

PepsiCo, Inc.
2020 Annual Meeting of Shareholders

May 6, 2020
9:00 AM Eastern Daylight Time

Corporate Participants

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

David Yawman *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Hugh Johnston *PepsiCo, Inc. – Vice Chairman, Executive Vice President and Chief Financial Officer*

Other Participants

Kam Franklin *Representative for Kenneth Steiner*

Dr. Yolandra Evette Hancock-Brown *Representative for John Harrington of Harrington Investments*

Presentation

Unidentified Company Representative

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 2019 annual report, 2019 Form 10-K, first quarter 2020 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 & Presentations" tab.

As a reminder, our financial results in the United States and Canada are reported on a 12-week basis while substantially all of 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 21, 2020.

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, and welcome to our 2020 Annual Meeting of Shareholders. I'd like to begin by introducing each of my fellow directors who are on the line. I'll name them: Shona Brown, Cesar Conde, Ian Cook, Dina Dublon, Richard Fisher, Michelle Gass, David Page, Bob Pohlada, Dan Vasella, Darren Walker and Alberto Weisser.

I would also like to say a word about Bill Johnson who is retiring from the Board. Bill has been a wise and insightful advisor and on behalf of the entire company I want to thank him for his valuable contributions to PepsiCo. It was a pleasure and a privilege to work with him and I wish him all the best. He will always be a friend of mine and of PepsiCo's.

We desperately wanted to hold this event as we usually do, live in the birthplace of Pepsi, New Bern, North Carolina. New Bern is our home and will always be in our heart. Personally, I miss seeing friends like Paul Finney, CEO of Pepsi Bottling Ventures, our largest bottling partner in North America which is based in Charlotte, and Jeff Minges and his sons, Miles and Landon. Jeff runs Minges Bottling Group, our bottling partner in New Bern and across Eastern North Carolina. But safety comes first, and with COVID-19 still spreading in many parts of the world, we didn't want to put anyone – shareholders, staff, the Board or the community – at risk. I'll talk more later about the impact of COVID on our business, but I want to start by reminding us all of the strong foundation we began to build together in 2019:

- Most notably, our rate of organic revenue growth accelerated to 4.5%, our fastest rate of growth since 2015.

- Our organic revenue growth was broad-based across all divisions, with Frito-Lay delivering its fastest rate of growth since 2013 and PBNA delivering its fastest rate of growth since 2015.
- Our developing and emerging markets also delivered high single-digit growth despite ongoing volatility and uncertainty in certain parts of the world.
- We gained share in the majority of our top markets in both snacks and beverages.
- We delivered in excess of \$1 billion in productivity savings and plan to deliver this amount annually through 2023.
- And we returned more than \$8 billion to our shareholders, in the form of dividends and share repurchases.

These results were driven by two critical forces: the tireless, dedicated work of our world-class associates – approximately 267,000 strong, serving customers and consumers in more than 200 countries and territories – and our commitment to *Winning with Purpose*. Specifically, our targeted investments to make PepsiCo *Faster, Stronger and Better*.

We invested in becoming *Faster* by being more consumer-centric and stepping up our go-to market efforts:

- We increased our global advertising and marketing spending by more than 12% in 2019, across snacks and beverages in both established and emerging brands.
- We expanded our market presence by increasing route capacity, adding merchandising racks and coolers, and advancing technologies to drive greater and more precise execution.
- We invested in additional manufacturing capacity to remove bottlenecks and increase growth capacity for our products. This includes investments in new plants, new lines, and new distribution infrastructure.
- We launched innovations such as Gatorade Zero, bubly, and Mountain Dew Game Fuel, which together delivered more than \$1 billion in measured retail sales in 2019.
- And we're making investments to broaden and fortify our portfolio for future growth, including a series of strategic acquisitions:
 - We successfully integrated our SodaStream business, which grew net revenue more than 20% in 2019.
 - We acquired Pioneer Foods, which will build the foundation for future growth and scale in Sub-Saharan Africa, a key emerging geography where our growth opportunities remain very vast.
 - We recently closed our highly strategic acquisition of Rockstar Energy Beverages, which will enable us to be more consumer-centric and capitalize on rising demand in the functional beverage space. As we work to capture our fair share of this high growth, highly profitable category, we also entered into an exclusive alliance to distribute the portfolio of Bang Energy beverages in the United States.
 - We acquired BFY Brands, the makers of the fast-growing PopCorners brand, which will enhance our premium snack portfolio.
 - We entered into an agreement to acquire Be & Cheery, one of the largest online snack companies in China.
 - And we acquired CytoSport, the makers of Muscle Milk, expanding our presence in sports nutrition.

As we invest to become *Faster*, we also know that sustaining higher growth will require us to become *Stronger* which means building new capabilities – ones which will be difficult for our competitors to match. That's why in 2019 we focused on:

- Investing in data analytics and other information technology to build consumer intimacy and achieve precision at scale, so

that we can execute in every store with precisely the right products, placed in the right location, at the right price.

- Investing in an end-to-end agile value chain and strengthening our omnichannel capabilities, particularly in e-commerce, where our retail sales were nearly \$2 billion in 2019. This channel will become even more important as we manage through the COVID-19 pandemic and plan for a new normal.
- We're also migrating our organizational structure to empower our market leaders in order to improve speed, increase accountability, and become much more locally focused.
- We'll continue to evolve our culture by adopting the seven PepsiCo Way behaviors, which define our values and ways of working.
- And we're taking a completely holistic approach to cost management, treating all costs as an investment. In doing so, we're challenging the entire cost structure to evaluate the cost and benefit of our spending.

