

## Mondelez International Inc. (MDLZ)

### Vote Yes: Shareholder Proposal Regarding Truth in Recycling Claims

Annual Meeting: May Date To Be Announced, 2025

CONTACT: Jan Dell | [lastbeachcleanup@gmail.com](mailto:lastbeachcleanup@gmail.com)

#### THE RESOLUTION

**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.

Full shareholder proposal provided in Appendix 1.

#### ABOUT THE FILING SHAREHOLDER

Jan Dell is an individual shareholder who has held Mondelez stock for more than 10 years. After a 35-year corporate chemical engineering career, Jan Dell left industry to work to stop plastic pollution and waste. As profiled in the Netflix *Buy Now!* Documentary seen by global audiences in 2024 and in the New York Times in 2023, Jan Dell has been working for seven years to bring truth to recyclability labels and claims because truth is essential to making progress on reducing plastic pollution and waste.<sup>1,2</sup> She founded The Last Beach Cleanup, a non-profit 501(c)(3) organization, in 2019 and collaborates with stakeholders around the world.<sup>3</sup>

As a long-term shareholder concerned about the Company's brand reputation and legal risks from false claims, Jan Dell invites other shareholders to **vote yes** on this resolution.

#### SUMMARY

To protect shareholder returns, this resolution seeks to prevent the company from squandering millions of dollars of company funds on a wasteful Environmental, Social, and Governance (ESG) program that deceives consumers, creates legal risks, and does nothing to help the environment. Mondelez pays for "mass balance certificates" and makes arguably deceptive claims that the certificates improve the recyclability and recycled content of the company's plastic packaging thereby creating legal and financial risks.

The company's opposition statement wholly ignores the critical issue in this shareholder resolution: Mondelez is estimated to be wasting millions of dollars of corporate funds to purchase mass balance certificates which do not provide environmental benefit, are not recognized as recycled content by the USPEA, and have been described by the California Department of Justices as "a false and misleading marketing scheme."

The growing plastic pollution and packaging waste crises are driving a global backlash against greenwashing claims on plastic recyclability.<sup>4</sup> Companies are being scrutinized over exaggerating environmental accomplishments.<sup>5</sup> This is increasing risks to Mondelez as the Company is exposed to significant brand reputational, regulatory, and legal risks from any deceptive recyclable claims on the Company's plastic packaging in the U.S.

Numerous investigations published by mainstream media prove that plastic producers ("Big Plastics") have falsely promoted plastic as recyclable for more than 30 years while knowing that recycling is not an economically or technically feasible plastic waste management solution.<sup>6,7</sup> The State of California is suing ExxonMobil, the biggest plastic producer in the world, on their alleged decades-long fraud on plastic recycling claims and more recent false claims on "advanced recycling."<sup>8</sup>

Product companies also face growing public and private litigation on their plastic recycling claims. False recyclable labels on plastic products have spurred deceptive advertising lawsuits won against major brands including Keurig and eight major product companies.<sup>9,10</sup>

The best way for Mondelez to build consumer trust, disassociate the Company from the Big Plastics recycling fraud, and mitigate reputational, regulatory, and legal risks is to proactively assess, substantiate, and communicate the recyclability and recycled content of its plastic packaging in a report.

## **RATIONALE FOR A YES VOTE**

- 1. False recycling claims on plastic packaging are a significant brand reputation and legal risk to companies.**
- 2. Mondelez is estimated to be wasting millions of dollars of corporate funds to purchase mass balance certificates which do not provide environmental benefit, are not recognized as recycled content by the USPEA, and have been described by the California Department of Justice as "a false and misleading marketing scheme."**
- 3. While peer products companies have largely shunned purchase of mass balance certificates due to legal and consumer perception risks, Mondelez has separated itself from other products companies to purchase and promote the plastics industry's latest scheme.**
- 4. Mondelez fails to provide shareholders and consumers with sufficient information as to whether and how it determines the legality of recyclable labels on plastic packaging, exposing the Company to reputational, financial, and operational risk.**

## **DISCUSSION**

- 1. False recyclable claims on plastic packaging are a significant brand reputation and legal risk to companies.**

There is increasing public awareness and litigation on false plastic recycling claims that parallels the rapid expansion in scientific research on the environmental and human health risks of plastics. This has led to growing public concern and media attention on deceptive claims by companies about recyclability and recycled content of their plastic packaging.

