AS YOU SOW

2017 Shareholder Resolution Kraft Heinz Company Request: Report on Recyclable Packaging

WHEREAS: The Kraft Heinz Company states it is "dedicated to the sustainable health of our people, our planet and our company," yet a significant amount of its brand product packaging is not recyclable. Non-recyclable packaging exacerbates already difficult efforts to recycle more materials. New studies suggest that discarded plastic packaging which reaches the ocean is toxic to marine animals and potentially to humans.

Kraft Capri-Sun and Kool-Aid Jammers juice drinks, and Heinz pouch pack ketchup are examples of products packaged in laminate pouches that cannot be recycled and are rarely collected for recovery. They are designed for the dump, not for recycling. Capri-Sun could be dispensed in recyclable PET plastic or glass bottles, paper cartons or aluminum cans as are Minute Maid, Juicy Juice, Tropicana and other juice brands. Using non-recyclable packaging when recyclable alternatives are available wastes valuable resources such as aluminum that could be perpetually recycled.

An estimated 5 billion units of Capri-Sun are sold worldwide. Only 14% of plastic packaging is collected for recycling. Billions of pouches, representing significant amounts of embedded value and energy, lie buried in landfills. Non-recyclable packaging is more likely to be littered, swept into waterways and break down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food. A recent study of 29 rivers flowing into the Great Lakes found every sample to be carrying a variety of microplastics, often in concentrations far larger than detected in the lakes themselves.

A UN Environment Program report estimated that plastic does \$13 billion in damage to marine ecosystems annually. California spends nearly \$500 million annually preventing trash, much of it packaging, from polluting beaches, rivers and oceanfront. Eight million tons of plastics leak into the ocean annually. If no action is taken, oceans are expected to contain more plastic than fish by 2050.

U.S. Environmental Protection Agency studies suggest a synergistic effect between persistent toxic chemicals and plastic debris. Plastics absorb toxics such as dioxins from water and transfer them to the marine food web and potentially to human diets, increasing the risk of adverse effects to wildlife and humans.

Better management of plastic could save consumer goods companies \$4 billion a year. Making all packaging recyclable is the first step to reduce the threat posed by ocean debris. Shareholders deserve an explanation why the company has not made stronger efforts to reduce non-recyclable packaging.

BE IT RESOLVED THAT: Shareowners of Kraft Heinz request that the board of directors issue a report at reasonable cost, omitting confidential information, assessing the environmental impacts of continuing to use non-recyclable brand packaging.

SUPPORTING STATEMENT: Proponents believe the report should include an assessment of the reputational, financial and operational risks associated with continuing to use non-recyclable brand packaging and if possible, goals and a timeline to phase out non-recyclable packaging; or provide evidence of substantive actions taken to make these materials recyclable.