

Packaging sustainability

An assessment of global consumer goods companies



Stewart Investors

About the authors

The Institute for Sustainable Futures (ISF) was established by the University of Technology, Sydney in 1996 to work with industry, government and the community to develop sustainable futures through research and consultancy. Our mission is to create change toward sustainable futures that protect and enhance the environment, human wellbeing and social equity. For further information visit: www.isf.uts.edu.au

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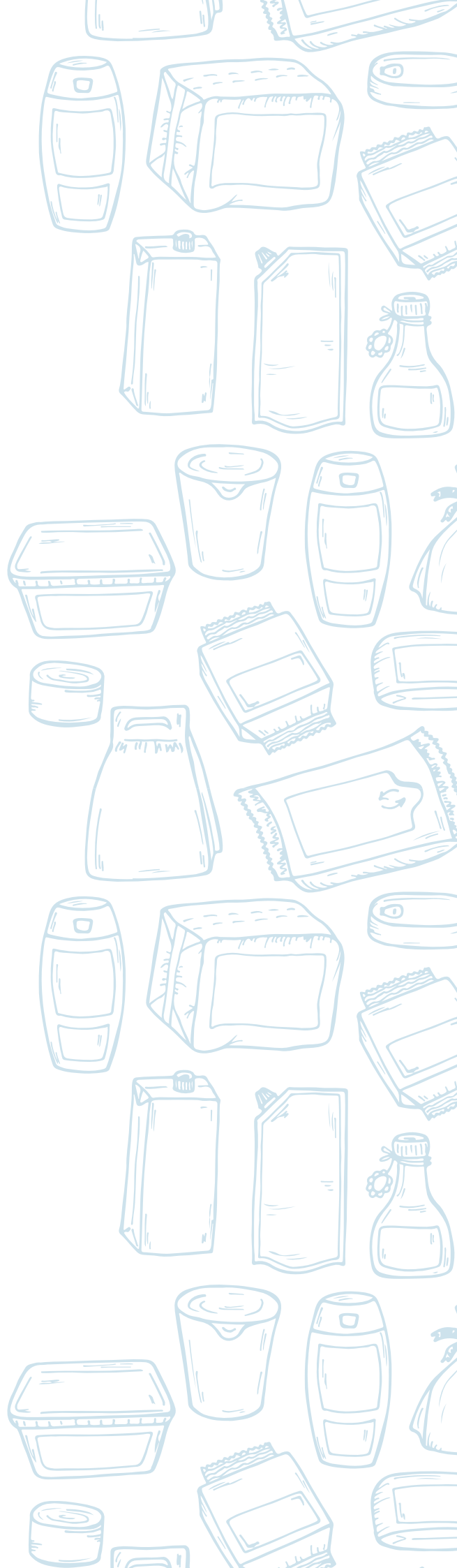
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Disclaimer

This Research was initially commissioned by Stewart Investors. The content of the Research has not been endorsed or approved by Stewart Investors. ISF has used all due care and skill to ensure the material is accurate as at the date of publication and any opinions expressed therein are those of the authors. However, the use of the Research is at the user's own risk and both ISF and Stewart Investors disclaim any responsibility to anyone relying upon the Research.



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Executive summary

INTRODUCTION

This research project was commissioned by Stewart Investors to investigate and evaluate progress being made towards packaging sustainability in emerging market consumer companies.

RESEARCH METHOD

A framework for packaging sustainability was developed to guide the evaluation of companies (Appendix B). The framework has nine performance criteria: four relating to business processes and activities, and five to packaging performance. Performance against each criterion was scored on a scale from 'No Action' (0) through to 'Getting started' (1), 'Advanced' (2), 'Leading' (3) and 'Sustainable Best Practice' (4).

Information on packaging sustainability performance in the companies was compiled from publicly available information and from a mix of interviews and written responses from companies. From an initial pool of 25 companies provided by Stewart Investors, we were able to provide assessments on 18 companies.

RESULTS

Company performance against all criteria ranged from 'Getting started' through to 'Leading/Sustainable Best Practice'. No company met the highest criteria ('Sustainable Best Practice') on any dimension.

The top four performing companies setting the benchmark for packaging sustainability, consistently scored high across most dimensions. The top three companies are Henkel, Unilever and Natura; closely followed by Beiersdorf and Tesco. Tesco was the top performing retail company.

Perhaps unsurprisingly, packaging efficiency and on-site packaging recovery are areas where companies have generally made good progress to date. Packaging efficiency is attractive from a cost and resource productivity perspective. These are obvious places for companies embarking on packaging sustainability improvements to begin. Both this and on-site recovery are also more easily controlled by companies than say, supply chain processes.

The area of lowest performance overall is materials sustainability. Only companies at the top end of performance scored well on this criterion, with most companies scoring below the 'Advanced' level. This is clearly a more complex and difficult area to improve than packaging efficiency as it is more likely to require significant re-thinking of packaging design, choice of materials, manufacturing processes and supply chain impacts. Improving material sustainability is also more difficult to quantify objectively because of the complex trade-offs that need to be made between competing sustainability alternatives and the investment in more advanced analytical tools such as life-cycle assessment.

On average, performance is consistent across the two categories of 'Business Processes' and 'Packaging Outcomes'. Those companies that are performing well tend to be performing equally well across both areas and those that are getting started tend to be in the early stages across both areas. At the top end of performance, companies tend to score better on business processes. At the lower end of performance, companies tend to perform better at packaging outcomes. Leading companies have generally embedded packaging sustainability into business processes and are addressing continuous improvement opportunities in packaging outcomes.

IMPORTANT FACTORS THAT INFLUENCE PACKAGING SUSTAINABILITY

The location of company headquarters appears to be the single most influential factor determining packaging sustainability amongst those companies included in the assessment. The top three performing companies are all headquartered in Europe. Europe is an acknowledged leader in packaging sustainability, and companies that operate solely or mainly in emerging economies face barriers that can hinder progress on packaging sustainability. Several of these barriers include: less government regulation; lower financial and capital availability for investment in packaging sustainability; less public infrastructure provision in recycling and recovery systems; and, higher tolerance for environmental degradation and pollution.

The size of the company was also found to be an important determining factor for packaging sustainability in terms of both revenue and global coverage. Larger companies that operate across a number of geographies were generally found to outperform smaller companies operating across fewer geographies.

There is limited evidence to show that product mix or company type is an influencing factor on packaging sustainability. There does not appear to be a strong relationship between the type of products sold or where in the supply chain the company operates, with leading companies producing a mix of food and consumer goods.

Natura stands out as a company that does not match the general characteristics above. It is headquartered in Latin America and is smaller in terms of revenue and geographical coverage than the other leading companies. Its strong overall performance is therefore particularly commendable.

NEXT STEPS

This research provides a framework and guide for benchmarking the performance of packaging sustainability amongst global consumer companies. From this analysis, we provide several bespoke recommendations where each company can focus their efforts to improve their overall performance in delivering packaging sustainability.

The framework developed here therefore offers a useful guide for companies wishing to go beyond what they are presently doing for packaging sustainability and where they should focus future effort.

We recommend that this document should not remain static, but should be reviewed and updated every 2-3 years to ensure that it continues to reflect best practice and emerging opportunities and developments in packaging sustainability. It would therefore be useful to repeat this assessment every 2-3 years to track performance improvements and to expand on the sample of companies included in the analysis.

The analysis of packaging sustainability requires a systems perspective across multiple sustainability criteria. It also needs to consider the specific issues for each company and the communities in which they operate, and these can change over time.

The most successful companies have therefore adopted a structured approach involving research, stakeholder engagement, target setting and monitoring against goals. Perhaps most importantly, they understand the complexity of packaging sustainability and can make informed decisions about the inherent trade-offs between alternative sustainability strategies.

1. Introduction

This research project was commissioned by Stewart Investors to investigate and evaluate progress being made towards packaging sustainability in emerging market consumer companies. The focus is on actions being taken to address environmental issues such as materials efficiency, the source of raw materials, and reuse or recycling of packaging at end of life. A key function of product packaging is to protect and extend the life of products. We therefore acknowledge that the minimisation of product waste through better packaging design, procurement processes and labelling etc may lead to an increase in overall packaging. Our framework has therefore been created to incorporate the complex trade-offs that companies often need to make when improving packaging sustainability. While also very important, the economic and social dimensions of sustainable development are outside the scope of this research.

This report provides an assessment of the current packaging sustainability performance of the companies included in the study. It provides a snapshot of current packaging performance and is intended to be used as a baseline for Stewart Investors to initiate discussions and assess future improvements to packaging sustainability within the companies that were assessed. The main purpose of the research is to give Stewart Investors a greater understanding of how companies are addressing packaging sustainability and how Stewart Investors, as a progressive investor with a focus on long-term sustainability, can support these companies in making the most effective improvements to packaging sustainability.



2. Packaging sustainability

GLOBAL TRENDS IN PACKAGING SUSTAINABILITY

The quantity of packaging is rapidly increasing across the globe in both developed and emerging markets to meet the needs of growing and more affluent populations. This has implications for every stage of the packaging lifecycle, from the extraction of resources to the management of waste at end of life.¹ Nevertheless, many advances have been made to temper the growing volume of waste being produced. This includes new product stewardship regulations, greater efficiency in product supply chains and cost pressures prompting companies to save money by using less packaging to deliver the same outcomes. These advances have had positive benefits including: lowering the demand for raw materials, reducing waste and emissions, switching to more sustainable materials and the removal of hazardous substances from packaging.

An important global trend is the increasing use of plastics; replacing more traditional materials such as glass and metals. In many cases, the use of plastics can achieve sustainability benefits because of its superior performance and reduced impacts over the entire lifecycle. However, plastics are made from non-renewable fossil fuels and are more difficult than glass and metal to sort and recycle. The growing quantity of plastics in the marine environment is also an emerging ecological issue. In response, a number of governments in developed and emerging economies are considering bans and other regulations to mitigate the impacts of plastics packaging. These trends are driving the development of new polymers from plant-based materials that are renewable and either recyclable or compostable.

Companies are becoming increasingly engaged in the process of improving packaging sustainability. Government regulation is increasingly being used to ensure companies have a good understanding of the type and quantity of packaging being sold onto the market. The more advanced companies are improving packaging sustainability beyond legislative requirements and are doing this out of a desire to do what is best for the planet and for society. Leading companies have shown year on year improvements in packaging efficiency and light weighting. However, this trend is not expected to continue indefinitely as there is a physical limit to reducing the volume and weight of packaging whilst maintaining packaging integrity and minimising overall product waste. Companies must therefore strive to achieve packaging sustainability through other means such as material sustainability, procurement processes, transport optimisation, industry leadership and consumer engagement.

THE PURPOSE OF PACKAGING

Product packaging fulfils a number of requirements. Good packaging only uses as much of the right material as necessary to fulfil these requirements. Less packaging can lead to more product damage or wastage, and this may be counter-productive if the environmental impacts of wasted product exceed the benefits from using less packaging.

One of the most important roles of packaging is the prevention of food waste. In Western Europe approximately 3% of food spoils before it reaches the consumer. In emerging markets up to 50% of food is spoiled before reaching the end consumer.² This can be attributed to a range of factors including inadequate distribution systems (including roads and refrigeration) and poorly designed packaging.

1. Lewis, Helen (2016, in press), Product stewardship in action: The business case for lifecycle thinking, Greenleaf Publishing, Sheffield UK.

Table 1: The multiple functions of product packaging

Function	Features
Protection	<ul style="list-style-type: none"> — Prevents breakage (mechanical protection) — Prevents spoilage — Prevents contamination
Promotion	<ul style="list-style-type: none"> — Description of product — List of ingredients — Product features and benefits — Promotional messages and branding
Information	<ul style="list-style-type: none"> — Product identification — Nutrition and storage data — Safety warnings — Contact information — End of life management — Opening instructions
Convenience	<ul style="list-style-type: none"> — Product preparation and serving — Product storage — Portioning
Unitisation	<ul style="list-style-type: none"> — Provision of consumer units — Provision of retail and transport units
Handling	<ul style="list-style-type: none"> — Transport from producer to retailer — Point of sale display
Waste reduction, reuse and recycling	<ul style="list-style-type: none"> — Enables centralized processing and sorting — Increases shelf life — Reduces transport energy

Source: Adapted from the European Packaging in the Sustainability Agenda³

LEGISLATIVE REQUIREMENTS FOR PACKAGING SUSTAINABILITY

Legislative requirements vary greatly around the world, however many developed economies have well established legislative requirements for meeting packaging sustainability targets. The European Packaging Directive is considered to be a world leading benchmark for packaging sustainability. The Directive establishes mandatory recycling targets for member states, as well as 'Essential Requirements' for packaging that include:

- To keep packaging weight and volume to the minimum amount needed for safety, hygiene and consumer acceptance of the packed product;
- To keep noxious or hazardous constituents to a minimum;
- To ensure that packaging can be reused or recovered once it has been used.

Similar laws have been introduced or are under development in many emerging markets, for example China's Excessive Packaging Law (2009) places mandatory limits on the amount of packaging in certain product applications. In 2015 the Brazilian Government introduced an extended producer responsibility (EPR) law for packaging waste.

2. Efficient Consumer Response and EUROOPEN, Packaging in the Sustainability Agenda-A Guide for Corporate Decision Makers.pdf <<http://www.packagingfedn.co.uk/images/reports/Packaging%20in%20the%20Sustainability%20Agenda-A%20Guide%20for%20Corporate%20Decision%20Makers.pdf>> [accessed 3 November 2016].

3. Efficient Consumer Response and EUROOPEN.

WHAT IS PACKAGING SUSTAINABILITY?

Improving packaging sustainability is a complex process. There is no standard method, formula or approach that will work for all companies all of the time. Rather, each company must consider its business practices, the products it sells, the packaging materials it uses and the available infrastructure and facilities in its key markets to identify appropriate sustainability strategies for packaging. The material issues for a food manufacturer are different to those of a retailer or importer, and a global brand has more influence on its supply chain than a medium sized company operating in one market. The available infrastructure for recycling post-consumer packaging also varies significantly between countries, and this has implications for packaging design and labelling.

A core principle of packaging sustainability is that improvements to environmental performance of packaging must not be allowed to generate larger negative environmental impacts elsewhere in the lifecycle of the product.

The options available to companies will often involve trade-offs between competing environmental and social objectives. For example, it may be necessary to increase packaging to reduce food waste, or replace reusable glass bottles with plastic to improve its carbon footprint. Smaller, less efficient packs may be justified in emerging markets to provide consumers with access to products that would otherwise be unaffordable.

Assessing and comparing impacts across multiple product lines in different countries and with complex supply chains is an expensive, time consuming and daunting prospect for many companies. However, many companies have taken on this challenge and are well on their way to achieving best practice outcomes in packaging sustainability.

WHAT ARE COMPANIES DOING TO IMPROVE PACKAGING SUSTAINABILITY?

Many of the companies we interviewed are either already monitoring, recording and quantifying how they are progressing towards packaging sustainability, or are taking steps towards doing so. Companies that are well advanced towards packaging sustainability are using multiple strategies such as:

- eliminating unnecessary components;
- reducing packaging weight and volume;
- concentrating products to reduce pack size;
- minimising or removing toxic materials;
- designing products for reuse or recycling (e.g. replacing foamed polystyrene and multi-material films);
- using Forest Stewardship Council (FSC) certified paper and board;
- introducing reusable containers and/or refill packs;
- labelling containers to encourage consumers to recycle;
- implementing innovative business models;
- engaging with consumers to improve sustainability outcomes;
- working with government and forming consortia to develop industry standards;
- exporting approaches that have worked successfully in one country to other countries where that company operates;
- creating product and material databases to assess the environmental impact of products objectively for use in packaging design and further improvement;
- optimising packaging design for packing during transport to minimise transport costs and CO₂ emissions;
- sharing data, methods and information openly with competitors to improve packaging sustainability across the sector.

