

Remove. Reduce. Reuse. Recycle.

Working together to tackle
problem plastic and packaging.

Tesco Packaging Report 2023



TESCO

Ashwin Prasad, Chief Product Officer, Tesco.

Plastic pollution remains one of the most pressing environmental issues that we face as a society. It's a challenge that all those working in the consumer goods and food industries need to continue to address; working together to tackle the impact of plastic on our natural environment.

It's estimated that the UK uses nearly 2.3 million tonnes of plastic packaging each year, accounting for 70% of our country's total plastic waste¹. What's more, data from the campaign group, Greenpeace, suggests UK households throw away nearly 100bn pieces of plastic packaging a year².

While we know packaging and plastic play an important role in helping to protect products for customers – both keeping products fresher for longer and reducing food waste – it shouldn't come at an unaffordable cost to the environment.

Experts and campaigners agree that a sustainable reduction in plastic packaging materials should be achieved through a combination of removing materials outright, rapidly shifting to reuse and refill systems and better regulatory oversight to underpin the food industry's efforts³. Despite consensus, eliminating plastic waste is no easy feat, but we are working hard to make positive changes across our business.

At Tesco, we have no time for waste. We remain focused on reducing our packaging footprint through our 4Rs strategy, which has been in place since 2019 – ensuring we always remove plastic where we can, reduce it where we can't, reuse more and recycle what's left.

Since launching the strategy, we have cut around 4,500 tonnes of packaging from our UK business and removed 2 billion pieces of plastic. We will continue to explore new and innovative opportunities for our customers to reuse packaging, and have made it easier for them to recycle, including through our in-store soft plastic recycling collection points.

While we're proud of our achievements and the progress we have made across our business to date, we believe that there is still much more to do in our own operations, and in helping customers understand how they can play their part.

To achieve transformational change, we believe there is a need for effective government intervention, combined with an acceleration of innovation and industry collaboration. We need to make progress on a number of key fronts.

Firstly, as an industry, we must continue to explore areas in which we can remove unnecessary plastic or packaging entirely from products, while also exploring innovative packaging solutions as alternatives to plastic and reuse systems that can be implemented at scale.

Secondly, there is a need for well-designed government legislation to create a level playing field for retailers and manufacturers, to unleash innovation and change at scale. Without it, we risk stifling progress, as the industry wrestles with uncertainty and the risk of competitive disadvantage.

Through this report, we want to share the progress and learnings that Tesco has made to date, in the spirit of helping to accelerate progress across the industry. At the same time, we look ahead to what is needed next to help drive long-lasting transformative change.

It is our sincere hope that by working together, we can make a meaningful difference to the future of our planet.



¹<https://wrap.org.uk/taking-action/plastic-packaging>

²<https://www.greenpeace.org.uk/news/5-surprising-things-we-learned-from-the-biggest-ever-household-plastic-count>

³<https://www.greenpeace.org.uk/wp-content/uploads/2021/01/Checking-Out-on-Plastics-III-FINAL.pdf>

Our 4Rs strategy.

At Tesco, we only use packaging where it serves a clear purpose. Our 4Rs strategy – to Remove packaging where we can, Reduce it where we can't, Reuse more and Recycle what's left – gives us a clear pathway to eliminating unnecessary packaging and waste. We support industry action too, including the UK Plastics Pact, which has the potential to transform the way the UK makes, uses and disposes of plastic.

We've been tackling the impact of plastic waste through our 4Rs strategy since 2019. By 2025, our commitment is to ensure all our own brand packaging materials are fully recyclable. Where packaging can't be removed, we are working with our suppliers to reduce it to an absolute minimum. We're also working with suppliers to deliver our ambition of sourcing 100% sustainable paper and cardboard to use in our packaging.

Progress to date



Remove it where we can.



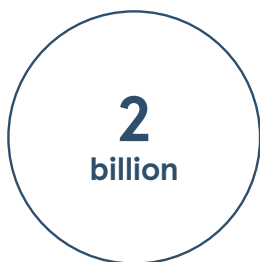
Reduce it where we can't.



