

Case Study: Costa Coffee

Recycling and Waste Management Provision



Costa Coffee is the UK's largest coffee chain with over 1,500 stores nationwide in locations that include the high street, airports and train stations. A subsidiary of the Whitbread Group, the company has experienced double digit growth in recent years and has a goal to double global sales to £2bn by 2018.

The Challenge

Considered the 'coffee drinkers favourite', Costa Coffee wanted to improve its landfill diversion rate in line with the Whitbread Group and ultimately aspires to be a zero waste to landfill organisation, across all of its UK company stores by 2017. In 2012/13 Costa Coffee set a target to divert 40% of waste from landfill. For 2013/14 their landfill diversion target has been revised to 65%.

Veolia faced a number of challenges throughout the project. Most notable was the fact that retail space was at a premium throughout Costa stores. This meant that there was very little room



for dedicated on-site internal and external recycling bins.

Costa stores are fast paced environments, so any proposed in-store segregation would have to be as simple and manageable as possible.



Turning waste into a resource

The high street location of many Costa stores means that they may be serviced through local authority arrangements or by pre-existing contractors. The latter is certainly the case with many shopping centre locations. Veolia currently services around 500 Costa Coffee stores in the UK.

The Solution

To help Costa meet their recycling objective, a series of waste audits were conducted by Veolia. This would identify and analyse areas for improvement throughout the waste streams.

In 2011, a trial of 50 stores across the east region identified that organic wastes such as coffee grounds and food waste could be separated from general waste and sent for treatment.

During 2012, Veolia implemented a new 'Two Stream' waste solution which focused on the separation of food and coffee ground waste from the mixed recycling waste streams. Costa's food service distribution company Kuehne & Nagel would collect all organic waste in 'totes' daily and backhaul to their depot for Veolia to collect and subsequently treat.

The mixed recycling collection comprised of paper, card, plastic and cans. This is separated at Veolia's network of Materials Recovery Facilities (MRF), baled and sent for reprocessing into new materials. This process also ensured that stores could maximise space utilisation and



not have to perform too much waste separation themselves.

A number of Costa stores in the UK are now separating food waste and used coffee grounds from their waste. Food waste is now diverted to anaerobic digestion (AD) where methane gas is extracted and converted into electricity. This process also delivers residual slurry that, when filtered and spread on land results in a high-grade fertiliser. Waste coffee grounds are used as a source of fuel for the biomass process which also generates electricity.

An educational awareness poster campaign was developed to facilitate the required increased take-up of the new service across the Veolia serviced estate. This was supported by store literature. The stores advanced till system was further utilised to communicate reminder alerts to all employees, thus ensuring a regular flow of information.



The Results

The Costa Coffee equity estate has significantly overachieved against its 2012/13 target of 40% landfill diversion. By February 2013 the new 'Two Stream' solution had contributed to an increased rate of 59% diversion from landfill. This also represented a significant improvement from 29% at the beginning of 2012.

Sites directly serviced by Veolia have made even greater improvements and now average a diversion from landfill rate of over 90%. In total, approximately 7000 tonnes of waste was diverted away from landfill in 2012, almost double the quantity diverted during the previous year.

In addition to a significant reduction in waste being sent to landfill, 45% of all Costa equity stores serviced through Veolia under the 'Two Stream' solution, generated cost savings in the region of 13%.

In November 2012, Veolia's Green House Gas Tracker illustrated that avoided emissions had increased by 85% across the estate as a result of the increased amount of waste being recovered. The 'Two Stream' approach has also been shared with individual franchise partners and it is anticipated that take-up of the new process will increase throughout 2013/14.

Chris Keast, Head of Supply Chain UK, Costa Coffee commented:

"Costa Coffee shares Whitbread Group's commitment to sustainability and desire to work towards zero waste to landfill. The 'Two Stream' waste solution has delivered fantastic results and we are delighted that much of our food and coffee grounds waste is now not only been diverted from landfill, but being put to a good use through the AD and biomass processes. We foresee more of our franchised stores reaping the benefits of this process in the future."

Matt Osmond, General Manager - Leisure, Veolia Environmental Services' added:

"We are proud of our relationship with Costa Coffee. Through our progressive partnership and access to our innovative treatment solutions, we have been able to significantly improve the recycling and recovery of waste materials generated in their managed store estate. "

