

Voluntary Producer Responsibility Strategies for Success



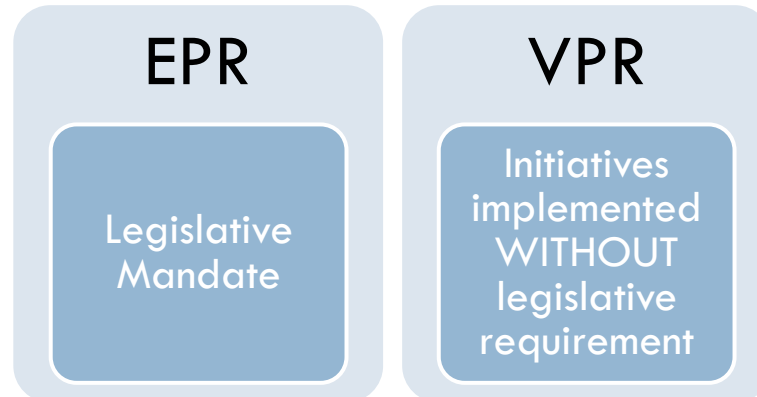
PIRA Sustainability
in Packaging
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What is Voluntary Producer Responsibility?

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- In the context of packaging...
 - Voluntary programs for the end-of-life management of packaging established by packaging manufacturers and brand owners implemented ***without a legislative requirement***
 - Individual producer responsibility (IPR)
 - Collaborative efforts
- VPR Plus (VPR+)
 - Where VPR initiatives are supported by synergistic public policy initiatives (e.g. disposal bans, mandatory recycling) requiring targeted materials to be diverted once the voluntarily developed end markets, processing and collection infrastructure are in place
 - Combined efforts that act as a catalyst to improve the status quo regarding used packaging



VPR Drivers

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- Consumer demand for recycling options and green products
- Interest in capturing secondary material supply
- Threat of legislation
- Industry interest in reducing brand risk associated with litter and marine debris
- Address internal, corporate recovery and recycling goals/targets

Examples: Individual Producer Responsibility

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■ Estée Lauder Company

- **Return to Origins** launched in April 2009. 400+ department store counters and all freestanding Origins stores accept returned beauty product packaging from any brand—not just ELC products.
- **Recycle Caps with AVEDA** entered its third year in FY2010 and has so far collected >150 tons of plastic bottle caps—not commonly collected by standard recycling programs. Caps are recycled into new AVEDA packaging.
- **Back to M·A·C** program accepts returns of M.A.C. primary packaging in return for a free M·A·C gift.

Examples: Individual Producer Responsibility

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■ Amazon's 'Frustration-Free Packaging'

- Initiative (began in 2008) pushes suppliers to eliminate excessive and hard-to-open packaging such as plastic clamshells, plastic bindings and plastic-coated wire ties
- In 2011, program grew to 80,000 products and an expected 12 million items shipped



■ Tim Hortons Cup to Tray Recycling Program

- Rolling out a new recycling program in Nova Scotia, Canada (156 stores) that will turn used coffee cups into takeout trays
- Plans to roll out recycling program in 2 other provinces



Examples: Individual Producer Responsibility

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■ PepsiCo Dream Machines

- Reverse Vending Machine program in collaboration with Waste Management and Keep America Beautiful
 - Accepts plastic and aluminum beverage containers
 - Provides redeemable Greenopolis points for recyclables
 - Currently located in 22 states and expanding



■ Coca-Cola Reimagine Beverage Containers

- Pilot program in five Texas locations
- Consumers return beverage containers to Reimagine recycling centers in return for coupons and rewards cards



Examples: Individual Producer Responsibility

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■ Publix Retail Take Back

- Paper and plastic bags, foam trays and egg cartons, plastic sleeves from dry cleaning and newspapers are accepted for recycling at all retail locations
- Customers can also drop off prescription vials to Publix Pharmacies

■ Save-On-Foods, Changes Recycling Centre

- Voluntary Return Program that complements existing deposit program for beverage containers in British Columbia, Canada
- Packaging with the Changes logo can be returned to any Changes Recycling Centre in exchange for reward points
- Accepted packaging items and brands:
 - Save-On-Foods corporate brand
 - National brands including Dairyland, Unilever, HighLiner and Nature's Path
 - Milk jugs (all brands)



Examples: Collaborative Initiatives

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■ Ag Container Recycling Council (ACRC)

