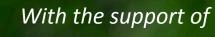
Climate Action in Practice: Actionable Insights to Adopt Circular or Sustainable Packaging

April 2025



Towards Net **Zero**









FORUM Towards Net Zero

The Consumer Goods Forum's <u>Towards Net Zero</u> <u>Coalition</u> has developed a new resource to help retailers and manufacturers turn climate ambition into action

This collection is organized into six focused packets, each addressing a specific challenge identified by our members. Every publication offers practical guidance, real-world examples, and actionable insights to accelerate progress toward a more sustainable future

Designed for companies at any stage of their climate journey, this guide provides the knowledge and support needed to drive meaningful change



For each key challenge, this publication

provides the following resources:

Where to start | Six key challenges, one common framework

Six key challenges identified by our members:



This documents highlights one are of focus. Refer to the full Action in Practice Guide for a comprehensive view across all six challenges



Where to start | High-level impact and feasibility estimates can guide prioritization¹

ſ	Impact		Scope for action			
Action area	Emissions reduction	Co-benefits (business, social, environmental)	Affordability	implementatio n	Public sector support	Degree of control
Reduce deforestation	High	High	Medium	Low	High	Medium
Enhance sustainable agriculture	High	High	Low	Medium	Medium	Medium
Merchandise sustainable products	High	High	Medium	Medium	Low	High
Reduce food loss	High	High	Low	Medium	Low	Medium
and food waste	Medium	Medium	High	High	High	Medium
Increase low-carbon energy	Low	Medium	Medium	High	Medium	High
and low-carbon transportation	Medium	Low	Low	Medium	High	High
Adopt circular or sustainable packaging	Low	Medium	Medium	Medium	High	Medium

1. The impact and feasibility estimates provided are relative assessments that evaluate each action area in comparison to the other areas in these materials. The ratings are based on high-level assessments of each action area as a whole and are not necessarily representative of each individual activity within a given area

Adopt circular or sustainable packaging

Shared Vision of The Future: Packaging is designed for recyclability, as defined by regulation and/or recognized guidelines1, and fully circular refill/reuse models have reached scale

Return to key challenges





Climate Action in Practice Guide | Preview of adopting circular or sustainable packaging insights, resources and activities to consider



Relative Impact & Feasibility





"Best Source of Truth" Resources





Overview | What to know about circular or sustainable packaging

Strategic Context



Packaging presents a highly visible waste challenge and is often a top priority for customers; while typically a small share of total GHG emissions, it can simultaneously address sustainability, cost, performance, and customer preferences

Key Challenges



Global regulation is accelerating rapidly (e.g., extended producer responsibility (EPR)) directly impacts retailers' private labels



Systemic barriers persist, including insufficient recycling infrastructure, limited availability of recycled content, inconsistent definitions of "recyclable", and a high premium on alternative materials/formats

Opportunity & Solutions



Private label offers the biggest opportunity, enabling retailers to differentiate and capture value through sustainable packaging innovation – especially in categories where private brands performs well (e.g., canned and frozen veg)



Existing packaging formats and materials present near-term decarbonization opportunities, requiring limited incremental R&D



Not exhaustive



Regional considerations





Adoption of state-level Extended Producer Responsibility (EPR) laws requires retailers to adjust packaging strategies to meet new legal obligations¹ - US

Latin America | Informal recycling systems

Reliance on informal recycling sectors means retailers can reduce waste by designing packaging compatible with local recycling capabilities and engaging with waste pickers² - *e.g., Colombia, Brazil*

Europe | Strict regulations

Strict EU regulations (e.g., Packaging and Packaging Waste Regulation) compels retailers to find sustainable packaging alternatives to comply with regulations³ - *EU*

Asia | Strict regulations in some countries

High plastic pollution has led to strict packaging waste laws in certain countries; retailers must adopt sustainable packaging to comply⁴ - *China, Indonesia, Philippines*

Africa | Limited recycling infrastructure

Lack of recycling infrastructure in many African countries means reusable and alternative-material packaging are key for minimizing waste⁵ – *numerous countries*

Oceania | Voluntary targets

Australia's National Packaging Targets require retailers to ensure all packaging is reusable, recyclable, or compostable by 2025⁶ - *Australia*

Sources: 1. BCG analysis; 2. TIME, "How Brazil Recycling Co-Ops Are Helping Turn Plastic Waste Into Shoes", 2024; 3. European Commission, "Single-Use Plastics", 2021; 4. ERM, "Managing Plastic Waste: Opportunities for Asia-Pacific Leadership", 2022; 5. UNEP, "African nations have the power, tools to re-design a plastic pollution-free future", 2023; 6. Australian Packaging Covenant Organisation (APCO), "National Packaging Targets," 2022



