



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

February 22, 2019

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: PepsiCo, Inc.

Dear Ms. Ising:

This letter is in regard to your correspondence dated February 22, 2019 concerning the shareholder proposal (the "Proposal") submitted to PepsiCo, Inc. (the "Company") by The Gun Denhart Living Trust et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its December 27, 2018 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Kasey L. Robinson
Special Counsel

cc: Conrad MacKerron
As You Sow
mack@asyousow.org

February 22, 2019

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *PepsiCo, Inc.*
Shareholder Proposal of The Gun Denhart Living Trust et al.
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

In a letter dated December 27, 2018, we requested that the staff of the Division of Corporation Finance concur that our client, PepsiCo, Inc. (the “Company”), could exclude from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders a shareholder proposal (the “Proposal”) and statements in support thereof received from As You Sow on behalf of The Gun Denhart Living Trust; Emily Scott Pottruck Revocable Trust; Merck Family Fund; Schwab Charitable Fund FBO The Resiliency Fund; Siminitus 2004 Trust; The Amy Wendel Revocable Trust; and The Nicola Miner Revocable Trust; First Affirmative Financial Network on behalf of Ann M. Testa; and Robeco; Mercy Investment Services, Inc.; and the Adrian Dominican Sisters (collectively, the “Proponents”).

Enclosed as Exhibit A is confirmation from Conrad MacKerron, dated February 21, 2019, withdrawing the Proposal on behalf of the Proponents. In reliance on this communication, we hereby withdraw the December 27, 2018 no-action request.

Please do not hesitate to call me at (202) 955-8287 or Eunice Yang, the Company’s Senior Counsel, Corporate Governance, at (914) 253-2135 if you have any questions.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Eunice Yang, Senior Counsel, Corporate Governance, PepsiCo, Inc.
Conrad MacKerron, As You Sow

EXHIBIT A



February 21, 2019

Re: Withdrawal of Shareholder Proposal submitted by *As You Sow* on behalf of The Gun Denhart Living Trust; Emily Scott Pottruck Revocable Trust; Merck Family Fund; Schwab Charitable Fund FBO The Resiliency Fund; Siminitus 2004 Trust; The Amy Wendel Revocable Trust; and The Nicola Miner Revocable Trust; First Affirmative Financial Network on behalf of Ann M. Testa; and Robeco; Mercy Investment Services, Inc.; and the Adrian Dominican Sisters (collectively, the “Proponents”)

Eunice Yang
Senior Counsel, Corporate Governance
PepsiCo, Inc.
Purchase, New York 10577

Dear Ms. Yang:

In November 2018, *As You Sow* and the proponents cited above filed a shareholder proposal with PepsiCo asking the company to issue a report describing actions taken and lessons learned to date in quest of a 50% U.S. beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

One month after the filing of the proposal, the company released a report entitled “PepsiCo’s Work to Improve Recycling in the U.S.” which took encouraging initial steps toward providing requested disclosures. While we recognize the effort taken by the company to be responsive, significant concerns remain about information not included in the report. For example, the report does not make clear that the U.S. recycling rate actually receded over the period of the commitment, and does not state Pepsi’s plans for setting increased goals, if any. We hope the additional requested data and any commitments for action can be added to the report as we continue to engage with the company.

Based on the foregoing, *As You Sow*, on behalf of the Proponents, hereby withdraws the shareholder proposal regarding a report on beverage container recycling goals submitted for inclusion in PepsiCo Inc.’s 2019 Proxy Statement. I confirm that *As You Sow* is authorized by each of the Proponents to withdraw this proposal. This action is taken with full rights to file this or a similar proposal next year.

Sincerely,

Conrad MacKerron
Senior Vice President

December 27, 2018

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *PepsiCo, Inc.*
Shareholder Proposal of The Gun Denhart Living Trust et al.
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that PepsiCo, Inc. (the “Company”) intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the “2019 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof received from As You Sow on behalf of The Gun Denhart Living Trust; Emily Scott Pottruck Revocable Trust; Merck Family Fund; Schwab Charitable Fund FBO The Resiliency Fund; Siminitus 2004 Trust; The Amy Wendel Revocable Trust; and The Nicola Miner Revocable Trust; First Affirmative Financial Network on behalf of Ann M. Testa; and Robeco; Mercy Investment Services, Inc.; and the Adrian Dominican Sisters (collectively, the “Proponents”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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THE PROPOSAL

The Proposal provides:

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

A copy of the Proposal, the supporting statement and related correspondence from the Proponent is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.

A. Rule 14a-8(i)(10) Background

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the “1983 Release”). Therefore, in 1983, the Commission adopted a revision to the rule to permit the omission of proposals that had been “substantially implemented.” 1983 Release. The 1998 amendments to the proxy rules reaffirmed this

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position. *See* Exchange Act Release No. 40018 at n.30 and accompanying text (May 21, 1998).

Applying this standard, the Staff has noted “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991). In other words, substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed the proposal’s underlying concerns and its essential objective. *See, e.g., Anheuser-Busch Cos., Inc.* (avail. Jan. 17, 2007); *ConAgra Foods, Inc.* (avail. Jul. 3, 2006); *Johnson & Johnson* (avail. Feb. 17, 2006); *Talbots Inc.* (avail. Apr. 5, 2002); *Masco Corp.* (avail. Mar. 29, 1999). Accordingly, Rule 14a-8(i)(10) permits exclusion of a shareholder proposal when a company has already substantially implemented the essential objective of the proposal, even if by means other than those specifically requested by the shareholder proponent. *See, e.g., The Procter & Gamble Co.* (avail. Aug. 4, 2010); *Wal-Mart Stores, Inc. (AFL-CIO Reserve Fund et al.)* (avail. Mar. 30, 2010). Differences between a company’s actions and a shareholder proposal are permitted as long as the company’s actions satisfactorily address the proposal’s essential objectives. *See, e.g., Exxon Mobil Corp. (Rossi)* (avail. Mar. 19, 2010).

Moreover, the Staff consistently has concurred with the exclusion of shareholder proposals requesting reports where the company already publicly disclosed the subject matter of the requested report. *See, e.g., Mondelēz International, Inc.* (avail. Mar. 7, 2014) (concurring in the exclusion of a proposal requesting a report on the human rights risks of the company’s operations and supply chain where the company had achieved the essential objective of the proposal by publicly disclosing its risk-management processes); *The Boeing Co.* (avail. Feb. 17, 2011) (concurring in the exclusion of a proposal requesting the company to assess and report on human-rights standards where the company had achieved the essential objective of the proposal through publicly available reports, risk management processes, and a code of conduct); *Caterpillar, Inc.* (avail. Mar. 11, 2008) (concurring with the company’s exclusion of a shareholder proposal requesting that the company prepare a global warming report where the company had already published a report that contained information relating to its environmental initiatives); *Wal-Mart Stores, Inc.* (avail. Mar. 10, 2008) (same); *PG&E Corp.* (avail. Mar. 6, 2008) (same); *The Dow Chemical Co.* (avail. Mar. 5, 2008) (same); *Johnson & Johnson* (avail. Feb. 22, 2008) (same). Further, as particularly relevant here, the Staff has concurred in the exclusion of shareholder proposals seeking a report when the contents of the requested report were disclosed in multiple pages on the company’s corporate website. *See, e.g., The Gap, Inc.* (avail. Mar. 16, 2001).

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B. The Company Has Substantially Implemented The Proposal Through Its Publication Of Its 2018 Recycling Report

As discussed below, the Company's actions and disclosures already substantially implement the essential objective of the Proposal, which is the issuance of a report on reducing the Company's environmental impact by describing the Company's (1) "actions taken and lessons learned to date in quest of the 50% beverage container recycling goal," and (2) "progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates."

1. The Company's Sustainability Strategy Is Overseen By The Company's Board of Directors And Its Public Policy and Sustainability Committee

The Company has a long-standing commitment to sustainability and encouraging increased recycling in the U.S. As described in the Company's 2017 Sustainability Report (the "Sustainability Report"),¹ the Company's environmental sustainability goals "aim to minimize [the Company's] environmental impact while growing [the Company's] business and helping to meet the food, beverage and natural resource needs of both [the Company's] business and our changing world."² A key part of the Company's sustainability goals are the Company's consumer packaging recycling programs and policies, which include specific programs designed to support U.S. recycling. Because sustainability issues are integral to the Company's overall business strategy, the Company's sustainability strategy and initiatives with respect to recycling and sustainable packaging of its food and beverage products are overseen by the Company's Board of Directors (the "Board") and the Board's Public Policy and Sustainability Committee (the "Sustainability Committee"). In keeping with its charter,³ the Sustainability Committee, which was created by the Board in 2017 and is comprised entirely of independent directors, assists the Board in providing more focused oversight over the Company's policies, programs and related risks concerning key public policy and sustainability matters, including the Company's sustainability goals such as its recycling and sustainable packaging efforts.

As part of the strategy overseen by the Board and the Sustainability Committee, in 2018, the Company undertook an extensive review of the Company's U.S. recycling efforts. The

¹ The Sustainability Report is available at <http://www.pepsico.com/sustainability/Sustainability-Reporting>.

² Sustainability Report at 19.

³ The charter of the Sustainability Committee is available at <http://www.pepsico.com/About/Corporate-Governance>.

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review of the Company's efforts to improve recycling in the U.S. included an in-depth analysis of the Company's past programs and results and an assessment of the lessons the Company has learned. Subsequently, based on this review, the Company released a public report on U.S. recycling initiatives titled "PepsiCo's Work to Improve Recycling in the U.S." (the "2018 Recycling Report").⁴ A copy of the 2018 Recycling Report is attached to this letter as Exhibit B. Because consumers, policymakers and other companies will benefit from better understanding the Company's recycling efforts and the related lessons the Company has learned, the Company posted the 2018 Recycling Report to a dedicated section on packaging on the Company's website in December 2018. Moreover, the full Board and the Sustainability Committee have been briefed on the Company's strategy and initiatives addressed in the 2018 Recycling Report.

