



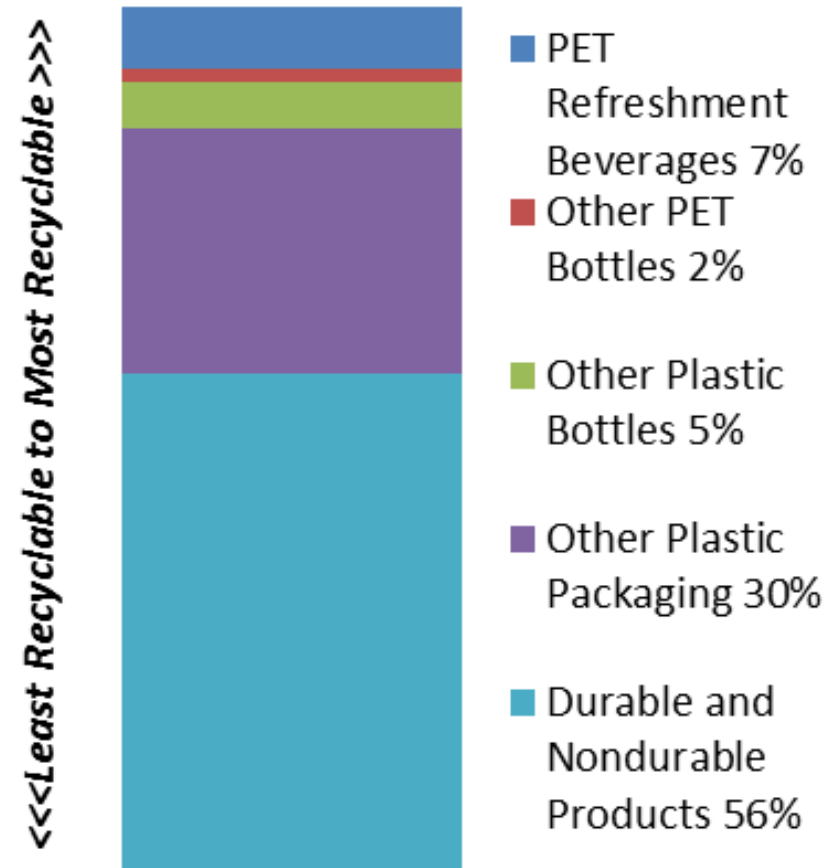
# Beverage Industry Economic Impact in Los Angeles

- ✓ Provides 6,170 Jobs in the City:
  - ✓ Soft Drink Jobs: 2,316
  - ✓ Bottled Water Jobs: 905
  - ✓ 100 Percent Juice/Juice Drinks Jobs: 1,029
  - ✓ Other Beverage Category Jobs: 457
  - ✓ Distribution Jobs: 1,463
- ✓ Direct Economic Impact: \$4.7 billion; \$513.9 million in wages
- ✓ More than 29,228 workers in restaurants, grocery stores, convenience stores, movie theaters and more depend, in part, on beverage sales for their livelihoods.

# ALL PLASTIC IS NOT THE SAME

- Bottles are 7% of the PET produced
- PET beverage containers are 1% of the solid waste stream – 2015 EPA
- Plastic bottles are the most recyclable and the most recycled of all plastics. Another 30 percent of plastics are used for packaging made from sheet and film. Much of this packaging and many durable and nondurable plastic goods are not recyclable.

Exhibit 2  
**Uses of Plastic in the US  
(2015)**



# Recycling Partnership Data on Curbside Recycling

## Curbside Materials Generated

➤ Mixed Paper	39.4%
➤ Glass Containers	20.4%
➤ Cardboard	13.9%
➤ PET bottles	6.6%
➤ Other Plastic Packaging	4.5%
➤ Bulky Rigid Plastic	3.1%
➤ Steel Cans	3.0%
➤ Aluminum Can	2.7%
➤ HDPE colored plastic & jars	2.1%
➤ HDPE Natural bottles & jars	1.4%
➤ Non PET bottles	1.4%

## MATERIAL TONNAGE

➤ Cardboard	5,195,756
➤ Mixed Paper	14,722,469
➤ Aseptics & Cartons	295,586
➤ PET Bottles	2,478,193
➤ Non-bottle PET	524,009
➤ HDPE Natural Bottles & Jars	512,905
➤ HDPE Colored Bottles & Jars	786,644
➤ Glass Containers	7,613,441
➤ Steel Cans	1,126,674
➤ Aluminum Cans	1,002,515
➤ Aluminum Foil & Trays	273,814
➤ Other Plastic Packaging (~3-7)	1,670,402
➤ Bulky Rigid Plastics	1,161,215
➤ Total	<b>37,363,622</b>

