

# Packaging.

## Why it matters.

Packaging plays an important role in protecting products and reducing food waste. Packaging waste, particularly plastic, can be a significant environmental problem, especially when not reused or recycled. Currently, more than 11 million metric tonnes of plastic are flowing into the ocean each year<sup>1</sup>. Of the seven billion tonnes of plastic waste generated globally so far, less than 10% has been recycled<sup>2</sup>; and even the recycling process itself generates environmental impacts. We have a responsibility, together with our suppliers to help prevent environmental problems associated with plastic waste and we are committed to playing our part in promoting a closed loop system.

## Relevant UN Sustainable Development Goals (SDGs).



**SDG 12 Responsible consumption and production** aims to ensure sustainable consumption and production patterns. Our packaging strategy contributes to Target 12.5 with the work we are doing to create a system where packaging is treated as a valuable resource that can be used, reused, collected and recycled in a closed loop.



**SDG 17 Partnership for the Goals** recognises the importance of collaboration. Our Packaging strategy has been developed with the input, knowledge and expertise of our colleagues, suppliers and NGO partners, ongoing collaboration is critical to its success. Examples include our cross-industry collaborations with WRAP and OPRL to drive innovation.

## Highlights.

Nearly 2.2 billion pieces of plastic permanently removed from own brand products in the UK.

Removed or replaced plastic from a number of own brand products including replacing plastic laundry detergent tubs with cardboard boxes and a thin plastic liner.

First retailer in Ireland to create a recycling solution for soft plastics and installed soft plastic recycling points in all UK large stores.

<sup>1</sup> WWF

<sup>2</sup> UNEP

## Our approach.

### We are closing the loop on packaging to ensure it is treated as a valuable resource that can be used, reused, collected, and recycled.

We aim to minimise our use of packaging, particularly plastic, and ensure what we do use can be collected, reused or recycled so that none of it goes to waste. This ambition supports a system where plastic stays out of the environment and inside a circular economy.

The current cost-of-living challenges have forced us to focus on protecting customers from price increases and on supporting our suppliers. This has inevitably affected the timing of some of our other programmes of work, including our packaging initiatives, however we remain committed to our longer term strategic direction when it comes to reducing the environmental impact of packaging.

### Remove, Reduce, Reuse and Recycle

We address the impact of packaging through our 4Rs strategy (Remove, Reduce, Reuse, Recycle) which aims to ensure packaging never finds its way into landfill or into the environment.

- **Remove:** We focus on removing unnecessary packaging and hard-to-recycle materials.
- **Reduce:** We are constantly striving to reduce the amount of packaging we use to an absolute minimum.
- **Reuse:** We are exploring new opportunities to reuse packaging in support of a circular economy.
- **Recycle:** We aim to ensure all the packaging we use is fully recyclable and contains recycled content where possible.

We only use packaging where it serves a clear purpose and we are supporters of the [UK Plastics Pact](#), which aims to eliminate problematic plastics, reduce the total amount of packaging on supermarket shelves, stimulate innovation and new business models and help build a stronger UK recycling system.

#### Remove

Having removed 1 billion pieces of plastic packaging in 2020/21 and a further 600 million pieces in 2021/22, we have continued to find solutions to remove over 500 million pieces of plastic packaging from our products this year, including:

- Removing 29 million pieces of plastic from limescale tablets through removing individual plastic wrappers.
- Removing plastic from our bakery goods, a move which is expected to result in the annual removal of 33 million pieces of plastic from loaves of bread and doughnuts, and reduce the plastic used to pack breakfast pastries by more than 120 tonnes each year.
- Removing plastic lids from our yoghurts which will save over 30 million pieces of plastic a year.

#### Reduce

We are constantly looking for new ways to reduce our packaging by assessing its size and suitability. Packaging re-designs have helped us save thousands of tonnes of unnecessary packaging, for example through launching our first quadruple strength cordial in 2021, offering customers more servings in fewer plastic bottles. To date, we have been able to reduce our packaging by over 4,500 tonnes since 2020, highlights for this year include:

- 102 tonnes of plastic packaging from reducing the weight of our fruit juice bottles.
- 94 tonnes from oil bottles.
- 68 tonnes from sliced cooked meat packs.
- 57 tonnes from our carrier bags.

