PepsiCo, Inc.
2024 Annual Meeting of Shareholders

May 1, 2024
9:00 AM Eastern Daylight Time

Corporate Participants

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

Other Participants

Glenn Beatty – *Representative for Kenneth Steiner*

Paul Chesser – *Representative for the National Legal and Policy Center*

Anthony DiRaffaele – *Representative for the Mid-America Carpenters Pension Fund*

Tony Boyd – *Representative for Sisters of the Sorrowful Mother International Finance, Inc. and co-filers*

Andrew Shalit – *Representative for Green Century Capital Management, Inc.*

Laura Campos – *Representative for the Nathan Cummings Foundation*

Stefan Padfield – *Representative for the National Center for Public Policy Research*

Caleen Carter-Patton – *Representative for John C. Harrington of Harrington Investments*

Presentation

Operator

Good morning. Before we begin, please take note of our cautionary statement posted on the meeting site. The presentation today will include forward-looking statements based on currently available information. Forward-looking statements inherently involve risks and uncertainties that could cause our actual results to differ materially from those predicted in such forward-looking statements. Statements made in this presentation should be considered together with the cautionary statements and other information contained in our 2023 annual report, 2023 Form 10-K, first quarter 2024 Form 10-Q, and subsequent filings with the SEC.

Also, to find reconciliations of non-GAAP measures that we may use when discussing PepsiCo's financial results, please refer to the Investors section of PepsiCo's website under the Events and Presentations tab. As a reminder, our financial results in the United States and Canada are reported on a 12-week basis, while our international operations report on a monthly basis for which the months of January and February were reflected in our results for the 12-weeks ended March 23rd, 2024. And now please welcome the Chairman and Chief Executive Officer of PepsiCo, Ramon Laguarta.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Good morning, everyone. Welcome to PepsiCo's 2024 Annual Meeting of Shareholders.

Let's begin by introducing each of my fellow Directors who are on the line – Segun Agbaje, Jennifer Bailey, Cesar Conde, Ian Cook, Edith Cooper, Susan Diamond, Dina Dublon, Michelle Gass, Sir Dave Lewis, David Page, Bob Pohlad, Dan Vasella, Darren Walker, and Alberto Weisser.

I'd like to thank the Board for their critical guidance and their partnership throughout 2023, which was another very good year for PepsiCo.

We exceeded many of our performance goals, innovated across our portfolio, and continued to transform the business and build new capabilities.

We did this while investing in communities where we live and work, creating industry-leading partnerships, and nurturing our talent and workplace culture. More than ever, we put pep+ at the center of all that we do, transforming the business from end-to-end to drive sustainable performance and value that positively impacts the planet and our communities.

Our 2023 results show that our Winning with pep+ strategy is working, and it is the key to building an even Faster, even Stronger, and even Better PepsiCo.

Our financial performance in 2023 was highlighted by robust 9.5% organic revenue growth. This brings our three-year compound annual organic revenue growth rate to 11%.

We also delivered 14% growth in core constant currency earnings per share—our third straight year of double-digit core constant currency EPS growth.

And we showed very good progress across geographies. Organic revenue was up 8% in North America, 12% in our International businesses, 10% in our Global Convenient Foods business, and 8% in our Global Beverages business.

Our results reflect more than $1 billion in productivity savings, while minimizing waste across our value chain.

From a marketplace perspective, in 2023 we held or gained share in more than half of our key global markets.

We earned some exciting new customers in Home Depot and Dunkin.

And we ranked #1 in the Kantar PoweRanking—a prominent benchmarking report that surveys our trading partners in the U.S.—for the eighth year in a row. This is a tribute to the collaborative relationships we maintain with our partners.

With this strong performance, we announced a 7% increase in our annualized dividend, effective with the dividend expected to be paid in June 2024. This will represent PepsiCo's 52nd consecutive annualized dividend per share increase.

Our success in 2023 was powered by the critical investments we're making to accelerate growth and build a company that thrives in the future. These include:

Expanding our product portfolio in both global beverages and convenient foods to capture the evolving preferences of consumers, from make-your-own and ready-to-drink beverages, to snacks, mini-meals, and meals, spanning breakfast through dinner.

We're also advancing major transformation initiatives to increase our productivity, elevate our focus on cost control, and speed up the implementation of our digital strategy.

We're showing progress with the automation of our data and digital infrastructure and expanding critical digital programs.

We're modernizing and harmonizing our IT systems across certain businesses and countries.

We're expanding snack production lines in Brazil, Chile and Guatemala among others; and opening our new manufacturing facility in Poland, our most sustainable facility in Europe, which boasts 8 production lines and exports to 20 markets across the continent.

We're also beginning work on our new food plants in Indonesia and North Vietnam, as well as a new beverage plant in South Vietnam via our joint venture with Suntory.

We're launching our Powering Positive Growth marketing transformation. We're driving scope and presence in key consumer channels, like Away from Home and eCommerce; and we're laying the ground for the future of the business – and our industry – by becoming the first CPG company to collaborate with the Stanford Institute for Human-Centered AI to shape responsible and ethical AI standards around consumer goods and retail.

We're also continuing to transform our portfolio with new innovations and more positive choices for consumers. These include:

- Launching Starry, mini snacks canisters, and new Beyond the Bottle solutions with Gatorade;
- Introducing our new Pepsi visual identity;
- Refreshing and extending our lineup of bold flavor profiles across large brands with Flamin' Hot and Doritos;
- Delivering convenient, consumer centric innovation, such as the Doritos and Fritos Walking Taco;
- Extending our brands into different occasions and moments throughout the day, such as Doritos After Dark;
- Reducing sodium in some of our biggest brands in the U.S., Mexico, and the U.K., including Lay's, Sabritas Adobadas and Walkers;
- And reducing added sugars and expanding our zero sugar offerings across our beverage portfolio, with Pepsi Zero Sugar now available in 121 international markets.