As investment and business risk, "litigation in relation to plastics may take different forms - at one end of the

spectrum you have tort law claims seeking damages for environmental or public health related harms. And at the other end of the spectrum, companies may face litigation arising from what they have said about their use of plastics - to consumers or investors.”<sup>11</sup>

In their submission to the U.S. Federal Trade Commission (U.S. FTC) on the pending Green Guides update, environmental groups show that “companies, retailers, and the plastic industry are currently making false and unsubstantiated claims about the recyclability of their products to avoid product bans and negative consumer perception on wasteful products and packaging.”<sup>12</sup>

There are numerous litigation cases related to false recyclable labels and claims on plastic packaging in the U.S., examples include:

- In 2024, **Los Angeles County sued Pepsi and Coca-Cola** over plastic beverage pollution and deceiving the public on plastic recycling.<sup>13</sup>
- **California Bag Lawsuit:** Two lawsuits contesting the sale of plastic bags due to lack of recyclability and false labeling were filed in California in 2022 by The Last Beach Cleanup.<sup>14</sup> The lawsuits alleged that no evidence has been found of post-consumer household plastic film waste being recycled into new products via store drop-off programs.<sup>15,16,17</sup> To date, one retailer has settled and agreed to stop selling plastic bags.<sup>18</sup>
- The **State of Minnesota is suing Walmart Inc. and Reynolds Consumer Products Inc.** saying they falsely marketed plastic trash bags as recyclable.<sup>19</sup>

It should be noted that product companies are liable for false claims on recycled content and cannot deflect blame on false claims to plastics or packaging companies that sold the mass balance certificates to them.

The type of lawsuit that Mondelez risks in promoting mass balance certificates is similar to the \$10 million class action lawsuit settled by Mondelez in February 2025 over deceptively labeled Wheat Thins ingredients.<sup>20</sup>

2. **Mondelez is estimated to be wasting millions of dollars of corporate funds to purchase mass balance certificates which do not provide environmental benefit, are not recognized as recycled content by the USEPA, and have been described by the California Department of Justice as “a false and misleading marketing scheme.”**

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.<sup>21</sup> Financial investment to make this purchase is significant (\$1 million to \$1.5 million) based on McKinsey’s estimated certificate cost of about \$2000 to 3000/ton.<sup>22</sup> But the pyrolysis process employed to create mass balance circular certificates produces far more fuel than new plastic and the 50% recycled content is a deceptive claim because the maximum physical content achievable via pyrolysis is 2%. A detailed fact check of the claims made in the Mondelez Triscuit press release is posted on The Last Beach Cleanup website.<sup>23</sup>

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.<sup>24</sup>

The U.S. Environmental Protection Agency (EPA) and the California State Attorney General (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.<sup>25</sup> 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. FTC.<sup>26</sup>
  - CA State AG: The lawsuit filed against ExxonMobil in September 2024 states that “**the ISCC certification scheme employed by ExxonMobil is actually a false and misleading marketing scheme**, which ExxonMobil uses to mislead 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.<sup>27</sup> The lawsuit cites California law that prohibits pyrolysis processes from being claimed as recycling processes.
- 3. While peer products companies have largely shunned purchase of mass balance certificates due to legal and consumer perception risks, Mondelez has separated itself from other products companies to purchase and promote the plastics industry’s latest scheme.**

Few product companies have announced purchase of mass balance certificates to claim “circularity” of their plastic packaging. Other companies are electing to NOT PURCHASE mass balance certificates likely because of the legal and consumer deception risks identified by the USEPA and California Department of Justice, the increased carbon emissions footprint of the process, and the high cost of mass balance certificates.