3. Evaluation framework

A packaging sustainability framework was developed to guide the interviews and evaluation process. This has nine performance criteria: four relate to business processes and activities and the other five to packaging performance.

Company responsiveness against each criterion was rated on a scale from 0 (no action) to 4 (sustainable best practice) Table 2 below gives a summary of the 9 criteria. Summary guidelines on the expected performance at each of these levels is provided in Table 3.

Table 2: Performance evaluation criteria

Criteria	Summary
Business processes	
Corporate strategy	Packaging sustainability commitments and targets included in high level strategic plans and other documents. Progress towards targets monitored and reported publicly. Allocation of resources and responsibility across the organisation. Focus on innovation and continuous improvement.
Design processes	Procedures to ensure that all new packaging is evaluated to optimise its environmental performance and existing packaging re-evaluated regularly. In-house knowledge and tools are used to support evidence-based evaluation of packaging. Regular benchmarking against competitors' packaging systems.
Supply chain management	Procedures to ensure that all suppliers comply with minimum environmental standards for packaging. Applies to suppliers of packaging, packaged materials/components and packaged products. Suppliers are audited to ensure compliance.
Industry leadership	Working with industry peers and government to establish voluntary standards, regulations, tools and other initiatives that help to transform broader industry practices. Developing new business models, technologies, processes and systems to improve packaging sustainability.
Packaging outcomes	
Material sustainability	Policies, guidelines, targets and/or procedures to improve the environmental sustainability of packaging materials over their life cycle. Includes elimination of hazardous components, use of recycled or renewable materials, and sustainable production processes in agriculture, forestry and/or manufacturing.
Packaging efficiency	Packaging format, weight and volume optimised, which means that packaging has been minimised to the extent possible without compromising functional performance, including product protection. The product and packaging are considered holistically to optimise efficiency.
On-site packaging recovery	Packaging waste generated on site, from incoming materials and components or from manufacturing processes, is recovered for reuse, recycling, or composting. A high recovery rate is achieved through a combination of strategies (close to 100%).
Post-consumer packaging recovery	The company's packaging is recovered for reuse, recycling or composting after use by consumers. Packaging is designed for a particular recovery system (reuse, recycling or composting) and consumers have easy access to collection or drop-off services for the packaging. High recovery rates are being achieved.
Consumer engagement	On-pack labelling is used to inform consumers about environmentally responsible recovery (reuse, recycling or composting). Labelling and other engagement goes beyond packaging to include other environmental aspects of the product.

Table 3: Expected performance at each level

Levels of performance	Characteristics
X No response	<ul style="list-style-type: none"> — No publicly available information — Researchers unable to interview a company representative and/or no or insufficient information provided by the company
0 No action	<ul style="list-style-type: none"> — The company is not aware of the issues or they are not seen as important
1 Getting started	<ul style="list-style-type: none"> — Some awareness and action — Informal commitments — Ad hoc activities
2 Advanced	<ul style="list-style-type: none"> — Packaging sustainability commitments embedded in corporate strategy and processes — Responsibility allocated across the company — Targets and metrics adopted — Suppliers being engaged
3 Leading	<ul style="list-style-type: none"> — Ambitious targets and metrics adopted — Public accountability — Company goes beyond compliance — Consumer engagement strategy being implemented — Good progress achieved for packaging (high % of products) and/or outstanding innovation
4 Sustainable best practice	<ul style="list-style-type: none"> — An ambitious sustainability strategy guides all business activities including packaging — Sustainability is considered at every stage of the packaging value chain – design, procurement, manufacture, distribution etc. — Sustainability is a source of business innovation and competitive advantage — Targets have been achieved — Continuous improvement strategy in place — Company has done as much as possible with current technology



COMPANIES ASSESSED

Table 4 below summarises the companies included in the assessment and the sources used to assess them.

Table 4: Summary of data used to assess companies

Company	Interview	Written responses	Public data
Beiersdorf AG	—	●	●
CCU	—	●	—
China Mengniu Dairy	●	—	Minimal
Dabur	—	●	●
Godrej Consumer	●	—	●
Grupo Éxito	●	—	●
Grupo Herdez	—	●	●
Henkel AG & Co	●	—	●
Jerónimo Martins	●	—	●
Marico	●	—	Minimal
Natura	●	—	●
PZ Cussons	—	●	●
Shoprite	—	—	●
Tesco	●	●	Minimal
Tiger Brands	—	Partial	●
Unilever	—	●	●
Vitasoy	●	—	●

Of the 25 companies approached to participate in this study, seven companies did not respond. Of these seven companies that did not respond only one company had sufficient publicly available data to complete the framework. All companies were given the option to remain anonymous and one company exercised this option.

4. Results

OVERALL PERFORMANCE

Figure 1 shows the overall performance score for each company as well as their minimum and maximum scores.

The top four performing companies are at the 'Leading' level of performance overall (3) and they all scored between Leading and 'Sustainable Best Practice' (4) in one or more categories. The leading companies are Henkel, Unilever and Natura; closely followed by Beiersdorf and Tesco.

The top performance level of 'Sustainable Best Practice' is a stretch level, illustrating that even the best performing companies today have not yet attained sustainable best practice in packaging. This target is also a moving target. As more knowledge, technology and processes become available, 'Sustainable Best Practice' will continue to shift to represent what companies are able to achieve with the resources they have available.

Figure 1: Overview of company performance

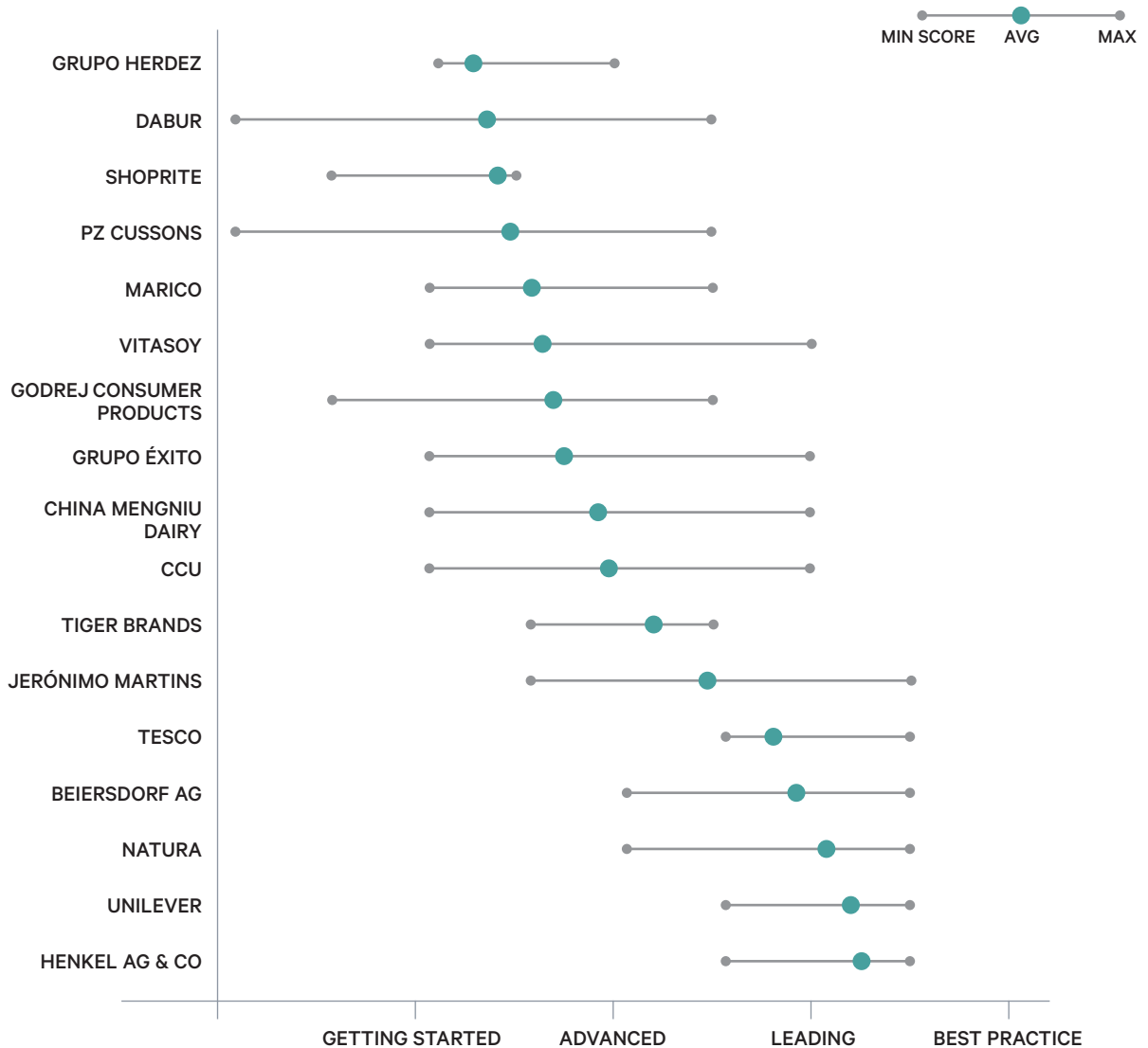
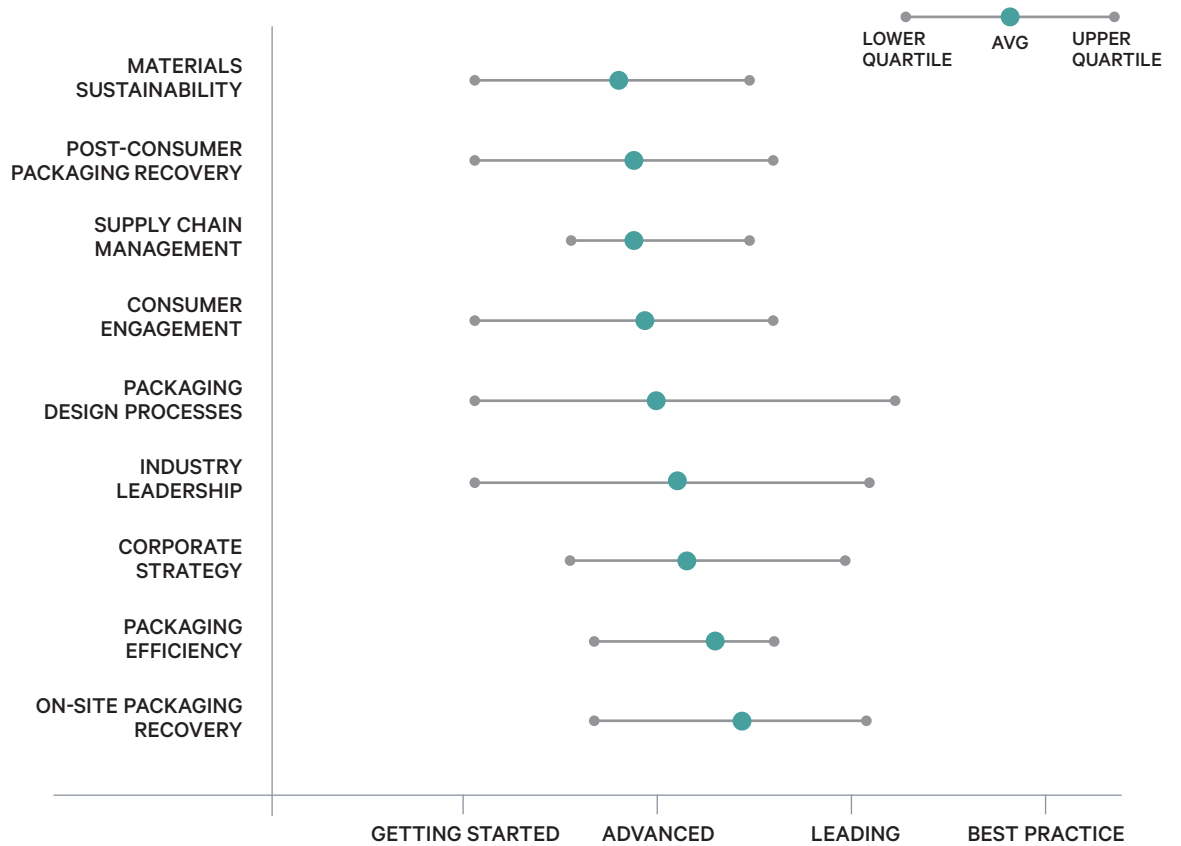


Figure 2 below presents the aggregated minimum, maximum and average scores for all 18 companies across the nine criteria. This demonstrates the areas where companies have made most and least progress to date.

Figure 2: Performance against sustainability criteria



AREAS OF STRONG AND WEAK PERFORMANCE

Perhaps unsurprisingly, packaging efficiency and on-site packaging recovery are areas where companies have generally made good progress. Packaging efficiency is attractive from a cost and resource productivity perspective. Both this and on-site recovery are also more easily controlled by companies than say, supply chain processes. These are obvious places for companies to embark on packaging sustainability.

The area of lowest performance overall is in materials sustainability. Only companies at the top end of performance scored well on this criterion, with the majority of companies falling below the ‘advanced’ level. This is clearly a more complex and difficult area to improve than packaging efficiency as it is more likely to require significant re-thinking of packaging design, manufacturing processes and/or supply chains. In some instances, switching to more sustainable materials may be detrimental to other packaging outcomes, such as product protection. It is also interesting to note the positive influence that major packaging suppliers such as Tetra Pak have in promoting more sustainable materials in companies at the lower end of performance, for example FSC certified packaging.

Common areas of strength in companies leading on packaging sustainability include:

- Embedded commitments, documented targets and a commitment to continuous improvement and reporting against progress
- Embedded process and guidelines or requirements, extended through the supplier chain
- Active industry engagement and leadership
- Active engagement with consumers on packaging sustainability
- Innovative approaches and methods being considered to improve packaging sustainability

Common areas of weakness in companies in the early stages of progress towards packaging sustainability include:

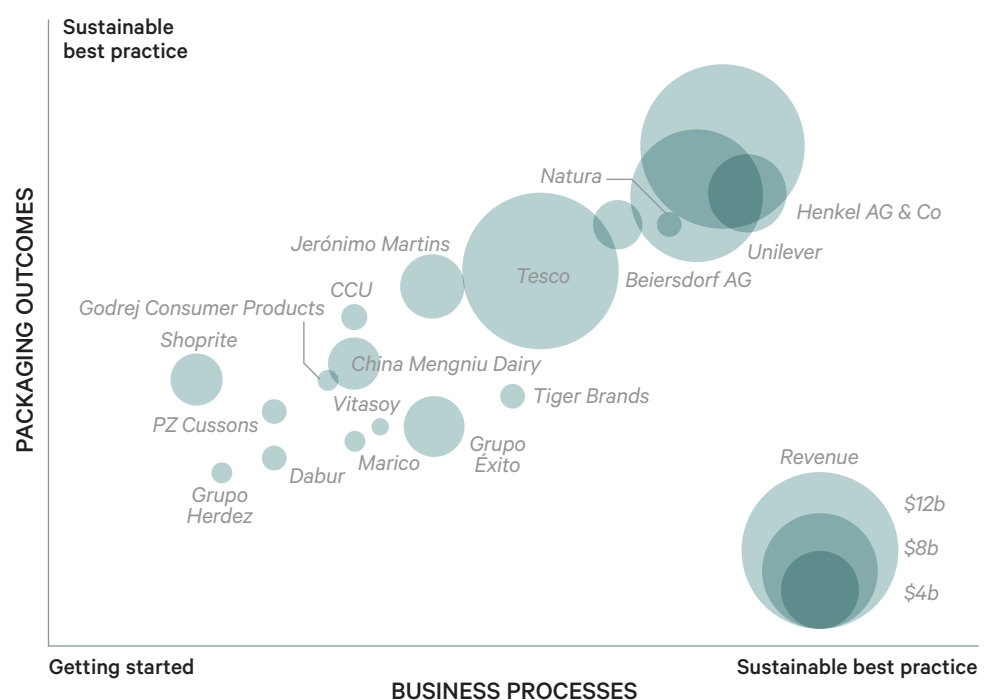
- Informal commitments and processes on packaging sustainability
- Absence of packaging sustainability targets
- Minimal progress on materials sustainability
- Minimal consumer engagement on packaging sustainability.

