

Why We're Pushing P&G and General Mills to Cut Packaging Waste

BLOG

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We are a throwaway society. The U.S. solid waste recycling rate hovers at a dismal 34 percent. Product packaging is the largest category of landfill waste and the biggest component of ocean litter that harms marine life. There's a lack of federal and industry leadership on recycling. It's hard to see recycling treated as a priority even among major environmental groups. But in a world of increasingly-limited resources, we can no longer afford to simply discard packaging that contains valuable natural resources.

Some companies now acknowledge packaging is a significant part of their carbon exposure. Nestle Waters NA found that 55 percent of its carbon footprint comes from its bottles. Coca-Cola says packaging is the largest contributor to the carbon footprint of several of its products.

We're also throwing away potential revenue by burning and landfilling 40 million tons, per year, of recyclable packaging with an [estimated market value](#) of \$15 billion to \$23 billion.

Expanding on [successful efforts](#) to get [Coca-Cola](#), [Nestle Waters](#) and [PepsiCo](#) to commit to recycle a majority of their packaging, As You Sow is asking major consumer packaged goods companies to take responsibility for recycling post-consumer packaging. We are promoting extended producer responsibility (EPR), a corporate and public policy that shifts accountability for collection and recycling from taxpayers and governments to producers. EPR carries the potential for the virtual elimination of post-consumer waste. EPR systems, successfully adopted in parts of Canada and Europe, increase the volume of collected materials, so closed-loop recycling becomes more commercially feasible.

As You Sow [filed shareholder proposals last week](#) with General Mills and Procter & Gamble, asking them to take responsibility for post-consumer packaging, and is in dialogue with Kraft Foods, Unilever and some grocery companies.

It's time for companies to manage the full life cycle of packaging as efficiently as they manage design and marketing of products. Companies control how products are produced and are in the best position to redesign them to be less toxic and more recyclable. Many companies have made

progress in lightweighting and reducing toxics in packaging, but have not shown leadership on post-consumer collection.

There's a long way to go to eliminate post-consumer waste, but EPR laws in Europe have led to some impressive successes. In 2007 the average packaging recycling rate across 27 participating E.U. countries reached 59 percent. Belgium's FOST Plus system reports that it recycled 93 percent of consumer packaging in 2009. Thirty-two million tons of packaging were recovered by EPR programs in E.U. countries in 2009, saving 25 million tons of CO₂.

EPR has shown it can begin to decouple packaging growth from economic growth. Between 1998 and 2007, four main elements of the packaging waste stream — glass, metals, paper and plastics — grew at just half the rate of GDP, according to the European Environmental Agency.

Several factors suggest the time is right for U.S. companies to take responsibility for packaging:

- Coca-Cola and Nestle Waters NA are supporting EPR state legislation that would make companies responsible for post-consumer collection and recycling, and are urging peers to engage in EPR discussions.
- While most attention on controlling climate change centers on large industrial sources such as electric power, there's emerging awareness that resource efficiency and recycling can also deliver significant reductions. A recent analysis [[PDF](#)] of U.S. Environmental Protection Agency data concludes that the energy needed to produce, use and dispose of products and packaging accounts for 44 percent of total U.S. greenhouse gas emissions.
- States and municipalities are looking favorably at EPR systems as a way to reduce municipal solid waste collection costs at a time of record state and local budget pressures.
- EPR laws are already in effect in 23 states for electronic waste recycling and in a smaller number of states for collection of hazardous items like paint, pesticides and mercury thermometers.

Procter & Gamble announced a long-term goal of zero consumer and manufacturing waste going to landfills, which sounds good but there's no apparent strategy on how to get there. The company says it will conduct pilot studies on how to eliminate landfilled consumer waste by 2020. P&G was a project member of the [Vision 2050 report](#) released last year by the World Business Council for Sustainable Development, calling for “radically more eco-efficient solutions” such as closed-loop systems that “make the concept of waste obsolete.” P&G's vague commitment to pilot studies over the next nine years is weak. There's more than a decade of operational experience with European EPR laws. Why not study and act on those results now?

While we support EPR, we need to guard against the possibility that beverage companies might view EPR legislation as an opportunity to repeal successful state container deposit laws, which consistently deliver higher levels of bottle and can recycling than curbside efforts. Deposit laws have some challenges but they are EPR programs as well, and until someone can demonstrate alternatives that result in 70-90 percent return rates, there's no need to attack them. EPR and deposit laws coexist in parts of Canada and Europe.

The Vision 2050 report was inspired by the need to plan for the impact of 9 billion people on Earth by 2050. If all are to have a chance to live well and within the limits of the planet, business must help lead a massive paradigm shift, using its skills and ingenuity to find ways that economic growth can continue without excessive ecosystem and resource destruction. We must ensure that leading businesses start the shift to sustainable production and consumption now, and making packaging waste history is a great place to start.