- 4. Mondelez fails to provide shareholders and consumers with sufficient information as to whether and how it determines the legality of recyclable labels on plastic packaging, exposing the Company to reputational, financial, and operational risk.**

Mondelez does not currently publicly disclose information or substantiation of recycling claims made on the mass balance certificates purchased to improve the image of the Company’s plastic packaging. This shareholder request for a report providing the factual basis for legitimacy of recycled content claims is required by law. Under both California law and the U.S. FTC Green Guides, product companies are required to maintain records supporting validity of environmental marketing claims on all products.<sup>28,29</sup> California law also requires any person who represents in advertising or labeling that a consumer good it manufactures or distributes is recyclable to maintain written substantiation supporting the validity of the representation.<sup>30</sup> This information must be provided to any member of the public upon request.

## RESPONSE TO BOARD OF DIRECTORS’ STATEMENT IN OPPOSITION

Mondelez’s opposition statement wholly ignores the critical issue in this shareholder resolution: Mondelez is estimated to be wasting millions of dollars of corporate funds to purchase mass balance certificates which do not provide environmental benefit, are not recognized as recycled content by the USEPA, and have been described by the California Department of Justices as “a false and misleading marketing scheme.”

Mondelez opposition statement also includes scientific errors and arguably false claims.

- 1. Circular Packaging Claim: Mondelez claims that pyrolysis advanced recycling promotes circular packaging.** This is a scientifically false claim because the USDOE has stated that 86% to 99% of the

plastic packaging is destroyed by conversion to fuel or energy losses.<sup>31</sup> The production of new plastic from pyrolysis and steam cracking has a HIGHER carbon footprint than the production of new plastic by conventional plastic. Full product life cycle assessments conducted by plastic producers BASF<sup>32</sup> and SABIC<sup>33</sup> consistently show that the total carbon footprint for producing new olefins through pyrolysis of plastic waste and naphtha steam cracking exceeds that of virgin hydrocarbons.

2. **“On Pack” Recycling Claim Review Process:** Mondelez only describes a review process for “On Pack” claims. Mondelez does not address claims only made in press releases or on the company’s website. California and U.S. Federal Trade Commission environmental advertising requirements also apply to press releases and claims on websites. The Company’s existing processes fall short of ensuring truth in recycling claims made in public statements and websites now and in the future. Furthermore, the \$10 million class action lawsuit recently settled by Mondelez in February 2025 over deceptively labeled Wheat Thins ingredients is evidence that Mondelez’s legal review process is not sufficiently robust.<sup>34</sup> Furthermore, the company does not address the noncompliance with California law on the definition of “recycling” or the USEPA’s position that mass balance certificates cannot be claimed as recycled content.
3. **Membership in Business Trade Groups and Industry-Sponsored “Environmental” Front Groups:** Mondelez provides a long list of business trade groups and industry-sponsored “environmental” front groups as evidence of the company’s commitment to sustainability of their packaging. But the actions of these trade and environmental front groups prove that they seek to promote business as usual on plastic packaging and stall progress on behalf of their company members. For example, Mondelez touts their role as a Founding Member of the Circular Action Alliance (CAA). In March 2025, the Los Angeles Times reported that CAA sought to delay progress on the implementation of the extended producer responsibility program in California.<sup>35</sup> Mondelez also touts their membership in The Recycling Partnership’s (TRP). As reported by Grist, TRP funded the development of a water-intensive PET plastic recycling operation in Mexicali, Mexico that operated without a permit and without proof of proper environmental performance.<sup>36</sup> The local community objected to the waste colonialism by TRP and the member companies.