Business processes vs. packaging outcomes

The packaging sustainability framework (Appendix B) divided the criteria into two categories; described as ‘business processes’ (policies, procedures and leadership activities) and ‘packaging outcomes’ (light-weighting, using re-usable and recyclable materials, changing packaging design). Figure 3 below presents the results for individual companies across these two areas, and the size of the bubble represents the size of the company in terms of revenue.

The diagram illustrates that, on average, performance is consistent across the two areas of business processes and packaging outcomes i.e. those companies that are performing well tend to be performing equally well across both dimensions and those that are getting started tend to be in the early stages across both dimensions. At the top end of performance, companies tend to score better on business processes and at the lower end of performance, the balance sits in the opposite direction. This reinforces the finding above that companies who are getting started focus more on packaging outcomes such as packaging efficiency (e.g. light-weighting) and onsite packaging recovery. Leading companies have generally embedded packaging sustainability into business processes and are addressing continuous improvement opportunities in packaging outcomes.

Figure 3: Business processes, packaging outcomes and company size



Factors that appear to influence performance

The single most influential factor among those companies included in the assessment is the head location of the company. The top two performing companies are all headquartered in Europe – Henkel and Beiersdorf in Germany. Of the top seven performers, only Natura, which is based in Latin America, has non-European headquarters. All of the remaining assessed companies are headquartered outside of Europe. Given that Europe is an acknowledged leader in packaging sustainability, it is not surprising that leading companies are those with European headquarters. Companies that operate solely or mainly in emerging economies also face barriers that can hinder progress on packaging sustainability. Examples cited in interviews include lack of local recycling infrastructure, poor transport infrastructure and climate.

Company size, in terms of revenue, is an influential factor, with 5 of the top 7 performers being the top 5 companies by revenue. Size as measured by global coverage also appears to be a strong influential factor, with 5 of the top 6 performing companies operating worldwide.

There does not appear to be a strong relationship between packaging sustainability and product type with the leading companies producing a mix of food and consumer goods.

Natura stands out as a company that does not match the general characteristics above. It is headquartered in Latin America and is smaller in terms of revenue and geographical coverage than the other leading companies. Its strong overall performance is therefore particularly commendable.

Typical improvement opportunities

For early stage companies:

- Make a formal commitment to packaging sustainability and set clear improvement targets
- Carefully consider sustainability criteria for materials, such as paper and cardboard from sustainable sources, as well as packaging efficiency
- Begin to engage with consumers on packaging sustainability, particularly reuse and recycling

For leading companies:

- Ensure European practices extend to emerging economies locations (where appropriate)
- Explore opportunities to ‘push the envelope’ on materials sustainability, for example by using plastics from renewable sources (e.g. bioplastics).
- Increase consumer engagement on sustainability through packaging, for example by encouraging responsible purchasing, packaging recovery or efficient consumption
- Collaborate with industry peers, governments and recyclers to improve collection and recycling systems for post-consumer packaging.



NEXT STEPS

Suggestions on how to use the research outputs

This research and report provides a baseline for Stewart Investors on the packaging sustainability performance of companies included in the assessment. Below are suggestions on how the report should be useful to Stewart Investors in continuing to encourage companies to improve their packaging sustainability performance.

- This summary report can be used to illustrate how an individual company is performing against peers.
- The detailed company assessments (provided separately) can be used to work through specific areas of weakness and opportunities for improvement with individual companies.
- We recommend that companies should focus on moving up to the next performance level within each criterion and setting at least one stretch opportunity to move up more than one level.

Suggestions for future research

The framework developed for this research will be a useful guide for companies who wish to improve packaging sustainability performance. We recommend the following work could be undertaken to further understand packaging sustainability:

- The framework is a reflection of current best practice. It should not be a static document, but should be reviewed and updated every 2-3 years to ensure that it continues to reflect best practice.
- As noted, this research provides a baseline performance benchmark for a limited sample of companies. It would be a worthwhile exercise to expand the sample of companies included in the analysis.
- As far as we know, this is the first time the companies in the study have been asked to participate in research of this kind on packaging sustainability. Of the 25 companies originally listed by Stewart Investors, 18 were included in the final assessment and 17 of these companies actively participated in the research, with only one company based solely on publicly available information. This is a high participation rate.
- The focus of this research was on consumer companies in emerging markets. All the companies included in the research have operations in emerging markets. The leading companies, however, are mostly based in Europe, with broad geographic coverage that also includes sales and operations in emerging markets. Their strong overall performance reflects the higher standards required of European companies and therefore somewhat distorts the overall scores. Future research could take this into account more explicitly, for example by disaggregating and analysing results between developed and emerging markets.

5. Company results

This section of the report presents summaries of the individual company assessments.



Beiersdorf AG

www.beiersdorf.com

Mean score: 2.7



LEADING

About the company

Beiersdorf is a German-based company that produces consumer goods. The Company has two business segments: Consumer (personal care) and tesa (adhesives).

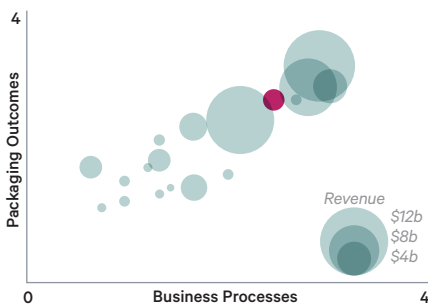
Products and services

The Consumer Business Segment provides skin and beauty care products which are the main focus of the business. The tesa Business Segment is among the world's leading manufacturers of self-adhesive product solutions for industrial customers and consumers.

Countries where company operates:

Operates worldwide and has more than 150 affiliates.

Company comparison



OVERALL PERFORMANCE

Beiersdorf has taken proactive measures to improve packaging sustainability and the company uses life cycle analysis to assess the sustainability of new products, including packaging. The company has a documented commitment to packaging sustainability and to continuous improvement. There is an opportunity for them to develop specific packaging targets and to engage further on the issue in emerging markets.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Beiersdorf has a documented commitment to packaging sustainability, integrated into corporate strategy. Progress is reported in sustainability reports and the GRI index. The company has a commitment to continuous improvement. Packaging measures contribute to greenhouse targets and production waste targets and some ambitious packaging outcomes have been achieved, however there are not comprehensive SMART targets for packaging sustainability.

Packaging design and processes: A Sustainability checklist and Lifecycle Analysis-based tool are used for new products including packaging, and integrated in the packaging development process. Nearly 100% of packaging materials are recyclable. The company has a commitment to continuous improvement.

Supply chain management: General sustainability guidelines are provided to all suppliers through Beiersdorf's Code of Conduct for Suppliers and there is active ongoing engagement with suppliers to identify improvement opportunities (currently focused on third party manufacturers rather than packaging). The Code of Conduct is non-specific for packaging sustainability.

Industry leadership: Beiersdorf is involved in a number of packaging recycling programs in Europe (where extended responsibility is regulated) and one emerging market initiative in Brazil. The company helped to develop the Grüner Punkt initiative in Germany that became a model for the rest of Europe. Beiersdorf participates in other industry initiatives e.g. Responsible Care.

Packaging efficiency: Beiersdorf has documented improvements in some specific areas and has reduced the overall packaging materials weight between 2014-15. There are no SMART targets for packaging efficiency.

Materials sustainability: Beiersdorf complies with local regulation and has demonstrated improvements in specific areas and commitment to ongoing improvement e.g. FSC cardboard and greenhouse emissions reductions from packaging.

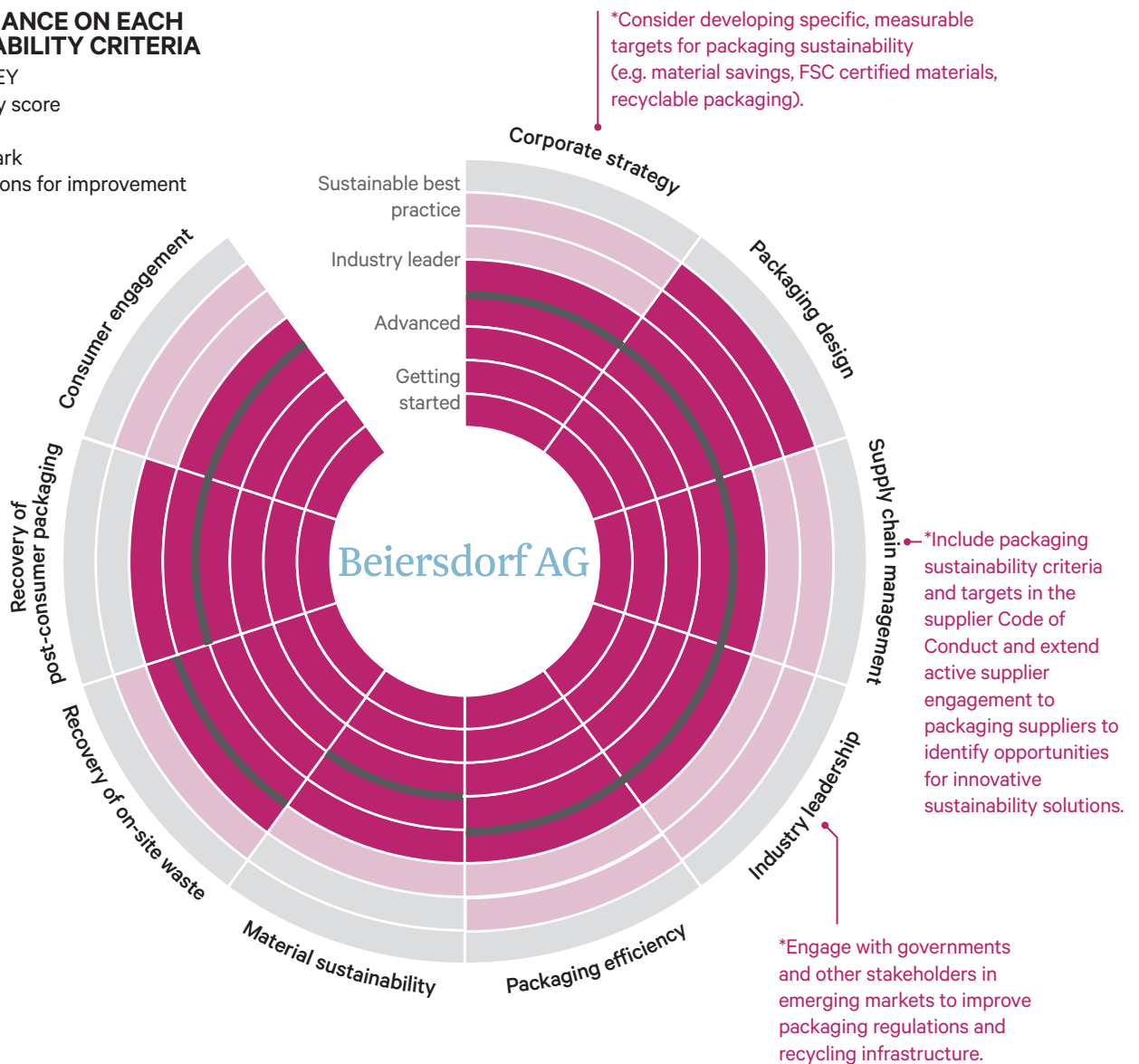
There do not appear to be any specific, measurable targets for material sustainability criteria.

On-site packaging recovery: Beiersdorf has a zero waste to landfill policy in place which has been achieved across European production centres. It has not yet been achieved in all other production centres.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



Post-consumer packaging recovery: Almost all Beiersdorf’s packaging materials are recyclable. Packaging recovery programs are in place in some jurisdictions, including in Brazil, but it is not yet comprehensive.

The company is taking some actions to improve recycling opportunities for consumers in non-European countries.

Consumer engagement: Beiersdorf includes on-pack labelling of packaging materials and has had some engagement with consumers on broader sustainability issues through packaging.

“In Brazil we have implemented a local recycling program in association with the Brazilian Association of Hygiene, Cosmetics and Perfumery Industries (ABIHPEC). All of the product packaging tins, tubs, tubes and bottles we use are free of heavy metals and halogenised compounds such as fluorides, chlorides and bromides.”⁴

4. <http://www.beiersdorf.com/sustainability/products/packaging/less-waste-same-quality>

CCU

www.ccuinvestor.com

Mean score: 1.8



ADVANCED

About the company

CCU is the largest beverage manufacturer in Chile, and the largest beer producer in Argentina.

Products and services

CCU produces and distributes beer, wine, soft drinks (including fruit nectar) and mineral water. The company also makes reusable plastic bottles for its soft drinks..

Countries where company operates:

Chile, Argentina, Bolivia, Colombia, Paraguay and Uruguay.

Company comparison



OVERALL PERFORMANCE

CCU is making good progress on packaging sustainability. While the company does not have any formal policies or procedures for packaging, sustainability principles underpin many of its decisions. All of CCU's packaging is either reusable or recyclable. The company also works with suppliers to improve packaging efficiency, for example by lightweighting bottles and caps. CCU is proactively engaged with the Chilean Government and industry peers on the introduction of an extended producer responsibility (EPR) law in Chile. The company has also collaborated with the local trade association to develop a system to recover used packaging, which will be launched after introduction of the WPR law.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: CCU has a documented objective to recover 100% of their on-site waste, which includes packaging. This objective is set out in their Environmental Vision 2020. The company is monitoring the amount of consumer packaging material generated per month. The company is also participating in industry initiatives to improve packaging sustainability but currently have no specific policies or targets for packaging sustainability.

Packaging design and processes: CCU has no documented guidelines or procedures to assess new packaging or guide product development. The company has however worked to lightweight their glass and plastic bottles. The company reports that it designs all packaging lines to use sustainable packaging but provide no evidence or examples.

Supply chain management: CCU has no documented guidelines or mandatory environmental performance criteria for suppliers, but it actively works with them to reduce the amount of material in containers and shippers. All suppliers have been evaluated for their environmental management processes and materials

Industry leadership: CCU is actively engaged in a number of sector-wide initiatives that aim to transform the industry at a national level. These include a government committee engaging with the new Chilean Extended Producer Responsibility law, and an industry association initiative to pilot the segregated collection and disposal of waste such as packaging. The company also participates in trade meetings and technical committees to assist authorities in developing regulations.

Packaging efficiency: CCU measures the amount of packaging it puts onto the market. It has demonstrated improvement in a number of areas, including reducing the weight of PET bottles, glass bottles and plastic caps. The company is also planning to promote its returnable glass and PET bottles.