Actions | Optimizing packaging is an iterative, ongoing process; scalability accelerated via collaboration with packaging suppliers

Target private label products for packaging redesign in early stages

Example activities include

- Understand regulatory requirements and bolster digital backbone to enable data collection.
 - All brand owners need to report packaging volume, format, and material in regulated markets
 - Mid-size brand owners could face millions in EPR fees over the next 5 years
- Identify private label products with excessive or unnecessary packaging and work with these suppliers to incorporate eco-design principles¹ that satisfy cost, performance, and sustainability criteria (e.g., lighter, more compact packaging improves pallet efficiency)
- Signal demand for recycled content (PCR) and alternative materials via contract negotiations

Scale solutions by partnering with packaging manufacturers and building internal expertise

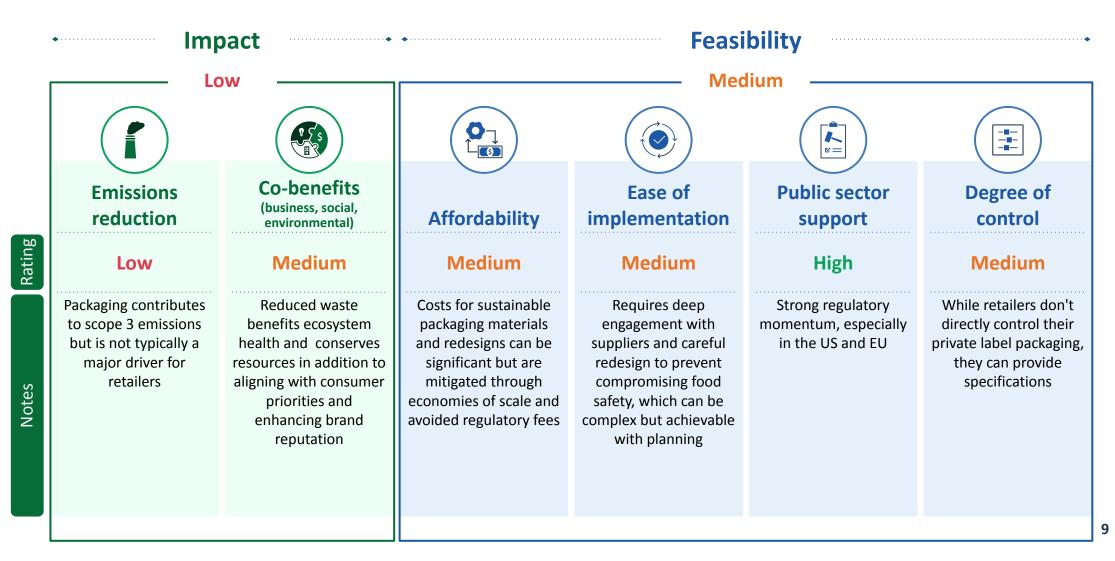
Example activities include

- Work with packaging suppliers to optimize design and offer portfolio of preferred packaging solutions to private label co-manufacturers
- Establish pre-competitive R&D partnerships on innovative materials (e.g., algae-based plastics) with packaging manufacturers, other retailers
- Build internal capacity/expertise to continuously and more effectively engage suppliers in each product category (e.g., upskill merch teams to proactively source PCR, data team to update systems to capture pkg. specs)
- Consider partnerships to scale refill/reuse across retailers

1. Ecodesign principles include, but are not limited to: mono-material design, prioritizing the most widely recyclable/recycled materials (paperboard, paper, aluminum, glass, #1 PET, #2 HDPE); minimizing product-to-packaging ratio; avoiding glues, laminations, large labels, additives that inhibit recycling; designing for pallet efficiency; eliminating need for secondary and tertiary packaging by fortifying primary package; clearly labeling packs with disposal instructions for end use consumer (e.g., How2Recycle label). For more information, refer to the CGF Golden Design Rules



Relative impact & feasibility | Opportunity for meaningful environmental impact through strategic efforts





Case studies | Retailers incorporate eco design principles into private label products and partner on business model innovation

Evers in action: Retail case studies

Loblaw transforms coffee packaging in line with CGF Golden Design Rules (private label)

Loblaw Companies Limited



Loblaw Companies Limited is transitioning all 35 varieties of its President's Choice[®] and no name[®] whole bean and ground coffee products to a new, Global Packaging Award-winning **paper-based solution**. The packaging contains at least 80% paper sourced from renewable, recyclable, and Forest Stewardship Council[®] certified tree fibers. This initiative aligns with Loblaw's commitment to ensuring all control brand and in-store plastic packaging is reusable or recyclable by 2025, a standard inspired by the CGF Golden Design Rules, which Loblaw co-developed with global retail and consumer goods leaders