2. The 2018 Recycling Report Addresses Actions Taken To Reduce The Company's Environmental Impact And The Specific Topics In The Proposal

The 2018 Recycling Report describes a variety of ways in which the Company is working to reduce the Company's environmental impact. For example, when choosing its packaging, the Company focuses on providing food safety and minimizing food waste, while simultaneously focusing on the environmental impact of the Company's packaging by "optimizing the materials used in [the Company's] packaging, continually improving [the Company's] packaging designs, and supporting increased recycling, among other environmentally-friendly approaches to packaging disposal."⁵ Taking those actions to reduce the Company's environmental impact is central to the Company's long-term goal to build "a PepsiCo where plastics need never become waste."⁶

The 2018 Recycling Report also generally reviews how the Company's focus on reducing its environmental impact has led to the development of Company-wide strategies and initiatives designed to further the Company's sustainability goals. Chief among these initiatives is the PepsiCo Recycling program, which was designed to "test new approaches to recycling and expand relations through nearly 500 programs with municipalities and commercial sites."⁷ As described in the 2018 Recycling Report, the PepsiCo Recycling program has helped recycle over 425 million bottles and cans since 2010, thereby making substantial progress toward the Company's goal to reduce the environmental impact of its operations.

⁴ The 2018 Recycling Report is available at <http://www.pepsico.com/sustainability/packaging>.

⁵ 2018 Recycling Report at 1.

⁶ *Id.*

⁷ *Id.* at 2.

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As discussed below, the 2018 Recycling Report also describes the specific topics mentioned in the Proposal, namely the Company's (a) "actions taken and lessons learned to date in quest of the 50% beverage container recycling goal," and (b) "progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates."

a. The 2018 Recycling Report Details The Actions Taken And The Lessons Learned In Pursuit Of The 50% Beverage Container Recycling Goal

As discussed in the 2018 Recycling Report, in 2010 the Company "set an objective to create partnerships that would promote the increase of the U.S. beverage container recycling rate to 50 percent by 2018."⁸ The 2018 Recycling Report details various "actions taken and lessons learned to date" in seeking to "create partnerships" that achieve this goal.

For example, the 2018 Recycling Report describes the following "actions taken" on such partnerships:

- The Company launched Recycle Rally, a Company-funded education initiative that partners with teachers and children to engage with them and educate them about recycling.⁹
- The Company "launched pilot programs to test open-space recycling in partnership in local municipalities," which have "collected more than 250,000 pounds of recyclables."¹⁰
- The Company "partnered with a few key customers in the convenience store category to leverage [] delivery routes as haulers for collected cans and bottles."¹¹

⁸ *Id.* at 3.

⁹ *See id.* at 3.

¹⁰ *Id.* at 3-4.

¹¹ *Id.* at 4.

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- The Company partnered with others as a founding member of the Closed Loop Fund, which seeks to invest \$100 million by 2020 to increase U.S. recycling rates. Already, the Fund has invested in 17 projects across the U.S. and Canada.¹²
- The Company “pursued partnerships with two NGOs in an effort to inspire increased recycling driven by positive impact messages.”¹³
- The Company partnered with the NFL to develop Rush2Recycle, which resulted in the first zero waste Super Bowl in 2018 by diverting 63 tons of game day waste from landfills.¹⁴

Moreover, the 2018 Recycling Report describes various “lessons learned” from such partnerships, including:

- Through Recycle Rally, the Company “learned about behavior change, including the success of incentives such as rewards to drive change, and the benefits of ongoing education and sustained physical locations to collect containers.”¹⁵
- The Company’s innovative effort to “partner[] with a few key customers in the convenience store category” to leverage delivery routes for the collection of beverage containers encountered “labor and resource constraints” that prevented the Company “from tak[ing] it to scale.”¹⁶
- The Company’s partnership with two NGOs “in an effort to inspire increased recycling driven by positive impact messages” resulted in “[a]n important lesson,” which was “to work with partners who have a singular focus on recycling instead of it being secondary objective.”¹⁷

¹² See *id.* at 4.

¹³ *Id.* at 4.

¹⁴ See *id.* at 4-5.

¹⁵ *Id.* at 3.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 4.

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b. The 2018 Recycling Report Describes The Company's Progress In Developing Revised Plans For Meeting Its Commitment To Leadership Actions To Help Increase U.S. Beverage Container Recycling Rates

Finally, as requested by the Proposal, the 2018 Recycling Report describes the Company's "progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. beverage container recycling rates." The Company's Performance with Purpose 2025 agenda, which the Company developed in 2016 and continues to implement, sets forth the Company's updated recycling goals: "[i]n part because U.S. recycling rates were not increasing," the Company has developed a more specific and integrated set of goals to design packaging that is 100% recyclable, compostable or biodegradable; increase to 25% the percentage of recycled plastic content used; and work with the PepsiCo Foundation to increase recycling rates.¹⁸

The Company believes that collectively these actions present a compelling blueprint for how the Company will play a leadership role in helping to achieve these recycling goals. In particular:

- When discussing the Company's "pilot programs to test open-space recycling in partnership in local municipalities," the 2018 Recycling Report notes the Company's "plan to engage more municipalities in the future, especially those in communities that have low access to recycling."¹⁹
- When discussing the Company's innovative effort to "partner[] with a few key customers in the convenience store category," the 2018 Recycling Report notes the Company's ongoing work "to leverage partnership with groups that focus on infrastructure to increase access to recycling both on-the-go and at home."²⁰
- Various actions set forth in the "2018: Investing in curbside collection and innovation" section of the 2018 Recycling Report, including a \$10 million investment in The Recycling Partnership to launch "All in On Recycling" (an important step in addressing "long-term funding" for recycling efforts as raised by the Proposal), converting "non-recyclable shrink sleeves on all 89- and 118-

¹⁸ See *id.* at 5.

¹⁹ *Id.* at 4.

²⁰ *Id.* at 4.

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ounce Tropicana labels,” joining The NaturALL Bottle Alliance and entering into a multi-year supply agreement with Loop Industries.²¹

- The “integrated set of key levers to lift recycling” set forth in the “Looking Ahead” section of the 2018 Recycling Report, including the Company’s plans to continue its sustainable packaging design by “eliminating recycling disrupters,” to use “more recycled plastic in [its] packaging . . . which sends a signal to companies that collect and process recycling that there is demand for the material and a justification to invest in better infrastructure” (which will further “develop[] domestic markets that,” according to the Proposal, “hinder efforts to increase recycling”), to build upon the Company’s existing recycling education programs, to bring more companies to the table through its existing collaborations like PepsiCo Recycling, The Recycling Partnership and Closed Loop Fund, and to work with U.S. policymakers to develop improved recycling policies and programs.²²

Thus, as in *Mondelēz*, *Boeing*, *Caterpillar* and the other precedent cited above, the Company has already addressed the essential objectives of the Proposal. As described above, the 2018 Recycling Report addresses reducing the Company’s environmental impact; describes the actions taken by the Company to increase U.S. beverage container recycling rates; describes the lessons the Company has learned to date related to its U.S. recycling initiatives; and describes the progress the Company has made in developing revised plans to help increase U.S. beverage container recycling rates. By issuing the 2018 Recycling Report and posting it on the Company’s website, the Company has substantially implemented each prong of the Proposal’s request. Accordingly, the Company has substantially implemented the Proposal, and it may be excluded from the 2019 Proxy Materials in reliance on Rule 14a-8(i)(10).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further

²¹ *Id.* at 5-6.

²² *See id.* at 6-8.

GIBSON DUNN

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assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Eunice Yang, the Company's Senior Counsel, Corporate Governance, at (914) 253-2135.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Eunice Yang, Senior Counsel, Corporate Governance, PepsiCo, Inc.
Conrad MacKerron, As You Sow
Holly A. Testa, First Affirmative Financial Network, LLC
Kenneth Robertson, Robeco
Caroline Boden, Mercy Investment Services, Inc.

EXHIBIT A

From: Kwan Hong Teoh [mailto:Kwan@asyousow.org]
Sent: Tuesday, November 13, 2018 6:52 PM
To: Yang, Eunice {PEP}; SPA - PepsiCo Investor Relations
Cc: Conrad MacKerron
Subject: PEP Shareholder Resolution (1 of 2) - ATTN: Corp. Sec.

Dear Mr. Yawman,

Please find enclosed a shareholder proposal requesting a report on beverage container recycling goals for inclusion in PepsiCo's 2019 proxy statement. A paper copy will be sent via FedEx for delivery before the end of the week. *As You Sow* intends to file two separate resolutions with PepsiCo on behalf of two different groups of shareholders. An email submission of the second resolution is forthcoming.

Confirmation of receipt of this email would be appreciated.

Best Regards,
Kwan

Kwan Hong Teoh
Environmental Health Program
Research Manager

As You Sow

1611 Telegraph Ave., Ste. 1450

Oakland, CA 94612

(510) 7 47 (direct line) | (605) 651-5517 (cell)

kwan@asyousow.org | www.asyousow.org

~Building a Safe, Just and Sustainable World since 1992~



VIA EMAIL and FEDEX

November 13, 2018

Dave Yawman
Vice President, Government Affairs,
General Counsel, and Corporate Secretary
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

RE: Shareholder Proposal – Report on Beverage Container Recycling Goals

Dear Mr. Yawman:

As You Sow is a non-profit organization whose mission is to promote long-term shareholder value through corporate responsibility. We have participated in shareholder dialogues for many years with PepsiCo on beverage container recycling. *As You Sow* withdrew a shareholder proposal in 2010 after the company made a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. The current recycling rate for such containers is 36%, which is 2% lower than in 2010, so clearly the company's efforts have not been successful. We urged the company in recent dialogue to utilize lessons learned in recent years to develop a more transparent and comprehensive revised plan for how to meet a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling. Further, the company has not kept stakeholders informed on its progress. It has reported publicly just once over an eight-year period. There is no longer any mention of the commitment on the Pepsi website or in the CSR report. We believe we have been extremely patient in waiting for substantive results.

