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Analysis

Toshiba Focuses on the Environment

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Abstract

In the fall of 2008, Toshiba America Business Solutions, Inc. (TABS) announced a partnership with Close the Loop, Inc. to institute a national recycling program for its supplies-related consumables. With the distinction of being the first company to publicly announce its arrangement with Close the Loop, Toshiba's "Zero Waste to Landfill" recycling program allows for 100% recycling of collected consumable supplies, including toner bottles, copier and laser cartridges, drum units, toner bags, as well as other bulk imaging consumables.

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Introduction

In the fall of 2008, Toshiba America Business Solutions Inc. (TABS) and Close the Loop, Inc., a global recycler of imaging consumables, announced a partnership to recycle imaging consumables. According to TABS, they are the first manufacturer of all-in-ones and multifunction products (MFPs) to participate in Close the Loop's "Zero Waste to Landfill" recycling program, and it is one of their most comprehensive environmental initiatives to date. Close the Loop provides the collection boxes and supplies, freight transportation, and recycling services.

Toshiba's Program

Toshiba has made a commitment to the environment through this new program and partnership with Close the Loop, which enhances its previous Corporate Social Responsibility program. The company wants to reduce its impact on the environment by focusing on continuing its strong control of chemical substances, development of environmentally-conscious products, as well as the recycling of end-of-use products and toner cartridges.

According to Toshiba, if the world's discarded toner cartridges from a one year period were stacked end-to-end, they would circle the earth over three times. With 95% of used cartridges currently going to landfills, Toshiba further asserts that this is not a long term strategy and it leaves the future generation to deal with any issues that may arise. The company also says that the plastic and metal components of cartridges in a landfill site can last for as long as 1,000 years. TABS created a Web portal interface for its dealers and customers at www.copiers.toshiba.com, which will feature details on how to become involved in the "Zero Waste to Landfill" project. Close the Loop and Toshiba have worked together before in Australia, where over 55,000 items, or nearly 17,000 kg, were diverted from landfills in 2008. Nearly three-quarters of the returned items were bottles.

Program Outline

Dealers and large end-users in the United States can register for a starter kit that will be delivered by Close the Loop. The kit, available at no charge, has a Toshiba Cartridge branded collection box, 6 outside pre-labeled shipping bags, 6 clear plastic liners, zip ties, and recycling program instructions. Once the kit is received, the box needs to be assembled. Then Toshiba photocopier, printer, or fax machine toner cartridges can be placed into the collection box. The bags in the box can hold about 15 to 20 cartridges. To organize a pickup, the location must call the company's toll-free number. 866-665-6713. The bag needs to be removed from the box, tied off, and left in a pre-arranged collection point or returned via UPS. The box then needs to be relined with another bag before customers can start refilling the box again. More supplies are also available by contacting Close the Loop.

Full Toshiba toner waste collection bottles, along with Toshiba drums and drum units, may also be deposited in the collection box. The collection boxes are not for general waste. When the cartridges and other supplies arrive at Close the Loop, the prepaid airbill is scanned and the company will know exactly where it came from and can itemize what is in the bag. Close the Loop can also report what was returned if there is a mix of vendors in one bag. As a result of this tracking, Close the Loop can provide statistics back to program participants, such as how much was deferred from landfill.

Close the Loop uses a zero thermal recovery process where they sort, grind, and compress returned items and nothing is burned, baked, or heated. In other words, Close the Loop does not incinerate any of the returned supplies. After their process is complete, 15% of the returned product becomes reusable plastic materials and 85% becomes eLumber. eLumber is a 100% recycled, weatherproof composite material that can be used for fences, garden edging, outdoor furniture, and other applications.

The growth in Toshiba's program has been so great that they cannot print enough collection boxes to keep up with demand. The company thought that 500 collection boxes would be adequate for the first six months of the program. So far, Toshiba has already installed over 1,681 boxes. About 80% of the box locations are at end-user sites and, interestingly enough, the company has found that some verticals have really embraced supplies collection, including healthcare, religious organizations, and large corporate customers.

Close the Loop

Founded by entrepreneur Steve Morriss in 2000, Close the Loop has created a proprietary recycling process. Using state-of-the-art materials separation technology, the company claims all cartridges are recycled with zero waste to landfill. Traditionally difficult to process, imaging supplies require specialized equipment to recycle them. Close the Loop has patented four different processes for recycling imaging supplies that results in a zero-waste solution without using thermal destruction, which yields the maximum amount of reusable materials. The process takes cartridges, breaks them up, separates and recovers the metallic component materials, and then blends and reprocesses the various mixed plastics remaining on-site. One of the goals is to return the raw material output stream back to the manufacturer for reuse in new printers and cartridges. The "Green Machine" processes all-in-one toner cartridges, toner bottles, drum units, fuser assemblies, and more. The ink cartridge processing line was completely redesigned with consideration given to fast up-scaling capacity again in the near future.

