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Shareholder Resolutions Ask Major Packaged Goods Companies to Adopt Extended Producer Responsibility

Goal to Reduce 40 Million Tons of Packaging Landfilled or Burned in the U.S. Each Year

SAN FRANCISCO, April 27 – The shareholder advocacy group [As You Sow](#) will file shareholder resolutions this week with consumer packaged goods giants Procter & Gamble (P&G) and General Mills to adopt Extended Producer Responsibility (EPR) programs aimed at elimination of post-consumer waste. The proposals are the first to be filed by shareholders on this issue and will press the companies to take a first step toward this goal by collecting and recycling product packaging (plastic, glass, metals, paper) in their U.S. operations.

These new proposals follow As You Sow's successful efforts in pressing Coca-Cola Co., PepsiCo and Nestle Waters North America to take responsibility for more than 50% of their U.S. product packaging.

The P&G and General Mills proposals ask the companies to report to shareholders on how taking responsibility for post-consumer product packaging can reduce carbon emissions as well as air and water pollution and lead to re-evaluating the way they design, use and re-use the resources and materials that go into their packaging. The proposals also ask the companies to take the lead in emerging public policy debates under way in several states on how to manage and finance EPR policies.

The shareholder proposals to General Mills and P&G were co-filed by Green Century Capital Management and Walden Asset Management; the proposal to P&G was also co-filed by Trillium Asset Management.

"We're burning and landfilling 40 million tons of recyclable packaging materials estimated to be worth \$15 to \$23 billion every year." said Conrad MacKerron, As You Sow's Senior Director for Corporate Responsibility. "We can no longer afford to discard packaging containing valuable resources. As shareholders we see this as throwing away revenue and we need to stop it immediately. "

EPR has already proven a success in Canada and the EU on a broad range of products and for electronics recycling in the U.S. with 23 states adopting laws making producers responsible for collection and recycling. As You Sow has been at the forefront of these efforts working with HP, Dell, Apple and Best Buy on e-waste recycling programs.

"We believe it's time for companies to manage the full life cycle of packaging as efficiently as they manage design and marketing of products," said MacKerron. Taking responsibility for environmental externalities is a core goal of As You Sow's Corporate Social Responsibility Program and EPR is a key step towards an industrial system of sustainable production and consumption. EPR commitments can provide a triple benefit of: 1) more efficient and sustainable use of materials; 2) reduced pollution emissions; and 3) a stronger product stewardship profile for stakeholders.

"For decades companies have passed the costs of onerous environmental externalities onto U.S. taxpayers. Increasingly an essential component of environmental leadership is taking responsibility for post-consumer packaging and end-of-use waste," said Tim Smith, Senior Vice President of Walden Asset Management, a co-filer of both proposals. "Electronics companies are now addressing this challenge.

We're asking P&G and General Mills to constructively engage with stakeholders to identify how successful EPR laws in Europe and Canada can be best applied to the U.S."

EPR laws in Europe have led to some impressive successes. In 2007 the average packaging recycling rate across 27 participating EU countries reached 59%. Belgium's FOST Plus system recycled 93% of consumer packaging in 2009. 32 million tons of packaging was recovered by EPR programs in EU countries in 2009 saving 25 million tons of CO₂. EPR has shown it can decouple packaging growth from economic growth. Between 1998 and 2007, four main elements of the packaging waste stream--glass, metals, paper and cardboard, plastics grew at just half the rate of GDP, according to the European Environmental Agency.

Several factors suggest that the time is right for companies to take responsibility for packaging:

- **Coca-Cola and Nestle are Early Endorsers:** Coca-Cola and Nestle Waters NA are supporting EPR state legislation that would make them responsible for post-consumer collection and recycling; and the companies are urging peers to support it as well.
- **Reducing Our Carbon Footprint:** A recent analysis of U.S. Environmental Protection Agency data concludes that the energy needed to produce, use and dispose of products and packaging accounts for 44% of total U.S. greenhouse gas emissions. Recycling post-consumer packaging can therefore have a substantial impact on carbon footprint reduction. For example, making cans from recycled aluminum instead of virgin ore uses 95% less energy and creates 95% less greenhouse gas emissions.
- **Reducing Waste Collection Costs:** States and municipalities are looking favorably at EPR systems as a way to reduce municipal solid waste collection costs at a time of record state and local budget pressures.
- **State EPR Laws Already in Place:** EPR laws are already in effect in 23 states for electronic waste recycling and in a smaller number of states for collection of hazardous items like paint, pesticides and mercury thermometers.

As You Sow is asking companies to:

- Acknowledge responsibility for post-consumer packaging collection and recycling;
- Report to shareholders on costs and benefits of existing EPR mandates companies are subject to in other countries, including the benefits of more sustainable packaging design, more efficient use of materials, and reduction in air and water pollution emissions;
- Work with stakeholders to determine what actions the company can take to independently promote EPR for packaging systems;
- Actively engage with stakeholders in the public policy debate on the best way to implement EPR for packaging legislation in the U.S.; and
- Integrate EPR concepts into in corporate and public policy initiatives that are producer financed and managed, subject to aggressive recycling goals set by government, and not specifically aimed at repealing existing container deposit laws.

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As You Sow is a nonprofit organization that promotes corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. For more information visit www.asyousow.org.