Retail sector

EXPLORE SIGNATORIES' ONLINE DATA   READ THE GLOBAL COMMITMENT 2021 PROGRESS REPORT

ABOUT THESE SECTOR INSIGHTS:

This document presents insights and data on the progress made by retail signatories listed below to achieve their commitments on plastic packaging. This document is part of the 2021 Global Commitment Progress Report.

GLOBAL COMMITMENT SIGNATORIES REPORTING IN THIS SECTOR:

A.S. Watson Group*

Ahold Delhaize*

Carrefour*

Jerónimo Martins

Kesko Corporation

Kmart Australia Limited

METRO AG*

Pick n Pay*

S Group

Schwarz Group (Lidl & Kaufland)*

Selfridges

SONAE MC

Starbucks Coffee Company

Target Corporation*

Walmart Inc.

Woolworths Holdings Limited

**These signatories did not provide data for one or more metrics for 2019 and so are excluded from year-on-year comparisons for the relevant metric(s). In most cases this is due to signatories only having joined in the last reporting cycle.*

KEY INSIGHTS

Around half of retail signatories decreased their use of virgin plastic packaging over the last year, and the adoption of new reduction targets is set to accelerate this trend going forward.

In 2020, eight retailers (53%) reduced their use of virgin plastic in packaging, by an average amount of 6%. The remaining signatories saw an increase in their use of virgin plastic in packaging due to a combination of growth in their total plastic packaging weight and reductions in their proportion of post-consumer recycled content. Through reduction targets, all retailers have now committed to further reduce their virgin plastic in packaging – on average by 18% – by 2025.

While the average share of post-consumer recycled content increased slightly for the sector, a large proportion of the group did not make progress on this metric.

Seven retail signatories (54%) increased their proportion of post-consumer recycled content from the previous year, by an average of 4 percentage points. Signatories reported increasing recycled content especially in non-food packaging items, such as detergent or beverage bottles as well as carrier bags. However, recyclability remains a challenge as retailers have a majority of non-recyclable plastic packaging (62% on average). This is due to the high proportion of consumer-facing flexible packaging, PET thermoforms, and PP pots, tubs and trays (accounting for 51% of companies' portfolios on average), which are not recyclable.

Some retailers are making efforts to directly eliminate flexible plastic packaging, but more focus is needed on avoiding single-use packaging to begin with.

Several signatories eliminated plastic packaging, such as flexible packaging for online food delivery and for fruits and vegetables, and 11 signatories (69%) had reuse pilots in place. However, in addition to still having a high proportion of flexible packaging in their portfolio, only five signatories (36%) increased their reusable plastic packaging compared to 2019, and 15 signatories (93%) had no more than three reuse pilots in place in 2020.

REDUCTION TARGETS

From 2021, signatories are required to set 2025 targets to reduce their total weight of plastic packaging or virgin plastic in packaging to remain in the Global Commitment.

Number of signatories with virgin and/or total plastic packaging reduction targets

VIRGIN REDUCTION TARGET HIGHLIGHTS (i):

- **SONAE MC** plans to reduce virgin plastic packaging by 30% from its 2018 baseline.

TOTAL REDUCTION TARGET HIGHLIGHTS (ii):

- **Pick n Pay** has set a total plastic packaging reduction target of 30% from its 2020 baseline.

(i) Virgin reduction targets aim to decrease the total weight of virgin plastic in packaging and should be underpinned by efforts on reuse and elimination in addition to increasing the use of recycled content.

(ii) Total reduction targets aim to reduce the total weight of plastic packaging.

For more information on reduction targets read the 2021 Progress Report.

ELIMINATION OF PROBLEMATIC OR UNNECESSARY PLASTIC PACKAGING

Top 5 plastic packaging categories targeted for elimination or reduction in the sector

Number of retail signatories eliminating or reducing the plastic packaging category vs total number of signatories with the category in their portfolio

TRENDS:

- Signatories are most commonly targeting materials that are hard to recycle, such as PVC, undetectable carbon black, PS, and EPS.[1] Five signatories (33%) with multilayer plastic packaging in their portfolios were also targeting this packaging.
- Looking at packaging by format, around 70% of retail signatories with single-use cutlery/serveware and straws in their portfolios indicated plans to eliminate or reduce these items. Seven signatories (44%) also reported eliminating plastic carrier bags and flexible plastic packaging, for example for fruits and vegetables, which were either directly eliminated or substituted to paper.

HIGHLIGHTS:

- **Jerónimo Martins** is planning to fully eliminate EPS, PS, PVC, full sleeves, and undetectable carbon black by 2025.
- **Ahold Delhaize** will stop using plastic bags for fruits and vegetables in its Albert Heijn supermarkets, removing 130 million bags per year. **Carrefour** is implementing a zero-plastic policy in its fruits and vegetables department to reduce consumer-facing flexible plastic packaging in its stores.
- **Woolworths Holdings Limited** has eliminated plastic film and bubble wraps for several product lines, and will eliminate plastic carrier bags by using reusable bags for online food delivery.