Therefore, with regret, we are filing a shareholder proposal on Beverage Container Recycling goals and on behalf of The Gun Denhart Living Trust ("Proponent"), a shareholder of PepsiCo, Inc., for action at the next annual meeting of PepsiCo. Proponent submits the enclosed shareholder proposal for inclusion in PepsiCo's 2019 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are hopeful that continued dialogue with the company can result in resolution of our concerns and withdrawal of the proposal. To schedule a dialogue, please contact Conrad MacKerron, Senior VP at mack@asyousow.org.

Sincerely,



Conrad MacKerron
Senior Vice President

Enclosures

- Shareholder Proposal
- Shareholder Authorization

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% **lower** than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

11/3/2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

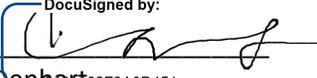
Dear Andrew Behar,

The undersigned (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with PepsiCo Inc. (the "Company"), relating to container recycling goals, and that it be included in the Company's 2019 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:

Gun Denhart
Trustee
The Gun Denhart Living Trust



VIA EMAIL and FEDEX

November 13, 2018

Dave Yawman
Vice President, Government Affairs,
General Counsel, and Corporate Secretary
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

RE: Shareholder Proposal – Report on Beverage Container Recycling Goals

Dear Mr. Yawman:

As You Sow is co-filing a shareholder proposal on Beverage Container Recycling goals and on behalf of the following PepsiCo, Inc. shareholders for action at the next annual meeting of PepsiCo:

- Emily Scott Pottruck Revocable Trust
- Merck Family Fund
- Schwab Charitable Fund FBO The Resiliency Fund
- Siminitus 2004 Trust
- The Amy Wendel Revocable Trust
- The Nicola Miner Revocable Trust

The Proponent has submitted the enclosed shareholder proposal for inclusion in the 2019 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

Please note that *As You Sow* also represents the lead filer of this proposal, The Gun Denhart Living Trust.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

Sincerely,

Conrad MacKerron
Senior Vice President

Enclosures

- Shareholder Proposal
- Shareholder Authorizations

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% **lower** than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

MFF

October 29, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

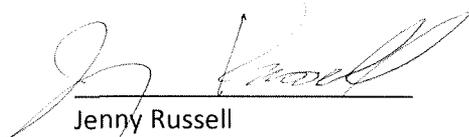
Dear Andrew Behar,

The undersigned (the "Stockholder") authorizes As You Sow to file or cofile shareholder resolutions on Stockholder's behalf with PepsiCo Inc. (the "Company"), relating to GMOs & Pesticides, and Consumer Packaging, and that it be included in the Company's 2019 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,



Jenny Russell
Executive Director
Merck Family Fund

October 30, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Emily Scott Pottruck Revocable Trust
Company: PepsiCo, Inc.
Resolution Request: Container Recycling Goals

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:

0A7560D89BFG4ED...
Emily Scott Pottruck

Trustee
Emily Scott Pottruck Revocable Trust

October 17, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to co-file a shareholder resolution on the Stockholder’s behalf with below mentioned Company, and that it be included in below mentioned Company’s 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Siminitus 2004 Trust DTD 4/7/2004

Company: PepsiCo, Inc

Resolution Request: Container Recycling Goals

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company’s annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder’s behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:
Vince Siminitus
9A0EB1E3267E4DC...
Vincent Siminitus
Trustee
Siminitus 2004 Trust DTD 4/7/2004

DocuSigned by:
Jacquelyn Siminitus
31DC1012DACB4F6...
Jacquelyn Siminitus
Trustee
Siminitus 2004 Trust DTD 4/7/2004

October 30, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to co-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: Schwab Charitable Fund FBO The Resiliency Fund

Company: epsiCo, Inc.

Resolution Request: Container Recycling Goals

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:

39590213F37D495...
Jen Hicks on behalf of Wetherby Asset Management

Authorized Discretionary Advisor
Schwab Charitable Fund FBO The Resiliency Fund

October 26, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to co-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: The Am Wendel Revocable Trust

Company: epsiCo, Inc.

Resolution Request: Container Recycling Goals

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

Sincerely,

DocuSigned by:

25BB9E974DA9455...
Daniel Meisel

Trustee
The Am Wendel Revocable Trust

October 29, 2018

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned Stockholder authorizes As You Sow to file or co-file a shareholder resolution on the Stockholder's behalf with below mentioned Company, and that it be included in below mentioned Company's 2019 proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

Stockholder: The Nicola Miner Revocable Trust DTD 02/19/1999
Company: epsiCo, Inc.
Resolution Request: Container Recycling Goals

The Stockholder has continuously owned over \$2,000 worth of stock of the above mentioned Company, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2019.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder.

The Stockholder understands that the Stockholder's name may appear on the Company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:

A4E00301457E4E8...
Karen Leech

Special Power of Attorney
The Nicola Miner Revocable Trust DTD 02/19/1999

From: Yang, Eunice {PEP} <Eunice.Yang@pepsico.com>
Sent: Wednesday, November 21, 2018 2:38 PM
To: 'mack@asyousow.org'
Cc: Nastanski, Cynthia {PEP}; Lee, Alicia {PEP}
Subject: PepsiCo
Attachments: PepsiCo (11-21-2018).pdf

Dear Mr. MacKerron,

I am writing on behalf of PepsiCo, Inc., which received on November 13, 2018, the shareholder proposal you submitted on behalf of The Gun Denhart Living Trust; Emily Scott Pottruck Revocable Trust; Merck Family Fund; Schwab Charitable Fund FBO The Resiliency Fund; Siminitus 2004 Trust; The Amy Wendel Revocable Trust; and The Nicola Miner Revocable Trust. Please see the attached letter, which we also sent to you today by UPS overnight mail.

Best regards,
Eunice

Eunice Yang
Senior Counsel, Corporate Governance
PepsiCo, Inc.
700 Anderson Hill Road | Purchase | New York | 10577 | USA
Tel: 914-253-2135
eunice.yang@pepsico.com



PEPSICO



Tropicana



700 Anderson Hill Road Purchase, New York 10577 www.pepsico.com

EUNICE YANG
SENIOR COUNSEL, CORPORATE GOVERNANCE
Tel: 914-253-2135
eunice.yang@pepsico.com

November 21, 2018

VIA OVERNIGHT MAIL AND EMAIL

Conrad MacKerron
Senior Vice President
As You Sow
1611 Telegraph Ave., Suite 1450
Oakland, CA 94612
mack@asyousow.org

Dear Mr. MacKerron:

I am writing on behalf of PepsiCo, Inc. (the “Company”), which received on November 13, 2018, the shareholder proposal you submitted on behalf of The Gun Denhart Living Trust; Emily Scott Pottruck Revocable Trust; Merck Family Fund; Schwab Charitable Fund FBO The Resiliency Fund; Siminitus 2004 Trust; The Amy Wendel Revocable Trust; and The Nicola Miner Revocable Trust (each a “Proponent” and, collectively, the “Proponents”) pursuant to Securities and Exchange Commission (“SEC”) Rule 14a-8 for inclusion in the proxy statement for the Company’s 2019 Annual Meeting of Shareholders (the “Proposal”).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company’s shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company’s stock records do not indicate that the Proponents are the record owners of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that the Proponents have satisfied Rule 14a-8’s ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, each Proponent must submit sufficient proof of the Proponent’s continuous ownership of the required number or amount of Company shares for the one-year period preceding and including November 13, 2018, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 13, 2018; or
- (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent’s ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If any Proponent intends to demonstrate ownership by submitting a written statement from the “record” holder of the Proponent’s shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent’s broker or bank is a DTC participant by asking the Proponent’s broker or bank or by checking DTC’s participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If the Proponent’s broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent’s broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 13, 2018.
- (2) If the Proponent’s broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 13, 2018. You should be able to find out the identity of the DTC participant by asking the Proponent’s broker or bank. If the Proponent’s broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent’s shares is not able to confirm the Proponent’s individual holdings but is able to confirm the holdings of the Proponent’s broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period

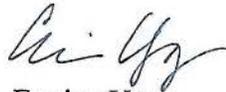
Mr. MacKerron, As You Sow
November 21, 2018
Page 3

preceding and including November 13, 2018, the required number or amount of Company shares were continuously held: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 700 Anderson Hill Road, Purchase, NY 10577. Alternatively, you may transmit any response by email to me at eunice.yang@pepsico.com.

If you have any questions with respect to the foregoing, please contact Cynthia Nastanski at (914) 253-3271 or me at (914) 253-2135. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,



Eunice Yang
Senior Counsel, Corporate Governance

Enclosures

cc: Cynthia Nastanski, Senior Vice President, Corporate Law and Deputy Corporate Secretary

From: UPS Quantum View <pkginfo@ups.com>
Sent: Monday, November 26, 2018 12:39 PM
To: Yang, Eunice {PEP}
Subject: UPS Delivery Notification, Tracking Number



Your package has been delivered.

Delivery Date: Monday, 11/26/2018
Delivery Time: 09:35 AM

At the request of PEPSICO-CORPORATE LAW this notice alerts you that the status of the shipment listed below has changed.

Shipment Detail

Tracking Number:

Ship To:

Conrad MacKerron
As You Sow
1611 TELEGRAPH AVE
ROOM 1450
OAKLAND, CA 94612
US

UPS Service:

UPS NEXT DAY AIR

Number of Packages:

1

Shipment Type:

Letter

Delivery Location:

RECEPTION
CHO



Hundreds of deals & offers,
updated daily.

START SAVING NOW >

UPS My Choice

Error!
Hyperlink
reference
not valid.

[Download the UPS mobile app](#)

From: Kwan Hong Teoh <Kwan@asyousow.org>
Sent: Tuesday, December 4, 2018 10:47 PM
To: Yang, Eunice {PEP}
Cc: Danielle Fugere; Conrad MacKerron
Subject: PEP - Shareholder Resolution - Recycling
Attachments: 19.PEP.2 Proofs of Ownership.pdf

Dear Ms. Yang,

We are in receipt of your letter issued November 21, 2018 alleging notice of a deficiency in our November 14, 2018 letter transmitting a proposal regarding the report on container recycling goals for inclusion on the Company's 2019 proxy. In response to the cited deficiency, we enclose proof of ownership letters establishing the proponent's and co-filers' ownership of the Company's common stock in the requisite amount and in the time frame necessary to meet eligibility requirements.

