

Nestle Waters ranks highest in recycling study

Stamford company improves environmental commitment

Olivia Just | Published 09:55 p.m., Wednesday, August 24, 2011

In the United States, only 29 percent of the more than 200 billion beverage containers sold every year are actively recycled; the majority piles up in landfills and goes to waste.

In light of a recent review by nonprofit group **As You Sow**, some of the top companies in the beverage industry are seeking to change that.

This year, Stamford-based Nestle Waters North America received the highest ranking in the new report on corporate recycling conducted by **As You Sow**, a shareholder advocacy group that promotes corporate accountability.

The study, "Waste & Opportunity: U.S. Beverage Container Recycling Scorecard and Report," assessed the efforts made by some of the major companies in the beverage industry, including Nestle, the Coca-Cola Co. and PepsiCo, to recycle their used plastic bottles and reuse the material in new products.

The report also discussed the companies' support for take-back legislation that would task manufacturers with recycling their own products.

In this report, the third **As You Sow** has conducted, Nestle ranked with a letter grade of B-, a significant improvement from the failed grade the company received in the initial study in 2006.

Nestle ranked above its peers on container recovery, showing better strategies for improvement and for making industry-wide goals to step up its levels of recovering recycled bottles.

"Of course we're pleased to be recognized for a lot of hard work in recycling space," Michael Washburn, director of sustainability at Nestle, said. "But we've also benefited from having the questions asked of us in this report. We feel like we've learned and responded well and we're looking to stretch out even more."

Nestle has made a commitment to take back 60 percent of all bottles it sells by 2018, a commitment made on behalf of the entire bottled water industry as well as the company.

"This means they're going to have to go to their peers and say, 'How can we work on this together as an industry?'" said Conrad Mackerron, senior program director of the corporate social responsibility program at **As You Sow**. "Nestle is a real success story in the sense of moving up from failing the first report to a C- in 2008 to a B- this year. There's real leadership there. However, there's still work to be done on the recovery and recycle content."

Nestle has agreed to consider the Extended Producer Responsibility legislation, which is already in effect in Europe and Canada. Under EPR laws, companies would pay fees to fund the cost of recycling their products, rather than leaving the responsibility up to the consumer or municipality.

Mackerron has said that Nestle's acknowledgement of responsibility is "significant."

"They're basically saying we're okay with having more regulation," Mackerron said. "It would be quite an important shift in responsibility from the government to the producers."

Though Nestle has made considerable progress since 2006, Mackerron said that there is still much more that the company could strive for in terms of recycling and recovery goals. Currently, Nestle uses 50 percent recycled content in its

re-source bottles, a brand that takes up only a fraction of their overall sales.

"It's still a small amount," Mackerron said. "I think there is an initial reluctance because the infrastructure of waste in this country needs some improvement. I think that the heart of the question goes to their commitment to environmental stewardship and we're seeing that improve, but there wasn't that laser-like focus before."

As You Sow, which partnered with Walden Asset Management to put the report together, reached out to companies to submit information for review and received a modest response from the industry. Companies that did not respond were assessed for the report based on their publicly available information on recycling and recovery. For **As You Sow**, the hope is that the regular release of their study will spur companies into getting back the majority of bottles sold and using higher levels of recycled material in their new bottles.

"Before our work started, I think they felt like they could just coast along," Mackerron said.