Figure 1: Close the Loop's Recycling Program



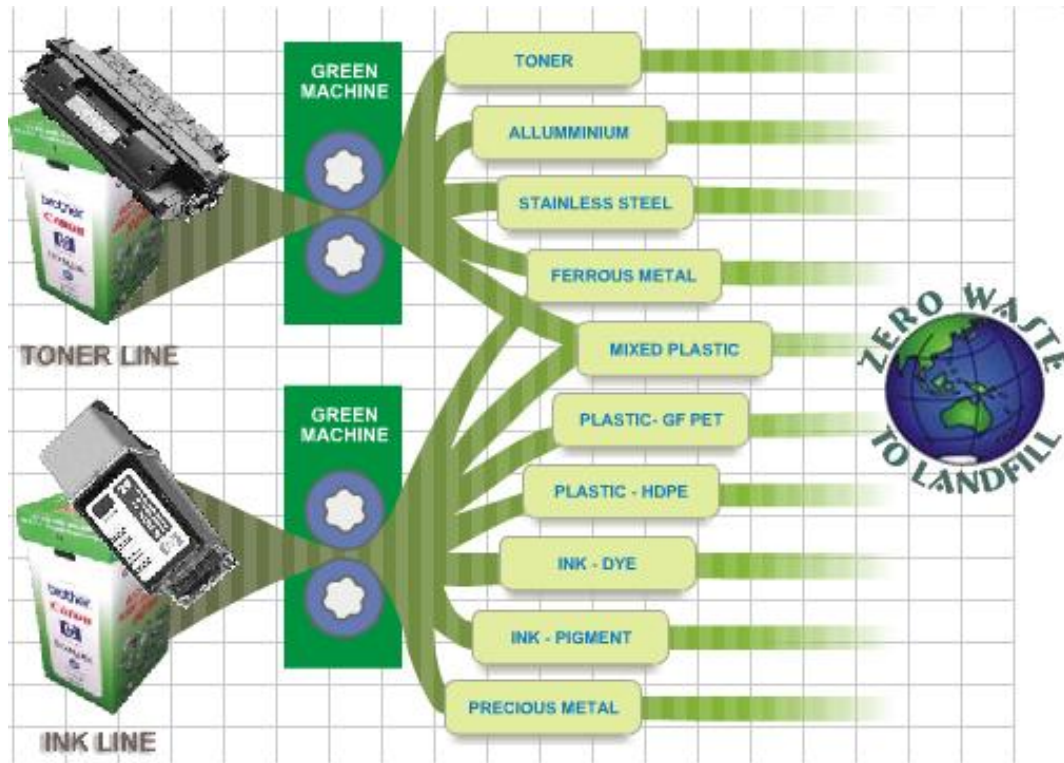
Source: Close the Loop

These hard-to-process mixed plastics, toner powder, inks, and sponges are used in Close the Loop's patented composite eLumber product, thereby reusing previously unusable materials, preventing them from ending up in landfills or being incinerated. As part of Toshiba's program, the company will donate eLumber to Habitat for Humanity projects.

According to company records, Close the Loop has rescued more than 10 million printer cartridges from landfills in Australia since 2003, keeping 4.5 million pounds of waste out of landfills. Close the Loop has

also started a facility in the United States to serve the North American market. The state-of-the-art facility in Hebron, KY was started in late 2007. The “Zero Waste to Landfill” process is independently audited and their operation has achieved ISO 9001 certification and they are currently working towards ISO 14001 accreditation.

Figure 2: Toshiba’s Close the Loop Recycling Process



Source: Close the Loop

In other recent news, Close the Loop signed an agreement with Sancon Resources Recovery, Inc., an environmental services and waste recycling company located in China. The agreement states that the companies will form a joint venture where both parties will own a 6,000 square meters facility that will recycle toner and inkjet cartridges, and return the raw materials back to the original manufacturer for reuse in new printers and cartridges. The new facility is expected to be in Shanghai and should be completed by the end of the year. Sancon will manage the joint venture. According to Sancon, China consumes over 100 million units of printer consumables per year and less than 1% is recycled properly.

Conclusion

Toshiba is doing what it believes to be its ethical obligation as a good corporate citizen, as well as what it believes its customers expect of them. The company acknowledges that recycling is not a profit center, but a costly endeavor. Nevertheless, Toshiba considers it a cost of doing business and the company has partnered with Close the Loop to recycle their supplies.

Close the Loop is on the cutting edge of processing supplies and creating eLumber, which is unique in the industry and creates a niche market for Close the Loop. In turn, Toshiba donates eLumber created through the Close the Loop process for new homes for those in need through Habitat for Humanity projects of Orange County in California. Some of the houses built are for wounded soldiers from the wars in Iraq and Afghanistan or the surviving spouses. Support for the Habitat program originates from the top with Mark Matthews, the President and CEO of Toshiba sitting on the board for Habitat for Humanity in the California area.

Despite the troubled economy, it is still important to take care of the environment and Toshiba continues its commitment to this program. Many imaging companies continue to look at how they can improve their impact on the environment and Toshiba has made this a priority that should resonate positively with their customers.

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