SEC Rule 14a-8(f) requires a company to provide notice of specific deficiencies in a shareholder's proof of eligibility to submit a proposal. We therefore request that you notify us if you identify any deficiencies in the enclosed documentation.

Please confirm receipt of this correspondence. Thank you

Sincerely,
Kwan Hong

Kwan Hong Teoh
Environmental Health Program
Research Manager

As You Sow

1611 Telegraph Ave., Ste. 1450

Oakland, CA 94612

(510) 735-8147 (direct line) | (605) 651-5517 (cell)

kwon@asyousow.org | www.asyousow.org

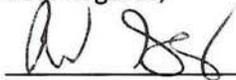
~Building a Safe, Just and Sustainable World since 1992~

November 27, 2018

Gun Denhart:

National Financial Services, a DTC participant, acts as the custodian for The Gun Denhart Living Trust. As of the date of this letter, The Gun Denhart Living Trust held, and has held continuously for at least 395 days, 37 shares of PepsiCo Inc. common stock.

Best Regards,

A handwritten signature in black ink, appearing to read "Allen Servais", written over a horizontal line.

Allen Servais
Client Service Manager
Fidelity Family Office



BNY MELLON | PERSHING

One Pershing Plaza
Jersey City, NJ 07399
pershing.com

November 1, 2018

Parametric Portfolio Associates
Att: Quinn Cristofferson
1918 Eight Avenue, Ste# 3100
Seattle, WA 98101

RE: Merck Family Fund

Pershing Advisor Solutions LLC, clearing through Pershing LLC, a DTC participant, acts as the custodian for the Merck Family Fund. As of the date of this letter, the Merck Family Fund held, and has held continuously for at least 395 days, 750 shares of PepsiCo (PEP) common stock.

Best Regards,

Joe Tarallo
Vice President
Lead Manager, Client Services



December 3, 2018

EMILY SCOTT POTTRUCK REV TRUST

Account number ending in:

****_* ***

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important information regarding shares in your account.

Dear Emily Scott-Pottruck,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 153 shares of Pepsico PEP common stock. These shares have been held in the account continuously for at least one year prior to and including November 16, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Jason Almquist
Sr. Specialist, Institutional
IST/STAR PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85050

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").



December 3, 2018

THE AMY WENDEL REVOCABLE TRUST

Account number ending in:

****_* ***

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important information regarding shares in your account.

Dear Amy Wendel and Daniel Meisel,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 189 shares of Pepsico PEP common stock. These shares have been held in the account continuously for at least one year prior to and including November 16, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Jason Almquist
Sf. Specialist, Institutional
IST/STAR PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85050

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").



December 3, 2018

NICOLA MINER REVOCABLE TRUST

Account number ending in:

****_* **

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important information regarding shares in your account.

Dear Nicola Miner,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 575 shares of Pepsico PEP common stock. These shares have been held in the account continuously for at least one year prior to and including November 16, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Jason Almquist
Sr. Specialist, Institutional
IST/STAR PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85050

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").



December 3, 2018

SIMINITUS 2004 TRUST

Account number ending in:

****- **

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important information regarding shares in your account.

Dear Jacquelyn Siminitus and Vincent Siminitus,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 124 shares of Pepsico PEP common stock. These shares have been held in the account continuously for at least one year prior to and including November 16, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Jason Almquist
Sr. Specialist, Institutional
IST/STAR PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85050

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").



December 3, 2018

SCHWAB CHARITABLE FUND EMILY SCOTT-POTTRUCK DONOR

Account number ending in:

****_****

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important information regarding shares in your account.

Dear Schwab Charitable Fund,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 112 shares of Pepsico PEP common stock. These shares have been held in the account continuously for at least one year prior to and including November 16, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Jason Almquist
Sr. Specialist, Institutional
IST/STAR PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85050

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

From: Robertson, Kenneth [mailto:k.robertson@robeco.nl]
Sent: Friday, November 16, 2018 11:54 AM
To: Yang, Eunice {PEP}
Cc: Dykstra, Robert
Subject: For attention of the Company Secretary: Shareholder proposal co-filing letter: Plastic Waste

Dear Eunice,

Robeco is a global asset manager, based in Rotterdam, The Netherlands with EUR 167 Billion Assets under management. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, similar to the way we look at other drivers such as company financials or market momentum. From an investment perspective, we believe considering material Environmental, Social and Governance (ESG) factors strengthens our investment process and ultimately leads to a better-informed investment decision. Robeco has been a long term beneficial owner of shares of PepsiCo.

As a shareholder, we are concerned about the environmental risks created by plastic waste and the actions the company is taking to mitigate these risks. PepsiCo bears particular exposure to these specific risks

Robeco is filing the enclosed shareholder proposal entitled, for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Robeco has been a shareholder continuously for more than one year holding at least \$2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual General Meeting to move the resolution as required by SEC rules. The verification of ownership is being sent to you separately by our custodian, a DTC participant. For reference, a copy is also attached to this letter. As You Sow is serving as the lead filer on this proposal.

We are filing this proposal today, because of the impending deadline for proposals. It is our preference to resolve our concerns through dialogue rather than the formal resolution process. We commend the company for its openness in the past to dialogue with many of its investors and we look forward to having further productive conversations with the company in the coming months.

If you have any questions, please do not hesitate to contact me

Kind regards,
Kenny

ROBECO

Kenneth Robertson

Active Ownership Specialist, Active Ownership
Weena 850, 3014 DA Rotterdam, The Netherlands

Email: k.robertson@robeco.nl

Tel: +31 10 224 3122, Mobile: +31625700204

robeco.com



--- The information contained in this communication is confidential and may be legally privileged. It is intended solely for the use of the individual or entity to whom it is addressed and others authorized to receive it. If you are not the intended recipient you are hereby notified that any disclosure, copying, distribution or taking any action in relation to the contents of this information is strictly prohibited and may be unlawful. Neither the sender nor the represented institution are liable for the correct and complete transmission of the contents of an e-mail, or for its timely receipt. Robeco Institutional Asset Management BV is registered with the Chamber of Commerce under: 24123167. ---

Page 1 of 2

PepsiCo, Inc.
Attn: Dave Yawman, Executive Vice President,
Executive Vice President, Government Affairs,
General Counsel and Corporate Secretary
700 Anderson Hill Road, Purchase,
NY 10577

16 November 2018

Dear Mr. Yawman,

Robeco is a global asset manager, based in Rotterdam, The Netherlands with EUR 167 Billion Assets under management. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, similar to the way we look at other drivers such as company financials or market momentum. From an investment perspective, we believe considering material Environmental, Social and Governance (ESG) factors strengthens our investment process and ultimately leads to a better-informed investment decision. Robeco has been a long term beneficial owner of shares of PepsiCo.

As a shareholder, we are concerned about the environmental risks created by plastic waste and the actions the company is taking to mitigate these risks. PepsiCo bears particular exposure to these specific risks

Robeco is filing the enclosed shareholder proposal entitled, for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Robeco has been a shareholder continuously for more than one year holding at least \$2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual General Meeting to move the resolution as required by SEC rules. The verification of ownership is being sent to you separately by our custodian, a DTC participant. For reference, a copy is also attached to this letter. As You Sow is serving as the lead filer on this proposal.

We are filing this proposal today, because of the impending deadline for proposals. It is our preference to resolve our concerns through dialogue rather than the formal resolution process. We commend the company for its openness in the past to dialogue with many of its investors and we look forward to having further productive conversations with the company in the coming months.

If you have any questions, please do not hesitate to contact my colleague Kenneth Robertson at k.robertson@robeco.nl

Yours faithfully,

A handwritten signature in black ink, appearing to be 'CL', written over a large, stylized, circular scribble.

Carola van Lamoen
Head of Active Ownership
Weena 850, 3014 DA Rotterdam, The Netherlands

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% **lower** than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

Nortrust Nominees Ltd
50 Bank Street
Canary Wharf,
London,
E14 5NT



NORTHERN
TRUST

PepsiCo, Inc.

Attn: Dave Yawman, Executive Vice President, Executive Vice President, Government
Affairs, General Counsel and Corporate Secretary
700 Anderson Hill Road, Purchase,
NY10577-1444

16/11/2018

Dear Mr. Yawman,

This letter will certify that as of November 16th 2018, Northern Trust Corporation held
for the beneficial interest of Robeco Institutional Umbrella Fund, 18,951 shares of
PepsiCo Inc.

We confirm that Robeco Institutional Umbrella Fund has beneficial ownership of at least
\$2,000 in market value of the voting securities of PepsiCo Inc and that such beneficial
ownership has existed continuously for one or more years in accordance with Rule 14a-8
(a)(1) of the Securities Exchange Act of 1934.

Further, it is Robeco Institutional Umbrella Fund, intent to hold at least \$2,000 in market
value through to the next annual meeting.

Please be advised, Northern Trust Corporation is a DTC participant, whose DTC number
is 2669.

Please confirm safe receipt of instruction and confirm once actioned.

Should you have any questions please contact us at GFSCST@ntrs.com.

Kind regards,

Christine Haren
GFS Custody Servicing - EMEA

Head Office: 50 South LaSalle Street, Chicago, Illinois 60675 U.S.A.

Incorporated with limited liability in the U.S. Registered as a branch in the United Kingdom. Branch No. BR001960.

FSA Regulated

NTAC:3NS-20



Investing for a Sustainable Future

November 14, 2018

Dave Yawman
Vice President, Government Affairs, General Counsel, and Corporate Secretary
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Dear Mr. Yawman:

First Affirmative Financial Network, LLC is a United States based investment management firm with more than one billion in assets under management or administration. PepsiCo, Inc. common stock is a portfolio holding for many of our clients.