As we work to grow our business and deliver best-in-class performance, we continue to make sure we are a Company that has a positive impact beyond our financials.

In 2023, we continued to Win with pep+, focusing on three key areas: Positive Agriculture, Positive Value Chain, and Positive Choices.

When it comes to Positive Agriculture, we are:

Collaborating with Walmart to advance regenerative agriculture on more than 2 million acres of farmland in the U.S. and Canada;

Establishing strategic partnerships with three of the most well-respected U.S. farmer-facing organizations: Practical Farmers of Iowa, the Soil and Water Outcomes Fund, and the Illinois Corn Growers Association;

And we're launching the third year of our Positive Agriculture Outcomes Accelerator, with investments in nine countries to help support farmers' livelihoods, scale innovations, and spread regenerative agriculture.

When it comes to Positive Value Chain, we are:

Introducing more sustainable packaging solutions, with 31 markets having at least one product packaged with 100% rPET;

Continuing to scale new business models that require little or no single-use packaging, from SodaStream to enhancers, tablets, and powders with Gatorade and Propel;

And we're investing in new sustainable food packaging innovation for our Walkers brand, which is expected to remove 250 million metric tons of virgin plastic across the brand's supply chain annually.

We're improving our operational water-use efficiency, achieving our goal of 25% improvement in high water-risk areas two years ahead of schedule.

We're opening our first biomethane plant at our foods site in Manisa, Turkey, converting dried corn husks and potato peelings into biogas.

And we're launching a Greenhouse Learning Center for the Frito-Lay and Quaker R&D teams to study compostable packaging and develop new solutions.

We're also launching pep+ Partners for Tomorrow to help our partners achieve their own sustainability goals.

And we're continuing to focus on investing in our employees – both frontline and professional – and providing more opportunities for career advancement.

We're creating smiles in our communities through the PepsiCo Foundation, which invested $47.4 million in more than 40 countries to help unlock access to nutritious food, safe water, and economic opportunity.

And we're advancing our diversity, equity & inclusion agenda around our people to reflect the workforce availability of the communities where we operate. This includes reaching 45% women in management roles globally, while increasing U.S. Black and Hispanic representation at the manager level.

And finally, when it comes to Positive Choices, we are inspiring people through our brands to make decisions that help create better outcomes for themselves and the planet. This includes:

Continuing to transform our portfolio with new goals to further reduce sodium and deliver 145 billion portions of diverse ingredients annually by 2030—ingredients such as legumes, whole grains, plant-based proteins, fruits, vegetables, nuts, and seeds.

We're also expanding the variety of our positive choice offerings with air popped, baked, reduced fat, lightly salted, and Simply branded products, as well as smaller portion sizes.

And we're now more than 83% of the way toward our 2025 targets in reducing added sugars, sodium, and saturated fat across all our portfolio.

These are just a few examples from the past year of the investments we're making in our long-term growth, and the actions we're taking to build a more resilient and sustainable world.

We are proud of our progress in 2023, which was a challenging year defined in many ways by economic instability, geopolitical tensions, high inflation, and a very tight labor market.

We have proven we can navigate these challenges well.

But the next few years will bring new and different challenges, and the landscape will continue to evolve. To remain an industry leader, we must continue to evolve too, and seize new opportunities.

The good news is, we're operating from a position of strength. We've invested a lot of time and resources in our technology, our world class talent, our brands, and our capabilities. Now, we need to do the hard work of building on some very strong years, so we can perform to our full potential in 2024 and beyond.

To achieve profitable growth in the years ahead, we will focus on two key areas: working to accelerate our growth in North America by capturing new consumer needs and occasions; and continuing to scale our international business by broadening our presence and availability in key markets.

Central to our strategy will be building up core capabilities. These include:

Advancing consumer-centric innovation by offering more positive choices, delivering new flavors and packaging options, creating new ways for consumers to connect with our brands, providing opportunities to customize products, and extending into new channels.

We're also focused on digitalizing the Company, leveraging cutting-edge technologies such as AI and machine learning to gain more consumer insights, strengthen forecasting, and deliver better execution and performance, from the plant to the shelf.

And finally, we're accelerating and expanding our productivity, with more automation at our plants and warehouses to empower our frontline, optimize our transportation and fleet network, and put a greater focus on cost management and eliminating waste.

I am more confident than ever that our Winning with pep+ strategy is the right one to achieve these goals and make us an even Faster, even Stronger, even Better Company.

And I know we have the right team to get us there. Our people are the key to our success. I'm proud of our leaders and associates who continue to deliver exceptional results in a dynamic and complex operating environment.

I also want to express my gratitude to our partners and suppliers around the world for showing us what best-in-class collaboration looks like. With their continued support – and the support of all of our stakeholders – we will be well-positioned to achieve our goals for 2024 and move closer to performing to our full potential.

And finally, I'd like to thank all of you, our shareholders. None of this would be possible without your support. Thank you for trusting us with your investment, and for your participation in this year's Annual Meeting.

Now, I'll turn it over to David Flavell, Executive Vice President, General Counsel and Corporate Secretary, who will serve as Secretary for the meeting and guide us through the agenda.

