

## 2021 Shareholder Resolution Pepsico | Disclosure of Pesticide Use in Agricultural Supply Chains

WHEREAS: The use of pesticides in food production is leading to significant harm. One third of every bite of food we eat is dependent on pollinators; but pollinator species are declining at alarming rates in significant part due to the use of toxic pesticides on farms. Pesticides also cause a number of serious health effects in humans from cancers to developmental defects in infants and children. Health advocates have alarmed consumers about the use of glyphosate in Pepsico's Quaker products, and consumer lawsuits have targeted manufacturers of foods containing pesticide residues.

Increasing use of pesticides also causes suppliers to be less resilient and less productive due to proliferation of pesticide-resistant weeds and insects, loss of biodiversity, loss of topsoil, and soil degradation.

Pepsico does not currently gather or disclose quantitative information to assess the types and quantities of pesticides used by its suppliers. Pepsico asks suppliers to use integrated pest management (IPM), but does not define intended goals or practices, measuring only the number of growers reportedly using IPM practices. Crucially, Pepsico does not track whether a supplier using IPM is reducing the use, intensity, or toxicity of pesticides.

Pepsico has fallen behind competitors that are increasingly monitoring, disclosing, and reducing pesticide use and risk in supply chains.

- General Mills discloses metrics for tracking and reporting pesticide use of suppliers engaged in its regenerative agriculture initiative, including type and name of input, amount and method used, cost and date of application, and pest or disease being controlled. It also reports pounds of pesticides avoided.
- Sysco reports pesticide use avoided by suppliers using IPM annually, e.g. 6.3 million pounds of pesticides avoided in 2018.
- Kellogg's is improving pesticide use data collection through an annual Grower Survey, including recording use of glyphosate in wheat and oats crops, and committing to phase out pre-harvest desiccation with glyphosate for those crops by 2025.
- Campbell's has committed to pilot a pesticide data collection and reporting tool
  in tomatoes and to begin collecting pesticide use data in potatoes for future
  reporting.

In a competitive marketplace that is increasingly demanding clean food and reduced stakeholder and environmental harm, understanding and tracking supplier use of



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pesticides in the supply chain reduces risk for shareholders and our company, while reducing harm to an array of stakeholders.

**BE IT RESOLVED:** Shareholders request that Pepsico issue a report, at reasonable cost and omitting proprietary information, explaining if and how the company is measuring the use, in its agricultural supply chains, of pesticides that cause harm to human health and the environment.

**SUPPORTING STATEMENT:** While specific metrics are left to management discretion, shareholders recommend that the company measure and disclose the following information:

- Type and amount of pesticides avoided annually through targeted strategies, e.g. regenerative programs, Integrated Pest Management (IPM), or other methods
- Priority pesticides for reduction or elimination
- Company targets and timelines, if any, for pesticide reduction.