

December 8, 2020

Ramon Laguarta
Chairman and CEO
PepsiCo., Inc.
700 Anderson Hill Road
Purchase, New York 10577

Dear Mr. Laguarta,

We are writing to you today to again urge PepsiCo to terminate its business and public relationships with professional sports teams that do not stop using names and racist brandings based on Native American stereotypes, names, and images. With the July decision of the Washington Football Team to stop using the name “R*dsk*ns” and the accompanying logo at the urging of investors and many other stakeholders, attention is now turning to other teams. Because of PepsiCo’s relationship with the Major League Baseball Association and the National Football League, **PepsiCo is in a unique position to end its relationship with organizations that choose racist team names and then model true allyship by taking this anti-racist position.**

As we noted in our June 26, 2020 letter, we strongly believe this attention presents risks for the company if it does not take steps to urge changes to the following Major League Baseball team names: the Cleveland Indians and the Atlanta Braves, as well as the National Football League team: the Kansas City Chiefs.

The July 6 letter to the National Football League from Native leaders articulated the harmful use of Native mascots to the health and well-being of the Native community and demonstrated wide consensus among Native peoples regarding the breadth of changes necessary. With 14 initial signatories, that letter garnered nearly 1500 additional endorsements by advocates and organizations. This time in particular calls on companies to live up to the social values they have professed.

It is commendable that, in its ESG focus area on human rights, PepsiCo has stated:

“We also have a responsibility to prevent and address adverse human rights impacts that we might cause or contribute to through our operations and, where we are directly linked to potential impacts, a responsibility to use our leverage to encourage our suppliers and business partners to respect human rights throughout our broader value chain.”

And, with regards to Native American mascots, you have specifically stated your support of the name change of the Washington Redsk-ins team, agreeing: “We believe it is time for a change. We are pleased to see the steps the team announced today, and we look forward to continued partnership.”

It is important, however, that this statement be followed with action. As we saw recently with the Washington Football Team, PepsiCo along with FedEx, Nike, and Bank of America all took

important steps to convey to the team the importance of changing its name and logo. At its most forceful it included threats to legally challenge the team's adherence to contractual arrangements. We also saw examples where companies removed team merchandise from their stores. As the official snack and beverage partner of the National Football League and given your relationship with Major League Baseball, your organization can continue to use your leverage to eradicate the use of these racist mascots and names.

It is heartening to see the outpouring of company statements and future looking programs addressing systemic racism that have emerged. The actions being taken are wide ranging from workplace diversity to public policy. One specific action has been the evaluation of racist symbols and stereotypes. For example, we have seen the rebranding of consumer products that are offensive such as your decision to sunset the Aunt Jemima brand and Land O'Lakes removing the "Native American" woman image from its packaging. In line with your actions here, we ask that you continue your efforts by demanding that all racist team names be changed. Many other companies have also distanced themselves from names and symbols disparaging of Native peoples, including Anheuser-Busch, Philip Morris, Coca-Cola, Denny's, and Miller Brewing.

Thus it is timely and urgent for the company to also review its own business relationships with the Major League Baseball Association, the National Football League given the racist team names still in use by the Cleveland Indians, Atlanta Braves and the Kansas City Chiefs.

Virtually every major national American Indian organization has denounced use of Indian and Native related images, names and symbols disparaging or offending American Indian peoples, with over 2,000 academic institutions eliminating "Indian" sports references. They are symbols that loudly and clearly signals that Native Americans are not worthy of respect.

However, your company is facilitating the harmful perpetuation of Native American names and mascots by continuing its relationship with Major League Baseball and National Football League teams including the Cleveland Indians, the Atlanta Braves and the Kansas City Chiefs. In doing so, the teams are associating their brand with a symbol of hate and prejudice – giving it the company's imprimatur. This association with and facilitation of the racism inherent in the name and logo runs contrary to the very sentiments expressed by the company.

Therefore, the undersigned 33 investors representing 50.9 billions in assets, ask the company to move beyond the words on paper and to live up to the principles it is asserting by applying them to its relationship with the Major League Baseball Association and the National Football League. **We urge you to use your relationship to ask that these leagues and teams cease using names and racist branding based on Native American stereotypes and, if they fail to do so, terminate your relationship with them.**

Sincerely,

First Peoples Worldwide

Oneida Nation Trust Enrollment Committee

Trillium Asset Management

Boston Common Asset Management, LLC

Mercy Investment Services, Inc.

First Affirmative Financial Network

Adasina Social Capital

Adrian Dominican Sisters, Portfolio Advisory Board

Azzad Asset Management

Center for Ethics and Social Responsibility, University of Colorado Leeds School of Business

The Christensen Fund

Clean Yield Asset Management

Committee on Mission Responsibility through Investment of the Presbyterian Church U.S.A.

CommonSpirit Health

Congregation of St. Joseph

Daughters of Charity, Province of St. Louise

Divest Invest Protect

Everence and the Praxis Mutual Funds

Felician Sisters of North America

Friends Fiduciary Corporation

Global Witness

Heartland Initiative

Impact Investors, Inc.

Impact Metropolis

Integrated Capital Investing

Miller/Howard Investments, Inc.

Native American Rights Fund

Native Women Lead

Natural Investments

NEI Investments

NorthStar Asset Management, Inc.

Northwest Coalition for Responsible Investment

Social Impact Strategies Group

Strugatz Ventures Inc.