And finally, as we become more attuned to the needs of customers and consumers in every local market, we're reminded every day that more is expected of corporations by society – and that being a *Better* company means making a greater effort to integrate purpose into our business strategy and brands:

- I'm proud that in 2019 we embraced an exciting new purpose behind our sustainability agenda to help build a more sustainable food system. This effort focuses on: advancing sustainable agriculture, being better stewards of water, helping to build a world where plastic never becomes waste, improving product choices across our portfolio, taking steps to help mitigate climate change, and supporting the people who live and work in our communities.
- To help advance this agenda, we also appointed our first ever Chief Sustainability Officer and offered a Green Bond that generated nearly \$1 billion in net proceeds.

So, we did a good job becoming *Faster, Stronger* and *Better* in 2019, and this strong foundation will serve us well over the long-term. But importantly, it is already enabling us to weather unforeseen events like the COVID-19 pandemic.

During the first quarter of 2020, a very challenging period for society, our business delivered 7.9% organic revenue growth and 10% core constant currency earnings per share growth.

Based on our internal analysis, we estimate that our revenue growth in the quarter benefited from COVID-related changes in demand and behavior by approximately 2 percentage points.

However, even when excluding this benefit, we estimate our organic revenue increased in excess of 5%, an acceleration versus the second half of 2019. And we continue to expect total cash returns to shareholders of approximately \$7.5 billion in 2020, comprised of dividends of \$5.5 billion and share repurchases of \$2 billion.

This underlying strong performance is further evidence that our strategy is working, and we will continue to advance our commitment to *Winning with Purpose* through the balance of the year.

In addition to providing more evidence that our strategy is positioning us to create long-term value, the events of the first quarter made it crystal clear that our most important role in society is being a good employer, a good partner, and a good neighbor.

That's why we're taking additional steps to create smiles for our associates, our customers and communities around the world – an aim that reflects who we are, our purpose, our values and our investment in our future together.

- For our associates, we're taking steps to ensure they'll be protected and treated well as they do their jobs in this difficult environment. During the first quarter, PepsiCo's employees quickly adapted and overcame challenges to fulfill our essential role in the food supply chain of many countries. This is particularly true of our frontline employees who are the backbone of our company. To all of our employees, I send my personal gratitude, and the gratitude of the entire Board of Directors.

- For our customers, we remain committed to providing them the best possible service. We will continue to support them through this crisis by delivering a broad, steady supply of great convenient food and beverage products.
- And for our communities, we're partnering with local officials to help keep people safe and we've committed more than \$50 million to provide meals for needy families and children as well as assistance to local health care providers. We're also continuing to support our North Carolina family with a \$50,000 donation to the Food Bank of Central and Eastern North Carolina.

As we consider how to move forward during and after this crisis, we'll keep our focus on creating as many smiles as possible – not only for customers, associates, and communities, but also for consumers, the planet and you, our shareholders.

And the best way we can do that is by doing exactly what we've been doing for the past year: continuing to execute on our strategy to become *Faster, Stronger and Better*. That means:

- Investing to build an even more agile and resilient supply chain with more accurate and rapid forecasting and response capabilities.
- Supporting the continued growth of e-commerce, where retail sales increased approximately 45% in the first quarter, and tailoring our plans for economically sensitive channels like foodservice and convenience and gas – with an objective to improve our presence and build deeper relationships with customers.
- Identifying and planning for lasting new habits and consumption patterns, while tailoring our innovation and brand communications to achieve greater consumer awareness and engagement.
- Continuing to expand holistic cost management and eliminate waste in our operations, embracing a mindset that is frugal and lean in this difficult economic time.
- Further evolving The PepsiCo Way to foster a culture where employees act like owners, with a greater sense of empowerment and accountability.
- Implementing proactive, long-term revenue management capabilities in developing and emerging markets, so that we can mitigate the impact of frequent foreign exchange devaluations.
- And identifying opportunities with a high return on investment, which can improve our market position or provide access to new capabilities that can create value over time.

In summary, we believe that PepsiCo is well positioned to adapt and succeed over the long term. Together, we will continue building on our strengths, while developing important new capabilities so that we can emerge from the present crisis *Faster, Stronger and Better* than before. Thank you for the confidence you've placed in us with your investment, and for your participation in this year's meeting. Now, I'll turn it over to Dave Yawman, Executive Vice President, Government Affairs, General Counsel and Corporate Secretary, who will serve as Secretary of the meeting and lead us through the agenda.

David Yawman – PepsiCo, Inc. – Executive Vice President, Government Affairs, 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 normally would have at an in-person meeting. As is our custom at PepsiCo, we will conduct the business portion of our meeting first and answer general questions at the end of the meeting.

The meeting agenda and the Rules of Conduct are available on the meeting website. We ask that all of you 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 polls by logging into the meeting website as a shareholder and clicking the "Vote Here" button on the 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 have received several questions that were submitted by shareholders in advance of today's meeting that we will address during the Q&A session. If you have logged into the meeting website as a shareholder, you may submit questions by typing them into the text box on your screen. If asking a question, please include your name and affiliation to the Company. To ensure that we receive your questions before the Q&A session is closed, we encourage you to submit your questions now. Although we may not be able to answer every question, we will do our best to provide a response to as many questions as possible during the meeting as time allows. And to give everyone a chance to ask a question, we will limit each shareholder to one question or topic. Questions and answers may be grouped by topic, and substantially similar questions will be grouped and answered once.

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 March 24, 2020.

The Inspectors of Election, Beth VanDerbeck and Matthew Criscenzo 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 Election 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. And 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 now open for voting. We will close the polls after the proposals have been presented.