Materials sustainability: CCU designs all of its packaging to be reusable or recyclable. The company is working with industry peers to try to standardise packaging to include more PET. They have internal standardised specifications for packaging materials but these do not include broader sustainability principles.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

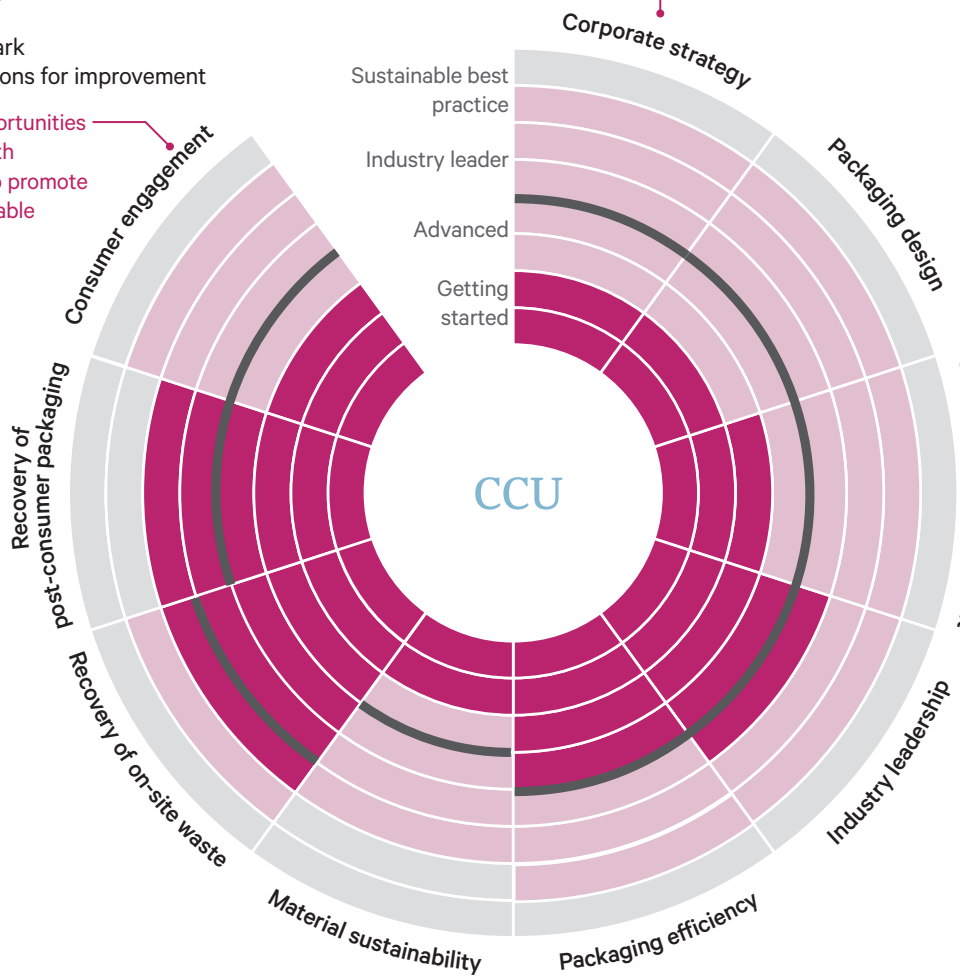
CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Identify opportunities to engage with consumers to promote more sustainable consumption and recovery of packaging.

*Consider developing a policy and targets for packaging sustainability to guide product development and procurement.

*Provide suppliers with guidelines on packaging that outline expectations for efficiency, design for reuse or recycling, materials selection and labelling.



On-site packaging recovery: CCU has a target for 100% waste diversion for industrial (on-site) waste including packaging. In 2016, 96.6% of industrial waste was diverted from landfill.

Post-consumer packaging recovery: 100% of CCU packaging is reusable or recyclable. The company is involved in development of an industry-funded recycling program for post-consumer packaging as required by legislation.

Consumer engagement: CCU does not have a documented policy or strategy for engaging with customers through packaging labels or other initiatives. However, the company does have on-pack labelling to promote responsible disposal or recycling on most packaging.

CCU are increasingly dedicated to improving packaging sustainability and this can be seen by the recent reduction in the weight of glass and plastic (PET) bottles.

China Mengniu Dairy

www.mengniuir.com

Mean score: 1.7



GETTING STARTED/ADVANCED

About the company

China Mengniu Dairy Company manufactures and distributes dairy products in China.

Products and services

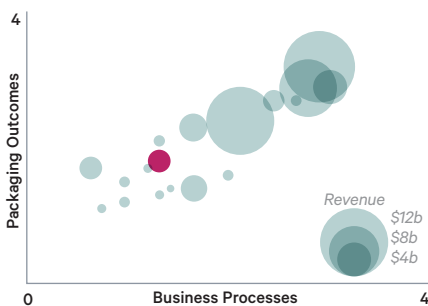
The company operates in four segments:

- 1) Liquid milk products: manufactures and distributes ultra-high temperature milk, milk beverages and yogurt.
- 2) Ice cream products: manufactures and distributes ice cream.
- 3) Milk powder: manufactures and distributes milk powder.
- 4) Other dairy products: cheese and trading business.

Countries where company operates:

The company is based in Hong Kong and operates in China.

Company comparison



OVERALL PERFORMANCE

China Mengniu is to be commended for its proactive approach to sustainability and efforts to work with suppliers and stakeholders to improve recycling. To date, the information available on packaging sustainability in the company is limited and there is no documented commitment to improve packaging sustainability or specific targets. Efforts to date have focussed on paper-based packaging. The company has an opportunity to build on its early initiatives and become more proactive about improving packaging sustainability across their product range.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: The company has a general commitment to sustainability but does not have a clearly documented commitment or targets for packaging sustainability. However, paper packing is 100% FSC certified and 100% of onsite packaging waste is recycled.

Packaging design and processes: Some consideration is given to environmental issues - the company considers ways to optimise packaging weight and minimise food wastage in the design process. There is no documented sustainability guideline or checklist for developing new packaging.

Supply chain management: China Mengniu Dairy relies on leading global suppliers such as Tetra Pak for advice and consequently, paper packaging is advanced. There has been some engagement with suppliers to identify opportunities for improvement and some environmental criteria for suppliers.

Industry leadership: The company is actively involved in industry association and government initiatives to promote sustainability in the dairy industry. The company has undertaken some voluntary initiatives such as providing recycling machines in supermarkets and encouraging recycling of milk packaging in elementary schools.

Packaging efficiency: Some action is being taken to improve packaging efficiency in production, distribution and use, however there is no published target or regular reporting on packaging efficiency improvements.

Materials sustainability: The company has achieved 100% FSC certification for paper based packaging, but there are no documented targets in place for materials sustainability for other packaging types. There is some use of recycled materials.

On-site packaging recovery: The company recycles 100% of packaging waste at manufacturing sites.

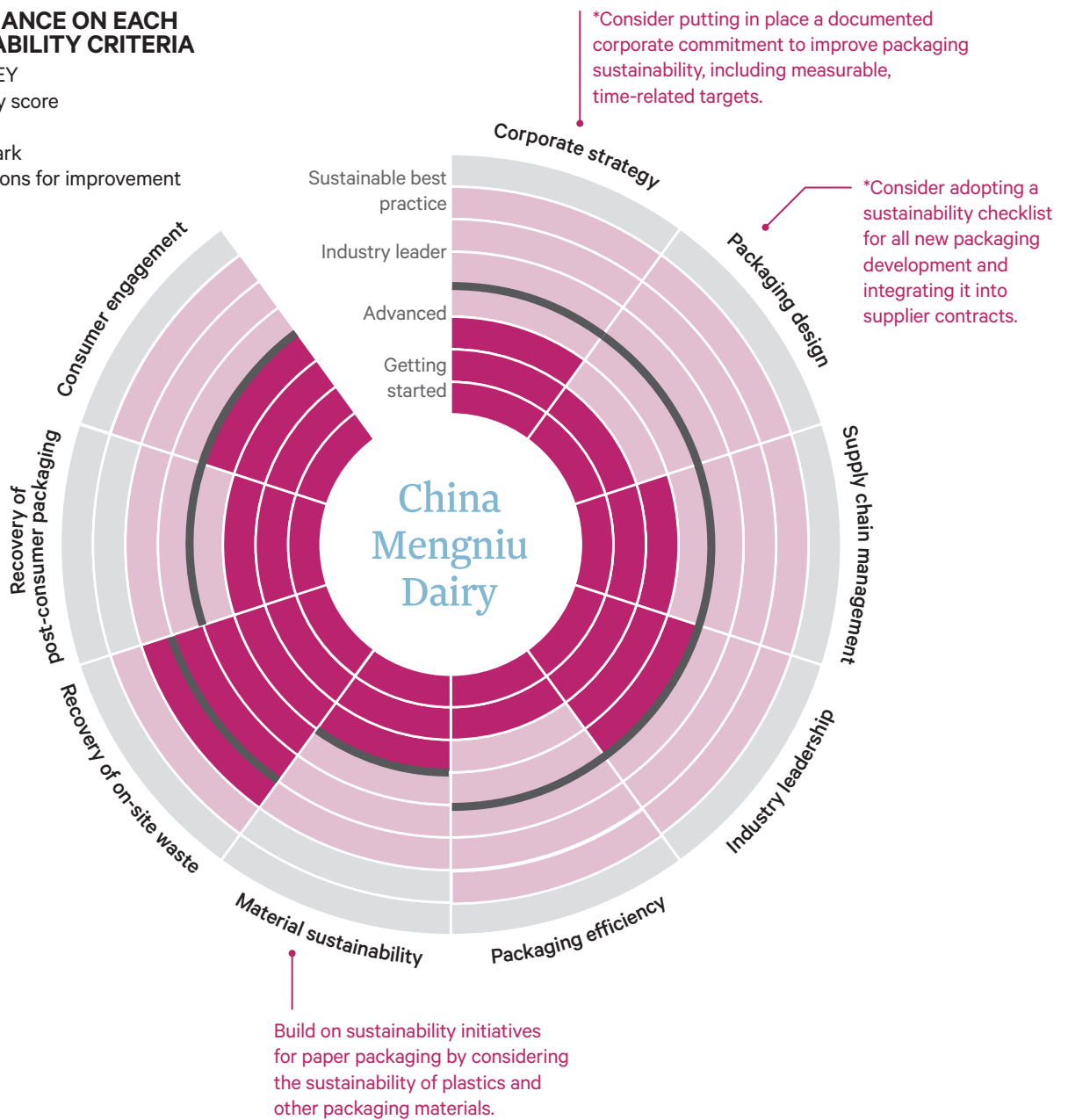
Post-consumer packaging recovery: Some action has been taken, for example installation of packaging recycling machines in supermarkets and encouraging students to recycle.

Consumer engagement: Some effort has been made to engage consumers through packaging e.g. through 'responsible disposal' labels and the FSC certification logo on paper packaging.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



China Mengniu are the first company in China to implement the idea of ‘paid packaging recycling’. Packaging recycling machines are placed in supermarkets across the country. Consumers are then rewarded with a certificate for recycling, and a free ticket for a Mengniu event after a certain amount of packaging material is put into the machine.

This campaign has activated the ‘paid ecology’, a model aimed at encouraging public participation in environmental protection. By the end of 2013, together with Tetra Pak, China Mengniu Dairy recycled more than 40,000 tons of packaging material.

Dabur

www.dabur.com

Mean score: 1.2



GETTING STARTED

About the company

Dabur is an Ayurvedic and natural health care company. The company operates through three business units: consumer care division (CCD), international business division (IBD) and consumer health division (CHD). The company's CCD business is divided into four key portfolios: healthcare, personal care, home care and foods.

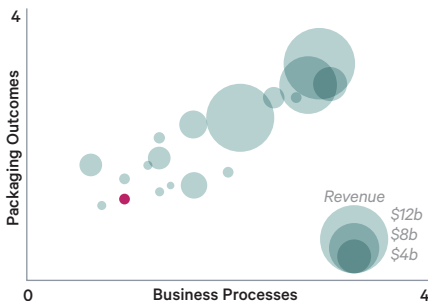
Products and services

Consumer products

Countries where company operates:

Middle East, Africa, South Asia, Europe and Americas

Company comparison



OVERALL PERFORMANCE

Dabur is at the beginning of its packaging sustainability journey. The company has a broad environmental agenda that includes reducing packaging, improving its recyclability and use of recycled materials. These goals are starting to be applied to Dabur's product portfolio, for example by using single-polymer laminates and replacing some plastic packaging with fibre-based alternatives to support recycling. To implement their packaging requirements Dabur engages with suppliers to improve their environmental awareness. There are obstacles to post-consumer recycling in India, including very small unit pack sizes and large distances between consumers and recyclers that make collection inefficient, but Dabur is exploring opportunities to improve recovery systems.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Dabur has made a strong public commitment to sustainability but this has not been translated into specific policies or targets for packaging. The company is starting to take action to reduce the impacts of packaging by improving efficiency and using more sustainable materials. There are however, no references to documented commitments, policies or targets relating to packaging sustainability. The company does not report data on their progress on packaging sustainability.

Packaging design and processes: Dabur is starting to consider the environmental impact of materials in their product design phase, but does not appear to have any formal policies or procedures in place. The company states that approximately 15% of their current product line has been designed to improve packaging sustainability. Examples include light-weighting and replacing plastics trays with recycled moulded paper trays. Dabur is starting to use life cycle assessment to improve their understanding of product and packaging impacts.

Supply chain management: Dabur engages with suppliers to raise their awareness of the environmental impact of packaging. The company tends to rely on large packaging suppliers to deliver environmental improvements. However the company does not currently provide specific targets or guidelines to suppliers as part of their procurement process.

Industry leadership: Dabur is mainly focused on improving its own operations and packaging, however the company is starting to engage with recyclers across India to understand gaps and opportunities. For example the company is collaborating with Tetra Pak to incentivise ragpickers to collect used packaging. The company also works with paper recyclers to identify sources of packaging for recycling.

Packaging efficiency: Dabur has made a public commitment to reduce the weight and volume of packaging materials. The company is taking some action to improve packaging efficiency for different products, including light-weighting fibreboard and plastic and replacing glass with plastic. Dabur measures the amount of packaging it puts onto market but does not publicly report this figure. The company does not currently have a documented policy or targets for optimising efficiency.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

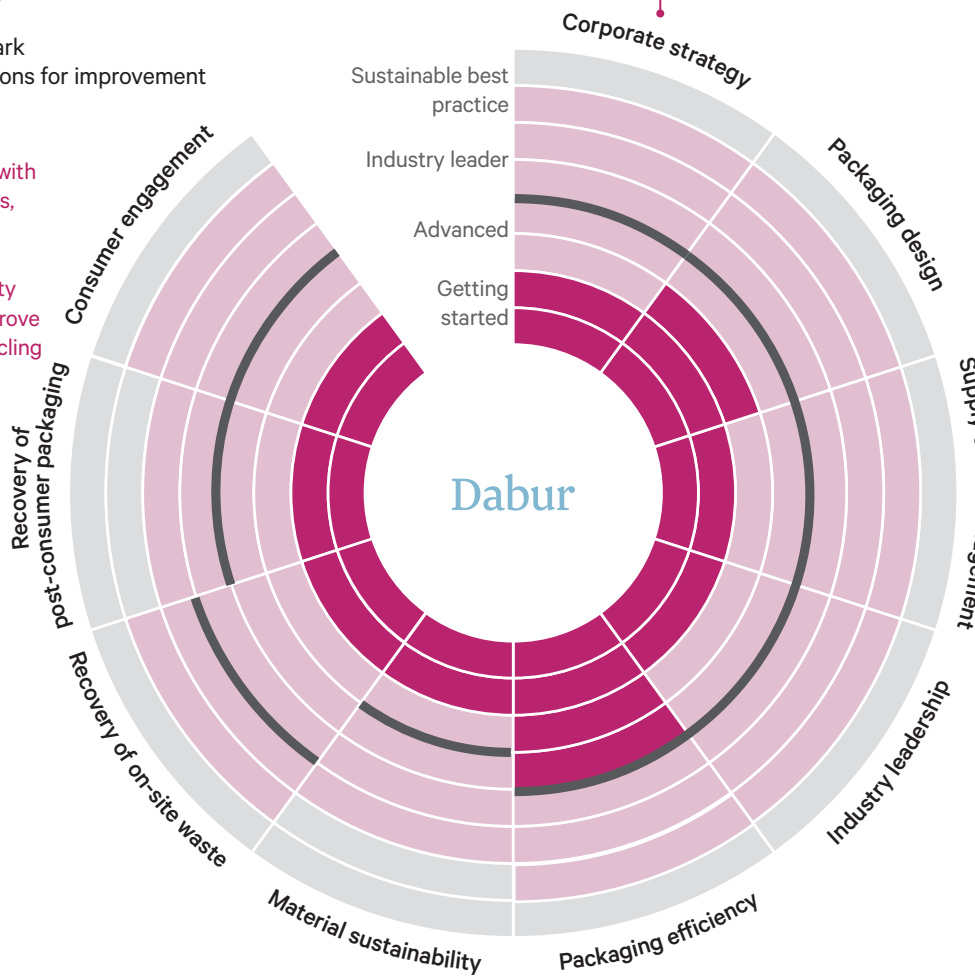
CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Collaborate with industry peers, government, recyclers and the community sector to improve informal recycling systems.