MOVING FROM SINGLE-USE TOWARDS REUSE MODELS

Average reusable plastic packaging in 2020: 6.3% (▼ 2.2pp vs 2019)[2]

Signatories at each stage of engagement with reuse

As a % of retail signatories

TRENDS:

- Despite several signatories reporting abandoning or delaying reuse efforts due to the impact of the COVID-19 pandemic, five signatories (36%) increased their percentage of reusable plastic packaging, generally through switching to reusable carrier bags and bottles. 11 signatories (69%) had pilots in place in 2020, but **Schwarz Group** was the only one to launch more than three pilots during the reporting period.
- Nine signatories (56%) offered products in reusable format, mostly through 'return-from-home' models, often in partnership with **Loop**, or through 'refill-on-the-go' models using refill stations in stores for household or personal products, drinks or dry foods.

HIGHLIGHTS:

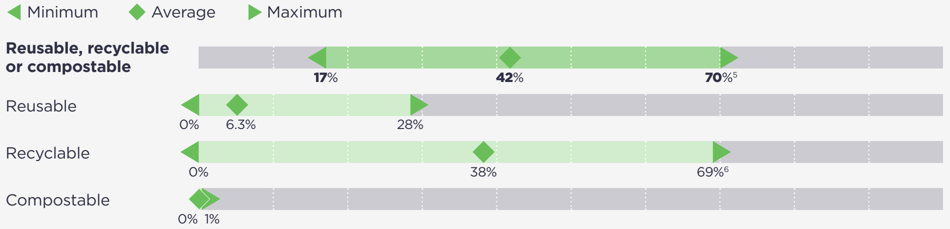
- **A.S. Watson**, which reported plans for 27 reuse pilots by 2025, has installed refill stations for personal care products and water in its stores and is allowing customers to bring their own takeaway boxes to ready-meal counters.
- **Walmart** has piloted refill stations for household products, partnering with Algramo in Chile and with Unilever in Mexico for shampoo.
- **Schwarz Group** expanded refill stations for household and personal products in several of its stores and plans to install bulk stations for dry food.
- **Carrefour** reused over 500,000 home delivery bags in 2020, with a target of 1 million in 2021.

100% REUSABLE, RECYCLABLE OR COMPOSTABLE (RRC)[3]

Average RRC in 2020: 42% in 2020 (▼ **2.3pp** vs 2019) || **2025 target: 100%**[4]

Share of reusable, recyclable, or compostable plastic packaging

Average share of reusable, recyclable, or compostable plastic packaging for retail signatories as a % of total plastic packaging weight



TRENDS:

- The average proportion of reusable, recyclable, or compostable plastic packaging decreased as a result of a decline in the share of reusable plastic packaging. Five retail signatories (36%) increased their share of recyclable plastic packaging, including by improving the design of their packaging for recycling by making changes such as removing pigments and non-recyclable labels.
- However, on average 62% of signatories' packaging remains non-recyclable. This includes PP pots, tubs, and trays, PET thermoforms, and consumer-facing flexible packaging such as carrier bags and shrink wraps, which will need addressing by innovating away from these packaging types or scaling recycling infrastructure.

HIGHLIGHTS:

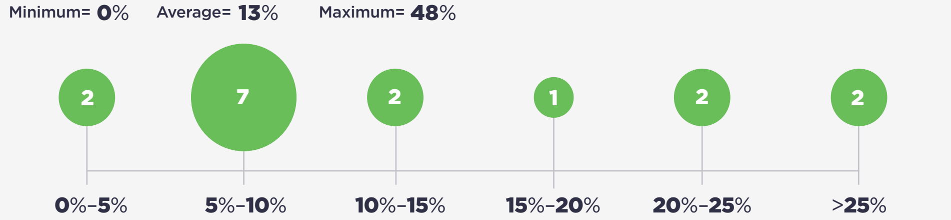
- **A.S. Watson** has converted all of its PVC labels for water bottles to PET in its Hong Kong business.
- **Schwarz Group's** waste management company increased its recycling capacity from around 70,000 to 90,000 metric tonnes, with plans to build two recycling plants in Europe – with one specialising in high-quality HDPE and PP recyclates.
- **Ahold Delhaize** collaborated with the Packaging Waste Fund Foundation to research the viability of PET tray recycling in the Netherlands and is collaborating with Fost Plus in Belgium to look at ways of increasing recycling rates and removing plastics that disrupt recycling.
- **Pick n Pay**, **Schwarz Group** and **Walmart** have explicitly and publicly recognised that EPR is the only proven way to ensure sufficient funding for the collection, sorting, and recycling of packaging, and that without it recycling is unlikely to ever scale.