## Reuse

In partnership with Loop, we ran a year-long online shopping, and a nine month in-store trial, both of which have now concluded, in support of a circular system for packaging. Our online shopping trial, which launched in July 2020, allowed customers to order and return products in reusable packaging to and from their doorstep. Our in-store trial introduced products in reusable packaging in 10 large UK Tesco stores. Customers were able to buy products in reusable packaging that could be returned to store when finished so they could be cleaned, refilled and used again. The in-store trial was positively received by customers who purchased more than 80,000 products over two years. Findings of the trials can be found in the Learnings Report. No single company can create a successful scalable reuse proposition in isolation and we are now using insights from the trials and working alongside stakeholders across the value chain to understand how we best help scale reuse in the future.

## Recycle

A circular economy for plastics relies on adequate recycling infrastructure being in place to collect, sort and recycle the packaging back into valuable material. All parties in the packaging value chain have a responsibility to play their part in closing the loop on plastics – from those manufacturing and selling packaged products to Government and local authorities managing recycling infrastructure.

There remain areas of challenge across the whole industry – for example, soft plastic recycling, which is not commonly collected by local councils and where there is an ongoing need for technological and infrastructure development. We continue to call for a consistent approach to kerbside recycling to make recycling simpler and easier for customers.

Beyond making improvements to the way we design products and select materials, we are implementing solutions to help our customers recycle, including:

- **Continuing to collect soft plastics** through our recycling points in all large stores in the UK&ROI, with over 2,000 tonnes collected to date. The soft plastic collected is either recycled, used for energy recovery, or for recycling research and development, working in partnership with others to help develop recycling solutions. For example, in July 2022, we started working in [collaboration with five different companies](#) to enable some of the soft plastic materials collected in store to be recycled into Heinz Snap Pots – which are in turn, recyclable.
- **Introducing closed loop own brand products.** The volume of soft plastics collected in store is helping to stimulate commercially viable solutions to create closed loop products with our suppliers. One example is our bin bags, on sale in CE, which are produced using recycled plastic from our stores, an approach we have replicated in the UK in [partnership with Berry Global](#). Working alongside Faerch in the UK, we also launched [tray to tray recycling](#), ensuring that secondary plastic packaging used to transport and display products is recycled back into new primary packaging, including plastic used to pack loose fruit, vegetables and bakery items. In Ireland we are selling flower planters made of 100% recycled soft plastic, in partnership with [Green Generation and Paltech](#).

We also recycle our secondary packaging which covers both waste cardboard and plastic in which our products are transported into our stores. A significant proportion of the shrink wrap used in our distribution network is recycled into our bags for life, with 80% of the content made from our own waste material. Reusable green trays are also used to transport products into store to avoid single-use transit packaging.

## Improving materials and design

We know that packaging design and material selection can have a big impact on sustainability. We continue to work collaboratively with our suppliers to bring environmental considerations to the fore when designing product packaging through our [preferred materials and formats list](#) and avoid using hard-to-recycle materials across all our markets. Our efforts in this area focus on:

- **Recyclability:** all our rigid plastic must be recyclable via kerbside or municipal collection schemes. Where packaging cannot be recycled such as soft plastics in the UK, we offer collection points in our stores. We aim to use mono flexible films in our soft plastic packaging.
- **Reducing packaging:** packaging needs to fit the product effectively and we should avoid moving, storing or packing air.

- **Recycled content:** In the UK we have worked with our suppliers to engage them on the need to include recycled content. We encourage suppliers to incorporate a minimum of 30% recycled content where safe to do so, the minimum required not to be subject to the plastic packaging tax that launched in April 2022.
- **Sustainable paper and board:** working with our suppliers to deliver our ambition of sourcing 100% sustainable paper and board used in our packaging. Industry collected data remains insufficiently robust to report at this time, but we continue to work with our compliance partner Valpak, to address the challenges.