David Flavell – *PepsiCo, Inc.* – *Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. We've designed the format of this virtual meeting to provide shareholders with the same rights and opportunities to participate as they would at an in-person meeting. As is our custom, we will conduct the business portion of our meeting first and answer questions at the end of this meeting.

The meeting agenda and Rules of Conduct are available on the meeting website. We ask that all review those items, and we appreciate your cooperation with the Rules of Conduct.

As a reminder, shareholders attending the virtual meeting can vote their shares online from now through the closing of the poll by logging into the meeting website as a shareholder and clicking the "Vote Here" button at the bottom of their screen. If you have previously voted by proxy and do not wish to change your vote, your vote will be cast as you previously instructed, and no further action is required.

We've received questions that were submitted by shareholders in advance of today's meeting that we will address during the Q&A session as time permits. If you've logged into the meeting website as a shareholder, you may submit a question by selecting a topic and typing your question in the field labeled "Enter Question." To ensure that we receive your questions before the Q&A session is closed, we encourage you to submit your questions now. Though we may not be able to answer every question, we will do our best to provide a response to as many questions as possible. To give everyone a chance to ask a question, we will limit each shareholder to one question. Questions on the same topic or that are otherwise related may be grouped, summarized, and answered together.

Consistent with state law and our By-laws, a list of shareholders entitled to notice of this meeting has been available for inspection at our principal office since 26 March, 2024.

The Inspectors of Election, Beth VanDerbeck and Kenneth Englehart, from Broadridge Investor Communication Solutions, are attending the meeting today and have previously taken the oath as Inspectors of Election at this meeting.

I have been informed by the Inspectors of Elections that a majority of the votes entitled to be cast at this meeting are represented by proxy and therefore we have the necessary quorum under state law and our By-laws.

Now that we have a quorum, I declare this meeting to be duly convened for purposes of transacting such business as may properly come before it in accordance with state law and our By-laws. The polls are open for voting. We will close the polls after the proposals have been presented.

We'll now proceed with the formal business of this meeting. Because we did not receive notice of any additional matters to be considered beyond those in the Proxy Statement, no other proposals or nominations may be introduced at this meeting.

We'll begin with our first agenda item, which is the election of Directors. I place before the meeting to serve as Directors for the coming year, the 15 individuals whose names and biographies appear in our Proxy Statement. Our Board recommends a vote “FOR” each of the nominees for Director.

The second agenda item is the ratification of the appointment of KPMG as the Company’s independent registered public accounting firm for 2024, which I now place before the meeting. Allan Colaco and Ian Wildenborg are also present today representing KPMG, and will be available to answer any questions during the question and answer session of the meeting. Our Board recommends a vote “FOR” the ratification of the appointment of KPMG as PepsiCo’s independent registered public accounting firm for 2024.

The third agenda item is the advisory vote to approve the compensation of the named executive officers identified in our Proxy Statement, which I now place before the meeting. Our Board recommends a vote “FOR” the advisory resolution to approve executive compensation.

The fourth agenda item is the approval of the amended and restated PepsiCo, Inc. Long-Term Incentive Plan, which I now place before the meeting. Our Board recommends a vote “FOR” the approval of the amended and restated Long-Term Incentive Plan.

We’ll now move on to the shareholder proposals in the order that they appear in the agenda. Each of the shareholders or their representatives will have three minutes to present their respective proposals. Due to the number of shareholder proposals this year, the Chairman, Mr. Laguarta, will provide a high-level response to each shareholder proposal and refer to the pages of the Proxy Statement where you can find the Board’s full response to such proposal.

Now we’ll turn to the fifth agenda item, a shareholder proposal requesting that the Company adopt a policy to seek shareholder approval of certain golden parachute payments, which was submitted by Kenneth Steiner. Mr. Glenn Beatty will be presenting the proposal as his representative. Operator, please open the line for Mr. Beatty.

Glenn Beatty – *Representative for Kenneth Steiner*

Thank you. Proposal five shareholder ratification of excessive golden parachutes sponsored by Kenneth Steiner. Shareholders request that the Board adopt a policy to seek shareholder approval of senior managers’ new or renewed pay packages that provide for golden parachute payments with an estimated value exceeding 2.99 times the sum of the executive's base salary plus target short-term bonus. This proposal only applies to section 16 officers. The Board shall retain the option to seek shareholder approval at an annual meeting after material terms are agreed upon. Generous performance-based pay can sometimes be justified, but shareholder ratification of golden parachute severance packages with a total cost exceeding 2.99 times base salary plus target short-term bonus, better aligns management pay with shareholder interests.

Currently, there is no limit to the amount of a golden parachute in the form of equity pay for PepsiCo executives. This proposal is relevant even if there are current golden parachute limits. A limit on golden parachutes is like a speed limit. A speed limit by itself does not guarantee that the speed limit will never be exceeded. Like this proposal, the rules associated with the speed limit provide consequences if the limit is exceeded. With this proposal, the consequences of a nonbinding shareholder vote is required for unreasonably high golden parachutes. This proposal places no limit on long-term equity pay or any other type pay. This proposal thus has no impact on the ability to attract executive talent or discourage the use of long-term equity pay because it places no limit on golden parachutes, it simply requires that an extra-large golden parachute be subject to a non-binding shareholder vote at a shareholder meeting already scheduled for other matters. This proposal is relevant because the annual say on executive pay vote does not have a separate section for approving or rejecting golden parachutes. Please vote yes, shareholder ratification of excessive golden parachutes proposal five.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Mr. Beatty. Our Board carefully considered this proposal and has determined that the implementation of this policy is unnecessary given the existing governance safeguards embedded in our executive compensation programs, including the cash severance policy to seek shareholder ratification of certain cash severance payments. For the Board's full response to this proposal, please refer to pages 95 to 96 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The sixth agenda item is a shareholder proposal requesting a report about compensation and health benefit gaps with a focus on dysphoria and de-transitioning care across gender classifications, submitted by the National Legal and Policy Center. Mr. Paul Chesser will be presenting the proposal as its representative. Operator, please play the pre-recorded audio presentation.