# Beverage Containers

## U.S. LRB MARKET\* SHARE BY PACKAGING TYPE 2000 – 2018

Year	Cans	Glass	Plastic	Paper	All Others	Total
2000	39.3%	1.5%	54.6%	0.0%	4.6%	100.0%
2001	37.9%	1.5%	56.0%	0.0%	4.5%	100.0%
2002	37.9%	1.4%	56.2%	0.1%	4.4%	100.0%
2003	37.6%	1.5%	56.5%	0.1%	4.4%	100.0%
2004	36.7%	1.5%	57.4%	0.1%	4.4%	100.0%
2005	34.8%	1.5%	59.2%	0.1%	4.4%	100.0%
2006	33.9%	1.6%	60.0%	0.1%	4.4%	100.0%
2007	32.2%	1.6%	61.8%	0.1%	4.3%	100.0%
2008	31.6%	1.6%	62.2%	0.1%	4.5%	100.0%
2009	31.3%	1.5%	62.5%	0.1%	4.6%	100.0%
2010	30.4%	1.5%	63.4%	0.1%	4.6%	100.0%
2011	29.3%	1.5%	64.3%	0.1%	4.7%	100.0%
2012	28.5%	1.5%	65.2%	0.1%	4.7%	100.0%
2013	27.5%	1.6%	66.2%	0.1%	4.7%	100.0%
2014	26.3%	1.6%	67.4%	0.1%	4.6%	100.0%
2015	25.1%	1.6%	68.6%	0.1%	4.5%	100.0%
2016	24.0%	1.6%	70.2%	0.1%	4.1%	100.0%
2017	22.2%	1.5%	72.1%	0.1%	4.0%	100.0%
2018	22.2%	1.2%	72.6%	0.1%	3.8%	100.0%

\* Includes CSD, bottled water, shelf-stable fruit beverages, RTD coffee, RTD tea, energy drinks, sports drinks and value-added water

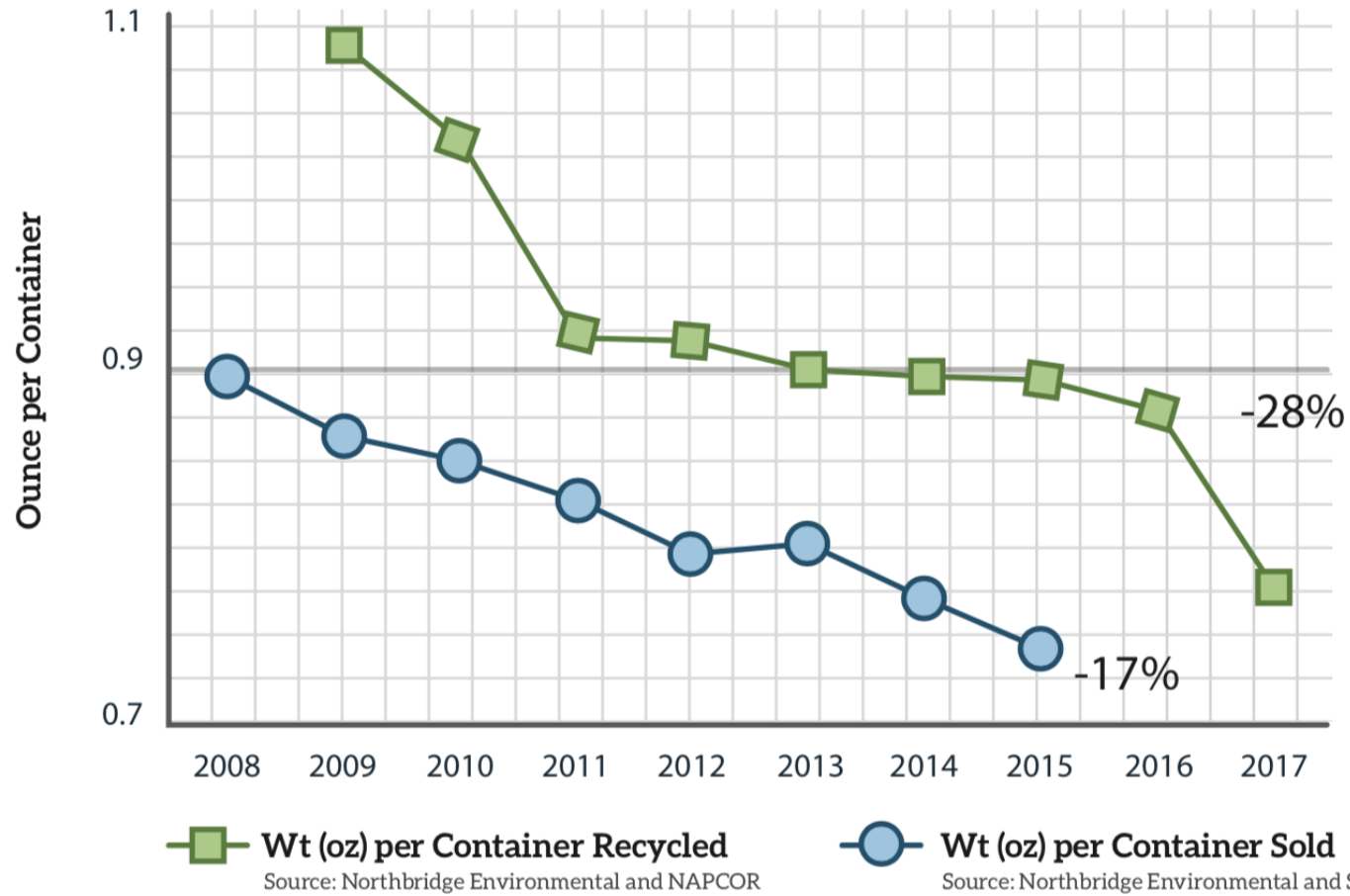
Source: Beverage Marketing Corporation; SBA-CCI, Inc.; industry estimates



