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\$11.4 Billion in Recyclable Materials Landfilled Every Year, New Report Finds

Report Analyzes the Need and Momentum for Producer Responsibility Programs to Address Growing Post-Consumer Waste Problems and Opportunities in the U.S.

American business should stop throwing away billions of dollars of valuable packaging materials and take responsibility for recycling these post-consumer materials, says a new report released today. The <u>report</u> highlights how the United States' lagging packaging recycling rates result in serious market inefficiencies and unnecessary strain on our economy and the environment.

Packaging comprises over 40% of the U.S. solid waste stream, greater than any other category, and most of the materials are recyclable. Findings in the report include an estimate that the value of wasted, recyclable consumer packaging materials exceeded \$11 billion in 2010. It also details how shifting financial responsibility from taxpayers to producers through a policy known as "extended producer responsibility" (EPR) can lead to profits in processing used materials, reductions in carbon emissions and energy used to produce packaging, and thousands of new "green" jobs in collection and processing.

The report, *Unfinished Business: The Case for Extended Producer Responsibility for Post-Consumer Packaging*, was released by <u>As You Sow</u>, a nonprofit organization that promotes corporate responsibility through shareholder advocacy and innovative legal strategies.

"Americans throw away more materials than any other country," said Conrad MacKerron, Senior Program Director at As You Sow and author of the report. "This used to be a sign of economic progress, but in an age of declining natural resources, such waste is now an indicator of inefficient use of valuable raw materials and market failure. It's simply not good business to throw away billions of dollars of reusable resources."

At least 47 countries require producers to bear some or all of the cost of end-of-life packaging management, which in the U.S. has always been paid for by taxpayers. The report profiles successful implementations of EPR for packaging in Europe and Canada, and in the U.S. for product categories including batteries, paint, pesticide containers, and electronics – but not packaging.

The report outlines why companies should take responsibility for post-consumer packaging as part of their ongoing sustainability policies. Indeed, packaging represents the next great opportunity for producer responsibility because raw materials, such as the petroleum, minerals, and fiber used to make much consumer packaging, are projected to become increasingly scarce.

The report also finds that efficiently designed and administered EPR laws would resolve many of the concerns identified with packaging recycling by:

- Increasing recovery rates for all post-consumer packaging;
- Incentivizing producers to reduce materials use and improve recyclability;
- Creating profitable secondary materials markets;
- Providing stable revenue sources through producer fees to improve curbside recycling systems and build new recycling infrastructure;
- · Reducing greenhouse gases; and
- Meeting pent up industry demand for recyclable materials.

In the last two years, momentum has been building for introduction of EPR mandates for packaging in the U.S. State officials and producer responsibility groups are calling on companies to be accountable for their packaging. Working with a group of aligned shareholders, As You Sow has led engagement of major consumer goods and grocery companies to adopt EPR polices. These companies include Colgate-Palmolive, General Mills, Kraft Foods, Safeway, Supervalu, Target, Kroger, Procter & Gamble, Unilever, Walmart, Ahold USA, and Whole Foods. Surprisingly, prominent companies are among those calling for producers to take responsibility for packaging – most notably Coca-Cola and Nestlé Waters.

According to the report, a successful mandated packaging EPR program in the U.S. should address all packaging types, be financed and managed by producers, drive source reduction, require participation by all businesses that produce packaging waste, and phase out use of non-recyclable packaging. By supporting EPR laws and policies that drive more aggressive and effective collection efforts, companies can then make commitments to use far higher levels of recycled content in product packaging, which, in turn, supports a circular system ensuring a stable supply of post-consumer materials to use as new feedstock.

"State-of-the-art mining of our post-consumer packaging 'trash' is a crucial step to propel us towards sustainable production and consumption policies that will ease the stress on our planet's limited natural resources," said MacKerron. "It's good business sense and basic common sense."

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As You Sow is a nonprofit organization that promotes environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. For more information visit www.asyousow.org.