*Formalise Dabur's commitment to packaging sustainability by developing a packaging policy and specific, measurable targets.

*Prepare packaging sustainability guidelines for suppliers that outline the priorities for packaging design (e.g. efficiency, recyclability etc.).



Materials sustainability: While the company does not yet have a formal commitment or targets for material sustainability, Dabur tries to use recyclable packaging and incorporates some recycled material. The company is exploring opportunities to select more sustainable packaging materials, such as moving from plastic shrink-wrappers to paper bundling, and using recyclable materials like single polymer laminates.

On-site packaging recovery: Dabur measures the amount of packaging waste generated on their sites as well as the amount of packaging scrap on-sold. The company is also trying to reduce the amount of shrink film and strapping it uses in distribution. The company does not currently have a documented policy or targets for recovery of on-site packaging or publicly report their recovery rate for solid waste or used packaging.

Post-consumer packaging recovery: Dabur reports that most of their consumer packaging is designed to be recyclable. The company is also taking some action to improve recycling systems, including collaboration with paper recyclers and a partnership with Tetra Pak to recover used cartons through the informal recycling sector.

Consumer engagement: Dabur places the recycling symbol on all rigid packaging. The company is also taking some action, in collaboration with Tetra Pak, to educate consumers about the recyclability of drink cartons. However, the company does not have a documented policy for on-pack labelling or engaging consumers in sustainability.

Godrej Consumer Products

www.godrej.com

Mean score: 1.6



GETTING STARTED/ADVANCED

About the company

Godrej Consumer Products is an Indian-based company that manufactures and distributes fast moving consumer goods.

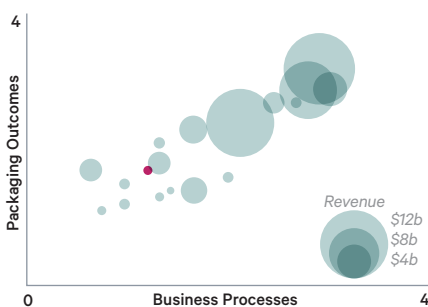
Products and services

Personal, hair, household and fabric care products

Countries where company operates:

Bangladesh, Sri Lanka, Nepal, Pakistan, Myanmar, Oman, Saudi Arabia, Kuwait, Bahrain, Indonesia, India, South Africa, Nigeria, Argentina, Chile and the UK.

Company comparison



OVERALL PERFORMANCE

Godrej Consumer Products has publicly committed to sustainability goals. They have demonstrated their commitment through formal measures, such as waste targets, as well as informal measures such as industry efficiency benchmarking. The company performs particularly well in recovery of on-site packaging waste due to its ambitious targets and continuous monitoring program. They have a Sustainable Procurement Policy and actively engage with suppliers to look for packaging improvements.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Godrej Consumer Product's corporate strategy includes a sustainability goal called 'Beyond business – good and green'. Targets include zero waste to landfill and becoming carbon neutral. There is not a formal policy on packaging sustainability but the company is aiming to reduce impacts through a '3R' policy (reduce, reuse, recycle). A policy on sustainable materials for packaging is currently under development.

Packaging design and processes: There are no formal guidelines for packaging sustainability but the development of most new products includes some consideration of environmental impacts. Packaging is also designed to be as efficient as possible; guided by benchmarking against industry norms.

Supply chain management: Godrej has a Sustainable Procurement Policy that outlines expectations for suppliers, including reduction in toxic materials, material efficiency and zero waste. The company actively engage with suppliers to guide them on packaging sustainability and to find opportunities for improvement.

Industry leadership: The company is currently focused on improving the sustainability of its own operations and those of its suppliers. It is not currently engaged in broader industry or community initiatives to improve packaging sustainability.

Packaging efficiency: Godrej collect and report data on packaging consumption per unit of product. They have a strategy to reduce material consumption and improve packaging efficiency, and have published a number of examples in their Sustainability Report.

Materials sustainability: Godrej do not have a formal policy on materials sustainability, but there is growing interest in this issue. There is some focus on sourcing more renewable materials, particularly paper and cardboard. PVC packaging has been replaced with PET.

On-site packaging recovery: Godrej has a formal target of zero waste to landfill by 2020. Waste is measured and reported. Currently over 95% of on-site waste is recovered for reuse, recycling and in some cases, return to suppliers.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

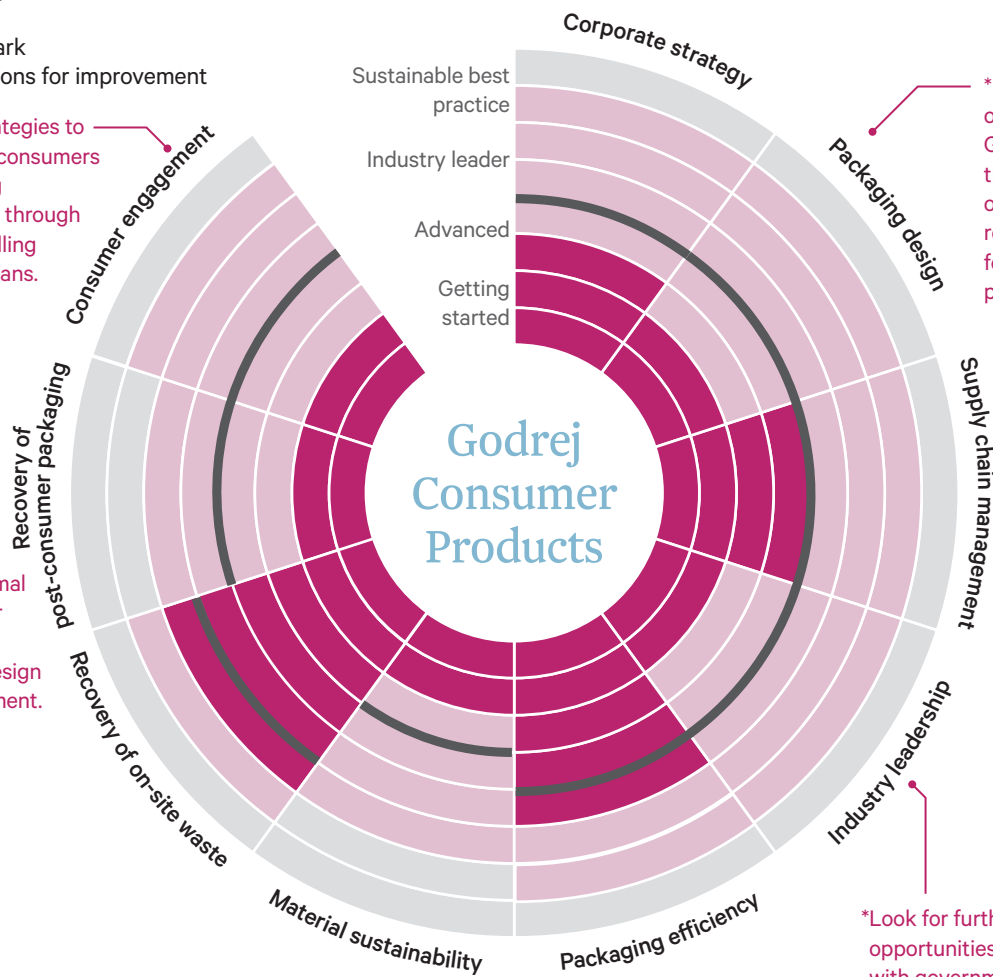
- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Develop strategies to engage with consumers on packaging sustainability through on-pack labelling and other means.

*Develop formal guidelines for sustainable packaging design and procurement.

*Investigate opportunities for Godrej to improve the availability of collection and recycling systems for post-consumer packaging.

*Look for further opportunities to engage with government and/or stewardship organisations to promote packaging sustainability.



Post-consumer packaging recovery: Most of Godrej’s packaging is made from paper, cardboard and plastic, which can all be recycled where recovery systems are available. The infrastructure for collection and recycling of packaging in India is relatively informal, but Godrej is working with local governments to improve collection systems.

Consumer engagement: Consumer engagement on these issues is currently limited to recycling symbols on packaging that encourage consumers to recycle.

“We have established monitoring mechanisms for tracking material consumption and this has enabled us to reduce material year on year”⁵

Grupo Éxito

www.grupoexito.com.co

Mean score: 1.6



GETTING STARTED/ADVANCED

About the company

Grupo Éxito is the largest supermarket retail company in South America, operating over 2,600 stores throughout the region. The company sells a large range of food and non-food products, including private brands.

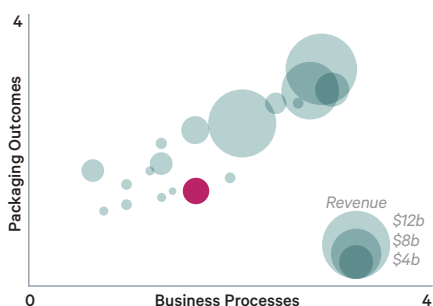
Products and services

Dry goods, apparel and accessories, food, drug and liquor

Countries where company operates:

Colombia, Brazil, Uruguay and Argentina

Company comparison



OVERALL PERFORMANCE

Grupo Éxito is committed to improving packaging sustainability through a range of documented strategies and initiatives. Cultural barriers to packaging sustainability exist in South America, where reuse and recycling are not yet widely adopted and waste typically goes to landfill. However, the company has shown leadership in the region by partnering with the World Wildlife Fund and the government to reduce the number of disposable plastic bags used in the country. Grupo Éxito also actively engages with suppliers on issues like organic produce. This approach could be extended to packaging sustainability.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Grupo Éxito has a documented commitment to sustainable packaging, which is embedded in the company's corporate strategy. Target setting and monitoring is undertaken annually and strategic reviews every 5 years.

Packaging design and processes: Grupo Éxito does not have a formal policy or guidelines to integrate these issues in packaging design, but packaging sustainability has been considered in the design of various products. There also are plans to develop a set of packaging guidelines for private label products. The company developed a range of reusable plastic shopping bags to replace disposable bags in 2010.

Supply chain management: The company is working with private label suppliers to improve packaging efficiency, but this is relatively informal and not a documented commitment. However, the company is achieving other positive environmental outcomes through strong engagement with suppliers.

Industry leadership: Grupo Éxito is actively engaged with the World Wildlife Fund and the government to promote and implement a reduction in plastic bag usage.

Packaging efficiency: Grupo Éxito measures and reports the total amount of packaging put on to the market relative to sales. They have reduced packaging on some private label products. The company also has a documented target to reduce use of disposable plastic shopping bags. The number of bags consumed fell by 9% in 2015 due to reusable bags being provided to customers.

Materials sustainability: Material sustainability has been identified in the corporate strategy as an important next step for the company, but no action has been taken yet.

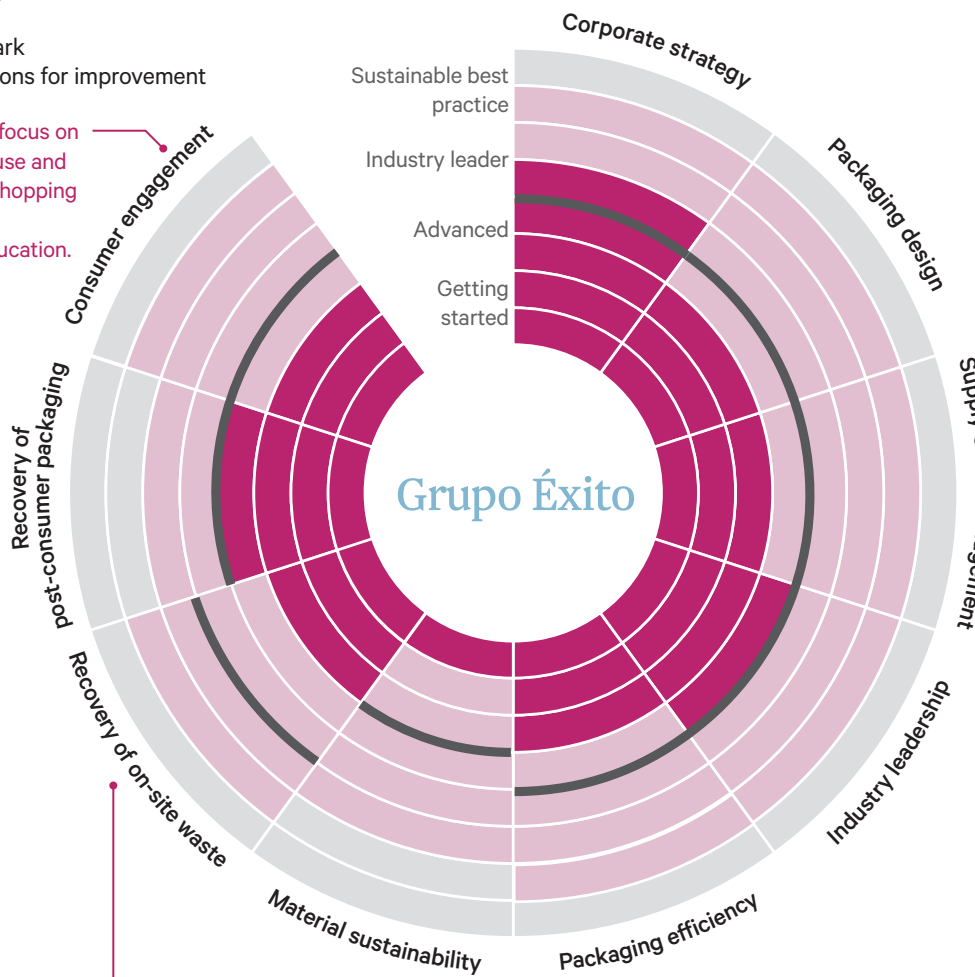
On-site packaging recovery: Most waste is currently disposed to landfill; however the company is taking action to improve the recycling rate. Waste volumes and type are monitored and reported.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Continue to focus on reduction, reuse and recycling of shopping bags through consumer education.



*There is an opportunity for existing supplier relationships to be leveraged. This will require developing documented policy and guidelines on packaging sustainability that clearly outline expectations for private label suppliers, including packaging efficiency, selection of materials, design for reuse or recycling, and labelling.

*Continue monitoring and reducing waste to landfill and consider developing a public target.

Post-consumer packaging recovery: Most packaging is designed to be recyclable. Grupo Éxito provide drop-off points for recovery of products and materials in stores including batteries, tyres, light bulbs, pharmaceuticals and aluminium cans.

Consumer engagement: Grupo Éxito actively promotes reusable shopping bags to consumers. Packaging for private label products also includes recycling labels. Other product sustainability issues are communicated via the company's website and in-store.

Sustainable packaging established as a strategic objective through consultation with stakeholders guided by ISO 26000 and GRI. In 2015 Grupo Éxito recycled over 22,000 tonnes of waste in operations, 18,477 tonnes cardboard/paper, 1,148 tonnes of plastic, 305 tonnes of coat hangers.

