

# Centralizing Waste & Recycling

Waste Not, Want Not

Lori Driver, Flowers Foods Sustainability Manager

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# Flower's Waste & Recycling Services Program

## Challenge

- Manage, reduce, and/or recycle the waste being generated AND reduce operating costs.

## Solution

- Streamline management of waste and recycling.
- Target in 5 years: 98% landfill diversion & \$1 Million annual cost reduction



### REDUCE

the amount of resources/materials



### REUSE

items over and over again



### RECYCLE

what is left over



***Flowers Foods launched a review of its Waste Services Program in 2018***

***A Representative From 30% of our manufacturing facilities participated in a Focus Group to evaluate the results of the RFP bids.***

Key Activities	Mar 2018	Apr 2018	May 2018	June 2018	July 2018	Aug 2018
<b>RFP Preparation</b> <ul style="list-style-type: none"> <li>Gather background information &amp; data</li> <li>Initiate NDA process</li> <li>Develop scope of work</li> <li>Review &amp; approve RFP</li> </ul>	[Bar]		Additional 2-3 weeks if suppliers visit separately or require significant travel to bakeries			
<b>RFP Release (6-8 weeks)</b> <ul style="list-style-type: none"> <li>Release RFP</li> <li>Coordinate supplier Q&amp;A</li> <li>Supplier Walkthroughs*</li> <li>Supplier Presentations*</li> </ul>	[Bar]		[Bar]			
<b>RFP Evaluation (3 weeks)</b> <ul style="list-style-type: none"> <li>Review consolidated RFP responses*</li> <li>Score RFP responses*</li> </ul>			[Bar]			
<b>Supplier Negotiations (2 weeks)</b> <ul style="list-style-type: none"> <li>Approve negotiation strategy</li> <li>Conduct negotiations</li> </ul>				[Bar]		
<b>Supplier Selection (2 weeks)</b> <ul style="list-style-type: none"> <li>Select supplier / Develop business case</li> <li>Notify awarded suppliers</li> </ul>					[Bar]	
<b>Contracting</b> <ul style="list-style-type: none"> <li>Business Terms / Legal Terms</li> </ul>					[Bar]	[Bar]

# Current Site Challenges



## Administrative Support

Support to help teams help drive recycling initiatives at the plant level.



## Research & development

Streamline processes where possible to eliminate re-inventing the wheel.



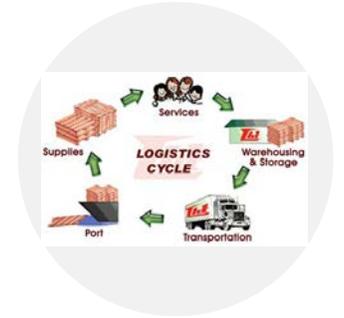
## Billing & Reporting

challenging to conduct internal evaluations of costs and services for multiple locations, rising costs



## Tough Recycling markets

Unable to find solutions for kraft/ingredient bags or plastics



## Logistics, and equipment, limited spacing

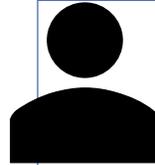
Challenges incorporating new processes with existing space and location.

# Results:

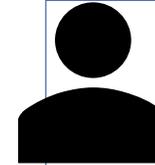
- The Focus Group reviewed and scored all potential waste & recycling solutions.
- The internal program solution scored highest with **4.23 out of 5.**



## *Focus Group Comments:*



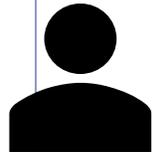
In House Team would likely provide better sharing of best practices among all the plants.



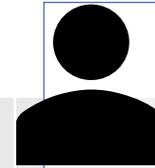
An Internal person will already have the knowledge of the business and already have the areas of opportunities known. Having someone internal would also mean that they have a vested interest in finding what is best for the company.



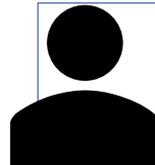
Having a team that will be able to conduct site assessments and deal with our specific challenges is what our plants need.



The biggest "pro" is that we all individually know our environments, facilities, and vendors. We are absolutely vested in the success of our individual programs.



With an in-house team, there would be no reclaim of our profits and success for our recycling programs by another company. We would get full benefits and savings for the work our teams are doing.



Team will have complete understanding of Flowers needs and operations.