First Affirmative joins lead filer As You Sow to file the enclosed shareholder resolution that addresses beverage container recycling. We file this resolution on behalf of our client Ann M. Testa. We support the inclusion of this proposal in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Ms. Testa holds more than \$2,000 of PepsiCo common stock, acquired more than one year prior to date of this filing and held continuously for that time. Ms. Testa intends to remain invested in this position through the date of the 2019 annual meeting.

Verification of ownership from DTC participant custodian Folio Institutional (Foliofn Investments, Inc.) can be provided upon request. As You Sow is authorized to negotiate on our behalf, to include withdrawing this resolution.

Sincerely,

Holly A. Testa
Director, Shareowner Engagement
First Affirmative Financial Network
350 Ward Ave., Suite 106-18
Honolulu, HI 96814 – 4004
703-245-5840 Office/303-641-5190 Cell
hollytesta@firstaffirmative.com

Enclosures: resolution, letter of authorization

Authorization and Agent Appointment of First Affirmative

I/we do hereby authorize First Affirmative Financial Network, LLC, acting through its officers and employees (collectively "First Affirmative") to represent me/us, as our agent, to file this "shareholder proposal" as defined by the U.S. Securities and Exchange Commission ("SEC") in SEC Rule 14a-8 at the next annual meeting. This authority and agent appointment includes:

- The submission, negotiation and withdrawal of my/our shareholder proposal, including statements in support of such shareholder proposal.
- Requesting Letters of Verification from custodians that I/we hold the requisite number of securities of the company to be eligible to submit the shareholder proposal.
- Issuing a Letter of Intent to the company of my/our intent to hold my/our securities required for eligibility to submit the shareholder proposal through the meeting for such shareholder proposal.
- Attending, speaking, and presenting my/our shareholder proposal at the shareholder meeting.
- Should a meeting be rescheduled and re-solicitation is not required, this authorization will apply to a re-convened meeting as well.

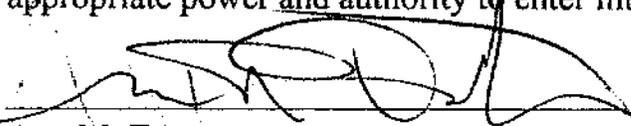
Please dialogue constructively with First Affirmative, promptly act upon their communications and instructions related to the shareholder proposal and direct all correspondence and questions regarding the above to First Affirmative.

Statement of Intent to First Affirmative,

In order for First Affirmative to act as my/our agent in a Letter of Intent, I/we do hereby affirmatively state an intent to First Affirmative to continue to hold a sufficient value of the company's securities, as defined within SEC Rule 14a-8(b)(1), from the time the shareholder proposal is filed at that company through the date of the subsequent related meeting of shareholders.

Should this authorization be rescinded in writing, First Affirmative is not required to take any action with respect to a pending shareholder proposal.

The undersigned hereby represent that I/we (whether individually, jointly, or organizationally) hold all appropriate power and authority to enter into this Shareholder Engagement Authorization.


Ann M. Testa

11/12/18
Date

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% **lower** than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

From: Yang, Eunice {PEP} <Eunice.Yang@pepsico.com>
Sent: Wednesday, November 21, 2018 2:13 PM
To: hollytesta@firstaffirmative.com
Cc: Nastanski, Cynthia {PEP}; Lee, Alicia {PEP}
Subject: PepsiCo
Attachments: PepsiCo (11-21-2018).pdf

Dear Ms. Testa,

I am writing on behalf of PepsiCo, Inc., which received on November 16, 2018, the shareholder proposal you submitted on behalf of Ann M. Testa. Please see the attached letter, which we also sent to you today by UPS overnight mail.

Best regards,
Eunice

Eunice Yang
Senior Counsel, Corporate Governance
PepsiCo, Inc.
700 Anderson Hill Road | Purchase | New York | 10577 | USA
Tel: 914-253-2135
eunice.yang@pepsico.com



PEPSICO



Tropicana



700 Anderson Hill Road Purchase, New York 10577 www.pepsico.com

EUNICE YANG
SENIOR COUNSEL, CORPORATE GOVERNANCE
Tel: 914-253-2135
eunice.yang@pepsico.com

November 21, 2018

VIA OVERNIGHT MAIL AND EMAIL

Holly A. Testa
Director, Shareholder Engagement
First Affirmative Financial Network
350 Ward Ave., Suite 106-18
Honolulu, HI 96814-4004
hollytesta@firstaffirmative.com

Dear Ms. Testa:

I am writing on behalf of PepsiCo, Inc. (the “Company”), which received on November 16, 2018, the shareholder proposal you submitted on behalf of Ann M. Testa (the “Proponent”) pursuant to Securities and Exchange Commission (“SEC”) Rule 14a-8 for inclusion in the proxy statement for the Company’s 2019 Annual Meeting of Shareholders (the “Proposal”).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Your correspondence did not include sufficient documentation demonstrating that you had the legal authority to submit the Proposal on behalf of the Proponent as of the date the Proposal was submitted (November 14, 2018). In Staff Legal Bulletin No. 14I (Nov. 1, 2017) (“SLB 14I”), the SEC’s Division of Corporation Finance (“Division”) noted that proposals submitted by proxy, such as the Proposal, may present challenges and concerns, including “that shareholders may not know that proposals are being submitted on their behalf.” Accordingly, in evaluating whether there is a basis to exclude a proposal under the eligibility requirements of Rule 14a-8(b), as addressed below, SLB 14I states that in general the Division would expect any shareholder who submits a proposal by proxy to provide documentation to:

- identify the shareholder-proponent and the person or entity selected as proxy;
- identify the company to which the proposal is directed;
- identify the annual or special meeting for which the proposal is submitted;
- identify the specific proposal to be submitted (e.g., proposal to lower the threshold for calling a special meeting from 25% to 10%); and
- be signed and dated by the shareholder.

The documentation that you provided with the Proposal raises the concerns referred to in SLB 14I. Specifically, the Proposal raises the concerns referred to in SLB 14I because the documentation from the Proponent purporting to authorize you to act on the Proponent's behalf does not identify the company to which the proposal is directed. To remedy this defect, the Proponent should provide documentation that confirms that as of the date you submitted the Proposal, the Proponent had instructed or authorized you to submit the specific proposal to the Company on the Proponent's behalf. The documentation should identify the company to which the proposal is directed.

In addition, Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. The Company's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof that the Proponent has satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, the Proponent must submit sufficient proof of the Proponent's continuous ownership of the required number or amount of Company shares for the one-year period preceding and including November 14, 2018, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 14, 2018; or
- (2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent's ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the required number or amount of Company shares for the one-year period.

If the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of the Proponent's shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent's broker or bank is a DTC participant by asking the Proponent's broker or bank or by checking DTC's participant list,

which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent's broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 14, 2018.
- (2) If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including November 14, 2018. You should be able to find out the identity of the DTC participant by asking the Proponent's broker or bank. If the Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including November 14, 2018, the required number or amount of Company shares were continuously held: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 700 Anderson Hill Road, Purchase, NY 10577. Alternatively, you may transmit any response by email to me at eunice.yang@pepsico.com.

If you have any questions with respect to the foregoing, please contact Cynthia Nastanski at (914) 253-3271 or me at (914) 253-2135. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,



Eunice Yang
Senior Counsel, Corporate Governance

Enclosures

cc: Cynthia Nastanski, Senior Vice President, Corporate Law and Deputy Corporate Secretary

From: UPS Quantum View <pkginfo@ups.com>
Sent: Monday, November 26, 2018 4:03 PM
To: Yang, Eunice {PEP}
Subject: UPS Delivery Notification, Tracking Number



Your package has been delivered.

Delivery Date: Monday, 11/26/2018
Delivery Time: 10:48 AM

At the request of PEPSICO-CORPORATE LAW this notice alerts you that the status of the shipment listed below has changed.

Shipment Detail

Tracking Number:

Ship To:

Holly A. Testa
First Affirmative Financial Network
350 WARD AVE
ROOM 106
HONOLULU, HI 96814
US

UPS Service:

UPS NEXT DAY AIR

Number of Packages:

1

Shipment Type:

Letter

Delivery Location:

OFFICE
UMIAMAKA



Hundreds of deals & offers,
updated daily.

START SAVING NOW >

UPS My Choice

Error!
Hyperlink
reference
not valid.

[Download the UPS mobile app](#)

From: Holly Testa <htesta@firstaffirmative.com>
Sent: Monday, November 26, 2018 3:15 PM
To: Yang, Eunice {PEP}
Cc: Nastanski, Cynthia {PEP}; Lee, Alicia {PEP}
Subject: Re: PepsiCo
Attachments: PEP Testa Folio verif 2018.pdf; Testa Pepsico POA 2018.jpg

Dear Ms. Yang,

In response to your 11/21/2018 letter, please find attached a letter from DTC custodian Folio Institutional verifying share ownership of our client.

I have reattached the authorization letter that was sent with the original submission. I am wondering if the top of the document was cut off inadvertently-In the preview block you cannot see the top two lines, but they are clearly visible when you open the file.

Please confirm with me that this attached forms are acceptable. If necessary I can print off a copy and fax it to you.

Thank you.

Holly A. Testa
Director, Shareowner Engagement
First Affirmative Financial Network

350 Ward Ave., Suite 106-18
Honolulu, HI 96814 – 4004
703-245-5840

303-641-5190 Cell

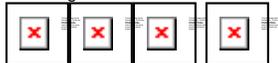
hollytesta@firstaffirmative.com

*Please plan to join us for **The SRI Conference** – on Sustainable, Responsible, and Impact (SRI) Investing **November 11-15, 2019**. This 30th Annual SRI Conference will be at The Broadmoor in Colorado Springs. Hoping to see you there! See www.sriconference.com for more information. And join the conversation at #SRIC2019 and @SRIconference on Twitter!*

www.SRIconference.com

www.firstaffirmative.com

First Affirmative Financial Network, LLC is an independent Registered Investment Advisor (SEC File #801-56587) and [Certified B Corporation](#) specializing in sustainable, responsible, impact (SRI) investing. This e-mail is intended for the individual or entities named as recipients of this message. If you are not intended recipient of this message, please notify the sender immediately and delete the material from any computer. Do not deliver, distribute, or copy this message, and to not disclose its contents or take any action in reliance on the information it contains. Thank you.