Grupo Herdez

grupoherdez.mx

Mean score: 1.0



GETTING STARTED

About the company

Grupo Herdez is a leading food processor operating in Mexico and the United States, and one of the major players in ice cream.

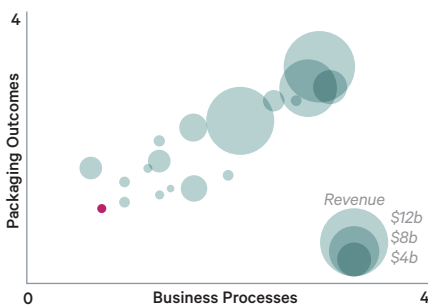
Products and services

Food products including canned vegetables, burritos, salsa, honey, spices, pasta, tuna, ice cream, juices and nectars

Countries where company operates:

Mexico and the United States

Company comparison



OVERALL PERFORMANCE

Grupo Herdez is starting to take action to reduce the environmental impacts of its packaging. Its environmental program has previously focused on reducing operational impacts including emissions and waste, but in 2017 the company is planning to undertake an organisational life cycle assessment (LCA) to identify relevant issues in its value chain. Packaging has already been improved for some product lines, for example by lightweighting, switching to more recyclable plastics or using more 'eco-friendly' inks. Some action has also been taken to improve recovery of PET packaging by partnering with a large Mexican recycler.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Grupo Herdez has an environmental policy but it does not yet specifically address packaging. In 2017 the company is planning to undertake an organisational life cycle assessment to identify the most relevant environmental impacts in its value chain.

Packaging design and processes: The 'innovation pipeline' at Grupo Herdez includes a phase when packaging is discussed in terms of availability, cost and environmental impact, but there are no specific guidelines on packaging sustainability. No information is available on the amount of packaging that has so far been assessed.

Supply chain management: Grupo Herdez considers the environmental credentials of suppliers as part of their procurement process, and evaluates supplier performance. There are no specific packaging sustainability guidelines or assessments for suppliers.

Industry leadership: Grupo Herdez is mainly focused on improving its own operations and packaging. They have, however, partnered with the biggest PET recovery organization in Mexico (ECOCE) to improve PET recycling. In 2015 the company won two Mexican sustainable packaging awards.

Packaging efficiency: Grupo Herdez has taken some limited action to improve packaging efficiency. They do not measure the amount of packaging put onto market and have not made any public commitments to improve packaging efficiency.

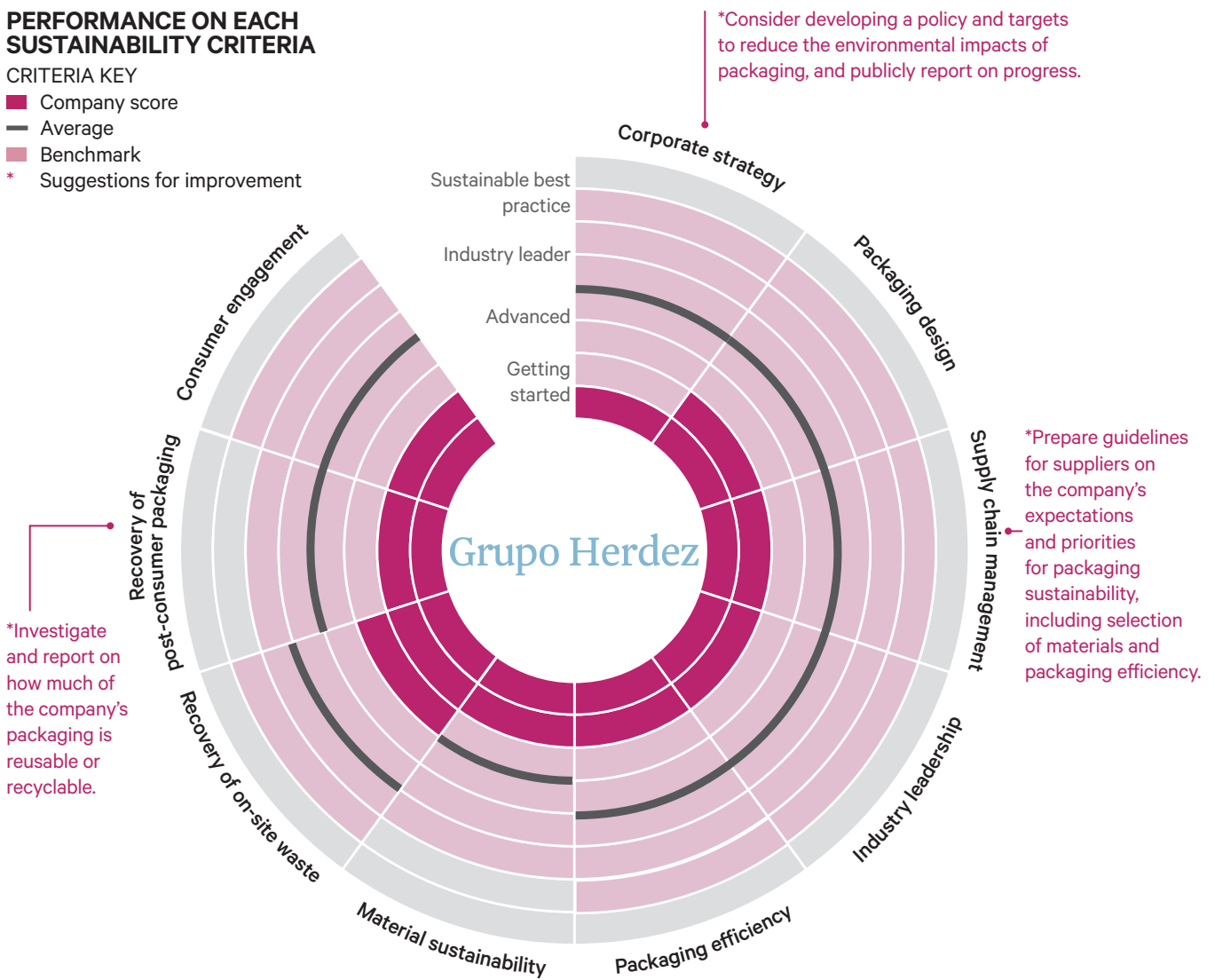
Materials sustainability: Grupo Herdez has taken some limited action to select more sustainable materials, such as using 'eco-friendly' inks in packaging. As of the end of 2015, 1% of their packaging materials were estimated to have come from renewable sources. The company is planning to replace PVC with PET.

On-site packaging recovery: Grupo Herdez measures and publically reports on the amount of waste generated and recovered. In 2015 they recycled 55% of generated waste, with a target to increase recycling by at least 5% per year. In one plant, they have achieved a 95% recycling rate through improved training and clear KPIs.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



Post-consumer packaging recovery: Grupo Herdez has partnered with a large PET recovery organisation in Mexico to increase the recovery of post-consumer packaging. The company does not currently measure the amount of their own consumer packaging that is recoverable.

Consumer engagement: Grupo Herdez includes recycling symbols on all their products and has run campaigns to encourage the reuse of packaging. They do not have a formal policy for on-pack labelling and have not engaged in any other campaigns to promote sustainable consumption.

“In our production processes we seek to use natural resources efficiently, satisfying our present needs without compromising their availability for the future, and seek a greater return of our waste in new production lines.”

Henkel AG & Co

www.henkel.com/

Mean score: 3.1



LEADING

About the company

Henkel operates in three sectors:

- 1) Laundry and home care
- 2) Beauty care
- 3) Adhesive technologies

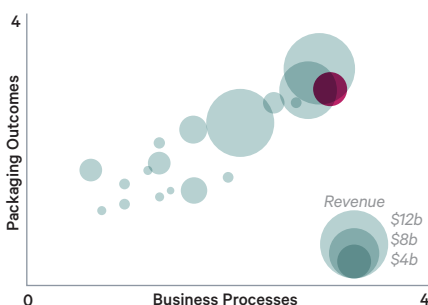
Products and services

Hair cosmetics; products for body, skin and oral care; detergents; fabric care; cleaners; sealants and surface treatments.

Countries where company operates:

Worldwide. It is headquartered in Dusseldorf, Germany.

Company comparison



OVERALL PERFORMANCE

Henkel is a global leader in packaging sustainability. It has business processes in place to ensure that environmental performance of packaging is optimised through a systematic focus on innovation, considered design and supply chain collaboration. Consumer engagement strategies recognise the importance of a life cycle approach to minimise impacts during and after consumption.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Henkel has specific, measurable targets for packaging indicators. Broader sustainability targets for 2015 were met or exceeded and new targets have been developed for 2020. Progress is monitored and reported. Sustainability is integrated into business strategy, through a clear focus on increased value for stakeholders with lower environmental footprint.

Packaging design and processes: Sustainability assessments are undertaken throughout the product/packaging development process. A careful assessment is used to identify improvements on a case by case basis, building on in-house knowledge and experience, rather than through generic guidelines. Henkel is working to ensure all packaging is recyclable and resource efficient.

Supply chain management: There is a documented supply chain management process to ensure corporate guidelines are met (including increased value with lower impact). Suppliers are audited, action is taken if non-compliant, and there is a recognition program for product innovation. Collaboration with suppliers to find sustainable solutions is integral to their approach. More than 90% of suppliers are meeting requirements.

Industry leadership: Henkel is actively involved in industry discussions and collaborative projects with industry peers, governments and others to improve packaging sustainability. Henkel acknowledges that as a large manufacturer it can and should take the lead in relevant areas of expertise, e.g. food safe packaging and child safety.

Packaging efficiency: Henkel has a target to reduce packaging relative to sales by 20% by 2020. Improvements in packaging efficiency are illustrated through many examples in their sustainability report. There is a focus on continuous improvement, recognising that packaging has not yet been optimised for all products.

Materials sustainability: The company is pursuing several strategies to improve material sustainability, including use of recyclable and/or renewable materials, recycled content in packaging, and sustainably-sourced fibre. Complex sustainability issues are well understood, e.g. through their cautious approach to bioplastics and interest in a metric for carbon footprint.

On-site packaging recovery: There is no data publicly available on the percentage of on-site packaging waste that is reused, recycled or composted. Case studies indicate that there is likely to be minimal packaging waste due to bulk delivery of ingredients, reusable packaging and recycling. Several businesses have worked with suppliers to introduce

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

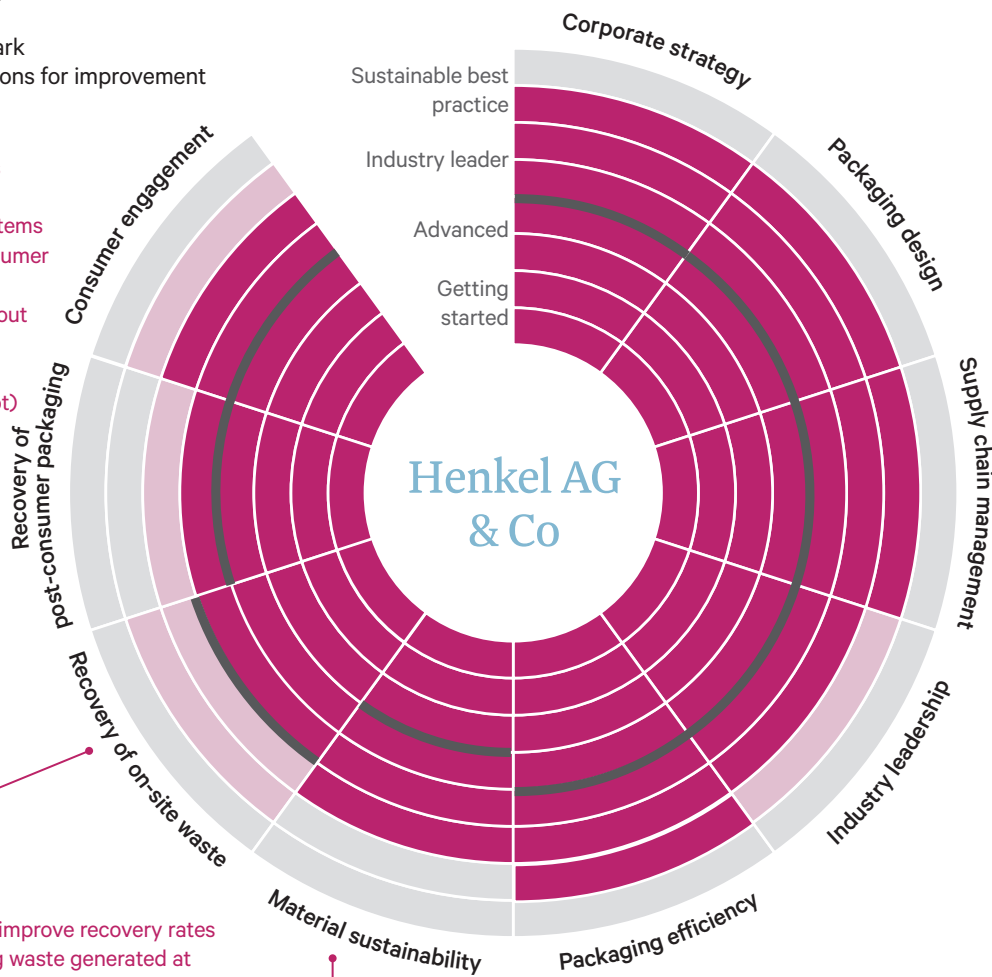
CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Investigate opportunities to improve recycling systems for post-consumer packaging in markets without an existing collective (e.g. green dot) program.

*Continue to improve recovery rates for packaging waste generated at industrial sites (factories, distribution centres & offices).

*Progressively increase the percentage of recycled PET in bottles, and extend the initiative to markets outside Europe.



‘closed loop’ packaging. The overall recovery rate for non-hazardous waste is 67% and there is a target to improve this further.

Post-consumer packaging recovery: Henkel supports regional recycling programs e.g. through the ‘green dot’ programs in Europe. In Hungary and Serbia, the company has cooperated with retailers to provide incentives for consumers to bring packaging back to stores for recycling. As far as possible packaging is designed to be recyclable (compatible with existing recycling systems), or in the case of B2B packaging, reusable.

Consumer engagement: The company is undertaking a range of initiatives to improve recycling of packaging, including labelling and information on their website. There is also a strong focus on consumer engagement in sustainable consumption, e.g. in how they use products (temperature, dosage etc).

“The Laundry & Home Care business unit introduced an improved waste management system in collaboration with its suppliers. By having suppliers take back and use the packaging material multiple times, the business unit reduced the amount of waste by 5 percent worldwide.”⁶

6. Henkel (2016) Sustainability Report 2015, <http://sustainabilityreport.henkel.com/supply-chain/production/worldwide-optimization-programs/>

Jerónimo Martins

www.jeronimomartins.pt

Mean score: 2.1



ADVANCED

About the company

Jerónimo Martins is principally engaged in the food retail sector. The business is structured in three segments: distribution, manufacturing and services.

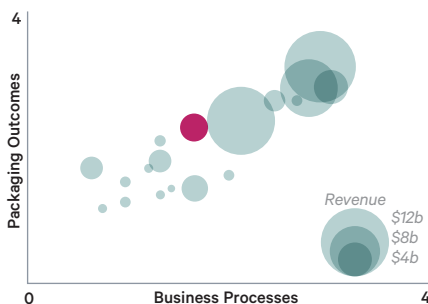
Products and services

Bakery and confectionery, olive oil, iced tea, ice cream and desserts, frozen foods, detergents and personal hygiene products.