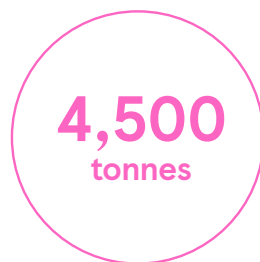
Reuse more.



Recycle what's left.



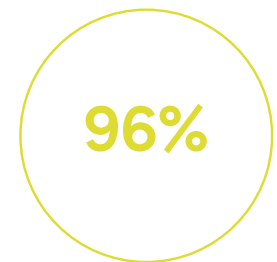
pieces of plastic permanently removed from our UK business.



of packaging removed or reduced.



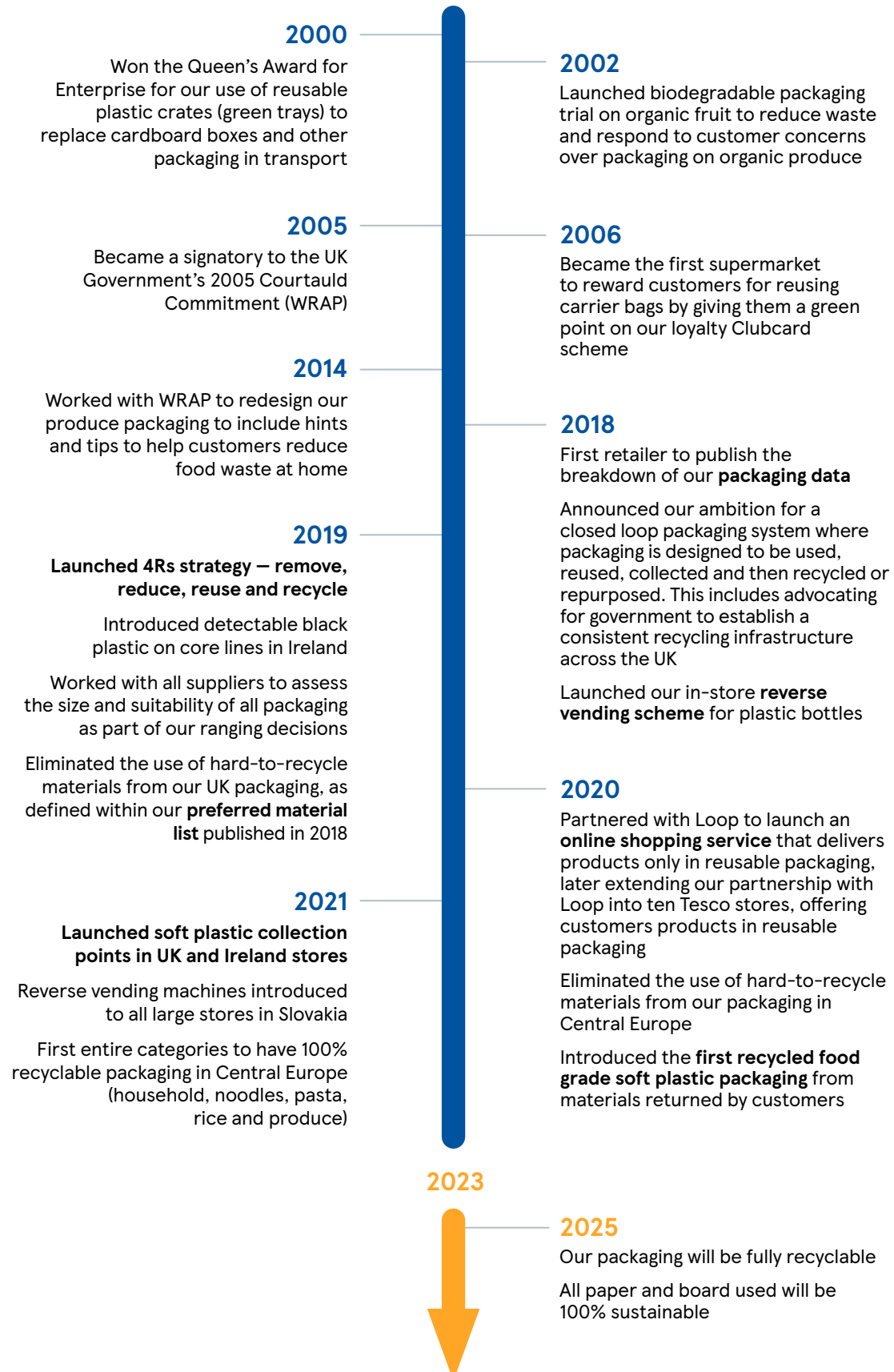
featured in our Loop trial.