# Pros Vs Cons

## Current Program

### Pros

- No transition of services
- Familiar with Flowers

### Cons

- High fees, shared savings from Flowers' programs,
- Over 10 yrs w/out initiating any improvements
- No initiative to drive zero waste goals that aren't profitable to vendor
- Rising costs

## New Vendor

### Pros

- Existing Network of recyclers
- Fresh perspective on program

### Cons

- Fees, Shared savings fees from Flowers' programs
- Transition of accounts
- Learn Flower's operations/business
- No initiative to drive zero waste goals that aren't profitable to vendor

## In-house Team

### Pros

- Successful plant-driven programs
- Internal support understands the needs
- Low costs, no shared savings
- Invests in employees that can drive zero waste initiatives and save cost

### Cons

- Transition of accounts
- Needs to strengthen network of recyclers



## Flowers Bakeries - Waste Services Team

**Providing internal resources to drive waste hauling and recycling initiatives!**

An internal team that knows the company and current challenges can drive the existing goals and achievements at all Flowers locations.

# New Waste & Recycling Program

In 2019 Flowers launched an internal program to manage all waste and recycling services.



- **Objective:**
  - Provide internal support to improve recycling and waste reduction across the company.
- **Who will provide support?**
  - The corporate Sustainability Dept will oversee the program; including all invoices and data reporting.
- **Point person on-site?**
  - The ESS will be the appointed contact person and assist Sustainability Dept on site-specific issues.
- **Who will participate?**
  - ALL locations (i.e. bakeries, warehouses, thrift stores and offices) will be transitioned to the program.
- **What is the ultimate goal?**
  - 1) Streamline best practices and programs across the company
  - 2) Provide superior support to locations.
  - 3) Divert 98% or more of waste from landfill.
  - 4) Reduce waste and recycling costs across the company

# In- House Team



## Coordinator

- Responsible for coordinating all contracts and service details.
- Work with existing vendors on packaging to improve up-stream recycling with ingredient packaging.
- Networking multiple vendors and suppliers.
- Final approval for invoices.
- Finalizing reports for internal reporting and communication of performance
- Identify improvements



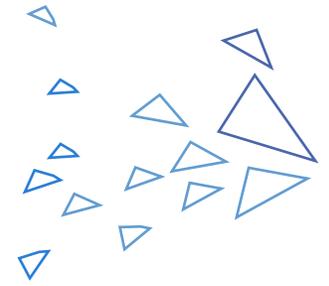
## Project Engineer

- Responsible for providing solutions customized for each location to implement recycling programs that meets the locations' needs.
- Knowledgeable in logistics, process, and equipment.
- Site surveys and assessments
- Oversee projects regarding all equipment and process change
- Identify improvements



## Analyst

- Responsible as the one point of contact for handling all site service issues.
- Coordinate all work orders beyond basic service issues with the team.
- Code and track all incoming invoices.
- Identify billing issues to correct
- Key & track data for reporting for monthly and quarterly reports.
- Identify improvements



**\*\*All team members will report to Sustainability Manager.**

# In-House Team will provide...



## Expertise

Expert dedicated to eliminating barriers in logistics, equipment, and process of operations and will help individual plants **customize a program that meets their individual needs.**