Paul Chesser – *Representative for the National Legal and Policy Center*

Good morning. Shareholder proposal number six asks for PepsiCo to investigate discrimination against workers who were deceived by gender ideology, which is embedded in the Company's employment policies and health insurance coverage. Such misled individuals are encouraged to undergo so-called gender affirmation procedures, which in most cases are irreversible body disfigurations, which they later come to regret.

These victims, called de-transitioners, who then want their bodies restored to their original conditions, consistently say they cannot find the care that they need, nor insurance to repair the damage done to their bodies. For many reasons, PepsiCo is complicit in the scandalous mistreatment of these workers. PepsiCo brags about its 100% score on the radical Human Rights Campaign's so-called Corporate Equality Index.

PepsiCo has also boasted about its designation by Human Rights Campaign as a Best Place to Work for LGBT Equality.

PepsiCo earned this 100% Human Rights Campaign score largely by backing these body altering procedures, including in its employee health insurance coverage to meet HRC's criteria. Worse, PepsiCo brags that its benefits coverage aligns with the so-called standards of care established by the World Professional Association of Transgender Health or WPATH. But aligning your company with this group is nothing that PepsiCo should brag about. Within the last couple of months, whistleblowers have leaked internal documents of the medical policy centers within WPATH, and it reveals deeply disturbing discussions and decisions.

For one, patients with severe mental health issues such as schizophrenia and dissociative identity disorder have been allowed to consent to life-altering hormonal and surgical interventions without fully understanding the consequences. Also, WPATH doctors show lack of consideration for long term patient outcomes despite being aware of the debilitating and potentially fatal side effects of cross-sex hormones and other treatments and paging Dr. Frankenstein, WPATH surgeons also discussed performing non-binary surgeries to create body types that do not exist in nature. In case you were wondering, yes PepsiCo provides these kinds of body transitioning services in its health insurance coverage even for employees' child dependents.

WPATH is who PepsiCo brags about following with its health insurance coverage policies. This is what PepsiCo is proud of when it talks about LGBTQ equality. As a result, it shouldn't be long before the lawsuits arrive at the Company's headquarters, if they haven't already, and then the consequences will start coming out of shareholder assets. Please vote for proxy item number six.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Mr. Chesser. Our Board believes the requested report about compensation and health benefit gaps, including a specific analysis concerning dysphoria and de-transitioning care across gender classifications and associated risks, is unnecessary given we already report annually on pay equity and provide comprehensive health and wellbeing benefits. For the Board's full response to this proposal, please refer to pages 97-98 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The seventh agenda item is a shareholder proposal requesting the adoption of a Director election resignation bylaw, submitted by the Mid-America Carpenters Pension Fund. Mr. Anthony DiRaffaele will be presenting the proposal as its representative. Operator, please play the pre-recorded audio presentation.

Anthony DiRaffaele – *Representative for the Mid-America Carpenters Pension Fund*

My name is Anthony DiRaffaele and I represent the Mid America Carpenters Pension Fund and the proponent of the Director election resignation bylaw proposal. The fund is a long-term holder of PepsiCo and strongly supports the Company's Board of Directors. We appreciate the dialogue on the Director resignation issue by the Company's representatives. Shareholders possess several rights as corporate owners but none more important than the right to elect the Board of Directors. The Company has in place a majority vote standard for the election of Directors that affords shareholders the ability to vote for or against Director nominees. To be elected, a nominee must receive a majority of the votes cast. PepsiCo operates under Delaware law, which holds the incumbent Director who fails to achieve reelection continues to serve on the Board as a holdover Director. The Fund's proposal for a resignation bylaw is straightforward and designed to strengthen shareholder voting rights and Director elections.

There are two key provisions. First, the Board can accept or reject the tendered resignation from an unelected Director, but it would be required to articulate a compelling reason for rejecting the resignation. If the Board finds there is no compelling reason for the Director remaining, the Board would accept the resignation and the Director's service on the Board would end. If the Board rejects the resignation, the unelected holdover Director would continue to serve on the board. This is when the second key feature of the proposal comes into play. It provides that when an unelected Director continues to serve and is defeated again at the next annual meeting, that unelected Director's second resignation must be accepted by the Board. Two strikes and the unelected Director is out.

Currently, the Company has a Director's resignation governance policy that addresses the status of the Director following election defeat. The Company's policy contains provisions, common to the resignation policies and bylaws of most corporations. The policy requires an incumbent Director nominee to submit a resignation to the Board following election defeat. The Board has full discretion and the final say in determining whether such Director's resignation is accepted or rejected. If the Board does not accept the resignation, the unelected Director continues to serve on the Board despite the majority of the shareholder votes being casted against their election. The majority vote standard in Director elections was instituted for the explicit purpose of giving shareholders a meaningful right to determine who is elected to a corporate board.