of our packaging is fully recyclable through kerbside collection, recycling collection points or the soft plastic collection points in our stores.



Highlights of our journey to date.



Deep dive: Remove.



As part of our 4Rs strategy, we focus on finding innovative solutions to remove all unnecessary packaging and hard-to-recycle materials. This includes things like plastic bags that are used in the UK to pack loose fruit, or the plastic wrapping used to pack food and drink cans.

2 billion

pieces of plastic packaging removed since 2019.

Key Remove moves:



More than 200 million bags removed from Tesco.com deliveries.



Over 67 million tinned multipacks no longer plastic-wrapped.



50 million pieces of plastic removed from branded beers and ciders.



More than 50 million pieces of plastic removed from greeting cards.



Removed all branded and own brand wipes containing plastic from sale in stores.



Removed the cartons from our own-brand toothpaste, saving 55.9 tonnes of cardboard a year.



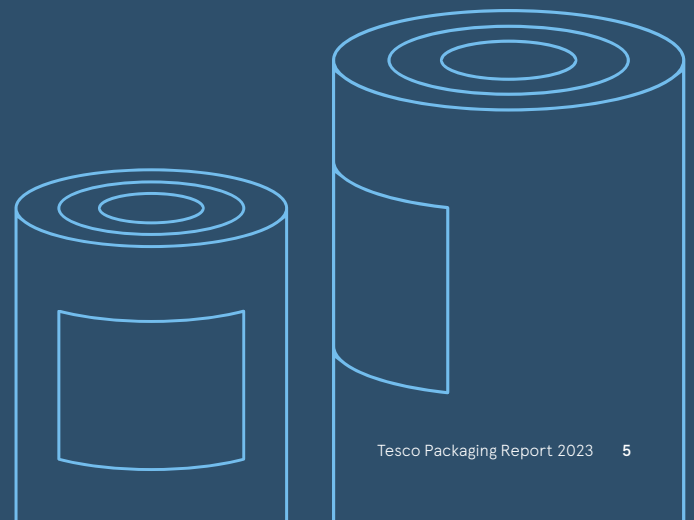
Removed the trays from our pre-packed chicken, saving 14.2 million pieces of plastic a year.



42 million plastic forks from prepared salads and rice bowls, replaced by the option of wooden alternatives.



Over 100 million additional lids removed from products including wipes, creams, yoghurts, and desserts.



Remove.

Shrinking our plastic footprint with a focus on multi-pack plastic.

In 2022, we continued to step up our campaign against unnecessary plastic with a focus on cutting multi-pack plastic across many of our own brand food and drinks.

As part of this strategy, we scrapped multipack sales of our own label soft drinks, with customers now able to buy individual cans at the same price per unit as part of a multi-buy promotion. This move not only helps to save 12 million pieces of plastic a year but also offers our customers the flexibility to mix and match soft drinks. We're providing the same great value, but without the plastic!

In another major move last year, we took action to remove plastic multipacks from kids' lunchbox drinks, energy drinks, water and fruit juices, saving a further 33 million pieces of plastic.