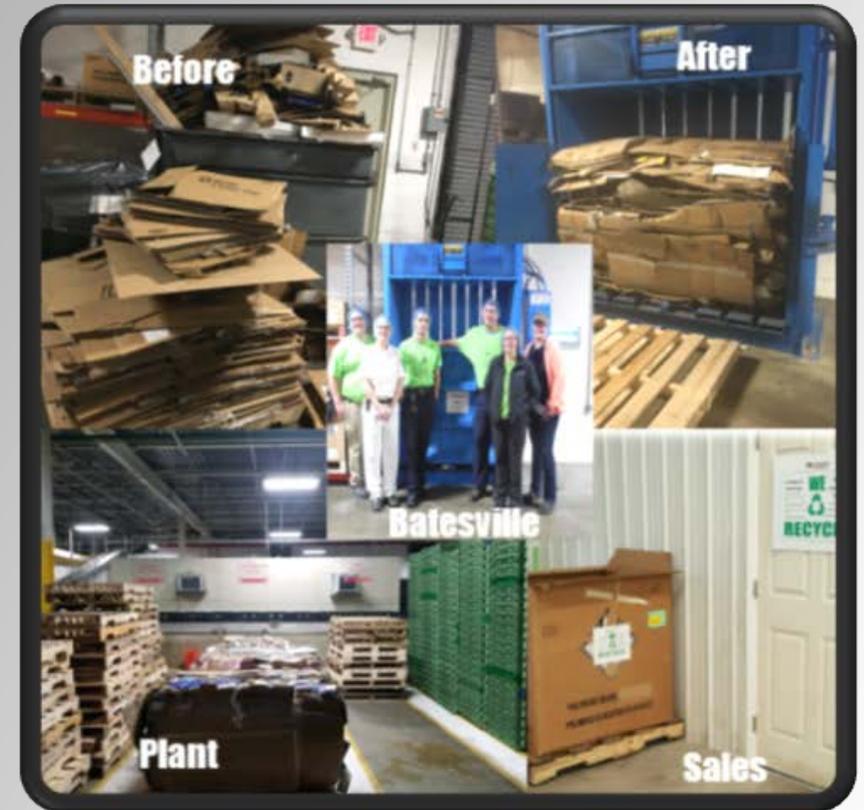
## Networking

Expert dedicated in finding vendors to provide the best **service choices** per location.



## Hard markets for recyclables

A team focused on Finding solutions for challenging materials including plastics and ingredient bags with **rebate or no cost driven programs** to achieve zero to waste goals.



# In-house Team will work to improve



## GL Codes

Help streamline reporting to identify unaccounted for costs and recycling #s



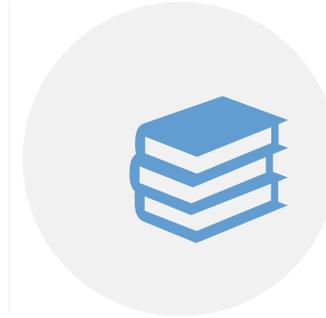
## Internal recycling containers

Streamline color coded recycling containers for offices and plants; negotiate best pricing



## Capture Hazardous & Universal Waste streams

Negotiate contracts for better rates & less contract handling; identify % of hazardous waste that could be recycled



## Confidential Paper shredding

Negotiate contracts for better rates & less contract handling; capture recycling #s



## Large waste haulers

Negotiate master contracts w/vendors that service multiple sites for better rates and less contract handling

....Most of All



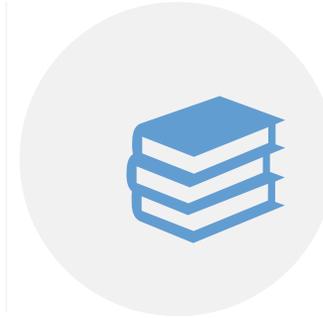
Training



Awareness



Transparency



Communication



Increased Savings

Flowers' Sustainability team is currently developing programs to roll out.....



The OCC (cardboard haul-back) program



Create a platform and resources for warehouses and thrift stores to haul-back cardboard to plants or DCs using the existing program that was successful at Batesville and Oxford.

Ink & Toner Cartridge Recycling

Reduce Universal waste fees by rolling out a user-friendly ink/toner cartridge program that earns rebates and recycling progress reports



Confidential paper shredding Recycling

Improved reporting and group rates to better capture your recycling data and costs.



Haul Reductions

Reduce # of hauls by getting the right container size or maximizing compactors with monitoring



# Examples of Best Practices



*Ingredient kraft Bag Recycling*



Food



Waste



# Growth Strategy

## Phase 1

10 months for transition  
Transition of billing and reporting

- Billing & invoicing
- Building new reports
- Surveys to collect missing data
- Start Compiling data for full scope service profile and sustainability #s
- Start reviewing all contracts

## Phase 2

Begins after transition

Start Conducting site Assessments & Problem Solving

- Site assessment priority
  - Sites losing recyclers
  - Low recycling %
  - High Costs
  - Requested
- Start growing existing network of recyclers
- Customize solutions to resolve challenges to spacing, operations, logistics, or equipment

## Phase 3

1 to 3 years  
Roll out programs

- Cardboard haul-back
- Customized recycling programs by site
- Streamline Ink/toner cartridge recycling
- Streamline electronic waste recycling
- Streamline Battery recycling
- Tackle plastic and ingredient bag recycling