Most current Director resignation policies and bylaws, including the Company's, operate to seriously diminish the election voting rights of shareholders. Our proposal is designed to bolster shareholder voting rights in Director elections while it provides a Board strong measured decision-making discretion. It limits that discretion by requiring the end of the Board service of a twice defeated Director. We believe that this is the measure of reform which serves the best interest of the Corporation and its shareholders. Thank you.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Mr. DiRaffaele. As a reminder to our shareholders, PepsiCo is incorporated in North Carolina, not in Delaware. Our Board believes that the Corporation's existing director resignation policy contained in PepsiCo's Corporate Governance Guidelines already provides for an effective process for securing and acting on an irrevocable resignation offer from a Director who fails to receive a majority vote in an uncontested election and that the adoption of the requested bylaw is not necessary. For the Board's full response to this proposal, please refer to pages 99-100 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The eighth agenda item is a shareholder proposal requesting a third-party assessment on non-sugar sweetener risks, submitted by the Sisters of the Sorrowful Mother International Finance, Inc. and other co-filers. Mr. Tony Boyd will be presenting the proposal as its representative. Operator, please play the pre-recorded audio presentation.

Tony Boyd – *Representative for Sisters of the Sorrowful Mother International Finance, Inc. and other co-filers*

Good morning, PepsiCo shareholders. My name is Tony Boyd and I am a high school student. I present this shareholder proposal number 8 on behalf of the Sisters of the Sorrowful Mother and six co-filers. This proposal asked PepsiCo to secure a third-party assessment of PepsiCo's efforts to monitor the risks of non-sugar sweeteners.

My uncle is a chemist and over the course of my childhood I've been told that drinking diet sodas with aspartame and other non-sugar sweeteners are not good for me. In March 2023, the World Health Organization recommended against the use of non-sugar sweeteners to control body weight.

The report states that non-sugar sweeteners do not confer any long-term benefit in reducing body fat in adults or children, and that long-term use of non-sugar sweeteners increases the risk of type 2 diabetes and cardiovascular disease. This is shocking. And what is worse is that this is a well-kept secret. For example, many of my friends think that Diet Pepsi is better for their health than regular Pepsi. Zero calories and zero sugar – this is a tagline that PepsiCo aggressively advertises on TV channels that I watch.

Aspartame has been approved by the Food and Drug Administration as far back as 1974. Studies on non-sugar sweeteners are out of date and inconclusive, and yet products containing non-sugar sweeteners have tripled over the last 10 years. Diet-related chronic disease due to non-sugar sweeteners has not been studied in a manner sufficient to protect public health and well-being. PepsiCo consumers think that it is safe to put their trust in a successful giant like PepsiCo with its teams of scientists, nutritionists, toxicologists, and product safety professionals who must care about their consumers. Sadly, the more I learn, the more disillusioned I am.

Pepsi’s pep+ campaign claims people come first, which is why we strive to address our consumers’ needs and empower them with the information that can help them make better choices. We are also committed to transparency. This shareholder proposal number 8 seeks transparency. More transparency is good for long-term shareholder value. Please support shareholder proposal number 8.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Mr. Boyd. PepsiCo has robust internal processes to ensure that the ingredients in our products are both safe for consumers and fully compliant with applicable regulations. Aspartame has been safely consumed for more than 40 years and regulatory agencies in more than 90 countries have all affirmed aspartame’s safety. In July 2023, the World Health Organization and Food Agriculture Organization of the United Nations jointly reconfirmed the safety of aspartame as a food ingredient after completing a very comprehensive assessment, and 29 food safety authorities around the world responded by releasing statements in support of this conclusion. Therefore, our Board has determined that issuing the requested assessment would be unnecessary, particularly in view of the comprehensive safety assessments carried out by regulatory food safety bodies for these ingredients just last year. For the Board's full response to this proposal, please refer to pages 101-103 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The nineth agenda item is a shareholder proposal requesting a report on risks related to biodiversity and nature loss, submitted by Green Century Capital Management, Inc. Mr. Andrew Shalit will be presenting the proposal as its representative. Operator, please open the line for Mr. Shalit.

Andrew Shalit – *Representative for Green Century Capital Management, Inc.*

Thank you. My name is Andrew Shalit and I'm representing Green Century Capital Management as the sponsor of proposal number nine. Nature is no longer something that companies can take for granted. Like climate change, nature and natural systems must be viewed as a systemic risk and they must be managed accordingly. This proposal asks PepsiCo to report on its nature-related dependencies, risks, and impacts.

While PepsiCo makes significant efforts to be a responsible global citizen and has several nature-positive programs, it is not performing a systemic assessment of the risks posed by biodiversity loss and the disruption of natural systems. We believe that a systemic assessment would serve the short and long-term interests of the Company by mitigating potential operational, regulatory, and reputational risks. Investor awareness of nature-related risk has been increasing. In 2020, the World Economic Forum published a landmark report indicating that half of global GDP was highly or moderately dependent on natural inputs.

The food and beverage sector is among those most highly dependent. Indeed, PepsiCo relies on nature to provide the ingredients for its snack foods and the freshwater that goes into its soda. Without these natural constituents, PepsiCo would have no products to sell, and yet the reliability of these constituents is increasingly uncertain. The U.S. suffered nearly $22 billion in crop losses due to extreme weather in 2023. The global loss of pollinators has led to crop yield instability across two-thirds of the world. Record-breaking heat waves have contributed to mega-droughts impacting both agriculture and the availability of drinking water. Global actors and financial systems are responding. In 2022, 196 countries adopted the global biodiversity framework calling on companies to disclose their nature-related risks. The EU's corporate sustainability reporting directive includes biodiversity and nature reporting among its requirements. Frameworks are now available to support this disclosure.