# PET Bottles

- PET beverage bottles are designed to be 100 percent recyclable including the caps. Nationally, the recycling rate for PET beverage containers in 2017 was 31 percent, substantially higher than the 5.6 percent recycling rate for non-bottle plastics.
- PET bottles are widely accepted for recycling throughout the US. In a 2008 survey funded by ABA, 87 percent of the population was found to have access to recycling for PET bottles.
- PET is a valuable recyclable commodity, making it popular with communities and with companies that fund and operate recycling programs, because the value of the commodity helps defray the expense of recycling. In 2018, the US average price for a bale of recycled PET averaged \$318 per ton and ten-times the value of most types of paper.

## Lightweighting of ABA PET Bottles: Bottles Sold 17% Lighter Bottles Recycled 28% Lighter



**We are making**

**100%**

**recyclable plastic bottles.**

**And we want them back.**

# Every Bottle Back

## OUR COMMITMENT

We're working together to help ensure our plastic bottles become new bottles, and they don't end up in our oceans, rivers and beaches.

### OUR PLASTIC BOTTLES ARE UNIQUE

We're carefully designing our plastic bottles to be 100% recyclable—even the caps.

We make our bottles from PET because it's strong, light, valuable, and most importantly, easy to recycle and make into new products, including new bottles.



### RAISING AWARENESS & INSPIRING ACTION

We're investing in awareness campaigns to reinforce and promote the value of our 100% recyclable plastic bottles with consumers and stakeholders, inspiring audiences to recycle them.



### MEASURING OUR PLASTIC FOOTPRINT

**World Wildlife Fund** is providing strategic, scientific advice to help measure our industry's efforts to reduce our plastic footprint.



### ADDING MESSAGE ON PACKAGING

Our companies will place a message on packaging about the 100% recyclability of our plastic bottles and caps beginning in late 2020.



### IMPROVING RECYCLING INFRASTRUCTURE

We're working to improve the quality and availability of recycled plastic in key regions of the country by directing the equivalent of \$400 million to **The Recycling Partnership** and **Closed Loop Partners** through a new \$100 million industry fund that will be matched three-to-one by other grants and investors.