- Industry funded not-for-profit organization that safely collects and recycles agricultural crop protection, animal health and specialty pest control product containers
- Formed in 1992, it is the oldest continuously operated voluntary industry funded product stewardship program in the US, covering 42 states
- ~20, 000,000 pounds, representing ~30,000,000 containers, have been collected and recycled since 1992

■ CleanFARMS

- Non-profit industry stewardship organization committed to environmental responsibility through the proper management and disposal of agricultural waste.
- Operates 3 programs:
 - Empty Pesticide Container Recycling Program
 - Obsolete Pesticide Collection Campaign
 - Empty Pesticide Paper Bag Collection Program



Examples: Collaborative Initiatives

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■ American Chemistry Council (ACC)

- *Plastics. Too Valuable To Waste. Recycle.*SM Campaign
 - Partnering with *CA Department of Parks and Recreation* and *Keep California Beautiful* to place recycling bins and signage on beaches
 - ~700 bins placed at 19 locations diverting 45 tons of plastics and 105+ tons of other recyclables from waste stream annually
 - Partnership with *CA Department of Transportation* to place bins at high-traffic rest stops along coastal and watershed areas



■ American Beverage Association

- Public Space Recycling (PSR) pilot program in two Florida counties
 - Measure and improve PSR performance and create opportunities for public to recycle their used beverage containers



Examples: Collaborative Initiatives

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■ Carton Council

- Carton manufacturers **Elopak, SIG, Evergreen Packaging, Tetra Pak** – working together to deliver long-term solutions to provide public with carton recycling access and divert cartons from disposal nationwide.
- 3-step strategy:
 - Build sustainable markets
 - Build sustainable recovery infrastructure
 - Develop consumer awareness and participation

■ Foodservice Packaging Institute

- Launched the **Paper Recovery Alliance (PRA)** in 2011 to create solutions for recovery and processing of used paper-based foodservice packaging.
 - Plans are to:
 - Develop the necessary collection infrastructure
 - Expand end use markets for recovered fiber
 - Educate consumers to increase recovery
 - Collaborate with government officials
- Plastics packaging recovery initiative also under development



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Key Challenges

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- Resistance to change
- Poor market demand
- Small quantities and often dispersed sources of supply
- Resistance of existing infrastructure players to handle the material or need for new infrastructure
- Cost

Strategies for Success

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■ **Seek to Create Demand Pull**

- Identify and work with existing end markets to understand their capacity, specs and value chain; engage entire supply chain
 - Example: Carton Council market development activities:
 - Identify suitable U.S. mill partners
 - Negotiate agreements with partners to buy cartons at prices that drive collection & sorting
 - Develop broker ties to move supply to markets

■ **Achieve Sufficient Scale**

- Necessary for efficiency and to justify investment in infrastructure
- Collaboration – often essential

■ **Use a Multi-Material Approach**

- Can allow for cost sharing across a greater number of companies
- Can increase diversion more than targeting a specific material
 - Example: ABA PSR program targets plastic, metal and glass containers as well as cartons

Strategies for Success

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- **Be Compatible with Existing Recycling Systems**
 - Compliment and enhance existing programs versus introduce contaminants or public confusion over what is recyclable where
- **Incent all Infrastructure Players**
 - Must have sound business case to justify investment/cost
- **Have a Standardized yet Flexible System**
 - Be consistent in program design across markets, but allow for customization to reflect local circumstances
- **Use Consistent Messages**
 - Example: ACC's "Plastics. Too Valuable to Waste. Recycle." Campaign
 - Branded campaign with consistent messaging at rest stops, state parks and beaches

Strategies for Success

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- **Provide Convenience and Participation Incentives**
 - Example: PepsiCo Dream Machines
 - Located in popular, high-traffic locations such as gas stations, stores, sports stadiums, public parks
 - Consumers receive incentives that benefit them personally – e.g. coupons for entertainment, groceries, etc.
- **Fund Appropriately**
 - Use money to overcome critical barriers – targeted approach
 - Industry coalitions allow pooling of resources to develop comprehensive voluntary efforts
 - Example: FPI Paper Recovery Alliance
 - Members include packaging manufacturers, converters, recyclers and brand owner/operators

Strategies for Success

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- **Use Metrics that Matter**
 - E.g., tonnage actually recycled; LCA results
- **Commit to Transparency**
 - About failures as well as successes
- **No Greenwashing!**

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