# In-house services costs



1) Wages

**79%**

Financial cost of Team



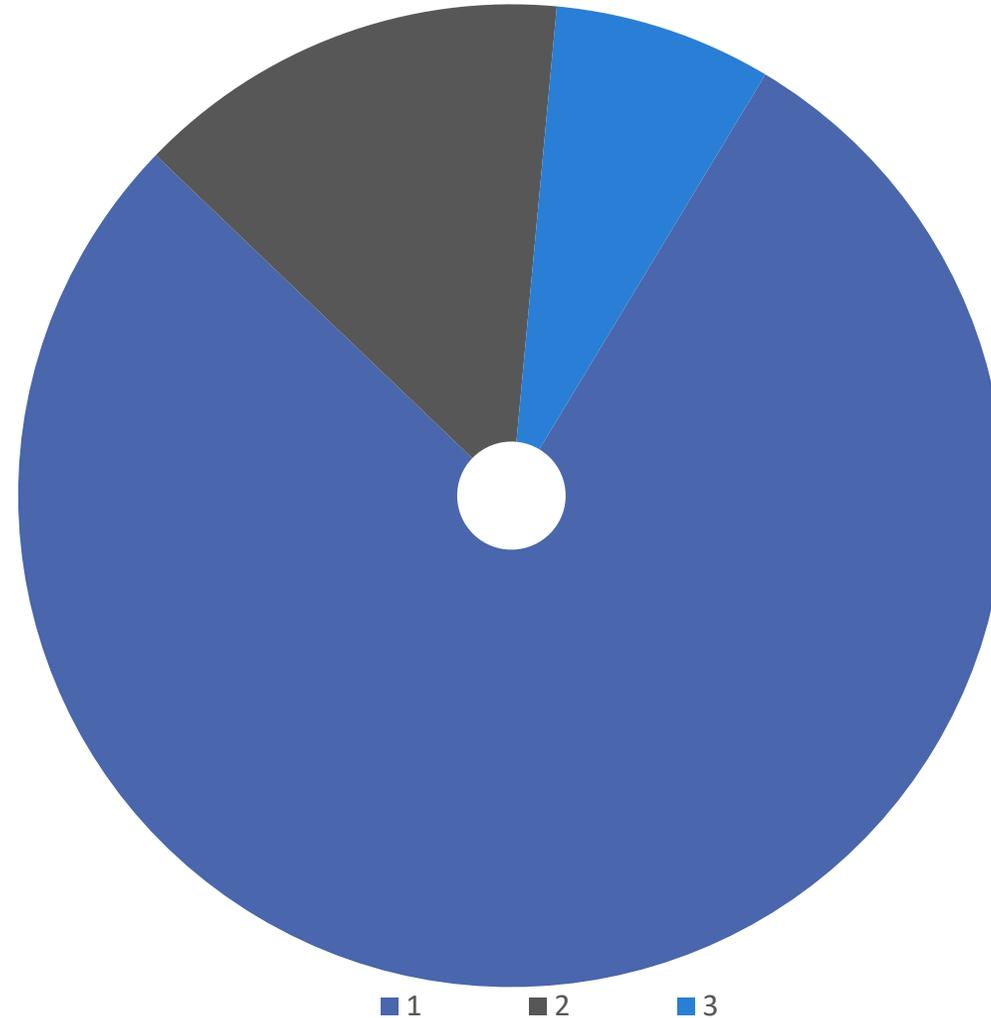
2) Software

**14%**

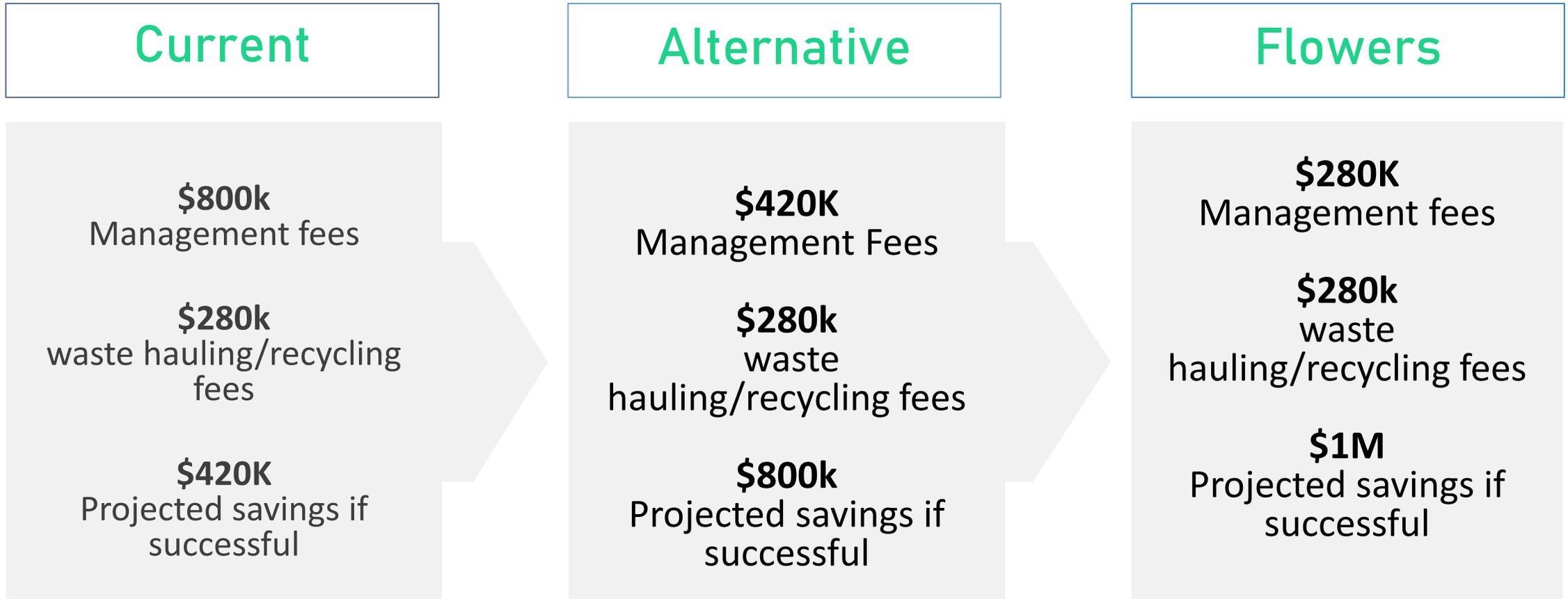


3) On-site consulting if needed

**7%**



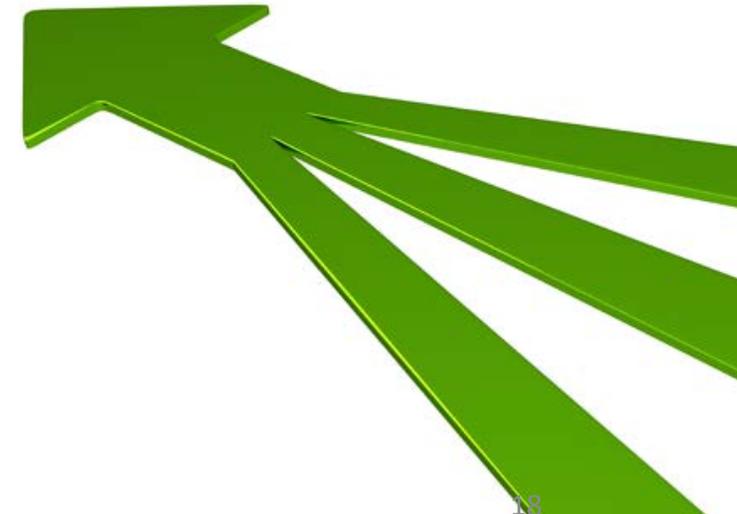
# 5 Year Projection Model for a 75% Savings on Waste Hauling/Recycling



*March*  
*2019*

# Phase 1: Transition Accounts

- Redirect existing accounts managed by third-party or bakery to the sustainability team.
  - Transition will include all documents related to waste and recycling (i.e. invoices, and data pertaining to trash, waste, hazardous/universal, recycling fees/rebates, paper shredding)
- Invoices will be processed through the sustainability team.
- Accounts will be scheduled by region (see attached transition plan).
- Will provide training and support to the plants & field during the scheduled transition and on-going support.
- Sustainability team will build new reports to capture Sustainability #s and Pinnacle goal by plant and overall performance across the company.



