

WHEREAS: The growing plastic pollution crisis poses increasing risks to our company. Corporations could face an [annual financial risk of approximately \\$100 billion](#) should governments require them to cover the waste management costs of the packaging they produce, a policy that is increasingly being enacted around the globe.

Recently, Pew Charitable Trusts released a groundbreaking study, *Breaking the Plastic Wave*, concluding that if all current industry and government commitments were met, ocean plastic deposition would be reduced by only seven percent. Without immediate and sustained new commitments throughout the plastics value chain, annual flows of plastics into oceans could nearly triple by 2040.

The Pew report also finds that improved recycling is insufficient to stem the plastic tide, and must be coupled with reductions in use, materials redesign, and substitution. It also finds that at least one-third of plastic demand can and should be reduced. The report states that reducing plastic production is the most attractive solution from environmental, economic, and social perspectives. The European Union has banned 10 single-use plastic products commonly found in ocean cleanups and enacted a \$1/kg tax on non-recycled plastic packaging waste.

Kraft Heinz lags peers in reducing risk from plastic packaging use. Competitor Unilever has taken the most significant action to date, agreeing to cut virgin plastic packaging use by 50% by 2025, including absolute elimination of 100,000 tons of plastic packaging. Seventeen other consumer goods companies have virgin plastic reduction goals, including Procter & Gamble, Colgate-Palmolive, Nestlé, and Target. Kraft Heinz has no virgin plastic reduction goal.

Competitor Nestlé uses 4.2% recycled content in its plastic packaging, while fifteen other companies report using two to ten percent recycled content plastic. Twenty-three competitors have time bound goals to improve use of recycled content plastic in packaging. Kraft Heinz does not report use of any recycled content plastic and has no recycled plastic content goal.

Up to 30% of Kraft Heinz's packaging is flexible plastic film, which cannot be recycled. Flexible packaging represents 59% of all plastic production but an outsized 80% of plastic leaking into oceans.

Our company [received a score of "D"](#) in a 2021 study ranking corporate leadership on plastic pollution, demonstrating that Kraft Heinz is behind competitors in addressing its contribution to plastic pollution, thereby creating reputational, regulatory, and cost risks.

BE IT RESOLVED: Shareholders request the Kraft Heinz Board issue a report describing how the company will reduce plastic packaging, including any planned reduction strategies or goals, materials redesign, substitution, or reductions in use of virgin plastic.

SUPPORTING STATEMENT: Proponents note that the report should be prepared at reasonable cost, omitting confidential information, and include an assessment of the reputational, financial, and operational risks associated with continuing to use substantial amounts of plastic packaging while plastic pollution grows unabated. In the board's discretion, the report could also evaluate benefits and costs of dramatically reducing the amount of plastics used in our packaging.