We will now proceed with the formal business of the meeting. Because we did not receive 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 12 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 2020, which I now place before the meeting. Brian Hegarty is here present at the meeting 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 2020.

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.

We'll now move on to the two 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. Now we'll turn to the first shareholder proposal requesting that the Company reduce its stock ownership threshold to call a special meeting of shareholders from 20% to 10%, which was submitted by Mr. Kenneth Steiner. Ms. Kam Franklin will be presenting the proposal as his representative. Operator, please open the line for Ms. Franklin.

Kam Franklin – *Representative for Kenneth Steiner*

Good morning. Proposal Number 4, make shareholder right to call special meeting more accessible, Kenneth Steiner sponsor. Shareowners ask our Board to take the steps necessary to amend the By-laws and governing documents to give holders in the aggregate of 10% of our outstanding common stock, the power to call a special shareholder meeting. This proposal topic won more than 70% support at Edwards Life Sciences and SunEdison. This proposal topic also won 78% support at a Sprint Annual Meeting with 1.7 billion yes votes. Nuance Communication shareholders gave 94% support in 2018 to a rule 14a-8 proposal calling for 10% of shareholders to call a special meeting. The lax corporation laws of North Carolina do not allow shareholder action by written consent and PepsiCo shareholders do not have the complete right to call a special meeting that is available under North Carolina law, hence the need to have a more rigorous shareholder right to call a special meeting of shareholders.

The 2020 management response to this proposal topic was totally silent on the lack of shareholder ability to act by written consent.

It is a big disappointment for shareholders that management opposed this proposal. The 48% support that shareholders, just a moment, gave to this proposal topic in 2018 represented a majority vote from the shares that have access to independent proxy voting advice and it would have been a greater majority if more shareholders had access to independent proxy voting advice.

After reading the management text next to this proposal, one is left with the impression that shareholders vote for this proposal topic, and when management seeks shareholder feedback, shareholders reverse themselves. Management in effect says that shareholders do not need a right to express their views to management in the manner that has some teeth, as this proposal does, because management has different flavors of suggestion boxes for shareholders, all of which commit management to do absolutely nothing. If shareholders had a more complete right to call a special meeting, as called for in this proposal, shareholders would have a greater ability to engage our Directors and management to improve the qualifications of our Directors and make sure that the Board of Directors is continually refreshed with new diverse talents in order to maintain director independence, since a special meeting can be called in regard to the election of Directors.

This proposal would give shareholders greater standing to engage directors and management to see if our company can benefit from an independent Board chairman. Also shareholders would have a better --

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Ms. Franklin, you're -- you're at three minutes. Please conclude your remarks.

Kam Franklin – *Representative for Kenneth Steiner*

Okay. To engage the Board concerning the Directors who received the most negative votes while running unopposed. PepsiCo Chairman and CEO received the second highest negative votes in 2019. Please vote yes, make shareholder right to call special meeting more accessible, Proposal Number 4.

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

Thank you, Ms. Franklin, and for raising this important topic. Our Board carefully considered this proposal, including a review of market trends and investor feedback on a nearly identical and unsuccessful proposal that you submitted in 2018.

We think we've provided our shareholders with a meaningful right since 2010, when we reduced the ownership threshold to permit holders of 20% of our outstanding shares to call a special meeting. The vast majority of S&P 500 companies either have a threshold that is equal to or higher than our threshold or do not provide any such rights.

We believe that our 20% threshold strikes a reasonable and appropriate balance between providing shareholders with the right to call a special meeting while protecting against significant costs and unnecessary waste of corporate resources and disruption in convening a special meeting to advance potentially narrowly supported interests.

The Board also believes that this proposal should be evaluated together with our strong overall corporate governance policies and practices in place to protect shareholder rights and enable shareholders to influence the governance of the company. Over the years, we have adopted a number of shareholder-friendly actions based in part on shareholders' input.

We've long supported means for our shareholders to effectively communicate with the Board and senior management beyond the limited forum of a special meeting, and we provide other ways for shareholders to engage with the Board on important topics throughout the year, in ways that are more cost effective than a special meeting of shareholders.

For these reasons, the Board believes that the action requested by the proposal is neither necessary nor in the best interest of PepsiCo or our shareholders, and recommends that shareholders do not support this proposal.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman, and thank you, Ms. Franklin. The second shareholder proposal on the ballot is requesting a report on sugar and public health, submitted by John Harrington of Harrington Investments. Dr. Yolandra Evette Hancock-Brown will present

the proposal as his representative. Dr. Hancock-Brown will have three minutes to do so. Operator, please open the line for Dr. Hancock-Brown.

Dr. Yolandra Evette Hancock-Brown – Representative for John Harrington of Harrington Investments

Good morning, CEO Laguarda, trustees and shareholders. My name is Dr. Yolandra Hancock and I'm privileged today to represent Harrington Investments in introducing Proxy Item Number 5, a report on sugar and public health.

With a yes vote on this proposal, PepsiCo has an opportunity to be the first among its peers to independently assess not just how the corporation's sugar-laden products and their marketing affect global public health, especially among children, but how the corporation's varied activities to further the sale of such products, from its political interference to its funding of junk science, are presenting significant risks to the Corporation's finances and its reputation and is even more glaring in the midst of this pandemic when one in five COVID-19 deaths is linked to diet-related diseases.

I'm here to speak to this critically important resolution, not just as a physician but as a consumer whose health was impacted from drinking Pepsi. As a pediatrician, I have diagnosed children as young as nine with Type 2 diabetes. I diagnosed one little girl soon after she lost her father to diabetes and as her diabetic grandmother received the news, she pulled out a soda.

