

COCA-COLA, RECYCLING OUTLAW

10 Years of Broken Promises and Plastic Pollution



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ecopledge.com & GrassRoots Recycling Network
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This report may be downloaded for free at www.ecopledge.com and www.grrn.org/index_coke.html

ecopledge.com helps consumers, investors and students harness their marketplace power to leverage concrete changes in corporate environmental behavior.

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The **GrassRoots Recycling Network** is a North American network of waste reduction activists and professionals advocating a new strategy -- called Zero Waste -- for dealing with and ultimately eliminating the vast flow of waste materials generated by human society.

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In 1990, The Coca-Cola Company made a promise with much fanfare that it planned to make plastic bottles using 25 percent recycled content. It was a promise they subsequently broke. December 4th is the 10th anniversary of Coke's broken promise.

Coke's Plastic Waste

Since Coke's promise in 1990, more than 45 Billion plastic Coke bottles have been landfilled, incinerated or littered in the U.S. alone. As quickly as we toss them, the plastic bottle industry extracts more nonrenewable resources from the Earth to make new soda bottles for us to throw away tomorrow. Some soda bottles make it into carpeting, benches, or jacket-fill -- anything but new bottles.

The Coca-Cola Company is the world's leading producer of soft drinks and owner of the world's best known brand. Through the world's largest distribution system, consumers in nearly 200 countries enjoy the company's products at a rate of almost a billion servings a day. Increasingly, beverages sold by the Coca-Cola Company are sold in plastic bottles made from virgin petroleum resources, displacing glass bottles and aluminum cans made with recycled material.

In the United States, two out of every three plastic Coke bottles go to waste. Recycling rates for plastic soda bottles have plummeted from a peak of 50 percent in 1994 to only 35.7 percent in 1999. During the same period, plastic soda bottle waste has more than doubled.

As the market giant with 44.1 percent of the U.S. soft drink market in 1999, Coca-Cola is responsible for the largest portion of soft drink container waste. As the market leader, Coke has a responsibility to lead the industry towards sustainable packaging practices.

Why Coke Promised to Use Recycled Plastic

Coke's 1990 promise came at a time when the soft drink industry was changing from glass containers, which have at least 25 percent recycled content, to plastic, which had a negative environmental image at the time. The late 1980s was also a time of heightened concern for solid waste and recycling. The public was concerned about a barge full of

garbage that could not find a place to dump it. State and federal legislatures set recycling goals and required minimum recycled content in products like newspaper.

Pepsi-Cola made a similar announcement about plans to use plastic bottles with recycled content the same day as Coke's announcement. The implicit message of both companies was: "We don't need regulation, we'll do the right thing voluntarily."

After some initial experimentation, in 1994 both Coke and Pepsi quietly stopped using any recycled plastic in their soda bottles. In 1997, the GrassRoots Recycling Network (GRRN) launched a consumer campaign to pressure Coke, as the market leader, to fulfill its broken promise.

Coke was also targeted because of its aggressive leadership of corporate efforts opposing container deposits, or 'bottle bills,' which are by far the most effective means of achieving high beverage container recovery rates. The 10 states with deposits currently collect 55 percent of all beverage containers recycled in the United States. Yet the Coca-Cola Company has spent tens of millions of dollars over the past 25 years trying to repeal these successful and popular environmental measures, and in defeating dozens of proposals for new deposit programs.

A Token Effort

The 'Coke take-It-Back' campaign, which used ads in the *New York Times* and *Wall Street Journal*, has the support of hundreds of environmental organizations and has engaged tens of thousands of consumers in letter writing and mailing back empty soda bottles to Coke. ecopledge.com organized student protests on dozens of college campuses in the past year. Through ecopledge.com, over one hundred thousand students have pledged to turn down career opportunities with the soft drink giant unless it fulfills its 25 percent recycled content promise.

As a result of the campaign, Coca-Cola proclaimed last April that it would use 2.5 percent recycled plastic in 2000 ("25 percent in 10 percent of bottles"). While an improvement over zero, that is a far cry from the 25 percent Coke uses in Australia, the home of Coke CEO Douglas Daft, and in other countries including Sweden, Switzerland and New Zealand. The organizations involved in the campaign have vowed to continue the campaign until Coca-Cola makes good on its pledge and takes responsibility for skyrocketing plastic soda bottle waste and declining recycling rates.

