

THERE'S SUBSTANCE TO RECYCLING

By Aaron Penn

After a baptism by fire into the sustainability movement, many CPGs have responded by making significant changes in the way they produce goods. These modifications have taken various forms, including reductions in energy use and improved supply chain efficiencies, but packaging has remained center stage.

This focus, however, has exposed a certain complexity to being “sustainable”. That is, it’s not always about identifying what’s WRONG with a package, but looking for what’s RIGHT and creating new strategies to take advantage of those characteristics.

One thing that is “right” for a lot of packaging is its recyclability. Next to lowering energy use and reducing emissions, recycling is a crucial tool to address the impact of the products we create and consume. However, there is much information to suggest it is being underutilized in many areas. And, while increasing, it is not keeping pace with the current proliferation of consumer packaging.

> TAKE ANOTHER LOOK

Though the idea of recycling is nothing new, there are some new reasons to take a second look at this old sustainability stand-by. One thing to consider is the

unprecedented spike in commodity and raw material costs that have blindsided companies and consumers alike in the last few years. These costs have moved beyond the normal cyclical fluctuations and, according to many, represent a new reality of doing business.

Nowhere is this more evident than in plastic packaging, which relies on petroleum as its source component. Global competition for the limited supply of oil has driven the price of virgin resin to new heights, making recycled resin supplies look more and more attractive. According to a *Plastics News* index from earlier this year, the price of virgin PET resin has been approaching 91 to 93 cents a pound, compared to just 58 to 66 cents a pound for *recycled* PET pellets. Some companies see the writing on the wall and are looking at ways to re-approach recycling.

Last fall, The Coca-Cola Company announced it would build a \$44 million “bottle-to-bottle” recycling plant in South Carolina. The unprecedented move would create a 30-acre plant capable of recycling 100 million pounds of PET into approximately two billion new bottles per year.

While this scale of investment is indeed impressive, it was a secondary \$10 million joint venture, with subsidiary Coca-Cola Enterprises, that drives home the



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greater scope of this action. The initiative, called Coca-Cola Recycling, involves opening numerous centralized recycling centers across the United States, with the goal of implementing more directed standards for recycling and making recycled stocks more usable.

While actions like this have the obvious advantage of boosting Coke's "green" credentials, they also illustrate how recycling can serve as an entry point for larger companies to take a vested control in the material sources of their packaging.

> **COMMUNICATING THE BENEFITS**

Coupled with the potential for cost savings, the central advantage to recycling is that it's a behavior already ingrained in a large portion of consumers. According to the Environmental Protection Agency, the percentage of all municipal waste that ends up being recycled has grown from single digits to more than 30 percent in just a few decades. While that number may seem modest, keep in mind that it represents approximately 82 million tons of solid waste that is kept from being landfilled, incinerated or otherwise dumped.

Despite this success, EPA also reports that growth has slowed significantly in just the last few years, showing nearly no growth at all for household recycling in 2006. The National Recycling Coalition has suggested that this slowdown can be attributed to the fact that consumers don't fully understand that recycling can provide measurable effects towards positive change.

A study conducted by the NRC found that while most Americans believe in recycling, they do not connect with it on an emotional level. In other words, recycling is considered "the right thing to do", but is not seen with much optimism in the face of rising concerns over climate change and an energy crisis. This suggests that

for recycling to achieve full benefit in any sustainability strategy, consumer education must be expanded by both manufacturers and government.

In order to address this divide, a new approach towards communication with consumers is of great importance. This was very much a part of PepsiCo's recent "Have we met before?" informational campaign. Choosing the ubiquitous aluminum can as the vehicle, Pepsi, in conjunction with the National Recycling Coalition, began including information on the importance of recycling on all 12oz cans of Pepsi and Diet Pepsi.

The key element to these messages was the method in which Pepsi explained the advantages, borrowing directly from the current sustainability vernacular to relay messages that are freshly established in the public consciousness: energy savings, greenhouse gas emissions, carbon impact, climate change and financial savings.

As recycling continues to grow as a vital component of many business strategies, new and effective communication must be established to ensure increased consumer participation. Recycling will remain paramount in any strategy to preserve the planet for future generations, and in the face of increasing demand and dwindling supply of nearly all materials, the inherent value of recycling is even more critical. **BP**

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