

**Notes from Elemental Impact's
11/16/11 Sponsor and Advisory Council Meeting
HLB Gross Collins Offices - noon to 6:00 pm**

Attending

The full list of attendees for the meeting is provided under a separate document.

Agenda 1: Welcome, Introductions and Housekeeping

Holly Elmore (Elemental Impact Founder and CEO) opened the meeting with a welcome and introductions and thanks to host HLB Gross Collins and Bold American Catering. The theme for the day which kept cropping up at various points in the presentations and related discussions is that --- Collaboration is Key!!!

Agenda 2: Setting the Stage for National Expansion |ZWW Update

Susan Montgomery (Zero Waste Zones Program Director) updated the group on Zero Waste Zones (ZWW) progress to date including information on ZWW leadership, founding membership, press coverage, recycling integrity and the national partnership with the National Restaurant Association (NRA) |ConSERVE program. Susan discussed her role during the last 8 months as documenting and packaging the successes of the ZWW Program. Two documents were circulated around the room for review: 1) packets provided during the recent South Carolina Hospitality Association visit and 2) key ZWW content and process documentation developed for the National Restaurant Association.

Incubation and National Expansion Model Going Forward: Susan indicated that work in documenting/packaging Elemental Impact's successes with the Zero Waste Zones for the NRA is a module to emulate for initiatives going forward. The SFCI is projected to follow a similar pattern of incubation, development and generation/national expansion in 2012.

Agenda 3: NRA| Ei Partnership Update

Chris Moyer, NRA ConSERVE Program Director, spoke next about the NRA and Ei|ZWW Partnership. Chris indicated that with the NRA's strategic plan in 2008, the NRA maintains a commitment to being a leader in Social Responsibility and Sustainability. The NRA vision includes leadership on Social Responsibility, Sustainability as well as Health and Well-Being. Chris emphasized the importance of NRA programs like the Kids LiveWell Program. Chris updated the group on a recent grant from Georgia Pacific that sought to categorize and quantify the work that Foodservice Operators are doing in Sustainability. The ConSERVE Program currently has 116 restaurants participating in its program.

Chris believes that bringing the ZWW program into collaboration with ConSERVE is a perfect partnership for both Foodservice Operators and consumers. Increasingly, the consumer is asking questions of Foodservice Operators about their recycling and composting programs. The NRA plans to be a leader among lobbying groups in Washington to ensure the "green concerns" of their constituents are heard and addressed. The NRA increasingly is interested in developing national solutions, recounting Best

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Management Practices nation-wide and capturing valuable metrics. To meet these ends, collaboration is key.

Agenda 4: NRA|Ei|US Composting Council Collaboration

Next Wayne King, US Composting Council's past president, spoke regarding the collaboration with the NRA and Ei. Wayne indicated that the USCC has come of age - it is moving to Washington, DC and has a new director. Wayne stated that the focus of the USCC is on building strategic alliances. Already the USCC is working with the Nursery and Landscaping Association, Landscape Architects, the USDA and others. The focus is on finding the highest and best use of materials while keeping pace with energy usage and the carbon footprint. Wayne referenced the tri-state water wars (GA, AL, FL) and the imperative to take care of our soils as one way of retaining water. In addition, Wayne indicated the USCC is engaged in helping consumers find the best use for materials recovered. Wayne invited attendees to consider joining the USCC conference in Austin, TX on January 17, 2012.

Holly also shared with the group that Ei, USCC and NRA executives are meeting on December 12th to talk about the challenges facing the composting industry in detail. Part of the discussion in December is to recount the number of destinations in the US that collect organics for composting. These discussions are extremely important to ensure that the NRA and others are engaged in discussions surrounding "highest use."

Agenda 5: Perishable Organics Waste to Energy Recycling (POWER) Update

Next Scott Seydel (Ei Chair) updated the group on POWER. POWER's mission is to explore and evaluate the highest good collection, recycling and use of perishable organics and make recommendations for deployment of economically viable projects within a defined geographic region area. As part of its mission, POWER reviews the various technologies that are available for food residuals.

Scott introduced a data model which is currently under development. This data model allows communities to log into a common database and record current metrics and/or Municipal Solid Waste (MSW) data. The system in turn generates a listing of technologies that best serve the community in question. Technologies vary according to geographic and other market considerations. Potential technologies for New York City, for example, differ from those for Atlanta given land availability, tipping fees and energy costs in each area. As Scott indicated, the data is becoming more and more sophisticated and eventually should become a critical element in market development opportunities surrounding POWER.

Holly cited POWER as being important in its own right as well as having launched the Sustainable Food Court Initiative (SFCI) and Grease Recycling & Energy Alternatives for the Environment (GREASE). Holly talked about collaboration as key and updated the group on the collaborative nature of recent meetings

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with the South Carolina Hospitality Association. Holly cited involvement from the EPA as well as key decision-makers among SC non-profits and for-profit operators.

**Agenda 6: Grease Recycling & Energy Alternatives for the Environment
(GREASE) Update**

Susan updated the group regarding the collection and use of spent grease or "yellow grease" for biofuel production. The conversion of spent grease to biofuels is among the current criteria for the ZWZ Program. This criteria is currently under consideration given competing uses for spent grease including animal feed. Going forward, GREASE may segue into a discussion of Fats, Oils and Grease or FOG.