From: Yang, Eunice {PEP} <Eunice.Yang@pepsico.com>

Sent: Wednesday, November 21, 2018 9:12:43 AM

To: Holly Testa

Cc: Nastanski, Cynthia {PEP}; Lee, Alicia {PEP}

Subject: PepsiCo

Dear Ms. Testa,

I am writing on behalf of PepsiCo, Inc., which received on November 16, 2018, the shareholder proposal you submitted on behalf of Ann M. Testa. Please see the attached letter, which we also sent to you today by UPS overnight mail.

Best regards,

Eunice

Eunice Yang

Senior Counsel, Corporate Governance

PepsiCo, Inc.

700 Anderson Hill Road | Purchase | New York | 10577 | USA

Tel: 914-253-2135

eunice.yang@pepsico.com

This email has been scanned by the Symantec Email Security.cloud service.

For more information please visit <http://www.symanteccloud.com>

SHAREHOLDER ENGAGEMENT AUTHORIZATION

COMPANY NAME: PEPSICO

SHAREHOLDER PROPOSAL: REPORT ON COMMITMENTS TO INCREASE PLASTIC RECYCLING RATES

Authorization and Agent Appointment of First Affirmative

I/we do hereby authorize First Affirmative Financial Network, LLC, acting through its officers and employees (collectively "First Affirmative") to represent me/us, as our agent, to file this "shareholder proposal" as defined by the U.S. Securities and Exchange Commission ("SEC") in SEC Rule 14a-8 at the next annual meeting. This authority and agent appointment includes:

- The submission, negotiation and withdrawal of my/our shareholder proposal, including statements in support of such shareholder proposal.
- Requesting Letters of Verification from custodians that I/we hold the requisite number of securities of the company to be eligible to submit the shareholder proposal.
- Issuing a Letter of Intent to the company of my/our intent to hold my/our securities required for eligibility to submit the shareholder proposal through the meeting for such shareholder proposal.
- Attending, speaking, and presenting my/our shareholder proposal at the shareholder meeting.
- Should a meeting be rescheduled and re-solicitation is not required, this authorization will apply to a re-convened meeting as well.

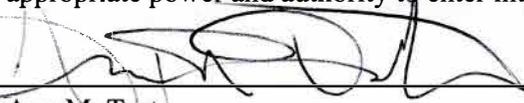
Please dialogue constructively with First Affirmative, promptly act upon their communications and instructions related to the shareholder proposal and direct all correspondence and questions regarding the above to First Affirmative.

Statement of Intent to First Affirmative,

In order for First Affirmative to act as my/our agent in a Letter of Intent, I/we do hereby affirmatively state an intent to First Affirmative to continue to hold a sufficient value of the company's securities, as defined within SEC Rule 14a-8(b)(1), from the time the shareholder proposal is filed at that company through the date of the subsequent related meeting of shareholders.

Should this authorization be rescinded in writing, First Affirmative is not required to take any action with respect to a pending shareholder proposal.

The undersigned hereby represent that I/we (whether individually, jointly, or organizationally) hold all appropriate power and authority to enter into this Shareholder Engagement Authorization.



Ann M. Testa

11/12/18

Date

November 26, 2018

Dave Yawman
Vice President, Government Affairs, General Counsel, and Corporate Secretary
PepsiCo, Inc.
700 Anderson Hill Road
Purchase, New York 10577

Dear Mr. Yawman:

This letter serves as documentation that Foliofn Investments, Inc. acts as the custodian for First Affirmative Financial Network, LLC (First Affirmative). Further, we verify that First Affirmative is the Investment Advisor for Ann M. Testa.

First Affirmative is a beneficial owner with discretionary authority on the above referenced client account, and the client has delegated proxy voting authority to First Affirmative.

We confirm that that this account owns 61 shares of PepsiCo, Inc. common stock. This account has continuously held at least \$2,000 in market value of PepsiCo, Inc. common stock for at least one year period preceding and including November 14, 2018.

Sincerely,



Ryan Harmon
Director, Relationship Management
8180 Greensboro Dr.
8th floor
McLean, VA 22102
harmonr@folioinvesting.com
T: 703-245-5709



November 14, 2018

Dave Yawman
Corporate Secretary
PepsiCo Inc.
700 Anderson Hill Rd.
Purchase, NY 10577

Dear Mr. Yawman:

Mercy Investment Services, Inc., as the investment program of the Sisters of Mercy of the Americas, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of PepsiCo Inc.

Mercy Investment Services, Inc. is filing the resolution requesting that the Board of Directors of PepsiCo issue a report to shareholders on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

Mercy Investment Services, Inc., is co-filing the enclosed shareholder proposal with the lead filer, As You Sow, filing on behalf of The Gun Denhart Living Trust, for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services, Inc. has been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership, a DTC participant, is enclosed with this letter. As You Sow may withdraw the proposal on our behalf. We respectfully request direct communications from PepsiCo, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct your responses to me via my contact information below.

Best regards,

A handwritten signature in cursive script that reads "Caroline Boden".

Caroline Boden
Shareholder Advocacy Manager
314-909-4650
cboden@mercyinvestments.org

2039 North Geyer Road · St. Louis, Missouri 63131-3332 · 314.909.4609 · 314.909.4694 (fax)

www.mercyinvestmentservices.org

WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% lower than it was in 2010. Clearly the company's efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated \$13 billion in damage to marine ecosystems annually. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050. Plastics also absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company's web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don't deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.

BE IT RESOLVED Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.



November 14, 2018

Dave Yawman
Corporate Secretary
PepsiCo Inc.
700 Anderson Hill Rd.
Purchase, NY 10577

Re: Mercy Investment Services Inc.

Dear Dave,

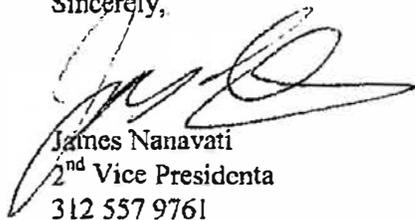
This letter will certify that as of November 14, 2018, Northern Trust held for the beneficial interest of Mercy Investment Services Inc., 29 shares of PepsiCo Inc. We confirm that Mercy Investment Services Inc. has beneficial ownership of at least \$2,000 in market value of the voting securities of PepsiCo Inc, and that such beneficial ownership has existed continuously for at least one year including a one year period preceding and including November 14, 2018, in accordance with rule 14a-8 of the Securities Exchange Act of 1934. Further, it is Mercy Investment Services Inc., intent to hold at least \$2,000 in market value through the next annual meeting.

We also confirm that as of the filing date, November 14, 2018, Mercy Investment Services Inc., held 33,149 additional shares of PepsiCo Inc with a market value of \$3,883,073.86.

Please be advised, Northern Trust is a DTC Participant, whose DTC number is 2669.

If you have any questions please feel free to give me a call.

Sincerely,



James Nanavati
2nd Vice President
312 557 9761



ADRIAN DOMINICAN SISTERS
1257 East Siena Heights Drive
Adrian, Michigan 49221-1793
517-266-3400 Phone
517-266-3524 Fax

Portfolio Advisory Board

November 14, 2018

Dave Yawman
Corporate Secretary
PepsiCo Inc.
700 Anderson Hill Rd.
Purchase, NY 10577

Dear Mr. Yawman:

The Portfolio Advisory Board for the Adrian Dominican Sisters has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. The Adrian Dominican Sisters, a long-term investor, are currently the beneficial owner of shares of PepsiCo Inc.

The resolution requests that the Board of Directors of PepsiCo issue a report to shareholders on reducing the company's environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.

The Adrian Dominican Sisters are co-filing the enclosed shareholder proposal with lead filer, As You Sow, filing on behalf of The Gun Denhart Living Trust, for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We have been a shareholder continuously for more than one year holding at least \$2,000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. The verification of ownership by our custodian, a DTC participant, is enclosed. As You Sow may withdraw the proposal on our behalf. We respectfully request direct communications from PepsiCo, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct all future correspondence, including an email acknowledgement of receipt of this letter and resolution, to Caroline Boden, representative of the Adrian Dominican Sisters, email: cboden@mercyinvestments.org; phone: 314-909-4650; address: 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,

Frances Nadolny, OP
Administrator
Adrian Dominican Sisters
www.pab.adriandominicans.org

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November 14, 2018

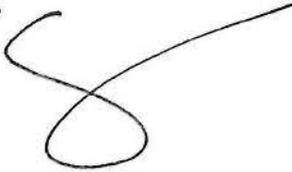
Dave Yawman
Corporate Secretary
PepsiCo Inc.
700 Anderson Hill Rd.
Purchase, NY 10577
RE: ADRIAN DOMINICAN SISTERS ACCOUNT AT COMERICA

Dear Dave,

In regards to the request for verification of holdings, the above referenced account currently holds 27 shares of PEPSICO common stock. The attached tax lot detail indicates the date the stock was acquired. Also, please note that Comerica, Inc. is a DTC participant.

Please feel free to contact me should you have any additional questions or concerns.

Sincerely,



Erica Carter | Senior Analyst | Institutional Trust
| Comerica Bank | 411 West Lafayette | MC 3462 | Detroit, MI 48226 | P: 313.222.7115
Fax : 313.222.3208 | EBcarter@comerica.com

EXHIBIT B



PepsiCo's Work to Improve Recycling in the U.S.

Recycling is a key part of PepsiCo's long-term approach to sustainable packaging for our food and beverage products. We strive to support recycling wherever we do business, and as a U.S.-based company with significant operations, sales and local presence in cities and towns across the country, including over 100,000 employees, we have a special responsibility to do our part for U.S. recycling.

