

Which Beverage Makers Support Recycling?

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Nestlé Waters North America scored highest in a new report that ranks beverage companies' recycling efforts – but their final letter grade was still only a B-.

“Waste and Opportunity: U.S. Beverage Container Recycling Scorecard and Report 2011” is the third report since 2006 on the state of beverage container recycling by corporate responsibility advocacy group **As You Sow**. The report tracks and ranks companies' progress to reduce packaging materials, design recyclable, recycled-content packaging and increase collection of beverage containers for recycling.



Nestlé narrowly beat out other companies that received B- grades for the top spot – PepsiCo, Coca-Cola and Red Bull – because the beverage giant has better beverage container collection goals and strategies than its peers, the report said.

Companies were scored based on their responses to **As You Sow's** recycling survey or publicly available information. Of the 45 companies that received the survey, only 10 responded.

Less packaging, but not more recycled content

Many companies are saving money and helping the environment by reducing their beverage containers' packaging, the report found. All of the companies that responded to the survey except Hain Celestial indicated that they have reduced the weight of their beverage products' packaging. Coca-Cola has reduced its 8-ounce glass bottles by 57 percent, its 12-ounce aluminum cans by 33 percent and its 20-ounce plastic bottles by 25 percent.

As You Sow also learned that there has been no significant increase in the amount of recycled content in beverage containers since their last report in 2008. Aluminum cans have the highest amount of recycled content of all beverage containers, but As You Sow saw room for improvement: Companies can increase their product's recycled content by 50 percent by selecting aluminum manufacturers that provide higher recycled-content products. For example, aluminum manufacturer Alcoa makes 68 percent recycled-content cans, while Ball sells cans made from 44 percent recycled content.

For glass bottles, the report found that New Belgium Brewing Company uses 50 percent recycled material in its 22-ounce bottles, Coke uses 35 percent, Starbucks 30 percent and Pepsi 29 percent – all higher quantities than the Dr Pepper Snapple Group, whose products contain 7 percent recycled content.

Pepsi is the only major beverage maker that has maintained a consistent amount of recycled plastic #1 PET in their bottles for at least five years, the report said. In addition to using 10 percent recycled PET in their soda bottles, Pepsi also uses 100 percent recycled PET for bottles of their smaller Naked Juice brand. Like Pepsi, Coke initially met a 10 percent goal for recycled content at the end of 2005, but did not maintain that level of recycled content in subsequent years.

“We were disappointed that the companies have not made new stronger commitments [to use more recycled PET] since the last report,” said Conrad MacKerron, **As You Sow's** senior director of corporate social responsibility.

The reason for this low level of recycled content in plastic bottles? Companies reported to **As You Sow** that they face a lack of supply of post-consumer plastic PET. But MacKerron also pointed out that foreign PET buyers often offer higher prices for post-consumer PET, and many beverage manufacturers aren't willing to pay a higher cost for the material.

The report also found that companies whose primary business is not beverage manufacturing are making commitments to increase their recycled content packaging. Whole Foods aims to use 35 percent recycled-content plastic bottles for its store-brand beverages by the end of the year, with the ultimate goal of reaching 75 percent recycled content in the future.

Will producer responsibility increase recycling rates?

As You Sow found a significant move since its last report in the number of companies supporting extended producer responsibility legislation, which requires beverage makers to partially or wholly finance municipal collection and recycling programs for beverage containers. Manufacturer-funded recycling programs for beverage containers are common in Europe, Canada and Japan – countries with much higher recycling rates than the U.S., the report said.

Of the 224 billion beverage containers are sold annually in the United States, only 29 percent by weight are recycled, according to the Container Recycling Institute.

“When companies pay for the disposal of their products, they have a stake in their disposal,” MacKerron said. “They are more likely to design less toxic products that are easier to recycle.”

While there is not yet broad industry consensus on this issue, both Nestlé and Coke have begun to publicly promote state laws for extended producer responsibility.

“The major development since our last survey has been the willingness of leading beverage companies to consider new legislative mandates requiring them to take responsibility for their post-consumer packaging,” MacKerron said. “Many beverage and consumer packaged goods companies pay fees in other countries to finance recovery of their packaging. It’s significant that companies are finally acknowledging the need to take responsibility in the U.S. as well.”

As You Sow discovered in previous reports that the most effective way to collect beverage containers in the U.S has proven to be container deposit legislation – where consumers pay a deposit on a beverage that will be refunded to them if they return the container to a recycling center. In the 10 states with container deposit legislation, the average recycling rates range from 66-96 percent, while the overall recycling rate for beverage containers is 24 percent in the 40 states without such legislation.

According to the report, Coke, previously opposed to the container deposit system, indicated it is now neutral on a voluntary deposit system administered by associated industries, which **As You Sow** called a softening of its position.