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Investors Press Mondelez International for Recyclable Packaging

First-of-Its-Kind Shareholder Resolution Requests Mondelez Phase out Unrecyclable Packaging Following Commitment by Colgate-Palmolive

OAKLAND, CA – Asserting that unrecyclable packaging wastes resources and contributes to the growing pollution of world oceans, a proposal to Mondelez International from As You Sow, a shareholder advocacy organization, received 28.4% shareholder support representing \$11.8 billion worth of shares at the giant food manufacturer's annual meeting.

Mondelez International, headquartered in Deerfield, Illinois, is the world's largest snack food company, producer of brands such as Oreo, Chips Ahoy!, Trident gum, and Philadelphia cream cheese. It comprises the global snack and food brands of the former Kraft Foods, which it split from in 2012.

Many Mondelez products, including family favorites like Oreo cookies, are packaged in thin, unrecyclable plastic film, when they could easily be sold in cardboard packaging. "Shareholders should be concerned that the company is selling packaging that is designed to be dumped in a landfill," said Conrad MacKerron, As You Sow Senior Vice President. "Using unrecyclable packaging when alternatives are available leads to increased use of virgin materials and wastes enormous amounts of valuable resources that could be reused many times over."

The proposal, the first of its kind to go to a vote, asked the company to assess the environmental and operational risks associated with continuing to use unrecyclable packaging and to develop a timeline, if possible, for phasing it out. Following engagement with As You Sow, consumer goods giant Colgate-Palmolive recently agreed to phase out most of its unrecyclable packaging by 2020. "If Colgate can do it, why not Mondelez?" asked MacKerron. He added, "We are pleased that nearly a third of shares voted agree with our position."

Of particular concern is the impact of unrecyclable packaging on oceans and marine environments. Plastic packaging that reaches the ocean can break down into small indigestible particles that birds and marine mammals mistake for food. "The most common microplastic that we find [in ocean debris] are thin plastic films," Captain Charles Moore, founder of the Algalita Marine Research Institute, told As You Sow.

"We commend As You Sow for making companies aware of scientific studies showing that discarded packaging is creating huge problems in the world's oceans," said Darby Hoover, Senior Resource Specialist, Natural Resources Defense Council. "Plastic packaging is a prime component of marine litter, which global authorities have documented kills and injures marine life and poses a potential threat to human health. Recent research indicates discarded plastics collect toxins and transfer them into the marine food web and potentially to human diets."

Another concern is the growing trend of companies using pouches made of aluminum foil/plastic laminate to package cookies, juices, and other foods and snacks. This packaging cannot be recycled into new pouches and is rarely collected for any kind of post-consumer recovery. Mondelez sells many products in these pouches, including bite-size Mini Oreos and Mini Chips Ahoy! cookies.



"There is no reason to be marketing unrecyclable packaging to kids and families when better alternatives have been on the market for decades," said MacKerron. As You Sow's new video <u>Designed to be Waste</u> addresses the issue of composite laminate/aluminum foil pouches and similar unrecyclable packaging, challenging companies including Mondelez, Kraft and Procter & Gamble to take responsibility for the impact of their consumer packaging.

With this filing, As You Sow's <u>Waste program</u> is continuing its campaign aimed at encouraging companies to reduce and manage the waste generated by their products. This year, As You Sow also filed similar proposals at Kraft Foods, General Mills, and Procter & Gamble, and a separate proposal asking Kroger and Safeway to develop post-consumer packaging recycling policies. An As You Sow resolution asking Dr Pepper Snapple to develop bottle and can recycling and recycled content goals <u>was supported by 30% of shareholders</u> at the company's May 15 annual meeting.

"As demonstrated by Colgate's recent announcement that they are transitioning to 100% recyclable packaging for three of four product divisions by 2020, companies can work with investors to create better packaging and improve their environmental impact," added MacKerron. "This vote shows that a significant number of investors recognize the risk to Mondelez's brand posed by its throwaway packaging, and want the company to act to develop recyclable alternatives."

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