

4 Ways Starbucks Can Fix Its Cup Recycling Dilemma

Conrad MacKerron | November 9, 2015

Starbucks' trailblazing efforts to reduce the use of coffee cups and to recycle cups customers use hit turbulence in October with revelations that cups deposited in [recycling bins](#) in several Toronto stores are ending up at landfill. This raised questions about the company's capability to deliver on its source-reduction and recycling goals.

The CBC-TV consumer show "[Marketplace](#)" put paper cups with tracking devices in recycling bins at 14 Tim Hortons, one of the largest fast-food and coffee chains in Canada, as well as at 14 Starbucks in Toronto, and returned late at night to track them. Seven cups from each chain were recovered, all placed in bins destined for garbage pickup. The 10-minute video segment [is here](#). On Friday, there were [additional revelations](#).

This is the latest in a series of setbacks for Starbucks' industry-leading reuse and recycling goals. The company, which serves beverages in some 4 billion cups per year, pledged in 2008 to recycle all paper and plastic cups disposed of in company-owned stores in the United States and Canada by 2012, later moving the deadline to 2015.

In its latest CSR report, the company [acknowledged](#) it is behind schedule, with recycling bins in just 47 percent of company stores in North America. It cited lack of demand for used cups by the recycling industry, and lack of infrastructure to handle collection, hauling and processing.

It is important to note that while some brands would not even try to recycle cups if there were no established markets for it, [Starbucks has tried](#) to develop recycled markets on its own.

[Starbucks also made an initially](#) strong commitment on source reduction, pledging to serve 25 percent of beverages in reusable mugs or tumblers by 2015. It hoped to reach this goal by offering a 10-cent discount to patrons who bring in reusable containers for to-go beverages, and promoting use of ceramic mugs and glass tumblers for those who drink on-site.

However, the company drastically slashed this goal down to 5 percent in 2011, citing challenges in implementing and tracking reusables in stores. The latest Starbucks data indicate 1.8 percent of beverages are in reusable cups. The company acknowledged several years ago to As You Sow that while it kept a record of customers who brought in their own reusable beverage containers, it was not counting how many customers asked for and drank from company-provided glasses and mugs in its stores.

It seems apparent that, in addition to the inability or unwillingness to track reusables, the company has not successfully motivated employees to promote them. "Marketplace" staff visited 10 locations of both chains to see if employees offered a ceramic mug instead of a takeout cup. No stores made an effort to offer a non-disposable mug.

This aligns with the findings of an As You Sow [report](#) released earlier this year. Volunteers visited 11 Starbucks in the San Francisco, Los Angeles, Chicago and New York areas. No Starbucks associates asked customers if their order was to stay or to go, and if to stay, offered a reusable mug or tumbler. Nor was there evidence of major signage to inform customers that reusables were available.

The widening gap between management promises and company performance is troubling in several ways. It suggests management is less than fully committed to implementing laudable but difficult environmental goals, and that Starbucks has not expended sufficient resources to motivate and train employees, or to monitor performance to ensure compliance.

That said, this is not all the company's fault. Many consumers still can't be bothered to put recyclables in the right bin, requiring subsequent re-sorting.

Starbucks and its peers should follow these management practice to alleviate these problems:

1. Make leadership visible from the top and the field

We need to see CEO Howard Shultz publicly affirm the priority of these environmental commitments. We also need evidence of sufficient resources at the regional leadership level to educate and motivate employees to aggressively promote use of mugs and glasses and proper processing of recyclables. If companies really believe in source reduction, start walking the talk at home by using mugs and not paper cups at Starbucks corporate offices and annual shareholder meetings.

2. Provide external verification

Some companies already use third parties to independently audit and confirm corporate environmental claims and practices. Starbucks and Hortons should hire monitors to confirm that recyclables end up being recycled, and publicly report the results.

3. Provide consequences

Build in some consequences if the company fails to meet recycling and source-reduction goals. Most companies vigorously oppose the notion of mandated recycling goals imposed by government. Yet self-imposed voluntary goals risk meaninglessness if there are no consequences for not being met. Consequences should involve cuts in compensation and bonuses for senior leadership that sends a message to all that the company is serious.

4. Work with peers on developing markets

To its credit, Starbucks has shown leadership in working with quick service peers at the [Foodservice Packaging Institute](#) on improving opportunities for composting and recycling of fast food packaging. However, the focus has been on improving access to curbside recycling for food packaging taken home, rather than on-site recycling.

If Starbucks has trouble attracting markets for its cups due to low volume — a common problem— it could engage with peers at Burger King, McDonald's and Subway to recycle their cups on site as well. The increased volume of used cups available regionally could attract the interest of paper recyclers who now shun cups.

5. Show leadership to improve our lagging recycling system

As hard as Starbucks may have tried to develop recycling in stores, it can only do so much as one company to build markets for post-consumer paper cups. With no federal mandate and not much federal leadership on recycling, companies need to step up and develop shared platforms for structural improvements to our curbside and commercial recycling systems financed at least partially by brands themselves in collaboration with states, municipalities, recyclers and material converters.

Companies will not have environmental credibility for long if they continue to reject the notion of at least shared producer responsibility for packaging and propose nothing substantive as an alternative.

Starbucks deserves credit for setting bold goals on source reduction and recycling, even though it has turned out to be far harder to achieve than expected. I urge the company to stay the course. It is still the only major fast food brand trying to recycle most of its packaging; its competitors need to get to work as well.

<http://www.greenbiz.com/article/4-ways-starbucks-can-fix-its-cup-recycling-dilemma>