

THE LAST BEACH CLEANUP

Kraft Heinz “Truth in Recyclable Labels” Shareholder Resolution

Submitted by Individual Investor on May 16, 2023. Jan Dell is Founder of The Last Beach Cleanup.

WHEREAS: The California State Attorney General and public lawsuits are challenging the legitimacy of product companies’ recycling labels and claims on plastic packaging. Comprehensive reports established that only some types of plastic bottles and jugs are recyclable in the U.S. Kraft is currently employing three types of recyclable labels on other types of plastic packaging that are being legally challenged: “Store Dropoff,” “Check Locally,” and “Remove Label.” Other major brands have announced they will stop using such labels on their products.

Store Dropoff: In 2022, the CA State AG announced an investigation into the use of recyclable labels on plastic bags in California, warning bag manufacturers with multimillion dollar fines. This has direct impact on Kraft since the company uses the same type of “Store Dropoff” recycle symbol label on plastic film packaging. Three lawsuits were also filed in California alleging the use of the recycle symbol with the words “Store Dropoff” on plastic bags and films is not legal. CA State AG and lawsuits cited the CA Recycling Commission’s 2021 letter stating California’s existing laws should be enforced and the “recyclable” word and symbol should be removed from plastic bags and films. The Commission’s motivation was to stop consumer confusion that causes high disposal of plastic bags and films in curbside recycling bins, causing hazards to workers and contamination of valuable paper bales.

Check Locally: 2022 detailed assessments of plastic recycling by Greenpeace established that, other than some types of plastic bottles/jugs, most plastic packaging has very low acceptance rates for recycling (0 to 6% of U.S. population). It is deceptive to consumers and harmful to recycling systems to label such unwanted, worthless plastics as recyclable.

Kraft should be truthful with consumers and not mislabel products that could contribute to plastic contamination in curbside recycling systems and incur potential legal liability due to deceptive advertising. Ultimately, instead of using unrecyclable plastic packaging, Kraft should redesign product packaging to be truly recyclable or compostable through existing curbside programs and local processing that are easily accessed by all consumers.

BE IT RESOLVED: Shareholders request the board of directors issue a report by December 2024 providing the factual basis for legitimacy of all recyclable claims made on plastic packaging. Report should include substantiation required by California law (Cal. Bus. & Prof. Code § 17580) that must be made available to the public on request, including that plastic packaging labeled as recyclable meets all of the criteria for statewide recyclability pursuant to subdivision (d) of Section 42355.51 of the Public Resources Code. The report should be prepared by independent legal and technical experts who have no financial conflicts caused by working for the plastics or plastics recycling industry.

SUPPORTING STATEMENT: Proponents note the report should be prepared at reasonable cost, omitting confidential information, and include an assessment of the reputational, financial, and operational risks associated with continuing to use recyclable labels on plastic products that are not actually recycled.