*January*  
*2020*

# Phase 2: Implement Best Practices

- Implement company-wide recycling programs that are **customized** to each location's need.
- **Sustainability Project Engineer** will perform site visits to help address challenges and find solutions.
- Find vendors for materials that are **difficult to recycle** (i.e. plastics, ingredient bags) in the local community or with large vendors.



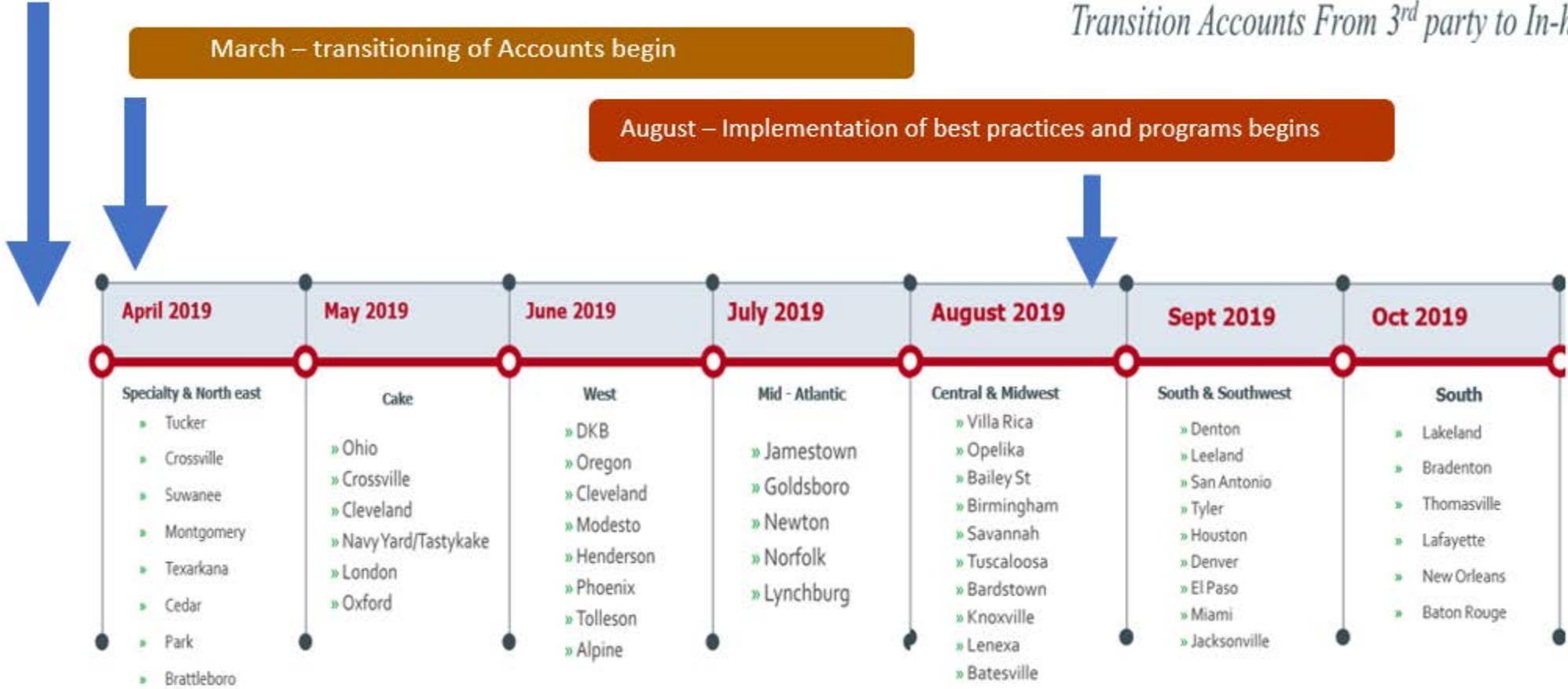
# Waste Services Timeline

*Transition Accounts From 3<sup>rd</sup> party to In-house*

Feb – Begin setup of Vendors thru Lavante, notify vendors of new billing process and data reporting

March – transitioning of Accounts begin

August – Implementation of best practices and programs begins



# 2025 Targets\*

Reduce greenhouse gas emissions **20%** per metric ton of product.



Reduce water use **20%** per metric ton of product.



Achieve **zero waste to landfill** company-wide.



\*Compared to 2015 Baseline



» Margaret Ann Marsh, VP of  
Environmental & Sustainability



» Lori Driver, Sustainability Manager