

Ghirardelli Chocolate Company

The 360 people employed at the Ghirardelli Chocolate Company in San Leandro produce premium chocolate products at the company's only manufacturing facility. Incorporated in 1852, Ghirardelli is the longest continuously operating chocolate manufacturer in the United States.

Facts-at-a-Glance

Challenges

- High packaging costs
- Soiled cardboard waste
- To improve environmental performance

Solutions

- Identify potential for reusable totes
- Perform a cost benefit analysis
- \$75,000 Business Waste Prevention Fund Award
- Purchase reusable totes with award funds

Benefits

- Will provide \$1.95 million net savings over life of project
- Prevents 350 tons of soiled cardboard waste a year
- Decreases repetitive stress injuries

The Story

When the StopWaste Partnership asked the Ghirardelli Chocolate Company to consider possible waste reduction projects, they found a willing partner. Ghirardelli had recently been purchased by Lindt & Sprüngli, a Swiss chocolate manufacturer, whose philosophy was to be a company "that cares for the environment." The accomplishments of Ghirardelli and StopWaste Partnership not only take good care of the environment, they also improve Ghirardelli's bottom line.

"The StopWaste Partnership helped us implement a major waste prevention project. We will save thousands of dollars and help the environment."

JURGEN AUERBACH
Chief Financial Officer

Challenges

Ghirardelli's challenges were to eliminate the waste, product breakage, and high cost that resulted from transporting its premium chocolate squares in cardboard boxes.

Ghirardelli had been spending \$520,000 a year on 580,000 cardboard boxes for internal distribution. These boxes would get soiled with use and so were thrown in the trash—resulting in an additional \$2,700 spent on disposal. What's more, the boxes tend to collapse when stacked, crushing the chocolate inside. To solve these problems they would need approval from corporate headquarters to make the large initial capital investment required.





Solutions

Switch to reusable totes to cut packaging costs, prevent cardboard waste, and reduce product breakage.

Reusable Totes

The StopWaste Partnership assessed Ghirardelli's operation and identified reusable totes as a potential solution. The StopWaste Partnership then provided a cost benefit analysis and a \$75,000 grant to help offset the large initial investment and get the project rolling. The reusable tote solution will allow Ghirardelli to realize \$1.95 million in net packaging reduction savings over the five-year life of the project and prevent 350 tons of soiled cardboard a year. In addition, it means that workers are less likely to develop repetitive stress injuries from taping and opening cardboard boxes.

More Waste Reduction

Ghirardelli also buys sugar and cocoa butter in bulk to cut costs and increase efficiency. Silos at the plant are filled directly by a tanker truck, eliminating all packaging (see photo at left). The company also recycles cardboard and scrap metal, composts chocolate hulls, and donates edible outdated chocolate.



"The reusable tote project was financially viable, improved product quality significantly, and provided a positive contribution to the community."

VELLAY KANNAPPEN
Planning Manager

Energy

Ghirardelli produces its own electricity through co-generation. Excess heat from this process is captured and used for heating and cooling the plant (see bottom photo).



The StopWaste Partnership

The StopWaste Partnership is a free technical assistance service dedicated to improving the environmental performance and reducing costs of Alameda County businesses and public agencies. The program provides expert support and funding to prevent waste, conserve water and energy, and use all resources more efficiently.



The bottom line:

- \$520,000 reduced packaging purchases a year
- 325% return on investment
- 1.2-year simple payback period
- \$75,000 Business Waste Prevention Fund Award

Visit www.stopwaste.org/partnership or call 1-877-STOPWASTE.