What Coke Said

Here is an excerpt from the Coca-Cola Company's December 4, 1990 press release, subtitled "'Closed Loop' Process Turns Bottles Back Into Bottles":

"Producing new plastic beverage bottles with a blend of recycled plastic is a significant step ahead in plastics recycling," said M. Douglas Ivester, senior vice

president, The Coca-Cola Company and president, Coca-Cola USA. "The technology will allow the 'closed loop' recycling of our plastic bottles, just as our other suppliers use recycled aluminum and steel for cans and recycled glass for glass bottles."

The *New York Times* said:

"Coke and Pepsi took their long rivalry to the environmental arena yesterday, with each company saying it would be the first to sell soft drinks in plastic bottles made with materials recycled from used bottles." (December 5, 1990)

An editorial in the *Chicago Tribune* praised the actions:

"With their pledge to start using bottles made in part from recycled resins, [Coke and Pepsi] will begin to reduce dependence on petroleum-based resins." (December 14, 1990)

Just months later, Coca-Cola President, Douglas Ivester, said:

"The bottle made with recycled plastic represents the latest breakthrough in our on-going commitment to the environment through minimizing virgin raw materials used in our packaging... One of the primary benefits of this package will be to encourage greater recycling of plastic soft drink packaging by consumers. More than half of all soft drink cans are recycled and we want to reach and exceed that level with plastic recycling." (*PR Newswire*, March 12, 1991)

For more background, visit: <http://www.grn.org/coke/brokenpromise.html>

The Consequences of a Broken Promise

Since Coke's promise in 1990, more than 45 billion plastic Coke bottles have ended up in landfills, burned in incinerators or become litter. This constant stream of plastic waste pollutes our air, water and soil. Furthermore, this problem is only getting worse as the company sells more and more of its product in plastic rather than in aluminum and glass. As Coca-Cola Company shareholders prepared to meet for their annual meeting in Wilmington, Delaware on April 19th, 2000, the Container Recycling Institute reported that plastic soda bottle waste doubled between 1994 and 1998. According to CRI's analysis of industry data, the number of plastic soda bottles discarded increased from 7.6 billion in 1994, to a staggering 15.1 billion in 1998.

Texas, Florida, Illinois, Ohio, California, Pennsylvania and Coca-Cola's home state of Georgia led the nation in soft drink bottle waste (see table below; methods, assumptions and data for all states are in the Appendix at the end of the report). The following numbers of Coke bottles were wasted in these states:

State	Population Rank	Deposit	Coke PET Bottles Wasted in 1999 (Millions)
Texas	2	none	748
Florida	4	none	564
Illinois	5	none	413
Ohio	7	none	383
California	1	\$ 0.025	326
Pennsylvania	6	none	318
Georgia	10	none	290

Ninety percent of the 7.18 billion Coke plastic soda bottles wasted in 1999 came from states without container deposits. The 10 states with deposits of soft drink containers (California, Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon and Vermont) represent 29 percent of the U.S. population, but recover the majority of recycled plastic Coke bottles. Coca-Cola and the National Soft Drink Association, which Coke dominates, actively oppose container deposits through costly lobbying and public relations campaigns.

Coke Hurts Recycling

Who is responsible for Coke's waste? Plastics recycling is losing ground because manufacturers like Coca-Cola have shirked their responsibility. Coke's actions have had a significant role in dismantling an important part of our nation's recycling infrastructure. The public does its share by diligently separating recyclables and funding programs to collect and prepare recyclables for market. But the system depends on companies like Coca-Cola to use recovered materials in new packages and to help develop collection infrastructure, or the entire system falls apart.

The concept is called 'producer responsibility' and that's where our system now breaks down. In numerous countries abroad producer responsibility for the waste generated by products and packaging is mandatory.

Because Coca-Cola is an industry leader in the United States and worldwide, even the smallest changes can produce enormous positive effects. In 1993, Coke shaved a mere 4 millimeters off the necks of the their aluminum cans. The result? Aluminum usage was reduced by 20,000 tons in the US that year.

It is time for the Coca-Cola Company to become a leader, not a laggard, in eliminating packaging waste.

Coca-Cola & Recycling: Questions & Answers

Q: What is the problem that you are calling on The Coca-Cola Company to address?

A: Plastic beverage container waste is a growing problem throughout the world. In the United States, plastic beverage container recycling rates have plummeted since 1994, while waste has more than doubled. Coca-Cola has created a plastic bottle waste crisis for the environment, recycling and taxpayers.

Q: Why are you focusing on The Coca-Cola Company?