Countries where company operates:

Portugal, Poland, Colombia

Company comparison



OVERALL PERFORMANCE

Jerónimo Martins is making excellent progress towards improving the sustainability of packaging used for their own brand products. The Ecodesign Manual, which is used to evaluate existing packaging, demonstrates a good understanding of relevant sustainability issues. Published case studies highlight some of the outcomes achieved to date.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Jerónimo Martins has a documented commitment to packaging sustainability which is also integrated into corporate strategy. The company is involved in the European Retail Environmental Action Programme (REAP), has a target to improve at least 20 products per year and is presently on track to achieve this. It is seeking to improve and extend activities to operations in other countries (e.g. Poland). Packaging sustainability is seen as a strategic opportunity by senior management.

Packaging design and processes: Jerónimo Martins has a packaging eco-design manual that is used internally and by suppliers. The methodology was developed in 2009, based on life cycle approach to packaging sustainability. The manual considers 20 criteria and is used to assess a limited number of own brand products each year but only after the product has gone to market (not yet implemented during product development). Jerónimo Martins is presently experimenting to identify opportunities for improvement in design processes.

Supply chain management: There is no specific consideration of sustainability during procurement, but they have strong engagement with suppliers through workshops and training to meet sustainability targets.

Industry leadership: Jerónimo Martins participates in the Retail Forum with other companies and the European Commission to support the EAP and circular economy goals. The company has engaged all fruit and vegetable suppliers in an initiative to use only FSC cardboard boxes. They are continuously exploring innovation possibilities and actively following through on these, e.g. reducing weight of own brand wine bottles.

Packaging efficiency: Jerónimo Martins has successfully reduced the amount of packaging going to market. This progress is continuously monitored and reported on publicly. The company has a publication of case studies where improvements have been made and a list of planned initiatives for the future. There are no specific measurable and time related targets to optimise packaging (only high level commitments).

Materials sustainability: The Ecodesign manual spells out material criteria including recycled materials, renewable materials and avoiding hazardous substances. There are no formal policies or targets, but there is engagement with suppliers that encourages and tracks FSC certification (EU only). An informal (non-public) target exists to remove PVC from all packaging. Jerónimo Martins complies with EU legal requirements but is still in the early stages of taking the same standards and initiatives to Colombia which does not have the same laws.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

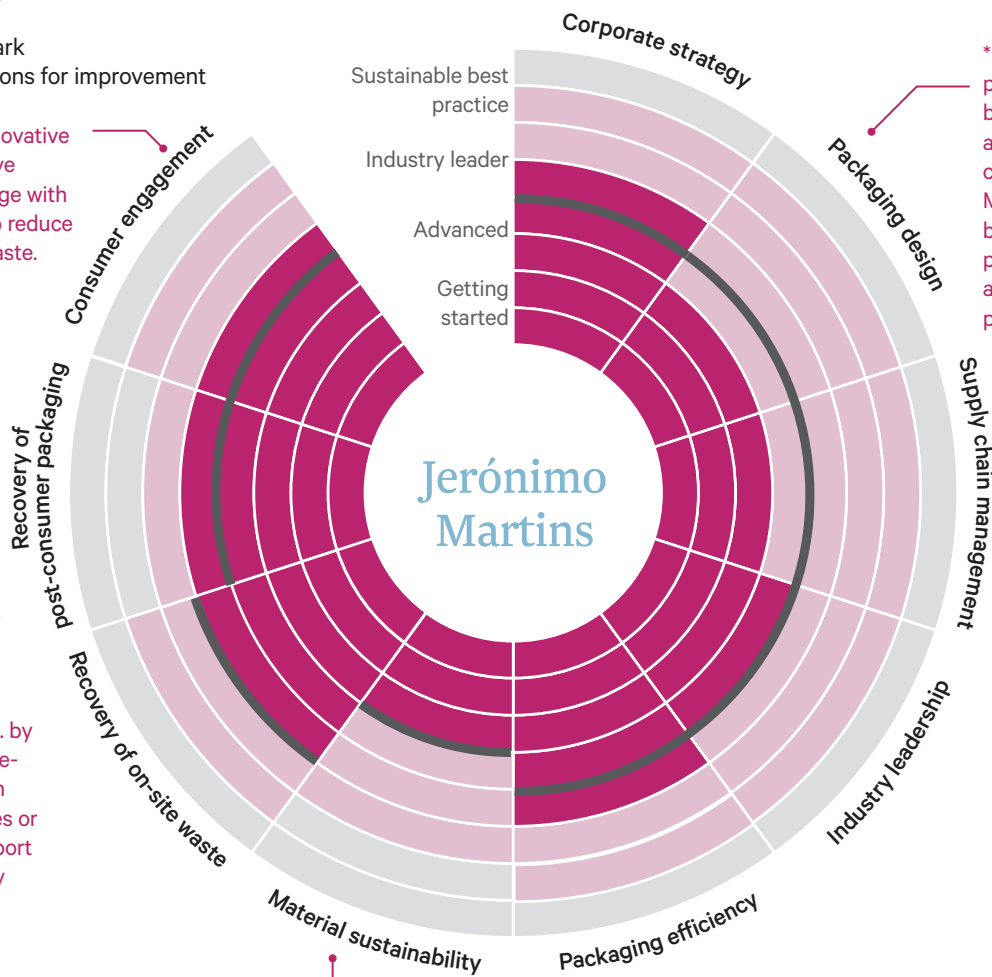
- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Consider innovative and alternative ways to engage with consumers to reduce packaging waste.

*Investigate opportunities to support packaging recycling in Columbia, e.g. by offering a take-back program through stores or financial support for third party recyclers.

*Require that all new packaging for own brand products is assessed against the criteria in the Ecodesign Manual, for example by including eco-design principles during design and procurement procedures.

*Develop a more specific set of targets for packaging to support implementation of the Ecodesign Manual, e.g. % of recycled material or FSC certified material in packaging, with a preference for biodegradable, renewable or recyclable materials.



On-site packaging recovery: There is a target to reduce waste to landfill and they are already achieving a high diversion rate (81.9%). Waste is tracked and reported in all countries of operation.

Post-consumer packaging recovery: All packaging is designed to be recyclable. In Portugal, most stores have a recycling collection for small packaging components. There is financial support for third party recovery operations where this is a legal requirement (Europe).

Consumer engagement: Standard international labelling is applied to products where size of items allows for this (>90% of products). Jerónimo Martins' commitment to labelling is documented in the Ecodesign Manual. There is in-store

communication to customers about general sustainability issues like food waste and energy. A number of ecolabels are used on some products, e.g. MSC, FSC etc. They have considered the option to include further information on packaging, but identified information-overload as a barrier.

“Having an effective sustainability strategy implies changing internal practices but also encouraging our suppliers to adopt more responsible processes. Both parties have been striving to improve the eco-efficiency profile of the packaging.”

Marico

www.marico.com

Mean score: 1.4



GETTING STARTED/ADVANCED

About the company

Marico produces wholesale beauty and wellness products.

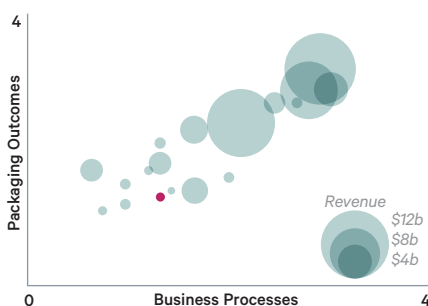
Products and services

Marico is a leading Indian company in consumer products and services in the global beauty and wellness sector. The company markets well-known brands such as Parachute, Saffola, Sweekar, Hair&Care, Nihar, Shanti, Mediker, Revive, Kaya, Sundari, Aromatic Fiancee and HairCode.

Countries where company operates:

Marico is present in the skin care services business through Kaya Limited, which has approximately 47 skin care clinics in India and the UAE; Sundari LLC (US), the owner of the Sundari line of luxury Ayurvedic skin care products. The company's branded products are also present in Bangladesh, other SAARC (South Asian Association for Regional Cooperation) countries, the Middle East and Egypt.

Company comparison



OVERALL PERFORMANCE

Marico has reported packaging efficiency measures that have resulted in savings. The company actively engages with suppliers and are exploring opportunities for introducing more sustainable packaging materials. However, the company's sustainability policy is not packaging specific and there has been no engagement to date with consumers on packaging sustainability.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Marico has a sustainability policy but it is not packaging specific. The company informally uses a global database for target setting and reviews materials, processes, etc annually. Marico is looking into the potential of improved sustainability from new packaging materials.

Packaging design and processes: There are design processes and guidelines in place to reduce plastic usage. Some product packaging is designed to meet the guidelines, but many legacy products are not.

Supply chain management: Marico holds quarterly meetings with suppliers and encourages suppliers to use more sustainable materials. The company gives highly specific requirements to suppliers on what the company needs to deliver, although the guidelines appear to be informal.

Industry leadership: Marico has had some engagement with stakeholders in the industry, for example, the company supported Industry bodies to promote plastic collection and reuse and is taking an interest in government policy around laminates. The company has a good understanding of the barriers to packaging sustainability within the industry.

Packaging efficiency: Marico has achieved reductions in packaging materials over several years, benchmarked against industry norms. The company uses Finite Element Analysis on products to prevent overuse of materials.

Materials sustainability: Action has been taken to move from PVC to PET and the company has further informal plans to look into new and better materials.

On-site packaging recovery: Marico has achieved a 100% recycling rate for onsite waste, however there is no evidence that this is monitored or reported.

Post-consumer packaging recovery: The company has not proactively engaged with this however, the local industry of waste sorting in India leads to a large amount of recovery.

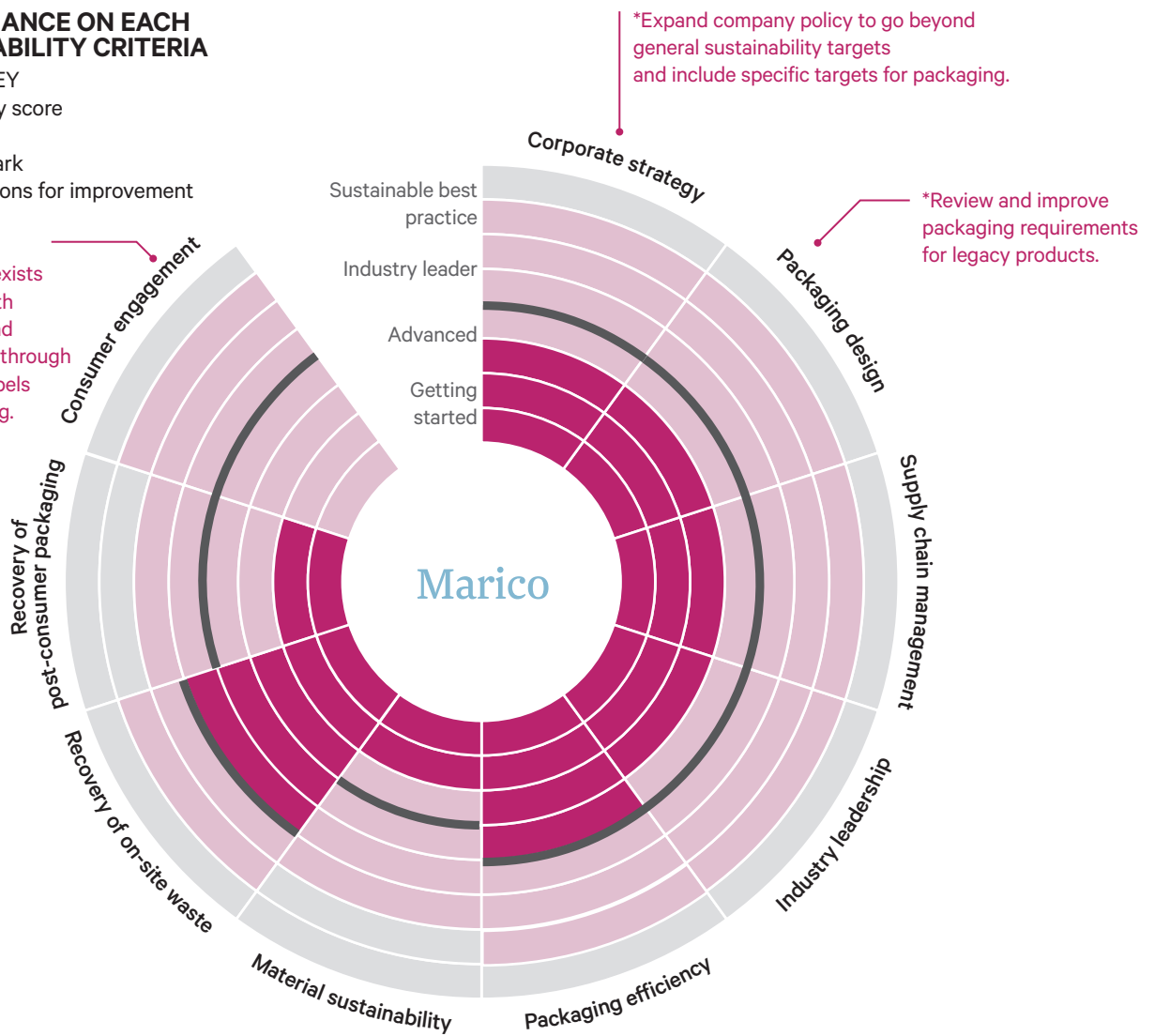
Consumer engagement: There has been no consumer engagement on packaging sustainability to date.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*A significant opportunity exists to engage with customers and stakeholders through packaging labels and marketing.



Overall eight projects were completed in last two years for design optimisation which has helped save 260 MT of packaging material. Marico has also successfully replaced PVC with PET (Polyethylene Terephthalate). Bottles are now 7% lighter and caps are 2% lighter than the nearest benchmark company. Marico packaging is 7% lighter (bottles) and 2% lighter (caps) compared to the nearest benchmark.

Natura

www.natura.com.br

Mean score: 2.8



LEADING

About the company

The company and its subsidiaries' activities include the development, production, distribution and sale of cosmetics, fragrances, and hygiene products. The Company also holds equity interests in other companies in Brazil and abroad.

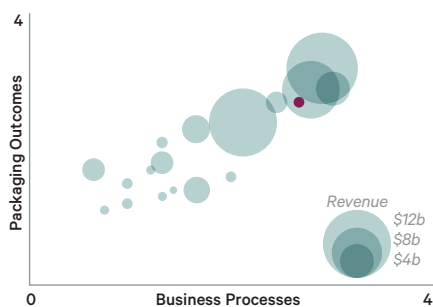
Products and services

Beauty products, household and personal care, skin care, solar filters, cosmetics, perfume and hair care products.

Countries where company operates:

Seven countries in Latin America, including Brazil, Argentina, Chile, Colombia, Mexico, Peru and France.

Company comparison



OVERALL PERFORMANCE

For a small company, Natura is showing excellent leadership in packaging sustainability through a wide range of internal and external initiatives.

The company has clear goals and specific targets for packaging including increased use of recycled, recyclable and renewable materials. Prototypes for new packaging are only approved after undergoing an environmental assessment. Natura is also moving to full traceability in their supply chain for products and packaging. The company is actively engaged in the development of post-consumer packaging recovery systems in Brazil, Columbia and Argentina. Detailed on-pack labels provide consumers with information on broad product sustainability metrics and recyclability.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Natura has a documented commitment to sustainable packaging with clear targets for 2020. Performance against these policies and targets is monitored quarterly and publically reported annually. Progress is being made towards most of the reported targets.

Packaging design and processes: Natura has incorporated packaging sustainability into its new product development procedures. Prototypes are only approved after environmental impacts have been assessed. Almost 100% of products have been through a lifecycle assessment (LCA) evaluation.

Supply chain management: Natura actively engages with suppliers and provides guidelines on packaging sustainability. The company has a supplier development program which includes environmental indicators, and leads to developing action plans for suppliers. The company has implemented a pilot project to audit social-environmental externalities of key suppliers and have a goal of developing 100% traceability of supply chains and rigorous social-environmental verification processes.

