

RESOLVED,

Shareholders of PepsiCo, Inc. (“PepsiCo”) request the Board of Directors issue a third party assessment at reasonable expense and excluding proprietary information, on PepsiCo’s efforts to assess and mitigate potential health harms associated with the use of non-sugar sweeteners (“NSS”).

The report should cover how PepsiCo evaluates potential health impacts of NSS in its products, including the safety authorities relied upon for NSS guidance, and PepsiCo’s affiliation with and/or financial support of researchers or research institutions, international agencies, or reporting/regulatory bodies studying or making health or safety recommendations about NSS.

WHEREAS,

The World Health Organization recommended “against the use of NSS to control body weight or reduce the risk of noncommunicable diseases.”¹ Based on a 2022 meta-analysis, this report demonstrated the “use of NSS does not confer any long-term benefit in reducing body fat in adults or children” and suggested that there “may be potential undesirable effects from long-term use of NSS, such as an increased risk of type 2 diabetes, cardiovascular diseases, and mortality in adults”. This represents a systemic risk to consumer health, burdening the economy, to the detriment of diversified investors who seek long term returns.²

The International Agency for Research on Cancer recently classified Aspartame - prominently used as an NSS in PepsiCo low- and no-sugar beverages - as “possibly carcinogenic to humans.”³

A British Medical Journal study warned that NSS “should not be considered a healthy or safe alternative to sugar”.⁴

The American Academy of Pediatrics 2019 Policy Statement calls for research on NSS effects on neurodevelopment and the microbiome to determine “the causal and harmful relationship” with obesity, diabetes and metabolic disorders.⁵

A 2021 study noted that the combination of Aspartame and sweetener acesulfame-K, both contained in Pepsi Zero, has been shown to increase DNA damaging activity and the risk of

¹<https://www.who.int/news/item/15-05-2023-who-advises-not-to-use-non-sugar-sweeteners-for-weight-control-in-newly-released-guideline>

²Jon Lukomnik & James P. Hawley, Moving Beyond Modern Portfolio Theory: Investing that Matters (2021)

³<https://www.iarc.who.int/news-events/aspartame-hazard-and-risk-assessment-results-released/>

⁴ <https://www.bmj.com/content/378/bmj-2022-071204>

⁵<https://publications.aap.org/pediatrics/article/144/5/e20192765/38183/The-Use-of-Nonnutritive-Sweeteners-in-Children?autologincheck=redirected>

cardiovascular and cerebrovascular diseases.⁶ Recent research⁷ finds prolonged NSS intake is associated with insulin resistance and glucose intolerance.

Health harms⁸ associated with NSS demand comprehensive research to provide transparency and enable better consumer choices, yet in answer, the mantra of the food and beverage trade association is that the FDA approved Aspartame as safe. But “safe” is not the same as “healthy”. The majority of NNS intake is from beverages⁹ like PepsiCo’s Diet sodas.

One of the three pillars of PepsiCo’s Pep+ strategy is Positive Choice “inspiring people through our brands to make choices that create more smiles for them and the planet.”¹⁰ Positive change for the planet and people means PepsiCo must assess their use of NSS and its impact on consumer health, to safeguard PepsiCo’s long term sustainability.

⁶ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8227014/#>

⁷ <https://jamanetwork.com/journals/jamapediatrics/fullarticle/2814105?resultClick=1>

⁸ <https://www.foodpolitics.com/2023/06/artificial-sweeteners-the-backlash/>

⁹ Gardner C, Wylie-Rosett J, Gidding SS, et al; a scientific statement from the American Heart Association and the American Diabetes Association. *Circulation*. 2012;126(4):509–519

¹⁰ <https://www.pepsico.com/our-impact/sustainability/esg-summary>