I was first introduced to Pepsi by my grandmother when I was just five. It wasn't until college as a result of persistent leg cramps and excruciating migraine that I realized that the soda I drank like water was depleting my body's calcium and triggering these debilitating headaches. I struggled to kick the habit, but eventually I did. Today I serve children and families that have had greater difficulty breaking the habit, driven by PepsiCo's targeted marketing to communities of color like those I serve in our nation's capital.

I also advocate for policies like the District's Healthy Beverage Choices Act, which would allow communities to recoup a modest amount of the cost Pepsi and the soda industry have hoisted on us instead of allowing us the agency to protect community health. PepsiCo's trade association has instead created a front group to block the bill's passage. PepsiCo's actions in the District are galling, if not surprising, given PepsiCo's continued support of groups globally like the International Life Sciences Institute, or ILSI, which stymie public health policy and traffic in junk science. Even the Corporation's competitor, Nestlé, terminated its ties with ILSI. Today, tens of thousands of people are calling for PepsiCo to do the same.

Proxy Item Number 5 is a sober self-assessment the Corporation and its stakeholders need now. PepsiCo may have profited at my expense. It may continue to profit at the expense of my patients and the community I serve for a time, but it cannot do so forever. Our healthcare systems, our communities, our children, especially as we recover from a pandemic, cannot abide it. Shareholders can vote yes today to send the strong message that the Corporation's public health harms, all it does to perpetuate these harms and the business risk that result, cannot be swept under the rug any longer. Thank you.

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

Thank you, Dr. Hancock. We recognize the role that PepsiCo must play in building a more sustainable future for all, and we've taken very meaningful steps to reduce sugar, responsibly market our products and improve choices in our beverage portfolio to help consumers reduce the amount of sugar in their diets and make much more informed choices.

As you know, sugar reduction is a key part of PepsiCo's long-term strategy. We set a goal that by 2025, at least two-thirds of our global beverage portfolio volume will have 100 calories or less from sugar per 12-ounce serving. And we're making good progress and plan to continue making good progress towards that goal, including reformulating our existing beverages to reduce sugar and creating new products such as Mountain Dew Zero, Gatorade Zero and expanding other products such as Pepsi Zero Sugar which is now in 93 countries around the world.

We're also focused on offering a variety of no-sugar/low-sugar products, like creating and investing in bubly that – as you know, is a very successful brand now in the U.S. and will be expanding around the world – the line of flavored sparkling water with zero sugar, and expanding our water strategies such as with the launch of LIFEWTR, our premium water brand. In addition, our acquisition last year of SodaStream, the number one sparkling water brand in the world by volume, offers consumers no and low sugar options at home that we plan to continue to invest and develop in the coming years.

And through our sugar reduction efforts, we believe we're not only addressing the concerns raised by you in the proposal, but creating new opportunities for competitive advantage and future market growth, such as leveraging opportunities like the 2020 Super Bowl to spotlight only zero sugar products in all of our beverage television advertising.

On marketing, we've also taken meaningful steps and adhere to strict internal policies and industry standards, particularly when communicating with children. We do not advertise any soft drinks of any kind, whether full sugar or zero sugar, to children under 12. We also restrict direct sales of certain beverages to schools.

Given these actions, as well as the robust public disclosures, both by PepsiCo through our Corporate Sustainability Report and our website and also by several third-party organizations that conduct independent reviews of progress by PepsiCo and the industry on the topic of sugar and public health, we believe that the report called for by the shareholder proposal is duplicative and unnecessary. In our proxy statement, we cited reporting by several well-known third-party organizations, including Access to Nutrition Foundation and Partnership for Healthier America. We engage with and obtain feedback from these third-party organizations on a regular basis and other ones to inform our sustainability reporting and our overall business strategy.

With such robust public disclosures and the meaningful steps PepsiCo has taken, and plans to continue taking, the Board believes the reporting called for in this proposal is neither necessary nor a good use of Company resources, and recommends that shareholders do not support this proposal.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman, and thank you, Dr. Hancock. We'll now address questions submitted prior to and during this meeting about the five proposals that we just reviewed. I remind you that there will be an opportunity for general questions not related to the five proposals after the formal portion of the meeting has concluded. Also as a reminder, we are limiting each shareholder to one question or topic to give everyone a chance to ask a question.

Mr. Chairman, we have a few questions related to the proposals. The first question related to the proposals is, and I'll just read it verbatim, why so many directors?

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

Okay, thank you for the question. Well, the size of the Board, as we benchmark with other companies of our size, is not unusual. Actually, it's lower, less than some of our benchmark companies. And we focus our Board on maintaining the diversity of thought, diversity of experience and backgrounds so that we can leverage each other in our discussions and our decisions for the benefit of PepsiCo and our shareholders. We have a strict process to regularly review and assess the composition of the Board in light of the Company's strategies and evolving needs, and we feel that we -- the current Board is very well suited to lead PepsiCo into the future.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, thank you. The next question pertains to, I think, item -- Proxy Item Number 3, about executive compensation. The question is, NFL Commissioner, Roger Goodell, has volunteered to reduce his salary to \$0 in response to the COVID-19 crisis. Has any consideration been given by Board members and chief executives to voluntary reduction in compensation? Thank you.

