



WHEREAS:

Product packaging is a significant consumer of natural resources and energy, and a major source of waste and greenhouse gas (GHG) emissions. More than half of U.S. product packaging is discarded in landfills or burned rather than recycled. Only 12% of plastic packaging is recycled.

Paper and packaging comprise 44% of U.S. landfill waste. Nestle Waters North America says plastic bottles are the largest contributor to its carbon footprint; Coca-Cola Co. reports packaging is the largest part of the carbon footprint of several products. A recent analysis of U.S. Environmental Protection Agency data estimates that the energy needed to produce and dispose of products and packaging accounts for 44% of total U.S. GHG emissions. Decaying paper packaging in landfills forms methane, whose greenhouse warming potential is 72 times more potent than CO₂. Metal, paper and plastic packaging have large embodied energy and emissions profiles because of the high costs of processing raw materials.

For generations taxpayers have subsidized solid waste disposal and recycling in the U.S. Extended Producer Responsibility (EPR) is a corporate and public policy that shifts accountability for collection and recycling from taxpayers and governments to producers. Coca-Cola and Nestle Waters have endorsed such “Make It Take It” policies for financing the recycling of packaging if other producers also pay their fair share. When all producers pay fees based on the amount of packaging used, no company should have to pay a disproportionate cost. Unilever has set goals to increase recovery of its used packaging 15% by 2020.

In many other countries, consumer brands that put packaging on the market are already financially responsible for its recycling. More than half of Organization for Economic Cooperation and Development members have some form of producer-financed packaging systems in place. EPR programs in Denmark, Belgium, Netherlands and Germany recover far higher rates of packaging than the U.S.

Producers control design and marketing decisions, and so are best positioned to choose the most recyclable packaging materials and reduce the overall environmental impact of product packaging. EPR mandates can create new economic markets for used packaging. Increased recycling of packaging can yield strong environmental benefits, leading to more efficient use of materials, reduced extraction of natural resources, fewer GHG and toxic emissions, and less post-consumer packaging flowing into oceans where it imperils marine life.

THEREFORE BE IT RESOLVED:

That shareowners of The Kroger Co. request that the board of directors issue a report at reasonable cost, omitting confidential information, by Sept. 1, 2013 assessing the feasibility of adopting a policy of Extended Producer Responsibility for house brand post-consumer product packaging as a means of increasing rates of packaging recycling, and reducing carbon emissions and air and water pollution resulting from the company’s business practices.



AS YOU SOW

2013 Shareholder Resolution

KROGER CO. Evaluate producer responsibility for post-consumer packaging

SUPPORTING STATEMENT:

Proponents believe policy options reviewed in the report should include taking responsibility for house brand post-consumer package recycling, endorsing EPR mandates as appropriate and participating in development of producer financed and managed EPR systems.