

# How Wasteful Are Your Companies?

Big companies you own may have better eco-policies than you thought.

By Alyce Lomax | Updated 8/11/2011 11:50:58 PM ET

It's summer, it's hot, and we're all thirsty. But our collective warm-weather quaffing, in addition to our year-round craving for tasty beverages, can really add up. U.S. consumers buy 224 billion beverage containers every year, yet of those millions of tons of packaging, a mere 29% gets recycled. The rest is buried in landfills or incinerated.

Faced with this wasted opportunity, major consumer-facing companies are stepping up their recycling efforts. Although there's plenty of work to do, some businesses seem notably better at reusing their containers' resources than others.

## Pass or fail?

Shareholder activist and corporate social responsibility advocate **As You Sow** has released its third Waste & Opportunity report and scorecard on U.S. beverage container recycling.

**As You Sow's** report card yields surprising results, as several huge, well-known corporations that might not scream "eco-friendly" to consumers earn good or passing grades:

Company	Grade
Nestle Waters North America	B-
<b>PepsiCo</b> (NYSE: PEP)	B-
<b>Coca-Cola</b> (NYSE: KO)	B-
<b>Starbucks</b> (Nasdaq: SBUX)	C
<b>Dr Pepper Snapple</b> (NYSE: DPS)	C-

Source: As You Sow

It can be tempting to believe that smaller, younger, funkier companies are more likely to be ahead of the curve on environmental initiatives, but according to **As You Sow's** data, this isn't the case. **Honest Tea, Jones Soda, Hansen Natural, and Jamba** all flunked the test.

Indeed, far more beverage providers received failing grades than passing marks. Alcohol's intoxicating effects often lead to less-than-responsible behavior among its most avid consumers, and that lack of sound judgment seems to stretch right into beer companies' policies for recycling bottles and cans. **Molson Coors, Anheuser-Busch** (NYSE: BUD), and **Boston Beer** all flunked.

Notably, Anheuser-Busch refused to participate in the survey this time around. When **As You Sow** published its previous report in 2008, Anheuser-Busch was actually the second-highest-scoring company. That sounds like the opposite of progress.

Since many of the companies didn't respond to **As You Sow's** survey, the grades were based on data gleaned from publicly available information. Silence does no favors for the companies that failed to respond. Container recycling directly relates to a core part of their businesses, and the vehicles through which they provide their products to their custom-

ers.

### Leaders and laggards

On the plus side, **Whole Foods Market** (NYSE: WFM) -- though not primarily a beverage company -- aims to include 35% recycled content in its 20-ounce PET and 12-ounce HDPE bottles by 2011, with a future goal to boost that content to an extremely significant 75%.

PepsiCo remains the leader when it comes to using recycled PET, with 10% usage across all its product lines and a commitment to increase that percentage. Pepsi's reverse vending machine partnership with **Waste Management** (NYSE: WM) collected 4 million bottles in a mere six months, exceeding the success a similar partnership by Whole Foods and Nestle generated over *three years*. (Still, *As You Sow* pointed out that even such successful initiatives haven't had a material impact on overall recovery rates.)

### Changing opportunities

**As You Sow's** report noted that since 2008, it's found no significant changes in the amount of content recycled. It's also unfortunate that no companies garnered any A's. However, the organization did praise companies' newfound willingness to support Extended Producer Responsibility (EPR) laws, which mandate that the industry take responsibility for post-consumer packaging.

Coca-Cola and Nestle Waters North America have even started angling for state EPR laws similar to those in Canada and Europe. In addition, Coke has softened its traditional opposition to container deposit legislation, adopting a more neutral stance.

It's good to know that many companies are making efforts to address the squandered opportunities in consumer waste. Wastefulness hurts communities, consumers, and industries alike. And even if you could care less about the health of the planet, you can surely cheer any business that strives to become more efficient.

Where do the companies *you* own stack up? Concerned shareholders -- and stakeholders -- need to know.