



WHEREAS: The ocean plastics crisis continues unabated, fatally impacting 260 marine species, and causing up to \$2.5 trillion in damage annually to marine ecosystems. Toxins adhere to plastics consumed by marine species, which potentially transfer to human diets. There could be more plastic than fish by weight in oceans by 2050.

In July 2020, the Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave*, which concluded that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only 7%. Without immediate and sustained new commitments in eight areas of the plastics value chain, annual flow of plastic into oceans could nearly triple by 2040.

Improved recycling will not be sufficient to stem the plastic tide, and must be coupled with upstream activities like reduction in demand, materials redesign, and substitution. “Brand owners, fast-moving consumer goods companies and retailers should lead the transition by committing to reduce at least one-third of plastic demand through elimination, reuse, and new delivery models,” the report states, adding that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives.

Food conglomerate Unilever has taken the most significant action by a major company to date, agreeing to cut plastic packaging use overall by 100,000 tons by 2025. PepsiCo has committed to substitute recycled content for 35% of virgin plastic use in its beverage division, but has not set absolute cuts for all plastic packaging.

Companies should disclose the number of units of plastic packaging placed into commerce so stakeholders can track plastic risk exposure levels and measure progress towards managing it. Competitor Coca-Cola Co. discloses unit-based packaging generation, PepsiCo does not.

PepsiCo uses a significant amount of flexible plastic packaging, which cannot be recycled. Flexible packaging represents 59% of all plastic production but an outsized 80% of plastic actually leaking into oceans.

The company received a score of D+ in an As You Sow study ranking corporate leadership on plastic pollution. This ranking demonstrates that PepsiCo lags in its commitments, specifically on overall cuts in plastic packaging, and in facilitating recyclability of its flexible packaging or switching to alternative packaging materials by 2025.



BE IT RESOLVED: Shareholders request that the board of directors issue a report by December 2021 on plastic packaging, estimating the amount of plastics released to the environment by our use of plastic packaging, from the manufacture of plastic source materials, through disposal or recycling, and describing any company strategies or goals to reduce the use of plastic packaging to reduce these impacts.

SUPPORTING STATEMENT: Proponents note that the report should be prepared at reasonable cost, omitting confidential information, and include an assessment of the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging while plastic pollution grows unabated. In the board's discretion, the report could also evaluate opportunities for dramatically reducing the amount of plastics used in our packaging through redesign or substitution.