Packaging plays an essential role in safely delivering our products to customers and consumers. In addition to food safety, packaging also ensures the highest quality of our products when they reach consumers while minimizing food waste. In choosing our packaging, PepsiCo also focuses on its environmental footprint, and we know we have an important role to play in protecting the health of our oceans and ecosystems. We do this by optimizing the materials used in our product packaging, continually improving our packaging designs, and supporting increased recycling, among other environmentally-friendly approaches to packaging disposal. Taking these actions is a critical part of our Performance with Purpose sustainability agenda as we strive to build a PepsiCo where plastics need never become waste.

Packaging and other materials are often disposed of improperly, and we share the concern that waste – especially plastic waste – is collecting in the marine environment and on land. The problem of waste and litter is challenging and requires action by a collection of stakeholders. But post-consumer materials have value, and with improved recycling we can capture that value and use the material for the next generation of packaging.

Recycling systems are complex and involve a diverse set of actors that include consumer goods companies, waste management and recycling industries, packaging manufacturers, governments and consumers, among others. All of these stakeholders are needed to lift the U.S. recycling rate, which has much room to improve. According to the U.S. Environmental Protection Agency (EPA), in 2015 the amount of municipal solid waste (MSW) recycled was only 35 percent.¹ The rest was landfilled, incinerated, composted or littered. Although recycling of paper and paperboard stood at 67 percent², the recycling rates for plastics, glass and metals were much lower at 9, 26 and 34 percent³, respectively. In contrast, MSW recycling rates above 50 percent are found in a number of European and Asian countries.⁴

With respect to beverage containers specifically, the American Beverage Association (ABA) estimates that the recycling rate for containers sold by ABA members was 36 percent in 2016. Although this represents a significant amount of PET, aluminum and glass that was recovered, the container recycling rate has stagnated and needs to improve. Despite having value, the majority of the beverage industry's materials are not being recovered in the U.S.

¹ US EPA. [National Overview: Facts and Figures on Materials, Wastes and Recycling](#). EPA web site.

² Ibid.

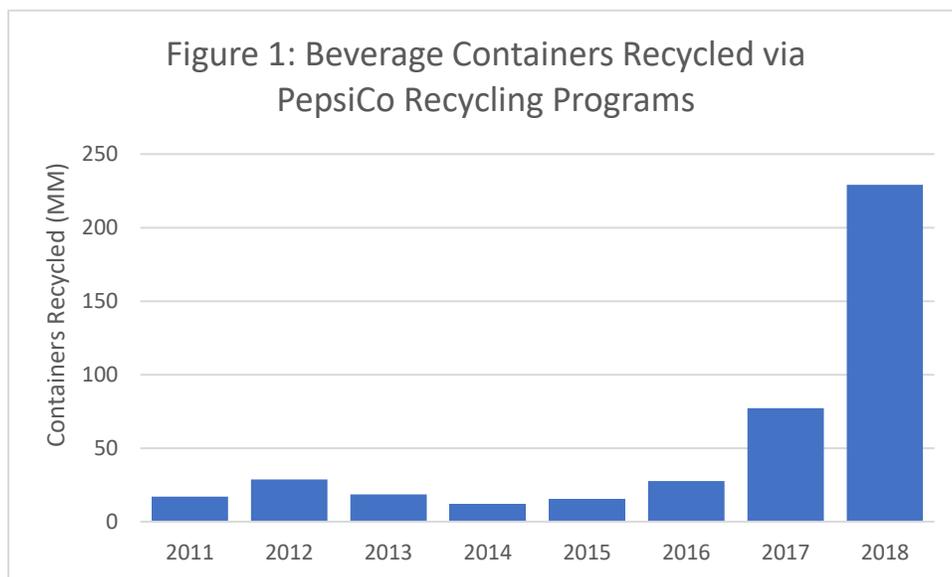
³ Ibid.

⁴ Eunomia. [Recycling – Who Really Leads the World?](#) (Issue 2) December 2017

The reasons for low recycling rates are varied, but solutions exist. To start, we can increase recycling by designing packaging and other products to fit within the recycling system; in simple terms, we need to eliminate designs that cause problems for recyclers. Additionally, we know that people need better access to curbside recycling collection; only 53 percent of Americans have curbside recycling automatically provided at their homes, while more than 25 percent of Americans rely on drop-off recycling programs or have no recycling programs available.⁵ Recycling infrastructure needs to improve as well, including state-of-the-art material recovery facilities with advanced technology, and this requires significant financial investment. Recycling needs dependable end markets for the material that is being recovered. Lastly, recycling needs the support and enthusiasm of the public, including better information and education so the public can understand how recycling works and participate more effectively, which will reduce the amount of contamination in the recycling stream and lower costs for recyclers. With all of these improvements, recycling systems in the U.S. will grow, become more efficient and produce high-quality material that has better market value.

PepsiCo's Initiatives from 2010 to 2018

PepsiCo has a long history of working to improve recycling rates in the U.S. We created our own PepsiCo Recycling program to test new approaches to recycling and expand relationships through nearly 500 programs with municipalities and commercial sites. Our efforts have included a variety of partnerships, pilots, large-scale programs and packaging innovations. Some of these efforts have produced good results and others have taught us important lessons about the best ways to reach consumers and design collection systems to improve recycling in the future. Overall, PepsiCo Recycling has helped recycle over 425 million bottles and cans since 2010 (figure 1).



⁵ Opt-in and subscription programs account for the remainder of the population. RRS & Moore Recycling Associates, Inc. [2015-16 Centralized Study on Availability of Recycling](#). Commissioned by Sustainable Packaging Coalition. 2016.

The vision for our recycling work began to take shape in 2006 when PepsiCo launched the first phase of Performance with Purpose, our long-term strategy on sustainability. As part of this strategy, we pledged to reduce, reuse and recycle our packaging and waste. We sought to leverage our reach and influence to attract more attention on recycling. Then, in 2010, we set an objective to create partnerships that would promote the increase of the U.S. beverage container recycling rate to 50 percent by 2018, looking to inspire other companies to join the effort. We were successful in helping to form important new partnerships, and today many important stakeholders are working harder on recycling, but the involvement of all companies across the value chain is necessary to make a significant impact. The following are highlights of PepsiCo's journey to improve recycling in the U.S., including some of our motivations and learnings.

2010: Creating a dedicated recycling program and team

In 2010 PepsiCo launched the Dream Machine program, which used reverse vending machines (RVMs) to collect bottles and cans. RVM technology takes different forms and can play an important role in a variety of container take-back systems. This was PepsiCo's first major effort in recycling and became an iconic program at the time. PepsiCo created a dedicated team known as the Dream Machine Team to run the program, which would later become [PepsiCo Recycling](#). While some of the machines in that early program did very well, it soon became clear that we could collect more bottles and cans per dollar of investment using other approaches, and learnings from Dream Machine began to feed into programs such as [Recycle Rally](#).

[Recycle Rally](#) is a PepsiCo-funded recycling education initiative also launched in 2010 that has grown into one of our flagship programs today. It is designed to engage teachers and educate children about recycling. These teachers and children then become influencers in their homes and communities. In fact, parents of children in Recycle Rally reported not only bringing their containers to the school drop off-site but also increasing recycling of other materials in their homes. Through this program we have learned about behavior change, including the success of incentives such as rewards to drive change, and the benefits of ongoing education and sustained physical locations to collect containers. Nearly 6,000 schools – including 4,000 schools currently enrolled – have participated in Recycle Rally over the past nine years to collect more than 320 million plastic bottles and aluminum cans.

In 2018, we began open-sourcing all of our [Recycle Rally resources](#) to the general public instead of making them exclusive to Recycle Rally participants. We have done so to enable educators, parents, and other community members to benefit from the tools we have created over the past eight years, including how to start a green team, how to host a recycling collection drive, and other tools to advertise and promote recycling.

2011-2012: Targeting “on-the-go” recycling

Recycle Rally showed the value of sustained physical locations but also reinforced the concern that many containers do not get recycled when consumers are away from home and work, often resorting to throwing bottles into the nearest convenient trash can. To improve access to recycling on-the-go and help reinforce recycling behavior throughout a person's day, in 2011 PepsiCo launched pilot programs to test open-space recycling in partnership with local municipalities. Our intent with this program was to partner with the municipality to install recycling bins in public spaces. Since the program launch in 2011,

we have deployed 754 bins in 11 cities across the U.S. and have collected more than 250,000 pounds of recyclables. We plan to engage more municipalities in the future, especially those in communities that have low access to recycling.

In 2012 we saw an opportunity to test an innovative on-the-go recycling effort and partnered with a few key customers in the convenience store category to leverage our delivery routes as haulers for collected cans and bottles. When a truck delivered product, it then loaded back up with containers collected at the site to be delivered to a recycling facility. This program offered integrated efficiency and scale due to our network of facilities across the country. Unfortunately, costs soared due to labor and resource constraints. The program continues in key markets such as Tulsa and Kansas City, but we haven't found a way to take it to scale. Instead, we have looked to leverage partnerships with groups that focus on infrastructure to increase access to recycling both on-the-go and at home.

2014: Investing in recycling infrastructure and reaching new audiences

In 2014, we became a founding member of the Closed Loop Fund, which is seeking to invest \$100 million by 2020 to raise recycling rates in the U.S., including improved curbside recycling infrastructure and materials processing. To date, the fund has invested in 17 projects across the U.S. and Canada. These investments range from a project in Nebraska with the state's largest full-service recycler returning more than 120,000 tons of recyclables to the supply chain to a project with the City of Memphis to introduce universal curbside recycling to residents, improving access to more than 100,000 households, recovering more than 160,000 tons of recyclables, and saving the city more than \$4 million in landfill tipping fees. Since 2014, PepsiCo has invested \$3 million in the fund.

Well performing recycling infrastructure is crucial to raise recycling rates, but consumers also need to understand how and why they should recycle. To this end, PepsiCo pursued partnerships with two NGOs in an effort to inspire increased recycling driven by positive impact messages. One partnership with The Nature Conservancy ("Recycle for Nature") and another with Entrepreneurship Bootcamp for Veterans ("Recycle for Veterans") were established with the intent of mobilizing these groups' core audiences to recycle. While the programs provided additional resources for our partners, the recycling message became diluted amidst the core messages of the groups and failed to make a discernable impact on recycling. An important lesson is to work with partners who have a singular focus on recycling instead of it being secondary objective. For example, we continue to partner with and fund Keep America Beautiful affiliates nationally, such as Keep Oklahoma Beautiful to increase awareness of PepsiCo recycling programs and recycling in general.

