



## Shareholder Proposal to General Mills Report on Packaging Recyclability

Our shareholder proposal to General Mills asks the company to issue a report assessing the environmental impacts of continuing to use unrecyclable brand packaging. Our supporting statement says we believe the report should include an assessment of the reputational, financial and operational risks associated with continuing to use unrecyclable brand packaging and, if possible, goals and a timeline to phase out unrecyclable packaging.

**The company acknowledges in its statement in opposition to the proposal that much of its packaging sustainability improvement has been due to light weighting and not due to further improvements in material recyclability. It states that by 2015, 60% of its global product volume will be sold in “improved” packaging. This is a very vague statement. In discussions with the company, it revealed to us that most of this improvement relates to light weighting and none was due to improved recyclability. This information by itself justifies voting in favor of our proposal requesting a report asking for further improvement of recyclability of packaging.**

The company’s statement in opposition says 85% of its packaging is recyclable. We appreciate that most of its packaging can be recycled but the goal of the proposal is to get the company to assess the remaining 15% that is not recyclable and report to shareholders on the feasibility of replacing it with recyclable packaging. The company does not address this point in its statement in opposition.

**Further, the fact that a container can be recycled does not mean it will be recycled. For example, while more than 60% of the population has access to recycling of #5 polypropylene plastic, the material used to package General Mills’ popular Yoplait yogurt cups, the U.S. Environmental Protection Agency 2012 municipal solid waste report indicates that only an estimated 2.2% of these kinds of containers are actually recycled! We engaged General Mills management to commit resources to better educate consumers about the ability to recycle these containers or to take other actions to boost the recycling rate; the company declined to do so.**

We believe the term recyclability should include achievement of a significant level of actual recycling of the materials; in this case the company’s Yoplait yogurt severely lacks a significant level of recycling. Starbucks has accepted this concept and does not publicly cite its plastic and paper cups as recyclable until it has evidence they are actually being recycled.

The company tries to portray that it is taking steps to increase recycling rates, citing use of How2Recycle label. These labels are an improvement over previous labeling but are still generic in nature and don’t inform the consumer if a package is recyclable in their locality, asking consumers to check locally.

It also cites participation in Ameripen and says the organization is undertaking several projects to increase recovery of packaging. This is highly debatable. Ameripen was developed as a policy-oriented trade association to evaluate and likely block emerging producer responsibility for packaging legislation. Ameripen recently abandoned an earlier commitment to directly fund recycling programs in U.S. communities that would increase recycling rates and now states that



it will endorse legislation that would have a similar impact. This is at best an indirect benefit to recycling rates and far from leadership activity on this issue.

We also note with concern that Betty Crocker cake mixes and Yoplait Smoothies are packaged in flexible laminate pouches for which there is no substantive recycling available anywhere in the U.S. Waste Management Inc. recently expressed its concern about proliferation of these materials. Tom Carpenter, Director, WM Sustainability Services, said “We have found that life cycle assessment strategies often lead to decisions made at the expense of recyclability. Great designs that are sustainable on many fronts are beginning to push low value and the materials are hard to capture into the recycling marketplace. On the back end, you are left with bales of unwanted materials or mixed residues destined for landfill. As the value of materials continue to degrade and hybrid products [like pouches] increase, it is becoming harder to justify new technologies to effectively capture the ever evolving packages.”

Finally, there is no mention of the company being aware of or responding to the threat to world oceans from poorly managed plastic packaging waste like Yoplait yogurt cups discussed in the proposal.

Investors would benefit from a report explaining in detail what resources are being applied to improving packaging recyclability; explaining how it justifies putting new and disruptive packaging like flexible laminate pouches on the market that have no ability to be recycled, and discussing its awareness of how its packaging may be contributing to the ocean gyre debris threat and how it plans to respond to that threat.