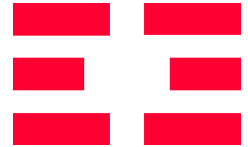




# PepsiCo

Subsidiaries: Frito-Lay (Lay's), Tostitos, Quaker, Gatorade, 7UP, Doritos, Cheetos, Ruffles, Tropicana, Sierra Mist, Mtn Dew, Aquafina, PopCorners, LIFEWTR, Bubly, Aquafina, Brisk, Lipton  
 Locations: New York (HQ)  
 Industries: Food Beverage and Tobacco

**RISK LEVEL:**



**High Risk**

**DESCRIPTION:**

PepsiCo is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. PepsiCo embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

## Corporate Weaponization

**Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. Medium Risk**

*PepsiCo's HRC 2023-2024 CEI rating indicates the company recruits employees based on sexual identity. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). PepsiCo was a member of the GARM, which aims to demonetize advertisements and suppress content that "vilifies" individuals based on sexual orientation and gender identity, discusses "debated social issues in a negative or partisan context" or spreads "hate speech" (3)(4)(5). PepsiCo promotes divisive sex and gender policies. Its Global Code of Conduct requires international vendors to include sexual orientation and gender identity in their nondiscrimination policy (6). However, the company has not publicly canceled customers, suppliers, or vendors based on political views or religious beliefs.*

**Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. High Risk**

*PepsiCo's HRC 2023-2024 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). The company will not match employee donations for "religious purposes" (3).*

**Employment policies fail to protect against viewpoint or other discrimination and/or are ideological in nature. High Risk**

*PepsiCo's HRC 2023-2024 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). PepsiCo issued mandatory unconscious bias training regarding race (3). The company does not provide viewpoint protections for its employees (4).*

## Corporate Governance and Public Policy

**Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression. High Risk**

PepsiCo's HRC 2023-2024 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(2). By doing so, the company risks dividing employees, alienating customers and harming shareholders. PepsiCo's PGLC membership reflects its commitment to "operationalize" company coverage of transgender surgery and treatment, the vetting of business partners based on LGBTQ+ policies, and the financial support of LGBTQ organizations on a global level (3)(4). The company signed an open letter in support of the Equality Act, a controversial bill and supports transgender participation in women's and girls' sports (5)(6). PepsiCo signed a public letter supporting the federal John Lewis Voting Rights Advancement Act (7). The company opposed the Florida Parental Rights in Education Act, which would prohibit teaching gender identity and sexual orientation to kids in K-3rd grade (8). CEO Ramon Laguarta is a member of the Business Roundtable and signed its 2019 Statement on the Purpose of a Corporation, which promotes stakeholder capitalism over traditional obligations to shareholders (9)(10). PepsiCo is a Ceres Network Member, committed to net zero carbon emissions by 2040 (11)(12). The company opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (13). PepsiCo opposed legislation in Iowa intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (14). Doritos Spain hired transgender influencer Samantha Hudson as a brand ambassador despite her controversial past statements making inappropriate comments about minors and mocking sexual assault victims (15). PepsiCo's CEO, Ramon Laguarta, signed the CEO Action for Diversity & Inclusion pledge, which includes a commitment to promote DEI through bias education training in the workplace (16)(17).

**Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk**

PepsiCo's HRC 2023-2024 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (1)(2). By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders. PepsiCo is a bronze sponsor of the HRC and is a Gold corporate partner of GLAAD (3)(4). The company offers an employee matching gift program for Planned Parenthood to its employees (5). In 2020, PepsiCo pledged \$400 million to Black Lives Matter and related causes (6)(7)(8). PepsiCo is a silver sponsor of Out & Equal and a corporate partner of the NGLCC (9)(10). The company is a PGLC member and was a member of the Global Alliance for Responsible Media (11)(12)(13)(14). PepsiCo is a member of the MCCA, indicating its focus on recruiting, retaining, and promoting employees based on race (15)(16). The company is a partner of the HRC's Foundation (17).

**Uses corporate political actions and/or financial contributions for ideological, non-business purposes. High Risk**

PepsiCo's HRC 2023-2024 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives (1)(2). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. PepsiCo has not used its PAC donations for ideological purposes but has lobbied for the "George Floyd Justice in Policing Act of 2020" (3)(4)(5).

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