2015-2016: Leveraging events and product labels and setting more ambitious goals

Building on successful recycling activations at large arena events like concerts and sports matches, PepsiCo created a program to integrate recycling in our event activations in North America. At PepsiCo product sampling events, staff are trained to talk about recycling and encourage consumers to throw their empty bottles and cans into the recycling bins provided. This was implemented business wide in 2015. Success in these types of activations led to a partnership with the NFL during Super Bowl LII in Minneapolis, Minnesota. [Rush2Recycle](#) engaged fans both inside the stadium and nationwide through a green ambassador program and by sharing tips and encouraging recycling at Super Bowl parties through

the Rush2Recycle webpage. With a 91 percent waste diversion rate, Super Bowl 2018 became the first zero waste Super Bowl⁶, diverting nearly 63 tons of game day waste from landfills.⁷

To further inform consumers about recycling, in 2016 we adopted the [How2Recycle](#) label on select Tropicana and Quaker products. How2Recycle is a simple on-pack logo indicating concisely how to recycle each component of a package, with additional information on its website about local recycling resources and consumer education videos. We are in the process of adding the label to more of our products to increase consumer awareness about recycling.

In part because U.S. recycling rates were not increasing, it was clear that PepsiCo needed a more ambitious effort to underpin our long-term vision on sustainable packaging. So, in 2016, PepsiCo updated its sustainability strategy and launched our Performance with Purpose 2025 Agenda. We developed a more specific and integrated set of goals looking out to 2025 and built to improve recycling, specifically:

1. Strive to design 100 percent of our packaging to be recyclable, compostable or biodegradable,
2. Strive to use 25 percent recycled plastic content by collaborating with our suppliers, helping to increase consumer education, fostering cross-industry and public-private partnerships, and advocating for improved recycling infrastructure and regulatory reform, all of which are required to realize our ambition, and
3. In partnership with the PepsiCo Foundation, work to increase recycling rates.

2018: Investing in curbside collection and innovation

After setting our 2025 goals, we quickly set about looking for investment opportunities in the U.S., and in 2018 we made a \$10 million investment in The Recycling Partnership (an organization PepsiCo has been a funding member of since 2016) to launch “[All in On Recycling](#),” an industry-wide challenge to raise \$25 million to improve recycling for 25 million families across the country, while supporting a circular economy, simplifying recycling and creating stronger, cleaner communities. In addition to contributions from other corporations, the more than 2,800 communities that participate in the initiative are expected to triple the collective investment, catalyzing roughly \$75 million in municipal funding, and bringing the total amount of support to \$100 million. Since its inception in 2014, TRP has successfully supported 583 communities, placed 407,000 bins at curbsides, and invested more than \$29 million in recycling infrastructure to divert 115 million pounds of recyclables from landfills. PepsiCo’s recent investment will further efforts to expand access to curbside recycling across the U.S. For example a project was recently announced for a curbside recycling expansion and improvement project in [Iowa City](#). It is expected to deliver new recycling bins to Iowa City’s 16,000 homes with curbside access and deliver a robust public education campaign.

As part of our effort to move towards 100 percent recyclable, compostable, or biodegradable for our packaging, we successfully converted non-recyclable shrink sleeves on all 89- and 118-ounce Tropicana labels. Learnings from these projects will be critical in our efforts to transition our global beverage

⁶ “Zero waste” refers to the productive reuse, recycling or composting of at least 90% of all gameday solid, non-hazardous waste, a commonly recognized zero-waste certification rate.

⁷ All gameday waste recovery calculations provided by NFL & venue management company SMG following review of weight tickets from waste hauling scales.

portfolio to be 100 percent recyclable, compostable, or biodegradable. Additionally, in 2018 PepsiCo joined [The NaturALL Bottle Alliance](#), a research consortium with consumer packaged goods industry leaders and a bio-based materials development company, [Origin Materials](#), to accelerate the development of innovative packaging solutions made with sustainable and renewable resources, including post-consumer cardboard, thus creating additional end market demand for this material.

To support our effort to reach 25 percent recycled content in our products, in 2018 PepsiCo entered into a multi-year supply agreement with Loop™ Industries to purchase production capacity from Loop's joint venture facility in the U.S. and incorporate Loop™ PET plastic, which is 100 percent recycled material, into our product packaging by mid-2020. Loop's transformational chemical recycling technology allows now low value plastics to be diverted, recovered and recycled continuously into new, virgin-quality plastic. This means that plastic bottles and packaging of any color, transparency or condition, as well as carpet, clothing and other polyester textiles that may contain colors, dyes or additives, and even ocean plastics that have been degraded by sun and salt can be converted into food-grade packaging. This recycled plastic will make an important contribution to accelerating PepsiCo's progress towards our 2025 goal to use 25 percent recycled content in our plastic packaging.

Looking Ahead

Despite the significant initiatives and work PepsiCo has undertaken over more than a decade to increase recycling, we are not satisfied that recycling rates in the U.S. are where they need to be. Although MSW generation per capita in the U.S. has leveled off, total MSW generation continues to rise⁸, and the use of materials such as plastics is expected to grow.⁹ Meanwhile, recycling rates are not keeping up, and the market for recycled material such as recycled PET (rPET) – an important type of plastic – is constrained by the ability of suppliers to compete with virgin material prices, so we need better solutions that drive efficiencies throughout the recycling process, improve the cost structure, and enhance the value of the material.¹⁰

PepsiCo is committed to improving U.S. recycling rates because it's good for our business, important to our customers and consumers, and consistent with our vision and goals for sustainability. Our approach will continue to focus on an integrated set of key levers to lift recycling, including:

- **Simplified materials:** PepsiCo will continue to work on sustainable packaging design and eliminating recycling disrupters, e.g., continuing our work to convert all labeling to recycle-friendly labels, which helps recyclers with managing their sorting operations and eliminates the cost of handling problematic materials.
- **Strong end markets for recycled materials:** PepsiCo will support end markets by using more recycled plastic in our packaging, particularly rPET, which sends a signal to companies that collect and process recycling that there is demand for the material and a justification to invest in better infrastructure. To this end, we are working through the qualification of new rPET suppliers and extension of current rPET supplier approvals.

⁸ US EPA. [National Overview: Facts and Figures on Materials, Wastes and Recycling](#). EPA web site.

⁹ New Plastics Economy. [Rethinking the Future of Plastics](#). 2016.

¹⁰ Closed Loop Fund. [Cleaning the rPET Stream: How we scale post-consumer recycled PET in the US](#). 2017.

- **Greater access to recycling:** People cannot or will not recycle if access is limited or inconvenient. Through PepsiCo Recycling, The Recycling Partnership and other programs, we will continue to expand access and initiate fresh solutions to help people recycle more at home and while they are on the go.
- **Change the way people think about recycling:** In addition to continuing the recycling education work already underway, we will look to leverage our skills in marketing, advertising and consumer insights to foster greater understanding and enthusiasm for recycling and its positive impact on the environment.
- **Bring more companies to the table:** No single company can move national recycling rates on its own. We will build on our work through PepsiCo Recycling, The Recycling Partnership, Closed Loop Fund and other collaborations to catalyze new partnerships and encourage others to join in this effort. We will also work through our trade associations, such as ABA, as well as EPA's emerging program to help foster national coordinated action.
- **Innovation:** Like all industries, recycling can benefit from new technologies and commercial practices. Relying on our company's innovative spirit and capabilities, and building on our work with Loop™ Industries, Origin Materials and other innovators, PepsiCo will leverage its size and scale to help introduce and commercialize new ideas and technologies to improve recycling.
- **Working collaboratively with policy makers:** PepsiCo recognizes that policy makers are also looking for solutions to more effectively address recycling and litter, especially marine plastics, while promoting the efficient use of valuable resources. In addition to the broad set of actions and investments we are making on sustainable packaging, we have adopted a proactive and pragmatic stance in our discussions with policy makers. We have partnered with government and made significant investments to support recycling collection programs in the U.S. and around the world. If a policy proposal is broad based, delivers strong environmental outcomes, provides incentives for sustainability and gives us a seat at the table in designing and implementing programs, then we want to be a part of the process.

At the same time, local and federal government agencies have to come to the table in a much bigger way to increase recycling rates in the U.S. Public funding for curbside recycling programs should be considered alongside other positive policy tools to help put in place the infrastructure for recycling systems across the country. Additionally, we believe that the recycling industry should be viewed by governments as a vital opportunity for clean technology investment, economic growth and jobs. In addition to the investments that PepsiCo and other companies make in research and development, purchasing recycled content, consumer education, and financial contributions to improving recycling collection, we encourage policy makers to support the industry through public funding and incentives that support collection of post-consumer material, expand and modernize processing capacity, use more recycled material in infrastructure projects, promote greater private-sector investment, and help inform consumers on effective recycling practices.

We signed a national [pledge](#) along with partners across the supply chain to work with the U.S. EPA to develop a national strategy on recycling rates. The strategy will be based on four action areas: enhance recycling infrastructure, create new markets for recycled materials, improve public education regarding recycling, and enhance measurement. Specific work plans under the program will be developed over the course of 2019. In addition, PepsiCo has supported local and state policies that enhance recycling in a broad-based manner.

We will carry our pro-recycling message in all of our advocacy work, including with trade associations as well as other groups with which we engage such as the U.S. Conference of Mayors, National Association of Counties and National Conference of State Legislatures.

PepsiCo is firmly committed to being a leading force in the industry-wide push for better recycling and sustainable packaging in the U.S. and believe our actions have had and will continue to have a meaningful impact. For up-to-date information on all of PepsiCo's work on sustainable packaging, please visit www.pepsico.com/sustainability/packaging.