In January, the task force on nature-related financial disclosures announced that 320 companies had committed to reporting under its framework, including over 30 companies in the food sector. PepsiCo aspires to a leadership position in sustainability. It can realize that goal and ensure a more stable future for the Company by providing a comprehensive accounting of its nature-related dependencies, risks, impacts, and opportunities.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Mr. Shalit. In pursuit of our ambitious sustainability goals under the PepsiCo Positive framework, PepsiCo is taking deliberate and significant steps to address our impact, risks and opportunities that connect our business with nature. We report comprehensively on our sustainability strategy and progress on the Company's website. We are also focused on preparations in line with future regulatory reporting requirements, for which biodiversity is expected to be an element. Therefore, our Board does not believe that the assessment requested by this proposal is necessary. For the Board's full response to this proposal, please refer to pages 104-106 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The tenth agenda item is a shareholder proposal requesting a third-party racial equity audit, submitted by the Nathan Cummings Foundation. Ms. Laura Campos will be presenting the proposal as its representative. Operator, please play the pre-recorded audio presentation.

Laura Campos – *Representative for the Nathan Cummings Foundation*

Hello, my name is Laura Campos. On behalf of the Nathan Cummings Foundation, I move proposal 10, which requests that the Board oversee a third-party independent racial equity audit. I would like to begin by commending the Company for its leadership on racial equity. PepsiCo created a $570 million Racial Equality Journey initiative to increase representation and dismantle systemic barriers. PepsiCo is also participating in Management Leadership for Tomorrow's racial equity certification program. In addition, the Company set up community advisory committees and the Company's Board established a Sustainability, Diversity and Public Policy Committee.

Nevertheless, PepsiCo still needs to undertake a racial equity audit. A racial equity audit analyzes the benefits and potential adverse impacts of a Company's policies, practices, and products on communities of color. Racial equity audits are conducted by an independent third-party auditor with civil rights experience. But PepsiCo is not working with the independent third-party auditor to understand the effectiveness of its racial equity efforts. The racial equity certification program PepsiCo is pursuing is internally focused. It is not a racial equity audit and does not appear to include a focus on external stakeholder priorities and concerns, which might include the impact of PepsiCo's products on the health of communities, marketing and representation choices, and manufacturing decisions.

We know that PepsiCo has implemented several initiatives focused on racial equity, but are they focused on the right things? Are they well received? Might they be tailored to be more effective in reaching the Company's goals? These are the sorts of questions that a racial equity audit would help PepsiCo answer. Many prominent companies have now conducted racial equity audits. Companies that have completed these audits have seen their benefits. They include: identifying gaps between a company's self-perception and the perception of its key stakeholders; developing new and additive partnerships and relationships with communities; and providing guidance for human resources managers and executives on appropriate next steps. We hope PepsiCo will join these companies and undertake an independent third-party racial equity audit for the benefit of the Company, its shareholders and its stakeholders. Thank you.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Ms. Campos. Our Board does not believe that the racial equity audit requested by this proposal is necessary, as we already have engaged an independent third party to assess our policies and practices relating to racial equity, including with respect to how our business practices, contributions and investments impact external stakeholders. We also actively engage with external stakeholders and advisors, as well as leaders across our organization, to inform our diversity, equity and inclusion strategy, and report transparently on progress towards our numerous racial equity goals. For the full response from the Board to this proposal, please refer to pages 107-110 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The eleventh agenda item is a shareholder proposal requesting a report on risks created by the Company's diversity, equity and inclusion efforts, submitted by the National Center for Public Policy Research. Mr. Stefan Padfield will be presenting the proposal as its representative. Operator, please play the pre-recorded audio presentation.

Stefan Padfield – *Representative for the National Center for Public Policy Research*

Proxy item 11 requests a report on the risks created by Pepsi's diversity, equity and inclusion efforts. These efforts, otherwise known as "DEI", sound great. Who doesn't support diversity, equity and inclusion? But in practice, DEI implements an agenda that divides rather than unites us and that undermines rather than empowers the very people it claims to help. There is a reason why Harvard had to set up a separate task force to investigate anti-Semitism on its campus after October 7th, despite having a massive DEI bureaucracy already in place. That's because DEI was part of the problem, not the solution.

So why should shareholders be concerned about these risks? As noted in our proposal, a recent review of Pepsi's website revealed that Pepsi has apparently adopted gender and race hiring and promotion goals, aiming to "increase our black and Hispanic managerial populations respectively to 10% by 2025 and to have 50% women in management roles by 2025." In addition, Pepsi is apparently committed to allocating resources on the basis of race, stating that in 2020, we announced investing more than $570 million over 5 years to increase Black and Hispanic representation at Pepsi and in our partnerships and supply chain, including $400 million to increase black representation at Pepsi, support black businesses and empower black communities and $224 million for Hispanic suppliers. Pepsi's opposition to our proposal highlights the need for it.

First, Pepsi asserts that its people are "recruited, hired, assigned, and promoted without regard to race, color, sex, or any other protected category", but it nonetheless doubles down on its representation goals, which do absolutely nothing short of blatantly sorting people into race, sex and other protected category buckets and then counting them out for purposes of what is essentially Pepsi's social engineering project.

