients and amounts;
- date and timeframe of the activity taking place;
- PepsiCo’s membership in, or payments to, nongovernmental organizations including trade and business associations, scientific or academic organizations and charities; and
- the rationale for these activities.

The Board and management may, in its discretion, establish a de minimis threshold, such as contributions to a recipient totaling less than 250 dollars, below which itemized disclosures would not be required.

**Supporting Statement:**

Food corporations rely heavily on consumer trust, brand affinity and public goodwill. Today, public officials, journalists, NGOs, and even social media often spotlight corporate advocacy that drastically contradicts a company’s image, brand or stated values.

The food industry is vulnerable to contradictory company support for scientific advocacy and trade associations that undermine public health policies – ConMexico, a PepsiCo supported trade association, lobbied the Mexican government to postpone food labeling regulations generating widespread criticism due to negative impacts on public health.

PepsiCo operates in nearly 200 countries and territories, with approximately 291,000 global employees. In 2020, 42 percent of operating profits came from outside the United States. While PepsiCo discloses fragmentary information relating to United States political activities, spending to influence and engage on public policy outside the United States is even more poorly disclosed. PepsiCo scores low regarding disclosures of international corporate political activities, according to a recently published transparency index. Vanguard has cautioned:

“Poor governance of corporate political activity, coupled with misalignment to a company’s stated strategy or a lack of transparency about the activity, can manifest into financial, legal, and reputational risks that can affect long term value”.

Plastics are another glaring issue. In 2018, PepsiCo endorsed a Global Commitment to eliminate the plastic items we don’t need, and to innovate so all plastic we do need is designed to be safely reused, recycled, or composted. Yet the company reported in 2023 that we continued to increase the virgin plastic utilized, and funded trade groups opposing waste reduction policies.

PepsiCo is also a member of trade groups like the Consumer Goods Association of South Africa that has been accused of “ignoring scientific evidence” and the Brazilian Association of the Food Industry which faces accusations of “acting unethically” in lobbying against public health laws.

Investors require transparency on the details and rationales for such significant spending on these political entities.

We recognize PepsiCo’s “business is affected by public policy at the local, state, national, regional and global levels,” and that if a “strong Global Code of Conduct” is employed as propounded by PepsiCo, then implementing the comprehensive disclosures requested should not be a challenge.