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

Yes, our focus as we address the pandemic has been on making sure our frontline is well rewarded for the work they're doing. And that was one of our first decisions on increasing the compensation on the frontline across the world, to reward them for the efforts that they're making, to perform their duties in a much more challenging situation. And that -- we thought that was the first priority for us as we addressed compensation. We haven't discussed with the Board any other decision in terms of compensation, but we will especially, I think, having a fair, balanced compensation for our management in complex scenarios like this where the normal metrics that we assess the performance of our people have changed so dramatically will require fair, creative solutions to maintain engagement and be fair with all our executive population.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, thank you. The next question pertains to Proxy Item Number 5, the report on sugar and public health. The question is -- Good morning, my name is Alice Evans. I work for Lankelly Chase, which is a shareholder in Pepsi. I'm here to ask a question on behalf of ShareAction, a responsible investment charity based in the U.K. With rising levels of obesity in the world, it's important that businesses create healthier products and adopt responsible marketing practices, with sugar taxes being present in more countries than carbon taxes, leading companies have an opportunity to stay ahead of further regulation while capitalizing on changing consumer preferences towards healthier products. It's encouraging to see PepsiCo's commitment to improve the healthiness of their portfolio by reducing added sugars, sodium and saturated fats. However, a recent study by the Access to Nutrition Initiative showed that while 55% of your U.K. products portfolio can be considered healthy, these products only represent 26% of your sales. In this context, I wanted to ask what is PepsiCo doing to shift its sales away from an unhealthy product categories? We would welcome a meeting with you to continue this discussion. Mr. Chairman?

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

Yes, thank you and 100% agree that we have an important role to play in the changing consumer diets, improving the consumer diets across the world, whilst providing a choice for consumers to make their own choices. In particular, in the U.K., I'm very happy with our performance in that respect, especially in the beverage category, over 80% of our sales are non-sugar beverages at this point. And there has been a great collaboration between, obviously, suppliers in the industry, but also the retailers and, to some extent, also the regulators. And between this joint action and effort, we've been able to move the category to healthier spaces, and I think the consumers are not really sacrificing on the taste profile of the beverage experience. And the same we're doing with snacks as we're moving the portfolio towards smaller portions or healthier products like Baked or Off the Eaten Path or some other solutions that we have in the market there. As we work together with the retailers, I think that we will be able to provide consumers with a broad spectrum of solutions for different needs during the days and hopefully skew them toward probably more permissible solutions.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you, Mr. Chairman. Another question on the same proxy item. Re: -- and I'm reading the question -- re: the sugar report proposal, this is an important issue and I hope you are considering these issues. But sugar is too broad a term. I am pleased to see some products with sugar (sucrose) instead of high fructose corn syrup -- this is much healthier. The human brain needs glucose, not fructose. Recent research shows what has long been suspected, that diet drinks mess up the body's metabolism causing weight gain, not loss. Given PepsiCo's global market presence, you, we, have an important and powerful role to play in improving public health. Mr. Chairman?

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

Yes, thank you for your comment. I think we've covered in previous questions. We agree, we have a very important role to play and this will be part, and it is part, of our strategy going forward. And it's a way to, I think, to continue having Pepsi, a very successful company, growing above competitors. So we'll continue to stick to our policy, to our strategy and continue to invest in this strategy, as you are suggesting.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you. At this time, I don't see any further questions pertaining to the five proxy items, the five proposals. So 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 polls 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 don't need to take any further action and right now we'll briefly pause to allow for any final votes.

Now that everyone has had the opportunity to vote, I now declare the polls closed. I've received the preliminary voting results from the Inspectors of Election and the preliminary voting results show that with respect to the nominees for Director, all Director nominees have been duly elected by the affirmative vote of a majority of the votes cast.

Ballot Item Number 2, the appointment of KPMG as our independent registered public accounting firm for 2020 has been ratified by the affirmative vote of approximately 96% of the votes cast.

Ballot Item Number 3, advisory vote on executive compensation has been approved on an advisory basis by the affirmative vote of approximately 93% of the votes cast.

Ballot Item Number 4, the shareholder proposal to reduce the stock ownership threshold to call a special meeting of shareholders received support of approximately 45% of the votes cast and thus did not receive enough votes to pass.

Ballot Item Number 5, the shareholder proposal for a report on sugar and public health received the support of approximately 11% of the votes cast and thus did not receive enough votes to pass.

We will report the final vote results on a Form 8-K that will be filed with the U.S. Securities and Exchange Commission within four business days. Mr. Chairman, back to you.

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

Thank you, Dave. There being no further business to come before the meeting, the formal business portion of the meeting is now adjourned. We'll now address general questions. Also joining on the line with Dave and me to answer questions are Hugh Johnston, Vice Chairman and Chief Financial Officer, and Ronald Schellekens, Executive Vice President and Chief Human Resources Officer.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Mr. Chairman, we'll begin with a few questions that we received in advance of today's meeting, and then we'll move on to the shareholder questions that are being entered today on the web portal. Please note that we'll attempt to answer as many questions during the meeting as time allows, but only questions that are germane to the meeting and in accordance with the Rules of Conduct posted on the website will be addressed. Questions and answers may be grouped by topic, and substantially similar questions will be grouped and answered all at once.

Mr. Chairman, the first question is, perhaps more of a comment -- I believe the Company has a tremendous opportunity in a world of change to communicate how PepsiCo products provide comfort, consistency and enjoyment by being there when you need us. Mr. Chairman?

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

Well, thank you for the comment. And, yes, I think one thing that makes our Company so special is that everyone in the Company from associates, executives to directors and even shareholders, are very passionate about our mission to create more smiles with every sip and every bite. And we're incredibly proud of our products. And our products create smiles for our consumers, our customers, our communities, both in good times, especially in difficult times like this. We recognize the current environment. The current moment presents an opportunity to leverage this commitment to enhance our reputation with associates, communities, consumers, customers. And going forward, we'll continue working to communicate the ways in which our Company and our products are there for most of the people when we need it most and how we create value in a broad sense to our communities.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, thank you. The next question -- With the stock performing so well, will there be a stock split in the near future?