Second, Pepsi similarly doubles down on its supplier diversity program while claiming it does not make vendor bid awards based on protected category status. It is impossible to increase Pepsi spend on diverse suppliers without again sorting people into race, sex and other protected category buckets. What Pepsi's argument boils down to is that whether it is illegally discriminating on the basis of race should turn on whether it calls what it is doing illegal discrimination. This is the word play of a company that has been fully captured by our modern DEI industrial complex and shareholders thus desperately need a full report on the risks associated with Pepsi's embrace of that DEI neo racism and the risks here are very real. As set forth in our proposal, associated potential liability could run to $56 billion based on the damages in a recent relevant lawsuit and the Company's current exposure. For all these reasons, we ask you to support proxy item number 11.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Okay. Thank you, Mr. Padfield. We believe having a Company that reflects the communities where we operate and consumers that we serve enables us to grow our business faster and create value for our stakeholders. As it relates to our U.S.-focused efforts, we are an Equal Employment Opportunity Employer and we take steps to assure that people are recruited, hired, assigned and promoted without regard to any protected category under applicable laws. In addition, our Racial Equality Journey representation goals are not quotas but rather aspirational goals to mirror the workforce availability of the communities where we work. In light of this, our Board does not believe that the reporting called for in this proposal is necessary. For the Board's full response to this proposal, please refer to pages 111-112 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

The twelfth agenda item is a shareholder proposal requesting a global transparency report, submitted by John C. Harrington of Harrington Investments. Ms. Caleen Carter-Patton will be presenting the proposal as its representative. Operator, please open the line for Ms. Carter-Patton.

Caleen Carter-Patton – *Representative for John C. Harrington of Harrington Investments*

Good morning. Thank you for this opportunity to introduce item 12 on behalf of Harrington Investments regarding transparency on global public policy and political influence. My name is Caleen Carter-Patton and I'm the recording secretary of Teamsters Local 727 in Chicago, Illinois. I represent over 700 workers at PepsiCo in the greater Chicago area. PepsiCo operates in nearly 200 countries and territories with approximately 290,000 global employees. In 2020, 42% of operating profit 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 far more poorly disclosed. PepsiCo scores poorly regarding disclosures of international corporate political activities according to multiple transparency indices. Among its activities, where reporting to investors is deeply lacking: its engagement and global political initiatives to address the corporation's disturbing plastic waste stream, contribution to diet-related disease, and impact on water security.

And this is not even to mention activities that undermine the rights of its employees. This is why shareholders request PepsiCo annually issue a report fully disclosing Company expenditures on political activities also outside of the United States. The Teamsters stand with PepsiCo workers and shareholders in this effort, and especially with the workers of the global South, based on our local union's experience of PepsiCo's political activity here in the U.S.

If our experience is anything to go by, greater transparency of PepsiCo's global political activities will reveal the Company's claims around good citizenship and workers' rights to be a little more than a sugarcoating of reality. Over the past four years, for instance, Pepsi has paid at least $2.5 million in dues to the U.S. Chamber of Commerce, a trade group that spends its lobbying war chest on efforts to undercut workers' rights, not only in the U.S. but in other parts of the world too.

As Teamsters at Pepsi are forced to authorize the strike vote and consider risking their family's financial security to ensure fair compensation, the Chamber, with Pepsi's backing, is vigorously opposing the Pro Act. Another example of the Company's political activities at home. If passed, this legislation will protect workers from retaliation for exercising their right to withhold their labor and close loopholes that companies use to intimidate workers from fighting for fair wages and even joining a union.

Similarly, from the issue of plastics to public health to palm oil, the Company has had a breadth of political activities across the globe. As transparency is the first step towards greater accountability, we urge shareholders to support PepsiCo coworkers – here at home and in the global South by voting for this resolution for greater global political transparency. Thank you.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you, Ms. Carter-Patton. PepsiCo recognizes the need for corporations to provide transparency with respect to their advocacy. We have not and do not plan to make political contributions to candidates outside the U.S. In addition, we already provide robust public reporting on our contributions to trade associations and scientific organizations as well as charitable contributions. Therefore, our Board believes this report requested by this proposal would be redundant and an unnecessary use of time and resources. For the Board's full response to this proposal, please refer to pages 113-116 of the Proxy Statement.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. We will now address questions submitted about the proposals that we just reviewed. I remind you that there will be an opportunity for general questions not related to the proposals after the formal portion of the meeting has concluded. And also, we are limiting each shareholder to one question to give everyone a chance to ask a question.

The first question we received is: "Why do we give shares to Executives and Directors, pay them, and allow them to purchase shares at a reduced rate (75 to 85 percent of the current price) and require them to hold the shares for a specified period of time depending on the discount? Giving away shares that are created for such use diminishes the equity and voting power of each shareholder. All shares used for such purposes should be purchased by the Company on the open market."

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you. Our compensation program is designed to align the interests of PepsiCo's executives with those of our shareholders.

As such, the majority of pay remains variable and at-risk with a significant portion delivered in equity grants based on the Company's performance compared to 3-year goals to ensure executives are motivated to deliver on PepsiCo's objectives, in conjunction with stringent stock ownership requirements which extend beyond employment with PepsiCo.

We closely monitor the granting of equity awards to mitigate any dilution impact to existing shareholders as the Company engages in a responsible use of shares under its long-term incentive program. Introducing a discounted employee share purchase plan may further dilute investor interests. Share dilution remains reasonable and falls below that of our proxy peer group median.

David Flavell – *PepsiCo, Inc.* – *Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. I don't see any further questions pertaining to the proposals. That concludes the presentation of the items of business that you've been asked to vote on at today's meeting. For those shareholders who have not yet voted, we are preparing to close the poll and we'll give you only a few more moments to cast your vote using the "Vote Here" button on the virtual meeting website as I noted earlier. If you have previously voted, you do not need to take any further action.

Now that everyone has had the opportunity to vote, I declare the polls closed.

I have received the preliminary voting results from the Inspectors of Elections, and the preliminary voting results show that:

All Director nominees have been duly elected by the affirmative vote of a majority of the votes cast.

