

Resolutions Target GMO Labeling and Extended Producer Responsibility at Safeway

Robert Kropp | July 25, 2014

The annual general meeting of the supermarket chain was dominated by merger talks, but health and environmental resolutions filed by Green Century and **As You Sow** were considered as well.

SocialFunds.com -- The annual general meeting (AGM) of the supermarket chain Safeway was held in Pleasanton, CA, earlier today, and as expected the major topic for shareholder consideration was the company's proposed merger with Albertson's. According to management, 70% of the outstanding shares and 96% of the shares voted approved the merger.

Two resolutions filed by sustainable investment organizations were voted down by the company's shareholders, management reported, but support for both were strong enough for them to be returned to the proxy ballot next year. And from the perspective of social and environmental justice, the issues raised by the two resolutions are likely to remain relevant long after two grocery stores become one.

A resolution requesting the labeling of products containing genetically modified organisms (GMOs), filed by Green Century Capital Management, received about 10% of shareholder votes, Safeway reported in its preliminary count (the official tally will be reported on the company's Form 8-K). Before the resolution was voted on, the company's board was presented with a petition from US Public Interest Research Group, signed by 130,000 consumers, calling for the labeling of GMOs.

Polls show that over 90% of Americans want food products containing GMOs to be labeled.

"Transparency is absolutely critical for earning and maintaining consumer trust, particularly when it comes to issues like food quality and safety," Lucia von Reusner, Shareholder Advocate for Green Century, said. "Shareholders have reason to be concerned if Safeway is unwilling to provide the transparent food labeling called for by over 90% of U.S. consumers."

Bills or ballot initiatives calling for the labeling of products with GMOs have been introduced in more than 20 states in the least year alone, Green Century reports, and initiatives have been approved in Connecticut, Maine, and Vermont. Also, prominent companies including Whole Foods, Chipotle, and Ben & Jerry's have voluntarily agreed to disclose the presence of GMOs in products.

A second resolution, filed by **As You Sow**, addresses the concept of Extended Producer Responsibility (EPR). "Post-consumer packaging and printed paper comprises nearly half of US landfill waste and is a significant consumer of natural resources, energy and source of greenhouse gas emissions," the resolution states. "The estimated market value of wasted packaging that could be recycled is \$11.4 billion."

While more than 40 nations have shifted all or most of the responsibility for post-consumer packaging to producers, the US has not. The environmental and financial costs of wasted packaging are borne by citizens and taxpayers instead.

"Adoption of EPR policies will incentivize producers to reduce the amount of packaging they create, substantially increase recycling rates, provide much needed revenue to improve efficiency of recycling systems, reduce carbon footprint and energy use, and reclaim billions of dollars of embedded value now buried in landfills," **As You Sow** has stated. The organization is engaging with seven corporations on the issue this proxy season.

The resolution at Safeway called on the company to issue a report "developing a policy position on the company's responsibility for post-consumer product packaging of its private label brands, and assessing whether alternative approaches could lead to substantially increased packaging recycling."

According to Safeway's preliminary count, 12% of its shareowners voted in favor of **As You Sow's** resolution.