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

We know that there are stock split options for us; it's always an option for us to do that. However, in the past, we've examined this and normally concluded that the administrative cost of executing a stock split normally outweighs the benefits in terms of potential value creation for the Company. So, we've always decided not to do it. We're not really considering this as we speak.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you. The next question -- Of our many thousands of world-class associates, as well as PepsiCo retirees, which are included and covered in these pension benefit plans and which are not? Those who may not be, why not?

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

Everywhere we operate we -- I mean, one of our priorities is to offer competitive benefit programs, so that our employees are fairly remunerated and compensated, and we attract the best talent. Pension plans are included in the PepsiCo external reporting, represent the Company's largest pension plans that are approximately 98% -- represent approximately 98% of the global defined benefit pension liabilities of the Company, so it covers most of the markets where we have these pension plans. And again, we regularly review these benefit programs to confirm that we're market competitive in our compensation and they are in line with the social security benefits that are provided in every country in which we operate. And the decision or the situation we have today is that we feel that our Company is very competitive in terms of benefits provided to our employees and the attractiveness of our packages in the marketplace.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great. The next question -- What is the next dividend information, if available? Thanks.

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

Sorry, Dave, I didn't understand.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Yes, the question reads -- What is the next dividend information, if available? Thanks. Perhaps it's a question about our quarterly dividend, which the Board approved and we actually sent a press release out just yesterday afternoon. That might be the best spot for information.

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

Yes, so -- yes, thank you. Yes, we announced that we're going to raise our dividend in the February Board and yesterday we announced the execution of that decision to increase our dividend by 7%, if I'm not mistaken.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

The next question -- Are there any new markets that you're exploring?

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

Well, we're present in almost 200 markets around the world. So, I mean, the geographical presence of the Company is pretty broad. Another question for us is, do we have the right scale in all those markets? And I've always felt that one of the key strategic opportunities for the Company is to develop the business further in international markets outside of the U.S. and that's part of the strategy. And we're consistently outgrowing our international businesses, let's call it, developing and emerging markets at about twice, a bit more than twice, the speed of growth of the developed markets. So, that strategy is being executed. We're always challenging ourselves, whether we should be growing even faster in those markets. And some of the investments that you've seen, some of the M&A and some of the investments in marketplace or in infrastructure are intended for that particular reason, to accelerate our international development where we think we have a very large opportunity to develop the per caps of our categories and to penetrate more of the households in those markets as disposable incomes become more available in markets outside of the U.S.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, thank you. The next question, I'm quoting -- Positive comment. Buenos dias, Mr. Chair, Board members and shareholders. My name is Jane C. Garcia, proxy for SER Metro Detroit and Vice Chair of Latin Americans for Social and Economic Development (LA SED), the oldest Latino advocacy agency in Southeastern Michigan. I would like to thank PepsiCo for their commitment and support of our diverse communities, nationally and locally, throughout the years. I would especially -- I would like to especially recognize the outstanding efforts of Lupe DeLaCruz and Armando Saleh during these unprecedented times. Regionally, Armando has gone above and beyond in his efforts to ensure that PepsiCo aids those truly in need of food assistance during this pandemic. We feel privileged to be stockholders of the corporation like PepsiCo that continues to prove true corporate responsibility as part of their DNA. Thank you for your time, Jane C. Garcia.

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

Buenos dias, Jane, and thank you for your comments. Clearly these comments kind of reinforce and give us even more energy to continue to be an active, positive actor in the development of some of the -- in this case, Latino communities across the U.S., but our ambitions go much broader than just Latinos, to other disadvantaged populations or communities across the world. So, thank you for your comments, and I will pass your positive comments to Lupe and Armando, and they'll be extremely happy with this recognition. Thanks.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Next question -- My name is Cory Klemmer from Domini Impact Investments. As signatories to the Climate Action 100+, we want to applaud the Company on its progress in setting and working towards its scope 1, 2 and 3 science-based targets as well as the Company's work on circularity, ecosystem health and lobbying disclosures. In this moment of crisis, thoughtful and ambitious corporate leadership is more important than ever. We look forward to PepsiCo's continued leadership in both environmental and social sustainability.

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

Thank you, Cory, and again, same comment as with Jane. It's great to see that we're getting positive feedback from some of the partners that we're doing projects with or just investors that are observing our actions and recognizing the efforts that we're making. Getting a better -- becoming a better Company, as I said in my remarks earlier and as you can see on our website or any documents that we publish, is critical to our strategy, it's critical to our values and to the purpose of all of us that work at PepsiCo. And we will -- under my leadership, don't worry, we will continue to be extremely committed to the corporate responsibility, but most importantly, to integrating the Better component of our purpose into our strategies, which is when I think we will accelerate our impact in society, given the scale of our operations and the scale of our consumer impact across the world. So thank you very much and keep supporting us in all those forums that you probably attend throughout the world.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great. Thank you, Ramon. The next question, we've received a few questions about our annual meeting and the virtual meeting, the format of the meeting. The question that I'll read -- Does management commit to an in-person annual meeting in 2021 if COVID-19 is no longer a concern?

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

Yes, like I said in my remarks earlier, I would have loved to be today in New Bern, North Carolina with our colleagues and friends and partners there versus having to do this via remote telephone call. So, it is our intent to continue to be committed to New Bern and on the birthplace of our core brand, Pepsi. And we'll see how the situation obviously is in early next year and we'll make decisions for the benefit of everybody at that time.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, the next question -- How has your supply chain been affected due to the virus? Which product lines are most affected?

