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Leading Companies Are Taking Proactive Approach to BPA

By Robert Kropp

Report by Green Century Capital Management and **As You Sow** finds increased attention by food, beverage, and retail companies to bisphenol A in packaging.

SocialFunds.com -- Shareowner action is, for the most part, a story of incremental success. If a first-time resolution, for instance, exceeds the voting threshold of three percent established by the Securities and Exchange Commission (SEC), it can then be re-introduced the following year. Corporations often decide then that engagement with shareowners on the issue addressed in the resolution is in their best interest.

It is the rare shareowner resolution that encourages companies to act proactively in addressing an issue. However, the five years of engagement by Green Century Capital Management and **As You Sow** with companies in the food, beverage, and retail sectors on bisphenol A (BPA) in food can linings has led to such a scenario, as a new report authored by Green Century and As You Sow describes.

BPA is an industrial chemical found in plastic bottles and food and beverage cans. In its Update on Bisphenol A, published in January 2010, the US Food and Drug Administration (FDA) found reason for "concern about the potential effects of BPA on the brain, behavior, and prostate gland in fetuses, infants, and young children." Studies have linked BPA with several forms of cancer.

Human exposure to BPA is widespread. According to a study by the Centers for Disease Control and Prevention (CDC), detectable levels of BPA were found in 93% of urine samples from people six years and older.

In September 2010, Canada became the first country to declare BPA a toxic substance.

The report, which follows a 2009 ranking of corporate attention to BPA, found that "notable progress has been made towards commercializing substitutes to BPA epoxy can linings. The overwhelming majority of companies that responded to the survey acknowledge some efforts to explore BPA-free packaging substitutes."

"Several have clearly become leaders by making direct company investments in identifying substitutes to BPA, and some have begun phasing out BPA from packaging," the report continued. The finding represents a distinct improvement since last year's report, which found, "All companies surveyed use BPA and are taking insufficient steps to move toward alternatives."

Emily Stone, Shareholder Advocate at Green Century and co-author of the report, said, "Companies are actually moving faster than regulators in phasing out BPA from food and beverage packaging."

In 2009, Hain Celestial received the highest ranking, and was the only company to earn a C rating. In 2010, Hain, along with ConAgra and Heinz, received an A. According to the report, "Each of these companies has started using BPA-free can linings for certain products, is committed to removing the chemical from all of its packaging products, and has a

timeline to achieve this transition."

Yet many companies continue to fall short in addressing BPA. Coca-Cola, where a first-time vote on BPA won 21.9% of shareowner votes this year, received an F, as did Del Monte, Kraft, Unilever, Kroger, Safeway, Supervalu and Wal-Mart. Delhaize Group, Hershey, Hormel, and Sysco did not respond to the survey request, "demonstrating," the report pointed out, "a disconcerting lack of transparency on this issue."

"Innovative companies that are spearheading the transition to BPA-free packaging for canned goods are sending a clear message to investors that they are looking to stay ahead of the market and gain an edge over competitors," the report continued.

Amy Galland, Research Director at **As You Sow** and co-author of the report, said, "The commitment from innovative companies to eliminate BPA from their cans sends a strong message that it is possible for the sector to transition away from using this dangerous chemical in packaging. From the investor perspective, this is an important shift that is necessary to reduce chemical-related risks for these companies and help protect our assets."