We have seen the enormous impact of cutting plastic from multipacks across our business since the introduction of our 4Rs strategy. In January 2020, we became the first UK retailer to replace plastic-wrapped multipacks on all tinned food products with plastic free multibuy. This change was applied to both our own brand products and we worked with suppliers to action the change across branded products, like Heinz Beanz.

In 2021, we also worked with our suppliers to scrap soft plastic rings and shrink wrap packaging from all beers and ciders sold in UK stores. All materials for these multipacks now use cardboard sleeves, boxes, or a rigid plastic that can be easily recycled via kerbside collections.

Our mission is to continue to work hand in hand with some of the world's biggest brands to remove, reduce, reuse and recycle – to help shrink our plastic footprint and use as little material as possible.



Deep dive: Reduce.



Where we're not able to remove plastic packaging completely, we strive to reduce the amount of packaging we use to an absolute minimum.

We know that packaging design and the materials used can have a big impact on how sustainable a product is, which is why we work collaboratively, across our business, and with our suppliers to keep this front of mind during the design process.

4,500 tonnes

of packaging removed
or reduced since 2019.

Key Reduce moves:



Reduced plastic from our frozen fish packaging, saving 15.2 tonnes a year.



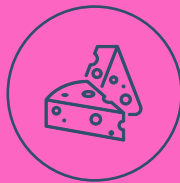
400+ tonnes of packaging reduced from pre-packed fruit and vegetables.



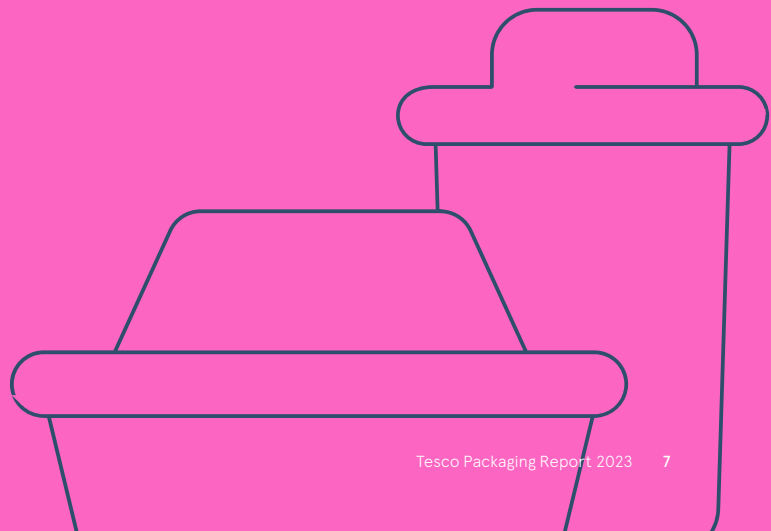
410 tonnes of packaging reduced from fruit juices.



116 tonnes of plastic reduced from multipacks of crisps.



95 tonnes of plastic from cheese packaging.



Reduce.

Tesco's concentrates offering more of the product in fewer plastic bottles.

Concentrated products help us give customers more servings of the products they love but with less plastic packaging.

Over the past few years, we've been looking at how we can increase our use of concentrated products to reduce our impact on the planet and offer greater value to customers.

In 2021, we launched our first quadruple strength cordial, giving customers the same amount of squash as our previous double strength range, while using half the number of plastic bottles.

We've also looked at ways we can reduce plastic across our cleaning range by using refill options alongside concentrates. In 2021, we launched six own brand spray bottles that can be reused several times by topping them up with dissolvable capsules that when mixed with water make a new cleaning solution.

Our research showed that if Tesco customers moved to using these new Tesco concentrated cleaning solutions rather than other own-brand or branded products, over 60 million pieces of plastic would be removed from sale each year.

Concentrates can be an effective way to reduce plastic packaging and reduce emissions, which is why we are continuing to explore these as part of our 4Rs strategy.