See Loblaw Press Release for more info

Carrefour partners on a bottle return scheme to encourage reuse





In partnership with Coca-Cola, Heineken, and Citeo, Carrefour launched a bottle return program in 150 stores throughout Paris. Customers can purchase 5 soda, water, and beer products in reusable glass bottles and receive $\leq 0.10-0.20$ per bottle returned. The bottles are sanitized and refilled at the partner's factory and restocked on Carrefour's shelves. A reused bottle can reduce water use by 50%, CO₂ by 75%, and energy use by 80%.¹

Carrefour plans to expand the program to 500 stores by 2026

See European Supermarket Magazine for more info



Resources | Regulation is driving packaging shifts, with myriad frameworks to support/enable companies to act (I/II)

(Non-exhaustive)	Description	Relevant resource(s)
	EU's Plastic and plastic waste regulation (PPWR): Sweeping regulation requiring member states to establish design-for-recyclability frameworks, EPR for packaging by 2024, 2030 PCR quotas, requirements on reuse for takeout	 <u>New EU rules to reduce, reuse, and recycle packaging</u> <u>Understanding the impact of PPWR on fast-moving consumer</u> <u>goods (Quantis)</u>
Regulations directly	Extended producer responsibility (EPR): Common regulatory tool used in the EU, US, and Asia. It holds "producers" (brand owners) financially responsible for packaging waste sold into the market. Retailers liable for private label only.	 <u>Plastic Waste Coalition resource hub on EPR (CGF)</u> Guide for EPR Proposals (Sustainable Packaging Coalition)
impacting what can be sold (Mandatory)	California Plastic Pollution Prevention and Packaging Producer Responsibility Act (SB54): Outlines the state's comprehensive packaging strategy, including EPR, source reduction (25% by 2032) and refill/reuse requirements (4% by 2030) California Truth in Recycling law (SB343): Prohibits use of the chasing arrows or any other indicator of recyclability on products and packaging unless certain criteria are met	' • <u>SB54</u> • <u>SB343</u>
	UN Global Plastics Treaty: Negotiations underway on a legally binding international agreement to reduce plastic consumption and waste. There have been 5 negotiation sessions since 2022	 Intergovernmental negotiating committee on plastic pollution Navigating the UN Plastics Treaty Opportunity for Businesses (CGF webinar, members-only content)
Industry-wide disclosure/reporting standards (Voluntary)	Ellen MacArthur Foundation's Global Commitment: Leading non-profit convening companies around 2030 plastic reduction targets	 <u>EMF Plastics homepage</u> <u>EMF Global Commitment</u>

Mandatory regulation

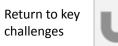
Voluntary standard, framework, or guidance



Resources | Regulation is driving packaging shifts, with myriad frameworks to support/enable companies to act (II/II)

(Non-exhaustive)	Description	Relevant resource(s)
Certifications	Forest Stewardship Council (FSC) & Sustainable Forestry Initiative (SFI) Certified Sourcing Standard: Set voluntary standards for responsible forest management and sustainable use of forest resources for paper and packaging	 <u>FSC Certification overview</u> <u>SFI 2022 Certified Sourcing Standard</u>
	How2Recycle: Standardized label informing consumers about proper disposal based on nationally harmonized recyclability data. Available in US & Canada for a fee	 <u>How2Recycle</u> <u>How2Compost</u> (for BPI-certified containers)
Frameworks and target-setting guidance (Voluntary)	SPHERE: By focusing on six core principles (packaging efficiency, circularity, impact on climate change and biodiversity loss, absence of harmful substances and waste mismanagement), the SPHERE framework enables companies to make science-driven decisions to reducing packaging impacts	 <u>SPHERE: the packaging sustainability framework (Quantis,</u> WBCSD)
	CGF's Golden Design Rules: Outlines nine ways to design packaging that uses less and better plastic. Developed by CGF's Plastic Waste Coalition of Action	Golden design rules homepage
	Tools, playbooks, industry analysis, and other resources to inform circular packaging design	 <u>eQopack (Quantis tool)</u> <u>The Plastic Leak Project (Quantis)</u> <u>Solutions Model Playbooks to Enable Plastics Circularity</u> (Alliance to End Plastic Waste, BCG) <u>Six strategies for designing sustainable products (</u>BCG)

Voluntary standard, framework, or guidance



Ready to take action?



How to become the next changemaker:

Explore practical resources to tackle key sustinabaility challenges

<u>**Connect with our experts**</u> to accelerate your sustainability journey



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Join the CGF to collaborate with industry leaders and drive positive change

Thank you