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TerraCycle and Eight Consumer Product Companies Settle Lawsuit, Agree to Change Product Labels and TerraCycle Will Implement a Supply Chain Certification Program

Settlement Reinforces the Need for Industry Reforms as Exposed in “The Recycling Myth” Documentary

On November 5, 2021, a settlement was reached between The Last Beach Cleanup (LBC-plaintiff) and TerraCycle and eight consumer product companies (Coca-Cola, Procter & Gamble, Late July Snacks, Gerber, L’Oreal, Tom’s of Maine, Clorox, and Materne) on the lawsuit filed based upon unlawful and deceptive recycling claims (March 2021). The public settlement can be found on the [LBC website here](#) and the original lawsuit can be found here ([Complaint-Terracycle](#)). As described in the settlement, changes to product labels were agreed to by all parties, and TerraCycle agreed to the implementation of a supply chain certification program. TerraCycle was required to reimburse legal fees incurred by LBC.

The settlement agreement represents progress in truth-in-labeling and requiring verification of recycling claims, but the lawsuit could only achieve what established U.S. and California laws require. There is no specific law against companies promoting high carbon emission, non-scalable solutions that masquerade as real solutions. A [fact sheet](#) published by Beyond Plastics and LBC in June 2021 shows that long distance mail-back programs for plastic products and packaging have significant environmental impacts that outweigh the meager benefits of downcycling the plastic products into picnic tables or park benches.

The recently released documentary “The Recycling Myth” shows images of plastic packaging, collected by volunteers through Terracycle’s United Kingdom program, directed to a waste handler in Bulgaria, from where it was allegedly going to be sent on to a cement kiln to be burned. Produced by the film production company *a&o buero* and *The Why Foundation* and first shown in Denmark on November 2, 2021, the documentary will be shown soon on *CBC* in Canada and *ARD* in Germany. *BBC World* will broadcast it in early 2022. A public synopsis of the documentary [is available here](#).

The lawsuit and documentary show that shareholders and consumers must demand that companies report on the credibility of their recycling claims and adopt real solutions to stop the global plastic waste and pollution crisis. That is why Jan Dell (founder of LBC) filed a shareholder resolution with Mondelez on their “Hoop Heroes” program for Oreos Packaging with TerraCycle on October 13, 2021. As a Mondelez shareholder, Jan is requesting proof of recycling claims and an assessment of the reputational, financial, and operational risks associated with continuing to sponsor a downcycle-by-mail program that may be used by very few customers with high carbon emissions per pound of plastic processed in lieu of converting packaging to curbside recyclable or compostable materials.

Looking to the future, California’s new Truth-In-Labeling Law (SB343) is intended to stop deceptive labeling that greenwashes worthless plastic waste and confuses consumers. Since SB343 specifies that only products and packaging that are accepted in curbside bins may be labelled as “recyclable,” it is likely that the word or symbol “recyclable” will not be allowed on products currently claimed as recyclable by TerraCycle and product companies.

Instead of participating in harmful misleading charades, companies should redesign their products to be reusable or truly recyclable or compostable through existing curbside programs and local processing.

For more information, including a copy of the lawsuit and settlement, please visit <https://www.lexlawgroup.com>

For more information on “The Recycling Myth” documentary, please contact Benedict Wermter. (benedict.wermter@gmail.com) or Tristan Chytroschek (tristan@a-o-buero.de).