Ballot item number two, the appointment of KPMG LLP as our independent registered public accounting firm for 2024 has been ratified by the affirmative vote of approximately 94% of the votes cast.

Ballot item number three, the advisory vote on executive compensation, has been approved on an advisory basis by the affirmative vote of approximately 90% of the votes cast.

Ballot item number four, the approval of the amended and restated PepsiCo, Inc. Long-Term Incentive Plan, has been approved by the affirmative vote of approximately 95% of the votes cast.

Ballot item number five, the shareholder proposal regarding shareholder ratification of excessive golden parachutes received support of approximately 7% of the votes cast and did not receive enough votes to pass.

Ballot item number six, a shareholder proposal for a report on gender-based compensation gaps and associated risks received the support of approximately 2% of the votes cast and did not receive enough votes to pass.

Ballot item number seven, a shareholder proposal for a Director election resignation bylaw received the support of approximately 18% of the votes cast and did not receive enough votes to pass.

Ballot item number eight, a shareholder proposal for a third-party assessment on non-sugar sweetener risks received the support of approximately 11% of the votes cast and did not receive enough votes to pass.

Ballot item number nine, a shareholder proposal for a report on risks related to biodiversity and nature loss received the support of approximately 18% of the votes cast and did not receive enough votes to pass.

Ballot item number ten, a shareholder proposal for third-party racial equity audit received the support of approximately 20% of the votes cast and did not receive enough votes to pass.

Ballot item number eleven, a shareholder proposal for a report on risks created by the Company's diversity, equity and inclusion efforts received the support of approximately 3% of the votes cast and did not receive enough votes to pass.

Ballot item number twelve, a shareholder proposal for a global transparency report received the support of approximately 15% of the votes cast and did not receive enough votes to pass.

We will be reporting the final vote results in a Form 8-K that will be filed with the U.S. Securities and Exchange Commission within four business days.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Excellent. Thank you, David. There being no further business to come before the meeting, the formal business portion of the meeting is now adjourned. We will now address general questions.

Also joining on the line with me and David to answer questions are: Jamie Caulfield, Executive Vice President and Chief Financial Officer, and Becky Schmitt, Executive Vice President and Chief Human Resources Officer.

David Flavell – *PepsiCo, Inc. – Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. We'll begin with questions that we received in advance of today's meeting, then we will take shareholder questions that are being entered today on the web portal. Please note that we will attempt to answer as many questions during this meeting as time allows, but only questions that are in accordance with the Rules of Conduct posted on the website will be addressed. Questions on the same topic or that are otherwise related may be grouped, summarized and answered together. For appropriate questions that are not otherwise addressed during the meeting, we will publish our responses on our Investor Relations site after the meeting or communicate the relevant response directly to the submitting shareholder.

Let's begin. The first question we received is as follows: "Will PepsiCo commit to disclosing the proportion of its sales of healthier products across its entire portfolio using a government-endorsed nutrient-profiling model, and set a target to increase the proportion of these sales to meaningfully contribute to global health?"

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you for your question. We offer a range of products for our consumers, and we are very proud of our progress to transform our portfolio, a journey that we started 18 years ago.

When we launched our pep+ ambitions in 2021, we set nutrition targets designed to reduce the level of added sugars, sodium and saturated fat in our portfolio by 2025. We met our saturated fat goal four years ahead of schedule, and in just a few years, we've made significant progress on our 2025 added sugars and sodium reduction goals.

Last year we announced a new step on our nutrition evolution, setting two new goals we aim to achieve by 2030: expanding our sodium reduction targets and increasing the use of diverse ingredients, such as legumes, whole grains, plant-based proteins, fruits and vegetables, and nuts and seeds in our portfolio to help promote more nutritionally diverse diets.

We believe reporting systems should acknowledge portfolio renovation efforts such as these, and the role a product or portfolio plays in the diet to ensure suitable context.

To that end, we engage in extensive reporting specific to these goals covering approximately 80% of our global beverages volume and approximately 85% of our global foods volume, which is independently assured. We intend to continue to focus our resources on making progress against our stated 2025 goals and beyond, and we plan to remain accountable with our annual reporting and independent verification process.

David Flavell – *PepsiCo, Inc.* – *Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. The next question we received relates to inflation, it is
: "Is Pepsi seeing inflation starting to moderate? Is the consumer still spending at a strong rate or are they starting to be more selective with their purchases?"

Ramon Laguarta – *PepsiCo, Inc.* – *Chairman of the Board of Directors and Chief Executive Officer*

Yeah, we expect inflation to moderate, but levels continue to be above historical norms. Our categories remain robust and consumer demand for our products is resilient as you saw in our recent quarterly results. In the U.S. and most countries where we operate, there is low unemployment and wages are growing at a good pace. We're seeing a return to pre-pandemic norms. Consumers are being very choiceful with their purchases as they see good value across brands, packages, and channels. The breadth and depth of our product offerings provide consumers with multiple options to address the needs and preferences of consumers around the world.

David Flavell – *PepsiCo, Inc.* – *Executive Vice President, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. I see we have no other questions, so thank you to our shareholders for your questions. That concludes the question-and-answer session. Any questions that we happen to have missed that are in accordance with the Rules of Conduct will be addressed on our Company website. If you have any other questions, please send a note to our Investor Relations team at ir@pepsico.com.

Ramon Laguarta – *PepsiCo, Inc. – Chairman of the Board of Directors and Chief Executive Officer*

Thank you for your time and for attending PepsiCo's Annual Meeting of Shareholders.

Operator

This now concludes the meeting. Thank you for joining and have a pleasant day.