Agenda 7: Sustainable Food Court Initiative (SFCI) Update

Holly introduced the Sustainable Food Court Initiative and talked about the many challenges in this area. Challenges include landlord-tenant issues, franchisee-franchisor issues -- often the Foodservice Operator is not in control of their waste. In addition, all malls are structured differently. Holly cited the need for collaboration across sectors including government (Federal, State and Local), trade associations, NGOs and for-profits. Holly indicated also that at food courts there is not much organics to collect back of the house. Holly also shared the new logo for the SFCI.

Holly cited the involvement with HMSHost as critical going forward. With HMSHost involved the SFCI can tap many Quick Service Restaurants involved under the HMSHost umbrella.

Atlanta Airport Pilot Under Way: Holly also updated the group on developments of the SFCI Atlanta Airport Pilot team. The Atlanta Airport is in the midst of the world's largest Foodservice RFP issued to date. Upon request, the SFCI will provide support to airport concessionaires to meet the packaging provisions in the RFP. The RFP provision for new airport concessions specifies that *"all food vendors must use compostable serviceware and consumer-facing packaging and source-separate organics for composting collection."*

The Atlanta Airport Pilot team to date includes three committees:

- Baseline & Metrics Reporting
- Sustainable Packaging
- Front of the House Recycling Centers / Kiosks

The goal of the pilot program is to extend organics collection from Concourse T to the entire Atlanta Airport.

Atlanta Airport Receives 2011 Going Green Airports Award: On Monday, October 31, 2011 Michael Cheyne, Director of Asset Management & Sustainability for the Atlanta Airport, accepted the 2011 Going Green Airports Award at the 4th Annual Airports Going Green Conference in Chicago for the Sustainable

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Food Court Initiative Pilot Project @ Hartsfield-Jackson Atlanta International Airport. The prestigious award recognizes the value of the project, as well as outstanding leadership in pursuit of sustainability within the aviation industry.

Other Pilots: Holly also cited other pilots currently under consideration. These include:

- Simon Properties / HMSHost Malls
- Atlanta Event Venue
- Office Food Courts.

The scope of these pilots may expand beyond the Food Court to include the entire facility. An example is the potential for recycling plastic film used to wrap garments.

Early Learnings of HMSHost: Linda Dunn of HMSHost talked about the importance of collaboration with the NRA and Ei. Early learnings for HMSHost include: the importance of benchmarking, compactor use as a way to address space, more materials to address than just film, more opportunities to help develop new markets, the need for market forces to drive down cost. Linda also underscored that partnerships and collaboration make a real difference.

Distribution Model Considerations: The group also addressed the importance of working within an established distribution network with established distribution centers. It may be possible in many instances to fill empty trucks on their return route to distribution centers with baled plastic film or other materials provided sanitation issues are addressed.

Multi-Language Signage: The group also discussed the importance of signage to direct operators as to disposal or diversion options. In some cases there may be instruction/signage in up to 15 different languages. The group also discussed the importance of designated recycling / composting point persons. There is both a need for a champion to get new programs working as well as a point person to tackle on-going issues and be involved in "train the trainer" sessions.

Agenda 8: Elemental Impact Business Projections Summary

Susan thanked the Advisory Council for their contribution to the Business Projections Summary. Susan led the group in a discussion of business projections at Elemental Impact for the next three-year period: 2012, 2013 and 2014. The discussion highlighted important revenue streams including revenue sharing from the NRA (ZWZ to SAZ program) as well as sponsorship dollars largely associated with the SFCI. Break even is expected by 2014 at the latest.

Susan talked about the incubation model at Elemental Impact prior to a national launch. Susan talked about this model as successful for the ZWZ program and its applicability to other programs going

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forward in 2012 such as the Sustainable Food Court Initiative. In subsequent years, similar "spawning" developments may occur in other Ei Program Initiative areas.

Agenda 9: Strategy Session Facilitated by Sylvia Gort

Sylvia Gort of Ei's Advisory Council facilitated a strategy session among attendees. Establishing connectivity was stated as an important role of the group as well as furthering knowledge and understanding of other "green initiatives." The group talked about the need to be collaborative and yet remain competitive in the marketplace. The group indicated that having a platform for discussing the complexity of issues including regulatory concerns and legislative issues is helpful. The group also talked about the need to keep a business-first focus (rather than be part of an over-regulated industry). The group highlighted the importance of on-going efforts in education surrounding green initiatives particularly around the area of health impacts. The group talked about the importance of getting out of a "silo mentality" and replicating successes from operations in one area to successes in other areas.

Meeting Closure

As closure to this discussion, Holly re-emphasized the importance of the partnership with the NRA. Holly anticipates the NRA will have a vital role to play in the area of on-going education particularly about health and safety. Chris agreed that education around food safety and health is an important focus of the NRA. Chris also reiterated that the Metrics Program at the NRA will be a critical tool for advancing education in these areas as well as in market development opportunities.

The group gathered following the meeting for wine and a lovely array of light refreshments.