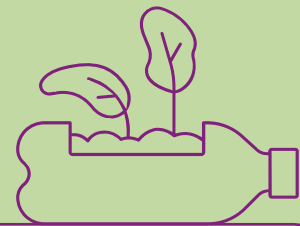


Deep dive: Reuse.



We are now increasingly aware of the environmental impact of single use plastics. As part of our 4Rs strategy, we are exploring new opportunities for customers to be able reuse packaging in support of a circular economy.

If done correctly, reusable packaging can be better than recycling. There is less need to reproduce packaging, and requires less energy – for both collecting and cleaning – than would be needed to recycle the packaging.



There are a number of ways customers can reuse products:



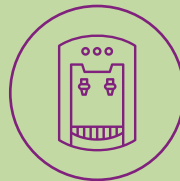
Refill at home

users refill their reusable container at home (eg with refill packs).



Prefill return from home

packaging is picked up from home by a pick-up service.



Refill on the go

users refill their reusable container away from home (eg store dispensers).



Prefill return on the go

users return the packaging at a store or dropoff point.



However, a number of barriers still remain when looking at delivering Reuse models at scale including efficiency, convenience and affordability for customers.

Key Reuse moves:



Launched own-brand refills for cleaning spray bottles. Shoppers can pick up refill capsules in-store or online and create a simple cleaning solution in old spray bottles by mixing them with tap water. By using a single bottle and topping it up multiple times with our refill capsules, it could help save up to 60 million pieces of plastic a year.



Between July 2020 and July 2022 we partnered with Loop to run the UK's largest ever reusable supermarket packaging trial and our [learnings report](#) will help us shape future plans.

Reuse.

Launching the UK's largest ever reusable supermarket packaging trial with Loop.

As part of our 4Rs strategy we are continuing to explore ways to embed a closed loop packaging system where packaging is designed to be used, reused and then recycled or repurposed.

In July 2020, we launched a partnership with reusable packaging experts, Loop, which are working to transform the packaging of groceries and consumer goods from 'disposable' materials to durable, reusable materials that are collected, cleaned and refilled multiple times.

This partnership started with an online pilot between July 2020 and June 2021 where Tesco customers were able to order 150 grocery products in reusable packaging from the online Loop store, delivered straight to their door.

This was followed by an in-store prefill pilot between September 2021 to June 2022, where customers visiting 10 stores in the Midlands and East of England could buy 53 lines of popular branded products and 35 lines of our own-brand essentials in reusable packaging.

To encourage customers to return the packaging, a deposit was paid for each reusable packaging – refunded in full when customers return the packaging. The returned packaging would then be cleaned, refilled and made available for the next customer.

Over the course of the two year pilot, more than 80,000 products were purchased. The trial proved that prefill shopping was popular amongst the small percentage of eco-conscious, sustainability driven customers. However, it's clear that more needs to be done to engage a wider range of customers and increase awareness of the benefits of reuse over recycling.

Ultimately, for a prefill packaging proposition to succeed as a genuinely accessible and affordable option in the long-term, it will need scale. It will need to become second nature for customers to shift behaviour to reuse across many different retailers. It will also be easier and more efficient logistically if retailers are able to implement and share a common infrastructure for customers to return containers for cleaning.

We are now using insights from the trial and working alongside stakeholders across the value chain to understand what is needed to help scale reuse in the future. We have also shared key learnings around reusable packaging via the [Tesco Reuse Report 2022](#) and our sincere hope is that our whole industry can learn from our experiences as much as we have.



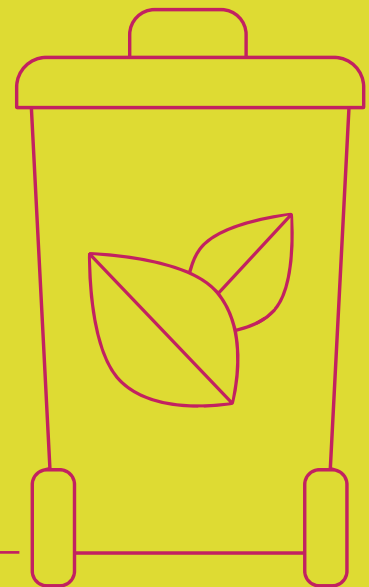
Deep dive: Recycle.



