

11.4 Billion Reasons Food and Beverage Firms Should Recycle Packaging

Mike Hower | Feb. 02, 2015



Plastic waste is a major source of ocean pollution.

Food and beverage packaging used by fast food chains, beverage companies and consumer brands manufacturers are one of the most visible forms of waste — it can be seen strewn in the streets or blemishing ocean beaches. Turns out, this is not just bad for the planet — it's bad for business.

Major brands such as Dunkin' Donuts, Burger King, KFC, MillerCoors and Kraft Foods are wasting about \$11.4 billion a year in potential savings by failing to incorporate recycling into their packaging choices, according to a new report (PDF) by the Natural Resources Defense Council (NRDC) and the CSR nonprofit **As You Sow**.

And by tending to use single use plastic packaging — the fastest growing type of packaging — they contribute to the pollution of oceans, lakes and rivers. That's because only 14 percent of plastic packaging is recycled. The rest goes to landfills or is littered on streets where it washes into storm drains and eventually into waterways, the organizations said.

"We think this is of particular concern because of the plastic pollution in the ocean," said report author Conrad Mackerron, senior vice president of **As You Sow**, in a telephone conference call with reporters Thursday.

The report, *Waste and Opportunity 2015*, analyzed the packaging practices of 47 fast food chains, beverage companies and consumer goods and grocery companies — highlighting leaders and laggards in these sectors. After analyzing companies based on four pillars of packaging sustainability, the report places each company into one of four categories — Best Practices, Better Practices, Needs Improvement or Poor.

The four pillars are:

- **Source Reduction:** if they've switched to reusable packaging or packaging that uses less virgin material.
- **Recycled Content:** If they use recycled content in new products
- **Recyclability and Materials Use:** If their packaging uses materials that are difficult to recycle, such as flexible laminate pouches.
- **Boosting Materials Recycling:** Whether they've made it easy for consumers to recycle by offering bins, etc.

The results are not encouraging — not one company surveyed managed to earn "Best Practices" status. The report raises special concern with the rapid growth of flexible plastic pouch packaging — which is not recyclable. All manner of goods from dried fruit to detergent to dog food that used to be sold in recyclable packaging is shifting to pouch packaging, which only can be landfilled.



In the fast food sector, eight companies received "Poor" ratings: Arby's; Quiznos; Burger King; Wendy's; Jack in the Box; Dairy Queen; Domino's Pizza; and Papa Johns. Those labeled "Needs Improvement" were Dunkin' Brands, Subway, Chick-fil-A, Chipotle, Panera Bread and Yum! Brands.

In the beverage sector, Heineken, MillerCoors, Boston Beer and Red Bull were branded "Poor" while Dr Pepper Snapple Group, Diageo and Anheuser Busch were rated "Needs Improvement."

But some companies are taking steps to reduce packaging waste. Starbucks, McDonald's, Coca-Cola, Nestle Waters NA, New Belgium Brewing and PepsiCo all came out as relative leaders in their business sectors — receiving the "Better Practices" label — taking proactive steps to recycle, using recycled content or generating less waste.

On the whole, however, fast food, beverage and consumer packaged goods companies continue to slack, failing to take sufficient responsibility for the packaging they generate.

The report praised some companies for becoming more sensitive to the recyclability issue with laminated plastic pouches. For example, Honest Tea, a product of Coca-Cola, is switching from pouch packaging to more recyclable aseptic cartons.



Brands must take action to drive packaging sustainability

The report offers five actions fast food chains and beverage companies can take to improve packaging sustainability practices:

1. Measure your waste

Because the U.S. Environmental Protection Agency can't track the generation of fast growing plastic pouch packaging, brands should disclose production figures.

2. Ditch polystyrene

Better known by Dow's trademarked brand, Styrofoam, companies should replace coffee cup lids with recyclable alternatives and phase out polystyrene foam cups altogether. Polystyrene has production concerns and is hard to recycle.

3. Recycle cardboard

Some companies already generate millions in revenue recycling corrugated cardboard, the report stated. Fast food chains immediately should initiate "back-of-house" recycling focusing on corrugated cardboard, and then move to "front-of-house" to enable and encourage customers to recycle.

4. Take care of plastic containers

Companies should make sure black plastic containers are recycled through a technological fix, and promote market development to ensure a steady demand for collected materials.

5. Fund or help develop methods to recycle hard-to-recycle materials

Brands that place new or hard-to-recycle materials on market need to fund actions to make them recyclable or work with processors to develop new, cost-effective recycling processes to ensure they are recycled. All companies need to fund new investments in materials market development, composting and modernizing collection infrastructure.

The report concludes that, while each of these sectors can do much more to increase recycling of the packages they produce, fast food and other quick-service restaurants are of particular concern because of the contribution of plastic packaging to plastic pollution in the oceans and other aquatic environments. Plastic litter from takeout orders — including cups, plates, cutlery and straws — are often swept into waterways and oceans, where they partially degrade and harm marine life.

“We hope this latest report will educate fast food, consumer goods and grocery companies about their similar responsibilities, and to motivate them to set packaging recycling and recycled content goals for materials they put on the market,” Andrew Behar CEO of **As You Sow** said during the Thursday press call. “And also to work with their peers to take greater responsibility for financing and implementing practices that will boost our lagging packaging and recycling rates.”

In addition to packaging waste, fast food chains also face major problems with food waste. Restaurants (including non-fast food ones) diverted only 15.7 percent of the 2.1 billion pounds of food waste they generated in 2013, according to a study released late last year by the Food Waste Reduction Alliance. Fast food chains, which tend to favor franchise-based business models, face additional challenges to centrally tracking food waste and instituting system-wide food waste programs.

When it comes to managing and reducing packaging and food waste, it all starts with data — you must measure it before you can manage it. The economic and environmental benefits of recycling are too great to ignore — increasing the U.S. national recycling rate to 75 percent by 2030 would generate nearly 1.5 million new jobs and reduce annual greenhouse gas emissions by 276 million metric tons, said NRDC.