

Shareholder Activists Hit Starbucks on Recycling

By: Dale Wannan | March 25th, 2010



As I stood and watched the line of 12 in front of me at Starbucks the other day, I daydreamed about the load of cups Starbucks must go through every day. A little googling turned up the fact that it's actually 3 billion paper cups and 1 billion plastic cups a year. To put that in tangible terms, that's 8,219,178 paper cups and 2,739,726 plastic cups a day. Wait, **10 million cups a day?**

While I wait for those of you who spewed hot lattes onto your laptops to clean up after yourselves, please be assured certain groups are doing something about this. Starbucks annual shareholder meeting just ended Wednesday in Seattle. This meeting was entertainment-infused: Sheryl Crow sang some of her hits and informed the crowd that she "drinks Starbucks coffee every morning" (something tells me we will be hearing more Sheryl at our local Starbucks). But that's not all. There was shareholder activism to witness. [As You Sow Foundation](#), a shareholder advocacy organization put forth a proposal using shareholder advocate John Harrington's shares, asking the board of directors to adopt a comprehensive recycling strategy for beverage containers. (Full disclosure: Harrington is my boss.) Although those baristas can stir up a mean mocha, Starbucks as a whole has a poor record when addressing recycling issues.

Starbucks makes the argument that it has no control over recycling. Its excuse: local governments control the waste stream system. As a paperboy in my younger years, I would be late on deliveries sometimes. Making excuses for this behavior didn't work, and my clients would show this in the 50 cent tips I received. In the same terms, Starbucks shouldn't be making excuses. It should be positioning itself as a leader for change. Eleven percent of shareholders voted in favor of As You Sow's proposal, which equates to over 42 million out of the 740 million shares outstanding shares saying "yes."

Other issues that As You Sow Foundation confronted were the lack of recycled content in the ETHOS water bottles. If you have noticed, this water is marketed as a way to help children get clean water and [Starbucks](#) has contributed more than \$6 million to water-stressed countries through sales of it. That's all well and good, but distributing millions of plastic bottles with no recycled content isn't going to help these children in the long run. By putting at least 10% of recycled plastic into the bottles, Starbucks would simply match its competitors Coca-Cola and Pepsi in their strict recycling mandates. So next time you order that [Iced White Chocolate Mocha](#) or grab that bottle of water while Sheryl Crow blares from the speakers, ask the barista if you can use a ceramic cup, instead.

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