# PET Has Rebounded after China Sword

## Recycling Markets = State of Uncertainty

- China National Sword has created a domestic crisis
- Lack of markets for once valuable commodities

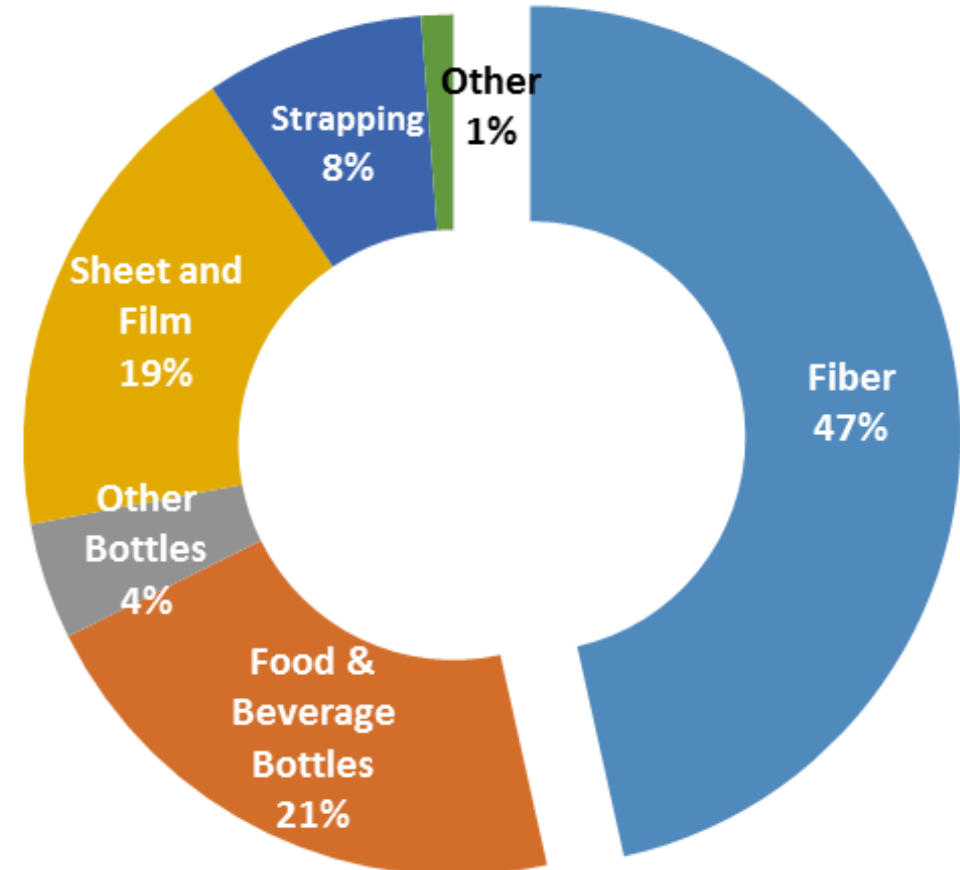
Commodity	Units	2017 Price	2019 Price
Mixed Paper	\$/ton	65	-2
Corrugated Paper	\$/ton	171	28
Aluminum Cans	\$/lb.	0.76	0.55
HDPE	\$/lb.	0.39	0.20
PET	\$/lb.	0.17	0.14
#3-7 Plastics	\$/lb.	0.01	-0.04

# rPET Uses

- Recycled PET is used to manufacture a wide range of products in this country. The largest market for rPET is to make fiber – either filament fiber to make clothing or staple fiber to make products like carpeting; the fiber market purchased nearly half of the rPET available to US reclaimers in 2017 (Exhibit 3).7 Fiber has dominated the market for rPET dating back decades.
- Food and beverage bottles were the next largest end-use for rPET at 333 million pounds in 2017. Sheet and film is another significant end market and that material is used to fabricate packaging like take-out food trays and clamshells for produce and baked goods

Exhibit 4

## 2017 US rPET Markets





# State Recycling Related Proposals

- Minimum Recycled Content - AB 792 - continued state efforts to create a minimum recycled content mandate for bottles
  - January 1, 2021, and December 31, 2024: No less than 10%
  - January 1, 2025, and December 31, 2029: No less than 25%
  - January 1, 2030: No less than 50%
- AB 1080/SB 54 – Single Use Packaging
- Updates to Bottle Bill being considered (including EPR)

# Keep the Cap On Initiative

KTCO recycling bins have been placed on several beaches in Los Angeles County during the summer months over the past two years.

ABA also partners also with Keep California Beautiful by sponsoring several educational programs across the state as well as distributing several “Keep the Cap On” recycling bins throughout high-traffic areas at the Kern County Fair.





Questions