A: Coca-Cola is the soft drink industry leader in the United States (44.1 percent market share in 1999) and worldwide (50 percent market share). With leadership comes responsibility. By using plastic bottles with little or no recycled plastic, and by opposing the very programs responsible for high recycling rates (container deposits, or 'bottle bills'), Coke is leading the industry in the wrong direction. We believe that if Coke keeps its promise and sells beverages in recycled plastic that the industry as a whole will follow suit. Moreover, Coke is the most aggressive corporate opponent of container deposits.

Q: Coke is telling consumers who ask that they are already using recycled plastic in their bottles, but that they are having trouble getting enough recycled plastic. Is this true?

A: In April 2000, Coke stated for the first time since the campaign began that it would use 10 percent recycled plastic in 25 percent of its bottles in 2000. That 2.5 percent is a big and welcome step. However, Coke has yet to state their future plans either for increasing recycled plastic or for ensuring that more bottles are collected. Coke must make a public statement laying out a graduated schedule for increasing recycled content in their bottles to 25 percent while working to increase recycling rates so that existing users of recycled soda bottles are not dislocated.

Q: Coke says that beverage containers have the highest recycling rates of any packaging. So why focus on plastic bottles?

A: Coke would rather talk about recycling rates of all beverage containers (which include aluminum and glass) rather than recycling rates of plastic containers because the latter is so dismal. Recycling rates for all plastic beverage containers (including non-carbonated fruit juice, sports drinks and water) has fallen for five consecutive years, to 23.7 percent in 1999, according to industry data. Plastic carbonated soda bottles have fallen from a peak of 50 percent in 1994 to 35.7 percent in 1999 (the rates combine high rates in the ten states with container deposits with near-single-digit rates non-deposit states). In other words, three out of every four plastic Coke containers -- and two of every three plastic Coke soda bottles - wind up in dumps, incinerators or as litter. Between 1994 and 1999, the amount of soda bottle plastic wasted in the U.S. more than doubled. And this is at a time when U.S. companies that use recycled plastic soda bottles in new products like carpet and clothing can only get half as much bottles as they have capacity to use.

Q: Coke claims they spend \$2 billion each year in the U.S. on recycled materials, and \$5 billion throughout the world? Is that true?

A: Coke's figure for spending for recycled content materials is primarily for aluminum cans, which is still the dominant soft drink container. But Coke is moving away from recycled-content aluminum and glass, to plastic with little or no recycled content. Coke's greatest growth in sales in the past five years has been in plastic bottles - especially in 20-ounce plastic bottles that are typically consumed away from home, in places with little recycling infrastructure. Coke has all but abandoned glass, which has 25 percent recycled content. Aluminum cans have 50 to 70 percent recycled content.

Q: What is Coke doing to increase plastic container recycling?

A: For nearly 30 years, Coke has spent tens of millions of dollars to defeat or repeal the most effective container recycling programs - financial incentives in the form of deposits on beverage containers. Overall beverage container recycling rates (including aluminum, glass and plastic) in the ten states with container deposits is around 80 percent, compared with about 35 percent in non-bottle bill states, according to the Container Recycling Institute. The difference for plastic bottles is even greater -- bottle bill states recycle three or four times as many plastic bottles as non-bottle bill states.

Coke's attempt to claim credit for beverage container recycling rates is ludicrous in light of Coke's vigorous opposition to container deposit legislation. Coke opposes bottle bills because they make beverage producers like Coke share responsibility (with consumers) for recycling used containers.

Coke has recently, through its trade associations, subsidized trials in several cities to increase plastic bottle collection by funding collection bins. However, most observers see this as a publicity gimmick. The millions of bins needed to achieve national recovery rates comparable to deposit programs would be incredibly expensive to establish and maintain - and a cost ultimately borne by taxpayers (whether they consume Coke or not).

Q: Coke says it never made a 'promise' to use 25 percent recycled plastic, but rather a business decision. How would you respond?

A: Coke's promise is reflected in the public record. Coke's numerous public statements in 1990 and 1991, taken together, create a clear public impression that Coke promised to use recycled plastic soda bottles to protect the environment. Consumers and public officials concerned about plastic waste took it as a promise. National publications and television stations carried stories about Coke's promise. For example, an editorial in the *Chicago Tribune* (December 14, 1990) applauded the announcement: "With their *pledge* [emphasis added] to start using bottles made in part from recycled resins, [Coke and Pepsi] will begin to reduce dependence on petroleum-based resins."

