

WHEREAS: Productivity and performance are linked to employee wellness.¹

Over 20 states have put in place significant healthcare restrictions related to gender-affirming care or reproductive health.² PepsiCo, Inc. (Pepsi) has operations and employees within a number of these states.³ Such restrictions risk Pepsi's employees' ability to access quality medical care, regardless of the quality of Pepsi's own health insurance provisions, as employees rely on the broader healthcare infrastructure available to them.

Abortion bans reduce the quality and availability of *all* healthcare.⁴ For example, a survey published in February 2023 stated that 76 percent of more than 2,000 current and future physicians would not apply to work or train in states with abortion restrictions.⁵ In 2023, states with abortion bans saw a 10.5 percent decline in medical school seniors applying for OBGYN residencies.⁶

A reduced ability to access quality health care has implications for the health and wellness of Pepsi's employees in these states, regardless of fertility status or gender. Yet, the harms of these healthcare bans are borne most heavily by Pepsi's female employees of reproductive age. According to a 2022 study by the Commonwealth Fund:

Compared to states where abortion is accessible, states that have banned, are planning to ban, or have otherwise restricted abortion have fewer maternity care providers; more maternity care 'deserts'; higher rates of maternal mortality and infant death, especially among women of color; higher overall death rates for women of reproductive age; and greater racial inequities across their health care systems.⁷

Pepsi's operations and its ability to implement its strategic plan is directly impacted by increasingly poor healthcare options for its employees within states with reproductive healthcare restrictions. Identified harms to Pepsi's operations and effective implementation of its growth strategy include: challenges in recruiting and retaining employees; higher employee mortality and health challenges; and higher healthcare costs for employees and for the Company. However, the extent to which Pepsi is properly managing and mitigating these risks is opaque to investors.

RESOLVED: Shareholders request that the Board of Directors issue a public report, omitting confidential information and at reasonable expense, on the likely risks or costs to the Company and its employees caused by a broad decline in the quality of accessible employee medical care and the Company's strategy to ameliorate these harms.

SUPPORTING STATEMENT: The Proponent suggests this analysis consider strategies beyond litigation and legal compliance that the Company may deploy to minimize or mitigate these risks.

¹ <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/wellness-productivity-link.aspx>;

<https://www.cdc.gov/workplacehealthpromotion/model/control-costs/benefits/productivity.html>

² <https://www.nytimes.com/2023/04/22/health/transgender-adults-treatment-bans.html>;

<https://www.nytimes.com/interactive/2022/us/abortion-laws-roe-v-wade.html>

³ <https://www.pepsicojobs.com/main>

⁴ <https://www.hrw.org/news/2023/04/18/human-rights-crisis-abortion-united-states-after-dobbs>

⁵ <https://link.springer.com/article/10.1007/s11606-023-08096-5>

⁶ <https://kffhealthnews.org/news/article/analysis-pro-life-movement-abortion-maternal-health-healthbent-column/>

⁷ <https://www.commonwealthfund.org/publications/issue-briefs/2022/dec/us-maternal-health-divide-limited-services-worse-outcomes>