Glass Packaging Institute

Multi-State Protective League Meeting
Milwaukee, WI

June 19-21, 2019

Glass is ENDLESSLY Recyclable
INDUSTRY CHALLENGES
2018 Market Review

- Mega beer – sales remain down – beer now 49% of total alcohol market (wine and spirits rose in overall share)

- Craft beer growth up 4% by volume, but only 13.2% of beer market

- Chinese glass bottle imports increasing

- Market consolidation
INDUSTRY OPPORTUNITIES
Share of 2018 U.S. Glass Container Shipments by Category

- Beer (53%)
- Food (20%)
- Beverages (10%)
- Spirits (5%)
- Ready to Drink (4%)
- Wine (8%)
- Other (0.2%)

- **Significant Share Shift from 2017:** Beer - 56% to 53%
- Food: 18% to 20%

Source: Precision Consulting, represents ~ 97% of Shipments from US Glass Container Plants
- Spirits’ industry share of the alcohol market has increased 9 years in a row.

- 2018 – $1.79 billion in exports fuel growth (all-time high)

- Showcases the premium design of glass
Notable consumer shift to non-alcoholic beverages

Categories with the most innovations in 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee and Coffee Substitutes</td>
<td>1,039</td>
</tr>
<tr>
<td>Juice and Non-Carbonated Drinks</td>
<td>1,019</td>
</tr>
<tr>
<td>Tea and Infusions</td>
<td>804</td>
</tr>
<tr>
<td>Water</td>
<td>688</td>
</tr>
<tr>
<td>Flavored Carbonated Drinks</td>
<td>299</td>
</tr>
<tr>
<td>Milk and Milk Alternatives</td>
<td>290</td>
</tr>
<tr>
<td>Sport and Energy Drinks</td>
<td>269</td>
</tr>
<tr>
<td>Chocolate Drinks</td>
<td>133</td>
</tr>
</tbody>
</table>

Source: Nielsen
Sustainability - Refillable Beer Bottle Program

- 10 breweries participating, coordinating with beer distributors

- Bottles made at the O-I Oregon plant

- Positive glass environmental messaging
Plastic Litter: Ocean, Waterway and Marine Debris

- **Plastics Pollution Coalition (PPC)** – Spoke at GPI Annual Meeting
- Utilizes High-Profile and Genuine Support
- Opportunity to Leverage Reduced Plastics Use to Glass’ Advantage
Let’s Get Social
West Coast Protective League – Revamped Website

Comprehensive

✓ Current Meeting Information, Resources & League Contacts

Easy to Navigate

Information on Key Legislation – Ways to Take Action

www.wcplusa.org
@ChooseGlass
#American Beer
@GlassIsLife

O-I
@OI_ie_Glass

YouTube: youtube.com/glassislife
Linkedin: linkedin.com/company/o-i
Facebook: facebook.com/owensillinois

THE PEOPLE WHO MAKE GLASS CONTAINERS

Gallo Glass Company
Packaging and Containers · Modesto, California · 1,569 followers


Ardagh Glass
@ArdaghGlass

Leading producer of glass bottles and jars in all shapes, colours, and sizes. Proud to promote and celebrate the great reasons to choose, use and recycle glass.

Proud to be a United Steelworkers Steelworker

#BuyUnionMade
LEAGUE ENGAGEMENT
WEST COAST - California Successes

- Worked with sponsor to introduce AB 815, advancing dual stream recycling – benefiting glass.

- Advanced unanimously through Senate SB 232, legislation to harmonize CA regulations with the EU for incidental heavy metal presence in glass containers.

SB 232 “On-Record” Supporting Organizations

- Beer Institute
- California Craft Brewers Association
- California Manufacturers & Technology Association
- European Container Glass Federation
- Glass Packaging Institute
- Glass, Molders, Pottery, Plastics and Allied Workers Council of the United Steelworkers
- Owens-Illinois, Inc.
- Wine Institute
Washington Success

- Defeated recycling legislation that would have eliminated glass recycling in single-stream statewide.

Oregon Success

- Cap and Trade legislation recognizes the glass container industry as Energy-Intensive-Trade-Exposed (EITE) – Maximum Industry Assistance to be Allocated

LEAGUE LEADERSHIP

- Gary Smith, President (Foundry Industry)
- Robert Plunk, Vice President (O-I)
- Mark Keire, Financial Secretary (Metals Industry)
- Julie Lee, Recording Secretary, (Metals Industry)

Members getting ready to tour the O-I Portland Plant
CENTRAL STATES

Iowa

- Bottle Bill Repeal Defeated – Glass container industry workforce, manufacturers and recycling united.

Discussed at Central States Protective Meeting

- Workforce recruitment
- Automation
- Participation of younger workers in league

LEAGUE LEADERSHIP

- Scott Brownfield, President (O-I)
- Tom Forker, Vice President (O-I)
- Connie Gibson, Treasurer & Secretary (O-I)
- Bill Baldridge, Recording Secretary (Ardagh)
SOUTHEAST

Georgia and Florida

- Continued support for glass in local recycling programs through Georgia Recycling Coalition

- Glass opposed and led industry opposition to SB 816/HB 771 – Restrictive Curbside Recycling Legislation – Threat to Glass *(Bill Vetoed by Gov.)*

LEAGUE LEADERSHIP

- Blaine Hurrelbrink, President (Ardagh, retired)
- Joseph Sharpe, Vice President (Ardagh)
- Pam Hairston, Treasurer & Secretary (O-I, retired)

Virginia: Connect glass recycling with state-based craft brewers guild
NORTHEAST

Massachusetts
- Joined Testimony to support bottle bill program

Connecticut
- In coordination with GPI supplier members, continue to support HB 7294 – increases bottle bill deposit from 5 to 10 cents, expands glass containers covered

LEAGUE LEADERSHIP
- Carl Wilmoth, President (Ardagh)
- Gary Cheatle, Vice President (Ardagh)
- Tracy Stone, Financial Secretary (Ardagh)
SOUTHWEST

Missouri: Ripple Glass, a key supplier of recycled glass to the container and fiberglass industries, continued its efforts to increase collection of glass at cities and towns.

Texas: On April 4th, the City of Houston resumed glass recycling for curbside programs – FCC Environmental designs MRF to properly sort and recycle glass. O-I and Owens Corning provided testimony on the importance of keeping glass in the their recycling program, and are encouraged by this development.

O-I is engaged on NAM Workforce Initiative

Waco, TX plant recruitment – career opportunities for veterans

LEAGUE LEADERSHIP

- Rex Cicero, President (Vesuvius)
- Pam Monroe, Secretary & Treasurer (Ardagh)
# FEDERAL & NATIONAL ISSUES

## On-Going
- Health Care – “Cadillac Tax”  
  *Seeking permanent repeal*
- Ocean Debris
- RECOVER Act
- Increase truck weights
- Natural gas exports
- Ocean debris
- Pension reform

## Recent Wins
- Glass recognized Silica Sand Rule industry standards
- Supported tariffs on Chinese imports
- Championed with brands for reduced alcohol excise tax rate – *2 years granted - now seeking permanent reduction*
- Testimony to improve rail shipping metrics to STB
Thank You