

# THE LAST BEACH CLEANUP

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## Kraft Heinz “Truth in Recyclable Labels” Shareholder Resolution

Submitted by Individual Investor on November 13, 2024.

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**WHEREAS:** The United States (U.S.) Securities and Exchange Commission, California State Attorney General, public and private lawsuits, and media investigations are challenging the legitimacy of product companies’ recyclable labels and mass balance circular content claims related to plastic packaging. In a lawsuit against ExxonMobil filed September 2024, the California State Attorney General alleged that the ISCC certification scheme is a false and misleading marketing scheme. Kraft Heinz is currently employing several types of recyclable labels on plastic packaging that are being legally challenged: “Store Dropoff,” “Check Locally,” and “Remove Label for Recycling.” Other major brands have stopped using such labels on their products. Kraft Heinz has promoted ISCC mass balance certificates to give the appearance of circularity for its plastic packaging.

Store Dropoff: In September 2023, Bloomberg used trackers to prove that Nature Valley Granola Bars are not being recycled through “store dropoff” but are being landfilled, incinerated, or exported. In May 2023, an ABC News Investigation garnered significant national negative media attention on the failure of store dropoff scheme to recycle plastic bags and films showing that consumers have been misled. 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 was cited.

Check Locally: 2022 detailed assessments of plastic recycling by Greenpeace established that most plastic packaging, including packaging employed by Kraft Heinz, 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. Check Locally labels are banned by California’s Truth in Labeling Law.

Kraft Heinz 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 Heinz 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 2025 providing the factual basis for legitimacy of all recyclable and mass balance 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 the criteria for statewide recyclability. 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.