In fact, many people mistakenly believe even today that the recycling symbol on the bottom of plastic Coke bottles means the bottle is made with recycled plastic. When Coke stopped using recycled plastic bottles in the United States five years ago, they did not launch a similar public relations campaign to announce Coca-Cola's abandonment of

recycled plastic. So from the public's perspective, nothing has changed. But the promise has been broken.

Q: Coke says recycled plastic soda bottles cost too much. Why should Coke pay more to use recycled plastic?

A: Industry sources state that adding recycled plastic to soda bottles would cost about one-tenth of one cent per bottle. The cost to recycle is small compared to Coke's profit of 21 cents per container in cases of 20-ounce plastic soft drink bottles, and little in relation to Coke's \$3.5 billion profit last year.

But more importantly, Coke is creating waste that is a burden on taxpayers and local governments. Let's be perfectly clear: the public pays for Coke's waste, while Coke profits. The public pays because we subsidize the cost of recycling and landfilling billions of Coke's bottles. Taxpayers also pay for roadside litter pickup and the cost of cleaning up environmental pollution from making new plastic bottles.

Q: Is safety of recycled content bottles an issue for Coke?

A: No. Coke used recycled plastic in soft drink bottles for four years, between 1991 and 1995. Coke presently uses 25 percent recycled content in its bottles in at least Australia, Sweden and Switzerland - and even uses refillable plastic bottles (even more beneficial, environmentally) in some countries. The U.S. Food and Drug Administration has approved more than 55 different applications to put recycled plastic in food-grade packaging, from milk to juice to soft drinks.

Q: Coca-Cola spokespersons claim that this is a campaign of 'fringe elements.' How do you respond?

A: The campaign has the support of ten local government bodies in Florida, Minnesota and California, of a dozen major 'socially responsible' investment firms, and of key businesses in the plastics recycling industry. As a result of the campaign, the City of Los Angeles has required 25 percent recycled content in all future contracts for beverage containers sold on City property, and the San Francisco Board of Supervisors recently followed suit.

That is in addition to 150 endorsing national and local organizations, and to tens of thousands of consumers who wrote Coke in response to our ads in the *New York Times* and the *Wall Street Journal*, and to alerts sent by the Working Assets Long Distance telephone company. Ecopledge.com students from seven Ivy League colleges demonstrated with a 20-foot Coke bottle in front of the New York Stock Exchange. Americans have a solid consensus that recycling is the right thing to do.

A bedrock consensus has formed in the U.S. over the past decade and a half that recycling is the right thing to do for the environment. Coke has been exposed as an obstructor and greenwasher, not a leader in recycling. It is Coke that is out of touch with mainstream values on recycling.

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Coke Plastic Bottles Wasted by State in 1999

State	Deposit	COKE PET Soda Bottles WASTED 1999 (Adjusted by Consumption)	Waste Rank	Pop. Rank	COKE Bottles WASTED Every Minute in 1999	Length of Wasted Coke Bottles in 1999 (Miles)	No. of Times Wasted Coke Bottles Would Stretch from Atlanta to L.A.	Est. PET Soda Bottle Wasting Rate Within State
		44.1%	Coke U.S. Market Share 1999				See Footnote 6	
USA		7,178,608,118	Avg: 268					
BB States		575,473,157	Avg: 109				22%	
Non-BB States		6,426,624,259	Avg: 306				78%	
Texas	none	747,542,219	1	2	1,422	114,654	59.3	78%
Florida	none	563,570,815	2	4	1,072	86,437	44.7	78%
Illinois	none	412,569,989	3	5	785	63,278	32.7	78%
Ohio	none	382,916,881	4	7	729	58,730	30.4	78%
California	\$ 0.025	325,935,521	5	1	620	49,990	25.9	35%
Pennsylvania	none	318,012,597	6	6	605	48,775	25.2	78%
Georgia	none	290,460,849	7	10	553	44,549	23.0	78%
North Carolina	none	285,334,641	8	11	543	43,763	22.6	78%
Virginia	none	256,323,875	9	12	488	39,313	20.3	78%
Missouri	none	216,288,533	10	17	412	33,173	17.2	78%
New Jersey	none	215,916,637	11	9	411	33,116	17.1	78%
Tennessee	none	204,507,338	12	16	389	31,366	16.2	78%
Indiana	none	202,159,284	13	14	385	31,006	16.0	78%
Minnesota	none	188,885,109	14	21	359	28,970	15.0	78%
Wisconsin	none	178,604,087	15	18	340	27,393	14.2	78%
Arizona	none	171,941,846	16	20	327	26,371	13.6	78%
Louisiana	none	163,054,169	17	22	310	25,008	12.9	78%
Alabama	none	162,973,127	18	23	310	24,996	12.9	78%
South Carolina	none	144,917,745	19	26	276	22,227	11.5	78%
Maryland	none	137,122,108	20	19	261	21,031	10.9	78%
Kentucky	none	134,735,131	21	25	256	20,665	10.7	78%
Washington	none	125,790,427	22	15	239	19,293	10.0	78%
Colorado	none	122,318,133	23	24	233	18,760	9.7	78%
Oklahoma	none	120,834,694	24	27	230	18,533	9.6	78%
New York	\$ 0.05	111,339,143	25	3	212	17,077	8.8	18%
Kansas	none	104,975,408	26	32	200	16,101	8.3	78%
Mississippi	none	103,255,090	27	31	196	15,837	8.2	78%
Arkansas	none	95,152,944	28	33	181	14,594	7.5	78%
Nebraska	none	65,896,211	29	38	125	10,107	5.2	78%
Utah	none	64,228,062	30	34	122	9,851	5.1	78%
New Mexico	none	62,605,945	31	37	119	9,602	5.0	78%
West Virginia	none	61,466,155	32	36	117	9,427	4.9	78%
Nevada	none	54,560,452	33	35	104	8,368	4.3	78%
Massachusetts	\$ 0.05	37,783,871	34	13	72	5,795	3.0	18%
Idaho	none	37,746,693	35	40	72	5,789	3.0	78%
New Hampshire	none	31,847,193	36	41	61	4,885	2.5	78%

