



WHEREAS: Despite taking actions to reduce virgin plastic use and increase recycling, PepsiCo has been cited as a top global plastic packaging polluter for four consecutive years. Experts believe refillable bottles are key to addressing plastic pollution and can increase financial return, yet the company reports zero percent of packaging delivered in refillable containers, lagging its peers.

Pepsi's packaging generates enormous amounts of plastic pollution with 2.3 million tons of plastic packaging annually, the equivalent of 140,000 bottles per minute. Single-use bottles are far more likely to be improperly disposed of and to become ocean pollution, harming marine life. Less than 30% of PET plastic bottles are recycled in the U.S., leaving the vast majority to be landfilled or leak into the environment. Each refillable bottle can displace a single-use bottle and, with a 95% collection rate in well-managed systems, refillables are far less likely to end up as plastic waste.

Refillables provide opportunities for faster, larger cuts in single-use plastic. Competitor Coca-Cola distributes 11% of products in refillable containers and states, "Refillable growth rates have increased during COVID-19," citing research that the pandemic "has made consumers more aware of packaging waste and driven preference for refillable packages." An HSBC beverage industry analyst concluded "...to cut the number of bottles produced globally, only higher penetration of multi-use refillable bottles can move the system from mostly 'linear' to one that is materially more 'circular'."

Coca-Cola states that refillables are among its best packaging options for reducing the company's carbon footprint. [Boosting market share of refillables](#) by 10% in coastal countries could reduce plastic pollution by 22%, a 20% increase could cut pollution by 39%.

The growing plastic pollution problem will be more economically challenging for companies not investing adequately in alternative packaging solutions. Austria, Chile, and Germany have enacted refillables quotas. Governments may impose further limits or punitive taxes on single-use plastic bottles.

Pepsi has not committed to investing in refillables equipment nor the system infrastructure that will be needed to keep pace with Coca-Cola's refillables operations in many countries. Pepsi should consider how to build a refillables presence in global markets, including setting refillable packaging goals and timelines to ensure expedited reduction of plastic use and plastic waste.



RESOLVED: Shareholders request the board of directors issue a report, at reasonable expense and excluding proprietary information, describing the potential and options for the Company to rapidly reduce dependence on single-use plastic packaging.

SUPPORTING STATEMENT: Proponent suggest that the approaches the Company should evaluate in the report, at board and management discretion, include:

- Expanding and supporting global refillables systems and infrastructure;
- Evaluating opportunities for setting multiple aggressive refillables goals and deadlines at the country or regional level;
- Establishing uniform measurement metrics on refillables use; and
- Publicly disclosing company refillables metrics.