## CONCLUSION

**Vote “Yes” on this Shareholder Proposal Regarding Truth in Recycling Claims.** Mondelez is wasting millions of dollars of corporate funds and is exposing the company to brand reputation, legal, and financial risks by purchasing mass balance certificates that deceive consumers and provide no environmental benefit. Mondelez has jumped out alone into a very risky position compared to peer product companies who are largely shunning the purchase of mass balance certificates. The Company must evaluate the Federal and State requirements for truthful environmental claims related to plastic recycling and be transparent with customers and investors to build trust. We urge a “Yes” vote on this resolution.

## APPENDIX 1: FULL PROPOSAL

### Mondelez “Truth in Recycling Claims” Shareholder Resolution

Submitted by Individual Investor on November 13, 2024.

Jan Dell is Founder of The Last Beach Cleanup.

**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.

*For questions, please contact Jan Dell, The Last Beach Cleanup, [lastbeachcleanup@gmail.com](mailto:lastbeachcleanup@gmail.com).*

Photo Credits: The Last Beach Cleanup

THE FOREGOING INFORMATION MAY BE DISSEMINATED TO SHAREHOLDERS VIA TELEPHONE, U.S. MAIL, E-MAIL, CERTAIN WEBSITES AND CERTAIN SOCIAL MEDIA VENUES, AND SHOULD NOT BE CONSTRUED AS

INVESTMENT ADVICE OR AS A SOLICITATION OF AUTHORITY TO VOTE YOUR PROXY. THE COST OF DISSEMINATING THE FOREGOING INFORMATION TO SHAREHOLDERS IS BEING BORNE ENTIRELY BY THE FILER. PROXY CARDS WILL NOT BE ACCEPTED BY THE FILER. PLEASE DO NOT SEND YOUR PROXY TO THE FILER. TO VOTE YOUR PROXY, PLEASE FOLLOW THE INSTRUCTIONS ON YOUR PROXY CARD.