POST-CONSUMER RECYCLED CONTENT (PCR) TARGETS

Average PCR in 2020: 13% (▲ **0.5pp** vs 2019) || **2025 target: 23%**[7]

Levels of post-consumer recycled content in plastic packaging

Distribution of percentages of post-consumer recycled content in plastic packaging for retail signatories



TRENDS:

- In 2020, around half (54%) of the retail signatories increased their post-consumer recycled content, with three signatories (23%) increasing it by more than 4 percentage points.
- Retailers increased their recycled content especially in non-food contact packaging items, such as detergent or beverage bottles and carrier bags, due to greater supply of recyclates and less stringent regulations in this area than for food-contact packaging.

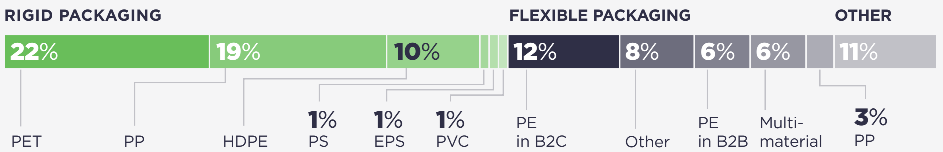
HIGHLIGHTS:

- **Pick n Pay** had the strongest increase in recycled content in the sector (from 10% in 2019 to 22.5% in 2020) and reported that incorporating recycled content is a key pillar of its sustainable packaging strategy, and that recycled content in packaging is evaluated before any new product launches.
- **S Group** increased its post-consumer recycled content by 7 percentage points, to 27% in 2020, by incorporating recycled content in over 50 products, including detergent bottles.
- **Schwarz Group** grew its post-consumer recycled content by 5 percentage points to 10%, by offering dairy alternatives in 100% recycled PET packaging and increasing recycled content in PET bottles for cleaning products.

PLASTIC PACKAGING PORTFOLIO BREAKDOWN

Plastic packaging portfolio breakdown[8]

Average share of each plastic packaging category in retail signatories' portfolios [9]



TRANSPARENCY

Key transparency metrics

As a % of retail signatories

ENDNOTES

1 EPS= Expanded Polystyrene, PS = Polystyrene, PVC= Polyvinyl chloride

2 In this document, the quantitative metrics for 2020 and 2025 targets represent the non-weighted average of the data reported by all signatories in the sector. The year-on-year changes reported across all metrics refer to those seen for signatories reporting in both the last two years (i.e. data from signatories reporting for the first time in 2021 are not included as part of the change).

3 To be claimed as recyclable/compostable according to the Global Commitment definition of recyclable/compostable 'in practice and at scale', packaging needs to meet the thresholds of being recycled/composted at a 30% rate across multiple regions, collectively representing at least 400 million inhabitants. For more information, see 'How are recyclability and compostability assessed in the Global Commitment?' in the 2021 Progress Report.

4 In this document, the quantitative metrics for 2020 and 2025 targets represent the non-weighted average of the data reported by all signatories in the sector. The year-on-year changes reported across all metrics refer to those seen for signatories reporting in both the last two years (i.e. data from signatories reporting for the first time in 2021 are not included as part of the change).

5 S Group is the signatory in the sector with the highest RRC and recyclability percentages. However, the company has deviated from the results of the 2021 Recycling Rate Survey in its recyclability assessment, so care should be taken when comparing its percentages with those of other signatories. More details on S Group's recyclability assessment is provided in the company's individual progress report, available via the online platform.

6 Ibid.

7 In this document, the quantitative metrics for 2020 and 2025 targets represent the non-weighted average of the data reported by all signatories in the sector. The year-on-year changes reported across all metrics refer to those seen for signatories reporting in both the last two years (i.e. data from signatories reporting for the first time in 2021 are not included as part of the change).

8 EPS= Expanded Polystyrene, HDPE= High-density polyethylene, PE = Polyethylene, PET = Polyethylene terephthalate, PP = Polypropylene, PS = Polystyrene

9 Packaging categorised as 'other' represents packaging not classified by signatories under any predefined categories but could include rigid or flexible packaging. This packaging was not assessed as recyclable in practice and at scale.

DISCLAIMER

ELLEN MACARTHUR FOUNDATION

www.ellenmacarthurfoundation.org
Charity Registration No.: 1130306
OSCR Registration No.: SC043120
Company No.: 6897785

READ OTHER SECTORS INSIGHTS
EXPLORE SIGNATORIES' ONLINE DATA
READ THE GLOBAL COMMITMENT 2021 PROGRESS REPORT
DISCOVER WHAT ELIMINATION AND REUSE SOLUTIONS CAN BE IMPLEMENTED WITHIN YOUR ORGANISATION IN OUR UPSTREAM INNOVATION GUIDE