

THE LAST BEACH CLEANUP

Mondelez “Truth in Recycling Claims” Shareholder Resolution

Submitted by Individual Investor on November 13, 2024.
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WHEREAS: Plastic waste and pollution are increasingly important environmental, social, and public policy issues.

The United States Securities and Exchange Commission, California State Attorney General, public and private lawsuits, and media investigations are challenging the legitimacy of companies’ recyclability and recycled content claims related to plastic packaging.

The plastics industry is promoting a false “advanced recycling” (AR) solution to further promote the plastic recycling myth. Since AR processes are not effective, economic, or scalable, the use of mass balance accounting schemes and circular certificates were invented by industry to falsely label new plastic as having recycled content. But AR and circular certificates are viewed by many as a plastics industry public relations stunt to deceive the public.

USEPA and the CA State AG have both publicly stated that mass balance circular certificates are deceptive to consumer and are not valid claims of recycled content, recyclability, or “circularity”:

- USEPA requires recycled content “by weight” in their Safer Choice Standard. USEPA stated “Allowing producers to advertise that a product contains “recycled content” based on the amount of recycled material purchased is deceptive” in April 2023 comments to the U.S. Federal Trade Commission.
- CA State AG: This lawsuit filed against ExxonMobil in September 2024 states that the ISCC certification scheme is actually a false and misleading marketing scheme, which misleads the public into believing that products made with “certified circular polymers” have significant environmental benefits or are made of plastic waste when in fact they likely contain little to no actual “advanced recycling” content. The lawsuit cites California law that prohibits pyrolysis processes from being claimed as recycling processes.

In September 2024, MONDELEZ publicly announced the purchase of a significant amount (500 tons) of ISCC mass balance circular certificates to claim up to 50% content from advanced recycling in Triscuit packaging. Financial investment to make this purchase is significant based on McKinsey’s estimated certificate cost of about \$2000/ton. But the pyrolysis process employed to create circular certificates produces far more fuel than new plastic and 50% recycled content is a deceptive claim because the maximum physical content achievable via pyrolysis is 2%.

MONDELEZ has fiduciary and legal responsibility to shareholders to make sound corporate investments and not employ deceptive or allegedly illegal claims about “certified-circular” plastics.

BE IT RESOLVED: In the best interest of the company, shareholders request the board of directors issue a report by December 2025 including the factual basis for legitimacy of all recycled content claims made on plastic packaging. The report should be prepared at reasonable cost, omitting confidential information.

SUPPORTING STATEMENT: Proponents recommend the report be led by independent legal and technical experts who have no financial conflicts caused by working for the plastics or plastics recycling industry and include an assessment of the reputational, financial, and operational risks associated with continuing to make deceptive claims on recycled content of plastic products.