WHEREAS: PepsiCo emphasizes its commitment to environmental leadership, yet most Pepsi beverage containers in the U.S. continue to be landfilled, incinerated or littered, contributing to depletion of natural resources, environmental pollution, and reducing the supply of plastic, glass, and aluminum feedstocks available for recycling.

As You Sow and Walden Asset Management withdrew a shareholder proposal at Pepsi in 2010 after the company provided a written pledge to work with peers to increase the beverage container recycling rate for plastic and glass bottles and aluminum cans to 50% by 2018. As we approach the end of 2018, the current recycling rate for beverage containers is 36%, according to the American Beverage Association, which is 2% lower than it was in 2010. Clearly the company’s efforts have failed.

In subsequent years, plastic pollution has emerged as a looming environmental crisis. Only 14% of plastic packaging is collected for recycling. Plastic water and soda bottles are the fifth most frequently found form of plastic waste in beach cleanups. Billions of plastic bottles, representing significant amounts of embedded value, are swept onto land and then into storm drains, rivers, and oceans. Pepsi used 1.8 million tons of plastic last year in its operations. Plastic packaging breaks down into small indigestible particles swirling in ocean gyres that birds and fish mistake for food, sometimes resulting in impairment and death. Plastic does an estimated $13 billion in damage to marine ecosystems annually. 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. Plastics also 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.

The company has not provided basic public reporting to stakeholders on progress toward the 50% container recycling goal. It has reported publicly only once in the eight year duration of this commitment on progress toward the goal, briefly mentioning it in a report in 2013. There is no mention of the goal on the company’s web site. As You Sow urged the company in recent dialogue to utilize lessons learned over the past eight years to develop a more transparent and comprehensive revised plan for how to reach a 50% recycling rate. Such a plan has not been forthcoming. Company actions to date don’t deal with key issues like long-term funding and developing domestic markets that hinder efforts to increase recycling, or present a coherent blueprint for scalable solutions.
BE IT RESOLVED: Shareholders request that the Board of Directors of PepsiCo issue a report, at reasonable cost and omitting proprietary information, on reducing the company’s environmental impact by describing actions taken and lessons learned to date in quest of the 50% beverage container recycling goal, and progress in developing revised plans for meeting its commitment to leadership actions to help increase U.S. container recycling rates.