We aim to ensure all the packaging we use is fully recyclable and contains recycled materials where possible. We are removing complexity from our packaging and using material combinations that can be recycled together.

We also continue to advocate for the government to introduce a national recycling infrastructure and encourage our suppliers to incorporate a minimum of 30% recycled plastic content where possible and safe to do so.

96%
of packaging is fully recyclable through kerbside, recycling collection points and soft plastic collection points in our stores.



Key Recycle moves:



Rolled out soft plastic recycling facilities across all of our large UK stores, collecting over 2000 tonnes of soft plastic to date.



Partnership with packaging manufacturer Berry Global, to recycle soft plastics from Tesco stores into bin bags.



Continue to advocate for the government to establish a consistent recycling infrastructure across the UK.



Collaborated with four different companies to enable the recycling of soft plastics and for soft plastics to be recycled into Heinz Snap Pots.

Recycle.

Introducing the first food-grade recycled soft plastic packaging from materials returned by customers.

Soft plastic continues to be one of the biggest challenges when it comes to recycling. In the UK only 16% of local authorities actively collect soft plastic, yet soft plastic packaging makes up 26% of all plastic packaging in the country.

In October 2020, we introduced new plastic packaging made by a pioneering process of recycling soft, flexible plastic packaging. The packaging was produced as part of a trial that demonstrated for the first time that soft plastic can be continuously recycled into safe food-grade packaging.

An entire supply chain, including Plastic Energy, SABIC, Sealed Air and Bradburys Cheese, partnered with us to conduct a trial to prove that soft plastic, that would typically go to waste, can be recycled multiple times into new food grade plastic as a part of a closed loop recycling system.

To prove the closed loop concept, soft plastic material collected from Tesco customers was sent to Plastic Energy who converted the used packaging into oil, through an advanced recycling process called pyrolysis. This recycled oil was used by SABIC in their production process as an alternative to traditional fossil materials to make new plastic pellets that are just as safe and effective as virgin plastic. The pellets were used by Sealed Air who developed one of their existing plastic packaging designs to use this material while still meeting all the performance requirements of Tesco's cheese supplier, Bradburys.



What's next.

We have made real, tangible and lasting progress through our 4Rs approach, and as we move towards 2025, we will keep up this momentum. We also recognise that only through industry collaboration and effective regulations to create a level playing field, can we achieve change greater than the sum of its parts.

1.

To create a level playing field, we would welcome effective government intervention on produce packaging removal. This should start with products we think are most achievable – for example where multiple retailers share the same supplier. Government intervention will ensure change is made at scale and create a level playing field – where packaging changes will not put any one retailer at a competitive disadvantage.

2.

We strongly welcome the Government's commitment to consistent kerbside collection and recycling infrastructure. Tesco stands ready to play an active part in helping make recycling simple and easy for customers and this will play a major role. We strongly encourage an acceleration of the timetable for delivery.

3.

We must learn the lessons from Scotland on Deposit Return Schemes (DRS). We have been testing DRS since 2018 and have built enormous expertise in how to make a scheme successful with customers, and financially viable. Having multiple different approaches within the UK jeopardises the sustainability and viability of schemes and a joined up approach across the UK must be adopted.



4.

To get to scale, industry must work together to continue to innovate on Reuse. Reusable packaging gives us the biggest opportunity to transform our packaging environment, however no single retailer or supplier can move the market alone. Both need help to work together in a competitive space with a backdrop of competition law on reuse. We must find ways to give products in reusable packaging price parity with their single use alternatives. Our recent report into reusable packaging sets out Tesco's thinking in this space.



Tesco PLC
Tesco House
Shire Park
Kestrel Way
Welwyn Garden City
AL7 1GA
www.tescopl.com