- <sup>1</sup> Netflix, [Buy Now! The Shopping Conspiracy](#), November 2024.
- <sup>2</sup> The New York Times, [“Can Plastic Recycling Ever Really Work?”](#), September 1, 2023.
- <sup>3</sup> The [Last Beach Cleanup website](#) describes the organization’s mission, approach, and results.
- <sup>4</sup> Bloomberg Law Analysis, [“ANALYSIS: Green Product Claims Face Growing Consumer Scrutiny,”](#) March 13, 2023.
- <sup>5</sup> Reuters, [“Companies walk ESG tightrope, under fire from all sides over disclosures,”](#) February 28, 2024.
- <sup>6</sup> NPR, [“How Big Oil Misled The Public Into Believing Plastic Would Be Recycled,”](#) September 11, 2020.
- <sup>7</sup> The Guardian, [“‘They lied’: plastics producers deceived public about recycling, report reveals,”](#) February 15, 2024.
- <sup>8</sup> California Department of Justice, [THE PEOPLE OF THE STATE OF CALIFORNIA, ex rel. ROB BONTA, ATTORNEY GENERAL OF CALIFORNIA, Plaintiff, v. EXXON MOBIL CORPORATION](#), Defendants, September 23, 2024.
- <sup>9</sup> Top Class Actions, [“Keurig Class Action Settled For \\$10M, Ending Recyclability Claims,”](#) March 3, 2022.
- <sup>10</sup> Wall Street Journal, [“TerraCycle Partners Including Coca-Cola, P&G to Change Recycling Labels After Settling Lawsuit,”](#) November 15, 2021.
- <sup>11</sup> ESG Clarity, [“Investors not factoring in plastic risk,”](#) 09 June 2023.
- <sup>12</sup> The Last Beach Cleanup, et. al, [“Guides for the Use of Environmental Marketing Claims – Green Guides Review, Matter No. P954501 \(Docket FTC-2022-0077\),”](#) April 24, 2023.
- <sup>13</sup> County of Los Angeles, [“LA County Sues Pepsi and Coca-Cola over Plastic Beverage Pollution and Deceiving Public on Plastic Recycling,”](#) October 30, 2024.
- <sup>14</sup> Volcovici, [“Lawsuits target illegal plastic bag sales in California,”](#) Reuters, June 6, 2022.
- <sup>15</sup> [Bargetto vs. Walgreens](#), United States District Court, Northern District of California, 2022.
- <sup>16</sup> [Last Beach Cleanup vs. Gelson’s Markets](#), Superior Court of the State of California, County of Los Angeles, 2022.
- <sup>17</sup> [Last Beach Cleanup vs. Stater Bros. Markets](#), Superior Court of the State of California, County of Los Angeles, 2022.
- <sup>18</sup> Last Beach Cleanup vs. Gelson’s Market, [Settlement Agreement](#), 2023.
- <sup>19</sup> Bloomberg Law, [“Walmart, Reynolds Sued by Minnesota Over Plastic Bag Marketing,”](#) June 6, 2023.
- <sup>20</sup> BakingBusiness.com, [“Mondelez settles in Wheat Thins labeling lawsuit,”](#) February 24, 2025.
- <sup>21</sup> Mondelez Press Release, [“Mondelez International Makes Progress Toward Packaging Goals with Advanced Recycling Technology in Triscuit Packaging,”](#) September 19, 2024.
- <sup>22</sup> McKinsey, [“A unique moment in time: Scaling plastics circularity,”](#) August 16, 2023.
- <sup>23</sup> The Last Beach Cleanup, [Mondelez Shareholder Resolution](#)
- <sup>24</sup> NRDC, [“The Plastics Industry’s Latest Deception: ‘Mass Balance,’”](#) September 9, 2024.
- <sup>25</sup> USEPA, [EPA’s Safer Choice and Design for the Environment \(DfE\) Standard](#), August 2024
- <sup>26</sup> US FTC, [USEPA Comments on Green Guide Revisions](#), April 20, 2023
- <sup>27</sup> California Department of Justice, THE PEOPLE OF THE STATE OF CALIFORNIA, ex rel. ROB BONTA, ATTORNEY GENERAL OF CALIFORNIA, Plaintiff, v. EXXON MOBIL CORPORATION, Defendants, September 23, 2024. [Lawsuit filing link](#).
- <sup>28</sup> U.S. FTC, [Green Guides](#).
- <sup>29</sup> [2022 California Code, Business and Professions Code – BPC, DIVISION 7 - GENERAL BUSINESS REGULATIONS PART 3 - REPRESENTATIONS TO THE PUBLIC, CHAPTER 1 – Advertising ARTICLE 7 - Environmental Representations, Section 17580.](#)
- <sup>30</sup> [2022 California Code, Business and Professions Code – BPC, DIVISION 7 - GENERAL BUSINESS REGULATIONS PART 3 - REPRESENTATIONS TO THE PUBLIC, CHAPTER 1 – Advertising ARTICLE 7 - Environmental Representations, Section 17580.](#)
- <sup>31</sup> Uekert, et. al, [“Technical, Economic, and Environmental Comparison of Closed-Loop Recycling Technologies for Common Plastics,”](#) USDOE/NREL, Jan. 13, 2023
- <sup>32</sup> BASF, [Life cycle assessment \(LCA\) for ChemCycling® and measurement program for pyrolysis oil](#)
- <sup>33</sup> SABIC, [CERTIFIED CIRCULAR POLYMERS VIA ADVANCED RECYCLING OF PLASTIC WASTE](#), March 2021
- <sup>34</sup> BakingBusiness.com, [“Mondelez settles in Wheat Thins labeling lawsuit,”](#) February 24, 2025.
- <sup>35</sup> Los Angeles Times, [“Ethics complaint lodged against former CalRecycle director,”](#) March 5, 2025
- <sup>36</sup> Grist, [“American cities want to recycle their plastic trash in Mexico. Critics call it ‘waste colonialism,’”](#) March 21, 2023.