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

It's a very broad impact of the COVID in our supply chain. What I would say is that our teams have reacted in an incredible way to the challenges that the COVID-restricted mobility and other situations have posed on our supply chains. The teams have created protocols very quickly to protect our employees. That was the number one priority -- make sure that we've created clear protocols and that we provided our people with protective equipment so that they can perform their roles, their duties, with our consumers and customers in the safest way.

Obviously our Company reflects, a little bit, the realities of COVID in the different geographies. So we can see that as COVID moves around the world and there is some local infections, obviously, our people in the area get infected. However, we've seen that we're able to create an ecosystem in PepsiCo that reduces substantially the infections in our people versus the general population in that particular area. So I think we're doing a good job in protecting our people and therefore protecting our supply chain, which was your question. Of course we've had some warehouses or factories impacted for a short period of time, nothing meaningful, where we obviously had to stop, clean the factory or the depot and continue. Overall, I would say our service levels have been quite good across the board and I think if you ask our customers, they would rate us, I would say, top quartile for sure and hopefully much more than that. And we're proud of how the teams have been able to achieve those results in this difficult circumstances.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

And, Ramon, we've received a few other questions on COVID-19, which I think you may have answered some of them, but let me provide three questions right now in case you wanted to answer all of them as a bucket. But let me answer the three, or ask the three. First, is there an increase in spicier snacks during the COVID-19 crisis? Second, how do you handle COVID in each country as well as a recession in each country? And third, with the COVID-19 pandemic, some major companies have drastically reduced their advertising budgets. Has PepsiCo lessened the amount of advertising it is doing?

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

Yes, I think there's a few broad topics in those questions. Let me try to address how we're thinking about the best reaction to the crisis and making sure that we continue to be competitive and a good partner to our customers. We have empowered a lot of frontline and our front leaders to make decisions during this crisis. So, if you think about our Company operating in 200 countries, the general manager in each one of those market units and in large countries like the U.S., regional units or market units, they are the leaders who are making most of the decisions. We've empowered them with a very clear framework and protocols to make what are the best decisions to keep the, first, our associates safe and our supply chains running. And that is the way we're running the Company and with clear crisis committees and clear protocols for escalations of some of the big decisions, but we tried to become much more agile, much more empowered on the frontline. And I think that served us well. In -- when I see how the Company is performing, that served us quite well. We've been able to adjust, change supply chain when needed, simplify the portfolio and make the right decisions to continue to serve our customers. So, that's -- that was a key change.

In terms of what's growing faster, I would say in beverages, it's been a journey, right? Initially it was water and was Gatorade, then it -- now in this current moment, more of confining and cocooning, then it's more CSDs, it's carbonated soft drinks -- they're growing faster -- and water, not so much. So different phases during different parts of the -- I would say, the cycle of the consumer behavior behind the pandemic.

In snacks, we're seeing good growth across all the different parts of the portfolio. So the question on spicy, I wouldn't be able to have any correlation between the virus and spicy products. Maybe there's some, but I haven't been able to figure that one out. What I'm seeing is -- what we're seeing is an increase in multi-pack, variety packs, solutions that give consumers the opportunity to have small portions consumed at home, and I guess there's more people in the household at any given time today. And I guess there are different preferences for different products. So, multi-packs and variety packs play a big role in fulfilling those needs at this given time in the -- by the family.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thanks, Ramon. Moving on from COVID-19 questions. The next question -- Pepsi is saving hundreds of thousands of dollars by not having the meeting in New Bern. Should Pepsi send a major contribution to a New Bern organization to share with the businesses and people that are losing businesses by Pepsi not attending? Thank you for supporting the citizens of New Bern. Send the coupons not given to attendees to New Bern's needy.

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

That's a good idea. I think we're -- we are -- as we said, there is a -- we've given a special contribution to the New Bern area and the -- that territory in the Carolinas. We remain committed to the city and our support for New Bern is -- will continue to be in our hearts. So, yes, a good suggestion and we've given, and we might give more if that makes sense.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Thank you. Next question -- In light of the current situation in our markets, how is PepsiCo positioned in terms of on-hand cash balances, lines of credit and other sources of cash assets?

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

Yes, maybe it's a good question for Hugh to take everybody through. Operator, would you mind opening Hugh Johnston's line?

Hugh Johnston – *PepsiCo, Inc. – Vice Chairman, Executive Vice President and Chief Financial Officer*

Hi, this is Hugh Johnston, the CFO of PepsiCo. We're actually very well positioned from a cash perspective. We actually went to the debt markets recently for two different borrowings. We have about \$9 billion on the balance sheet. And as we've gone to the debt markets, we've been able to borrow at very attractive rates and for extended terms. So we have a good amount of cash, and the markets continue to appreciate the strong cash flow and strong management and strong brands of PepsiCo. And as a result, we're well positioned from a cash and liquidity perspective.

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

Thanks, Hugh.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great. Next question, we just have a few more. Mr. Chairman, the Carpenter Union pension fund with combined assets of \$70 billion have a collective ownership position of 653,042 shares of Company common stock. As long-term shareholders, we appreciate the efforts of the Company to address the difficulties faced by employees, customers and other important stakeholders during the COVID-19 pandemic. The recent growth in the size of passive mutual funds' corporate ownership interest in U.S. corporations has been dramatic, raising important public policy and corporate governance issues. Currently BlackRock owns 7.7% and Vanguard owns 8.3% of the Company's outstanding shares. BlackRock manages assets in the Company's retirement plans. Does the Board see this growing ownership concentration of passive index fund holders as a positive or negative development as regards long-term corporate planning and performance and also are there potential conflicts of interest when a 5% holder is managing Company retirement plan assets?

