

PepsiCo Shareholder Meeting Question
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The National Center for Public Policy Research
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I'm Justin Danhof of the National Center for Public Policy Research, thank you for the opportunity to talk with you today.

I want to discuss Pepsi's public statements regarding North Carolina's HB2 law.

Liberal activists pressured Pepsi to denounce the law. And you obliged. We suggest this was a missed opportunity to bring folks together and elevate Pepsi's brand. Your decision to speak out so forcefully against the law pleased one contingency but angered another. And that anger is palpable. In reaction to HB2, Target announced that it would open its bathrooms to any and all-comers. Over a million Americans now claim to be boycotting the chain in protest. Pepsi does not want to be the next Target.

When approached to take a position on an issue, many companies see only a few options: say nothing, or choose one side or the other. I propose there is an alternative: bring people together.

When you denounced the law, you made Pepsi just another one of the many companies that jumped on a bandwagon. You weren't leading on the issue. If instead, Pepsi had worked to bring both sides together, you would be viewed as a leader in the community, the state and indeed the nation. Pepsi holds a prominent role here in North Carolina. Why use that position to divide citizens against each other? Or, for that matter, some customers against the company?

I have with me today a one-page framework companies can use to approach contentious issues like this. It does this by focusing on solutions and can be applied to literally every issue. I'm hopeful the company will take a look at it. I think you will find it helps the company stand up for its values in a way that brings people together and increases the public's appreciation for Pepsi as a company and as a brand.

The next time you are approached by a group of activists demanding that Pepsi sign a letter or denounce this or that, we simply suggest that you ask yourself, Ms. Nooyi, is there a way that I can bring both sides together and lead the community to solutions the public – and Pepsi's customers – can get behind? Can I suggest to you that the paradigm I have suggested would help Pepsi be the community leader it clearly wants to be without making itself another Target?

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