Read more about our 4Rs strategy [here](#).

## Awards and benchmarks.

### British Retail Consortium Reducing Waste Award

Highly commended by BRC for our efforts on donating food waste and cutting down our packaging waste.



### Silver winner at Dow Packaging Innovation Awards

Awarded silver alongside Kraft Heinz for the development of new packaging for Heinz Banz snap pots which is now made with 39% recycled plastic.



## Performance.

		UK data				
Commitment	KPIs	2018/19	2019/20	2020	2021	2022
Remove plastic packaging	Cumulative number of pieces of plastic removed (billions)	N/A	N/A	1.0	1.6	2.2
Reduce unnecessary packaging	Tonnes of packaging removed through targeted reduction projects	N/A	N/A	2,000	1,200	1,300
Our packaging will be fully recyclable by 2025	Percentage weight of all own brand packaging that is recyclable <sup>(a)</sup>	83%	83%	84%	87%	86%

*(a) Figures reported represent performance for the prior calendar year as data is provided via our compliance scheme partner Valpak a year in arrears in accordance with the Producer Responsibility Obligations (Packaging Waste) Regulations.*

## Packaging footprint.

UK primary packaging weight placed on the market (tonnes)					
	2018	2019	2020	2021	2022
Own brand	324,208	308,917	320,231	319,355	293,857
Branded	653,174	627,893	700,257	696,541	654,091

The drop in packaging weight is driven by reduction in sales volume, changes in sales mix as well as our continued work on removing and reducing our packaging.

UK own brand packaging data						
	Total weight (tonnes) placed on the market			Recycled content and/or certified material (% of total weight)		
	2020	2021	2022	2020	2021	2022
Wood or paper	279,418	278,538	299,298	52%	48%	42% <sup>(a)</sup>
Metal	33,157	29,210	29,752	31%	33%	33%
Glass	92,954	89,677	76,238	28%	29%	35%
Plastic	139,720	141,949	133,835	24%	24%	23%

The above data is extracted from our Certificate of Compliance in accordance with the Producer Responsibility Obligations (Packaging Waste) Regulations. The data covers the calendar year 1 January – 31 December.

*(a) The drop in the percentage of sustainably sourced or recycled content in wood or paper packaging was due to supply/availability of recycled content or certified material in the market.*

## Looking ahead.

We are committed to supporting a circular economy and will continue to focus our activity on our 4Rs strategy, prioritising further removal of unnecessary packaging and working with our suppliers and partners to reduce, reuse and recycle packaging.

### Commitments and targets

- Our packaging will be fully recyclable by 2025.
- All paper and board used will be 100% sustainable by 2025.
- Remove plastic packaging where we can.
- Reduce unnecessary packaging.

## Methodologies.

### How we measure our progress

#### Cumulative number of pieces of plastic removed

Packaging is classified as ‘removed’ when a whole piece of packaging is taken away, e.g. a pot lid, through targeted plastic packaging removal projects in the UK. Cumulative number of pieces removed is calculated on the annual sales volume of identified ‘removed products’, both our food and non-food ranges are in scope.

## **Tonnes of packaging removed through targeted reduction projects in the UK**

Defined as weight reduction associated with projects that have reduced packaging, either by size or thickness, as a consequence of the redesign of packaging format or materials through targeted reduction projects in the UK.

## **Percentage weight of all own brand packaging that is recyclable**

As defined by percentage weight of all our own brand packaging that meets 'recycled' criteria. 'Recycled' criteria is defined by the UK On-Pack Recycling Label scheme (OPRL) and relates to when 75% or more councils offer kerbside collections for that packaging type, which is then effectively sorted, processed, and sold as recyclate for use in new packaging or products.

Results for these KPI's are rounded, using standard calculation practices.

## **Read more about our approach**

### **More information**

[Preferred materials list](#)

[Our 4Rs strategy: Remove, Reduce, Reuse and Recycle](#)

[Loop Learnings report](#)

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### **Benchmarking**

[EIA & Greenpeace 'Checking out on plastics' survey rankings](#)

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