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

Okay. Listen, we value all of our shareholders equally as a Company, as a management, as a Board. We work every day to make sure that in our Company, PepsiCo becomes faster, stronger, better at meeting the needs of our shareholders, our customers, our consumers, our partners, communities, and that we are more competitive than ever in the marketplace. I think that's the best way to create long-term value for our shareholders and that's how we're approaching the reality that we're operating and managing.

I think our Board has consistently demonstrated a commitment, a lasting commitment, to strong corporate governance practices and setting a very strong tone at the top of the Company, and we'll continue to do so as we continue to try to create as much shareholder and stakeholder value, no matter what is our shareholder base. And that's how I'm thinking about this situation, and I think all my Board colleagues are thinking as well.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great, thank you. Next question -- If our CEO's desire is to have employees act like owners, wouldn't it be great to make them owners?

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

That's a good question. Yes, listen, we have thousands of employees who are shareowners, including many employees in the U.S. and globally. And employees in the U.S., obviously, have the ability to invest in PepsiCo stock through their 401(k), through our employee stock ownership program. We're continuously assessing ways for connecting our employees to the performance of the Company in ways that make them feel like owners and make them behave like owners. So it is in our minds, and it is in our discussions to see how we connect remuneration of our people linked to the performance of the Company, which would make them feel as owners.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

Great. Next question -- Topic, Future Work Force. Name – Mrs. Vanessa Wimberly M.Ed. As a previous Pepsi-Cola intern (1985) and former Pepsi-Cola marketing analyst (under Joel Mesh) and promotions analyst (under Ellis Gaskill), and the founder of the Black Consumer Marketing Department at the age of 24 with the help of Dr. Naylor Fitzhugh, I am concerned about development of future engineers to meet our varied companies needs in the future. I spoke in North Carolina at a shareholder meeting concerning this topic in the past. I am still willing to assist in organizing a one-week summit with a diverse group of middle school and high school students to solve a current PepsiCo engineering dilemma using the engineering design process and several different educational industry-wide approaches. After the COVID-19 pandemic has resided (sic) [receded], would the PepsiCo Human Resources Department be willing to draw out a list of individual companies' concerns that students may use as a project focus and fund the implementation of a diverse one-week youth summit whose purpose would be to investigate and create productive engineering approaches to our Company's current dilemmas? Thank you.

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

Yes, I think it's a very good suggestion that we leverage the talent and the human capital in young people and not so young people to solve with ingenuity and creativity the problems that we'll be facing as society and companies to thrive in the future. I think we have very strong internship programs in our Company. And in the U.S., if I'm not mistaken, it's about 4,000 people that we hire every summer to work in our various parts of our Company. Engineers, there's a lot of engineers, that work in the plants, that work in the supply chain, that work even in R&D and some other parts of our Company to solve for problems. And I'm fully on board to explore all these opportunities to get PepsiCo and, I would say, any company closer to education and closer to knowledge pools, and making sure that we access knowledge pools that are beyond our walls. And that I think, from that symbiosis, there will be a lot of positive output. So, all in, we'll have our HR people reach out to you, and I'm not saying that we will follow any given idea, but I'm -- I'm all in to exploring ideas on how to support, to leverage more talent for the benefit of the Company and society, for sure.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

And we'll have time for just one more question. And the question reads, it is appreciated that you sell Pepsi and Mountain Dew with real sugar as an ingredient instead of high fructose corn syrup, which has been stated as being bad for the health of consumers. It would be great if you were to consider more of your beverages with real sugar as a sweetener.

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

Yes, I think this is -- something that we're discussing globally. Most of our products don't have -- they have sugar mostly, and so we're trying to have a consistent move towards lower sugar, as I expressed earlier, clearly a strategic focus area of the Company.

And so you will see us innovating in the way to provide consumers with really great taste experiences and lower calories. And I think that is a key strategic R&D investment for us where we continue to put substantial amount of resources, our best people and a lot of capital, because I think that is one of the clear problems to solve of our industry, provide the best tasting experiences with lower calories. And that is -- you will see us committed for that purpose during many years. And I'm proud of the solutions that we've put in the market in the last few years, and we'll continue to come out with new innovations. I've seen the pipeline of R&D products and there's great products that meet that sweet spot of great tasting, lower calories, and there will be solutions for our consumers going forward.

David Yawman – *PepsiCo, Inc. – Executive Vice President, Government Affairs, General Counsel and Corporate Secretary*

I wanted to thank everybody for their questions. We received numerous, numerous questions and any questions that we did not get to within the time constraints that we're under and that are in accordance with our Rules of Conduct will be addressed on our Company website. And, of course, if you have any other questions, please send a note to our Investor Relations team at investor@pepsico.com. And Ramon, as I turn it to you for the close, we did receive one last comment. It's not really a question but a comment that I'll just read. Being a retired PepsiCo executive, I would like to declare how proud I am with the Company and executives for the prompt action taken in Brazil and Latin America markets to minimize virus effects, showing that in spite of continuing to focus on shareholder value, we are a corporate that cares about our communities. I did receive many positive comments from customers and consumers related to that. And with that, I'll turn it back to you, Ramon, for the close.

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

Thank you. Thank you for the feedback and that makes -- it keeps us going and it keeps us super energized to take this Company to higher levels of performance, whilst being super committed to our broader role in society. So, with that, thank you to all of you for your time, and thank you for your questions and participation. I wish you and your families good health and thank you very much again.

Operator

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