South Dakota	none	28,997,524	37	46	55	4,447	2.3	78%
Montana	none	26,621,385	38	44	51	4,083	2.1	78%
Rhode Island	none	26,270,844	39	43	50	4,029	2.1	78%
Iowa	\$ 0.05	26,190,821	40	30	50	4,017	2.1	18%
Hawaii	none	25,905,980	41	42	49	3,973	2.1	78%
North Dakota	none	25,063,317	42	47	48	3,844	2.0	78%
Michigan	\$ 0.10	21,508,680	43	8	41	3,299	1.7	5%
Connecticut	\$ 0.05	20,081,691	44	29	38	3,080	1.6	18%
Oregon	\$ 0.05	16,722,922	45	28	32	2,565	1.3	18%
Wyoming	none	14,463,042	46	51	28	2,218	1.1	78%
Dist. Columbia	none	13,760,907	47	50	26	2,111	1.1	78%
Alaska	none	13,537,575	48	48	26	2,076	1.1	78%
Maine	\$ 0.05	7,666,948	49	39	15	1,176	0.6	18%
Delaware	\$ 0.05	4,610,656	50	45	9	707	0.4	18%
Vermont	\$ 0.05	3,632,904	51	49	7	557	0.3	18%

METHODS AND ASSUMPTIONS

1. United States carbonated soft drink PET bottle production ('Sold') data from *Beverage World*, June 2000, page 48.
2. PET soft drink bottles sold in 1999 was adjusted for regional consumption differences using data for 'packaged gallons' of soft drinks reported by *Beverage World*. States within each of the seven regions were assumed to have similar consumption rates. NOTE: Estimated soft drink sales for California adjusted by consumption (2,105,649,000) is higher than the 'CRV' plastic bottles reported to the Department of Conservation (1,278,411,247) and may indicate a consumption anomaly or under-reporting.
3. Recycling and wasting rates for the nine 'traditional' bottle bill states are based on state reports and interviews with state personnel by Container Recycling Institute. The overall estimated 82% recycling rate for the eight bottle bill states with a nickel deposit includes recovery from both redemption and non-redemption sources (particularly curbside collection). Recycling rates of non-bottle bill states and the District of Columbia are calculated by multiplying U.S. soft drink production by the national soft drink bottle recycling rate published by the American Plastics Council (35.7 % in 1999), subtracting estimated recovery in all 10 container deposit states, and apportioning the remainder equally among non-bottle bill states.
4. Coca-Cola plastic bottle wasting rates are calculated using Coke's market share in 1999, from *Beverage World's* Databank.
5. Population 7/1/99 from www.census.gov.
6. Average bottle length, weighted by bottle market share, is 0.81 feet. Bottles per mile: 6,520. Distance from Atlanta to Los Angeles: 1,933 miles.