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## McDonald's to Test Replacing Foam Cups with Paper in 2,000 Restaurants

In response to a 2011 shareholder <u>resolution</u> filed by shareholder advocacy organization <u>As You Sow</u>, McDonald's Corp. recently confirmed that it is taking a major step toward possible phase-out of polystyrene foam beverage cups.

The company recently notified As You Sow that: "McDonald's is currently testing a double-walled fiber hot cup, as the company continues to seek more environmentally sustainable solutions. The test is in approximately 2,000 restaurants in the U.S., primarily on the West Coast. The objective of this test is to assess customer acceptance, operational impact and overall performance."

2,000 restaurants represent nearly 15% of McDonald's restaurants in the U.S. The shareholder proposal, which asked the company to assess the environmental impacts of different kinds of beverage containers and to develop packaging recycling goals, received the support of nearly 30% of total company shares voted, a high result for an environmental issue proposal, and the highest vote to date for any As You Sow proposal on container recycling.

"This is a great first step for McDonald's and we hope it will lead to a permanent switch to paper cups in all of its restaurants," said Conrad MacKerron, As You Sow's Senior Program Director. "Given the company's history of using high levels of recycled content in other food packaging, we hope that it follows suit with its cups, and also establishes a robust recycling program for post-consumer waste left in its restaurants."

In 1990 McDonald's began to phase out foam-based clamshell food containers amid concerns that petroleum-based food packaging persists in the environment for hundreds of years. Over the next decade, McDonald's eliminated more than 300 million pounds of packaging and reduced restaurant waste by 30%, saving an estimated \$6 million per year. However, the company continued to use billions of foam-based beverage cups.

Styrene, used to make polystyrene, has been listed as a possible carcinogen by both the International Agency for Research on Cancer and the National Institutes of Health's National Toxicology Program. Several epidemiologic studies suggest an association between occupational styrene exposure and an increased risk of leukemia and lymphoma.

Polystyrene cups are not commonly recycled. Foam particles are among the most common items found by environmental groups leading beach cleanups. Carried through storm drains to the ocean, foam

containers break down into small indigestible pellets which animals perceive as food, resulting in the death of birds and fish. Due to such concerns, more than 50 cities in California and 100 cities in the U.S. have banned or restricted the use of polystyrene food packaging.

"Our focus on McDonald's is part of a larger initiative asking all companies that put packaging on the market to take full responsibility for post-consumer collection and recycling through implementation of extended producer responsibility policies," said MacKerron. "To accomplish this, companies need to shift to more recyclable materials and to accept financial responsibility for post-consumer collection and recycling."

Dunkin' Donuts, which also serves hot beverages in foam cups, announced last fall that it was also considering alternatives. In its <u>latest CSR report</u>, the company states: "We realize that the most prominent sustainability issue we must deal with is our Dunkin' Donuts foam cup. While there is currently no single-use hot beverage cup on the market that meets our criteria for performance cost and recyclability, we are committed to solving this and other packaging issues, by working with our industry partners, manufacturers and material engineering researchers."

As You Sow will be approaching other competitors as well, including Yum! Brands, Tully's, and Peets, to ask them to recycle the cups left in their stores.

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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 <a href="https://www.asyousow.org">www.asyousow.org</a>.