Industry leadership: Natura is working with industry peers, government stakeholders and collectors to improve collection and recycling systems for post-consumer packaging in Brazil, Columbia and Argentina. The company wants to play a leading role in sustainable development, participating in the formulation of public policies and identifying collective solutions aimed at "promoting the common good above the development of our own business".

Packaging efficiency: Natura's public packaging sustainability goal includes reducing material use in packaging as much as possible. The company measures and report the percentage of their packaging that meets their defined 'eco-efficient' criteria, achieving 26% in 2015. As an example, the company was the first Brazilian company to launch compact aerosols, which use 60% less aluminium.

Materials sustainability: Natura's public packaging sustainability goal includes progressively increasing the use of post-consumer recycled (PCR) and/or renewable materials in packaging. The company has a target to use at least 10% PCR materials in total packaging mass and report progress against this (2.9% in 2015). The company has taken action to select more sustainable materials including using post-consumer

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

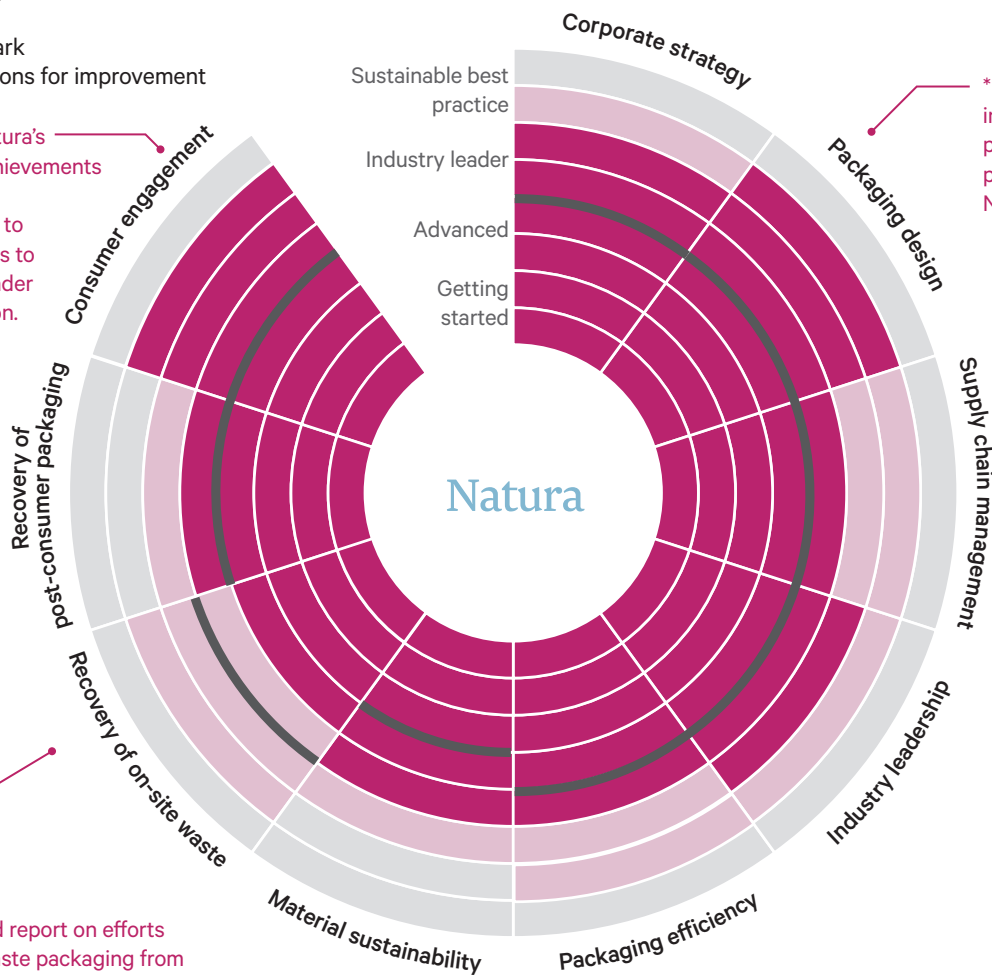
CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Promote Natura's goals and achievements in packaging sustainability to industry peers to promote broader transformation.

*Extend successful innovations in packaging to other products in the Natura range.

*Measure and report on efforts to recover waste packaging from factories and distribution centres.



recycled PET and replacing conventional PE with Green PE (sugarcane-based). Guidelines include avoiding BPA and PVC.

On-site packaging recovery: Natura has a long-term goal to produce zero onsite waste. The company measures the amount of waste (including packaging) generated onsite and are attempting to reduce it.

Post-consumer packaging recovery: Natura aims to use at least 74% recyclable material in the total mass of their packaging (57.5% in 2014), and to collect and recycle at least 50% of the total packaging put onto the market. A recovery pilot using reverse logistic collected 306 metric tons of Waste. Natura is also working with external stakeholders to improve systems for post-consumer packaging recovery. Long-term the company aims to collect more packaging than it generates.

Consumer engagement: Natura has a documented commitment to engage consumers in sustainability. The company currently uses on-pack ecolabels which include

recovery advice as well as the performance of both the product (e.g. proportion renewable materials and certified) and the packaging (eg. proportion from recycled material, and proportion recyclable). Natura consultants encourage consumers to consciously consume and recycle. The company is planning a strategy to mobilise consumers further.

“We will favour collective solutions aimed at promoting the common good above the development of our own business, driving advances for the company, the community and society as a whole.”⁷

PZ Cussons

www.pzcussons.com

Mean score: 1.3



GETTING STARTED/ADVANCED

About the company

The principal activities of the Group are the manufacture and distribution of soaps, detergents, toiletries, beauty products, pharmaceuticals, electrical goods, edible oils, fats and spreads and nutritional products.

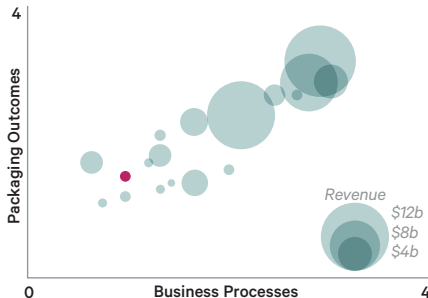
Products and services

Personal and household cleansing products.

Countries where company operates:

Nigeria, Ghana, Kenya, Indonesia, Thailand, Australia, New Zealand, Middle East, UK, Greece, Poland.

Company comparison



OVERALL PERFORMANCE

PZ Cussons is implementing an environmental improvement plan that aims to reduce carbon impacts, water use and waste. While there is currently no formal plan or targets for packaging, the company is continually looking for opportunities to improve efficiency through lightweighting and elimination of unnecessary components. A 10% reduction in packaging weight was achieved between 2012 and 2015. A packaging sustainability policy will be developed in 2017 to formalise the company's commitments in this area.

COMMENTS ABOUT EACH CRITERIA:

Corporate strategy: PZ Cussons is committed to reducing the environmental impacts of its packaging and in 2017 intend to create a Packaging Sustainability Policy with annual targets. The company currently only provides a general overview of progress on packaging sustainability in the annual report.

Packaging design and processes: Sustainability is a consideration in PZ Cusson's new product development process, however there are no specific packaging sustainability guidelines in place. Some of the current product line has been designed to improve packaging sustainability, and this is an ongoing process through the Global PZC Packaging Logic project, which looks for opportunities to lightweight or reduce packaging across the global packaging portfolio.

Supply chain management: PZ Cussons has a general commitment to reduce the environmental impacts of its packaging but does not currently provide specific targets or guidelines to suppliers as part of its procurement process. This will be considered in the development of the Packaging Sustainability Policy.

Industry leadership: PZ Cussons is currently focused on improving its own operations and packaging. There is little evidence that the company is participating in broader industry or government initiatives, but this is being considered in the development of the Packaging Sustainability Policy.

Packaging efficiency: PZ Cussons measures the amount of packaging it puts onto market, but only in the UK where it is regulated. The company does not currently have a documented policy or targets for optimising efficiency. The company is taking some action to improve packaging efficiency in different markets, and reduced the weight of packaging by 10% between 2012 and 2015.

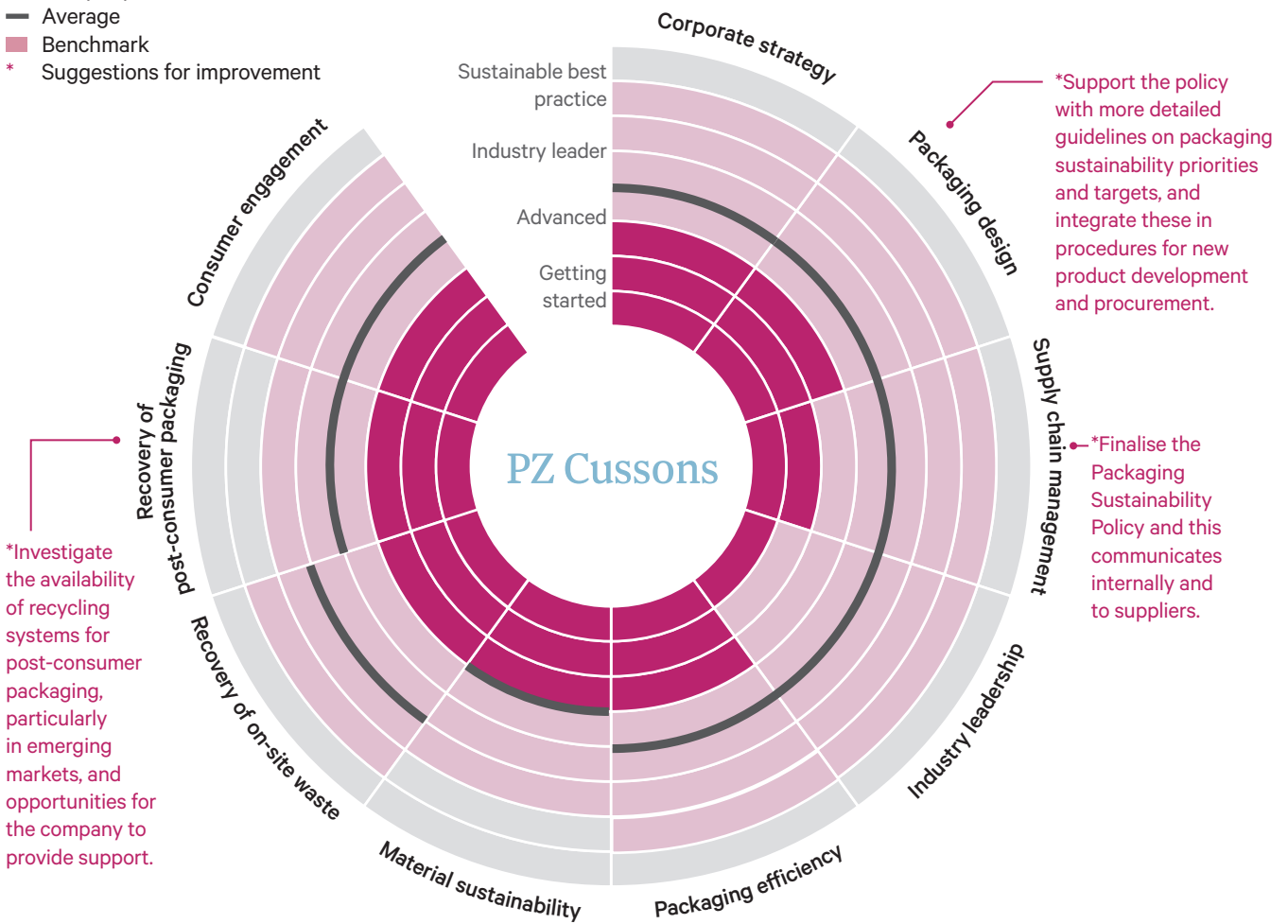
Materials sustainability: PZ Cussons is taking some action to select more sustainable materials for its packaging, such as using post-consumer recycled instead of virgin PET in Indonesia and Asia, and moving from PVC to PET in Kenya. The company does not currently have a documented policy or targets for improving material sustainability. The company complies with all applicable regulations.

On-site packaging recovery: PZ Cussons measures the proportion of onsite packaging waste that is recovered, and monitors against targets, but only in the UK; not currently in Africa or Asia. Most onsite packaging waste is recovered in the UK but only some in Asia and Africa. There

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



is no data on the percentage of packaging or total waste recovered in public reports.

Post-consumer packaging recovery: PZ Cussons does not currently have a documented policy or targets for improving recovery of post-consumer packaging, although this will be considered in the proposed Packaging Sustainability Policy. The company has made some effort to use recoverable packaging, with most packaging being recyclable and some reusable. It participates in packaging recovery programs where regulated, e.g. in the UK.

Consumer engagement: PZ Cussons provides some advice to consumers on appropriate disposal or recycling of packaging through on-pack labels in some regions. The company does not have a documented policy or targets for engaging consumers in packaging sustainability.

“Since 2012 we have been working on a three-year Improvement Plan to reduce the business’s carbon, water, waste and packaging usage. We have reduced absolute carbon by 25%, absolute water by 24% and absolute waste by 29% in 3 years, most exceeding expectation. Reductions and changes were also made to our packaging through our ‘right by design’ philosophy where we focused on light-weighting, optimising structural and material design and eliminating any unnecessary packaging.”

Shoprite

www.shoprite.co.za

Mean score: 1.3



GETTING STARTED

About the company

The Company, through its subsidiaries, constitutes a fast moving consumer goods (FMCG) retail operation on the African continent. The Company's primary business is food retailing. The Company's various chains operate a total of 1166 corporate stores in 16 countries, all integrated electronically into a central data base and replenishment system.

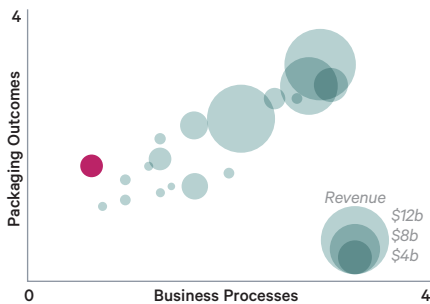
Products and services

Fast moving consumer goods.

Countries where company operates:

Angola, Botswana, Democratic Republic of Congo, Ghana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Uganda, Zambia.

Company comparison



OVERALL PERFORMANCE

Shoprite's environmental improvement program is focused on initiatives that reduce costs across the supply chain. For packaging this includes working with suppliers to reduce size and material thickness wherever possible and replacing expensive corrugated boxes with returnable transit packaging. Recycled material is used in convenience food cartons and sleeves as well as the Checkers checkout bag. Another priority is waste reduction in distribution centres. A flagship project at the Centurion facility includes source separation of recyclable packaging and installation of balers to efficiently recover cardboard, paper and plastic.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Shoprite's sustainability includes packaging and the company is starting to take action with a focus on initiatives that reduce packaging or supply chain costs. There are however, no references to documented commitments, policies or targets relating to packaging sustainability. The company does not report data on their progress on packaging sustainability.

Packaging design and processes: Shoprite reports it is "systematically working through [their] products to identify and implement changes". This appears to be undertaken by benchmarking against international best practice. There is no public information on how this is being achieved.

Supply chain management: Shoprite is working with suppliers to reduce supply chain costs through reductions in packaging, including through light weighting and returnable transit packaging. The company reports that it "work[s] with [their] suppliers to reduce packaging as far as possible" and provide examples of initiatives. There are however, no references to documented packaging sustainability guidelines, checklists or strategies to systematically engage with suppliers.

Industry leadership: Shoprite does not have any public information about actions to promote packaging sustainability beyond its own operations and supply chain.

Packaging efficiency: Shoprite is taking action to improve packaging efficiency and has published several case studies that demonstrate improvements. There are however, no references to documented policies or targets relating to optimising packaging efficiency.

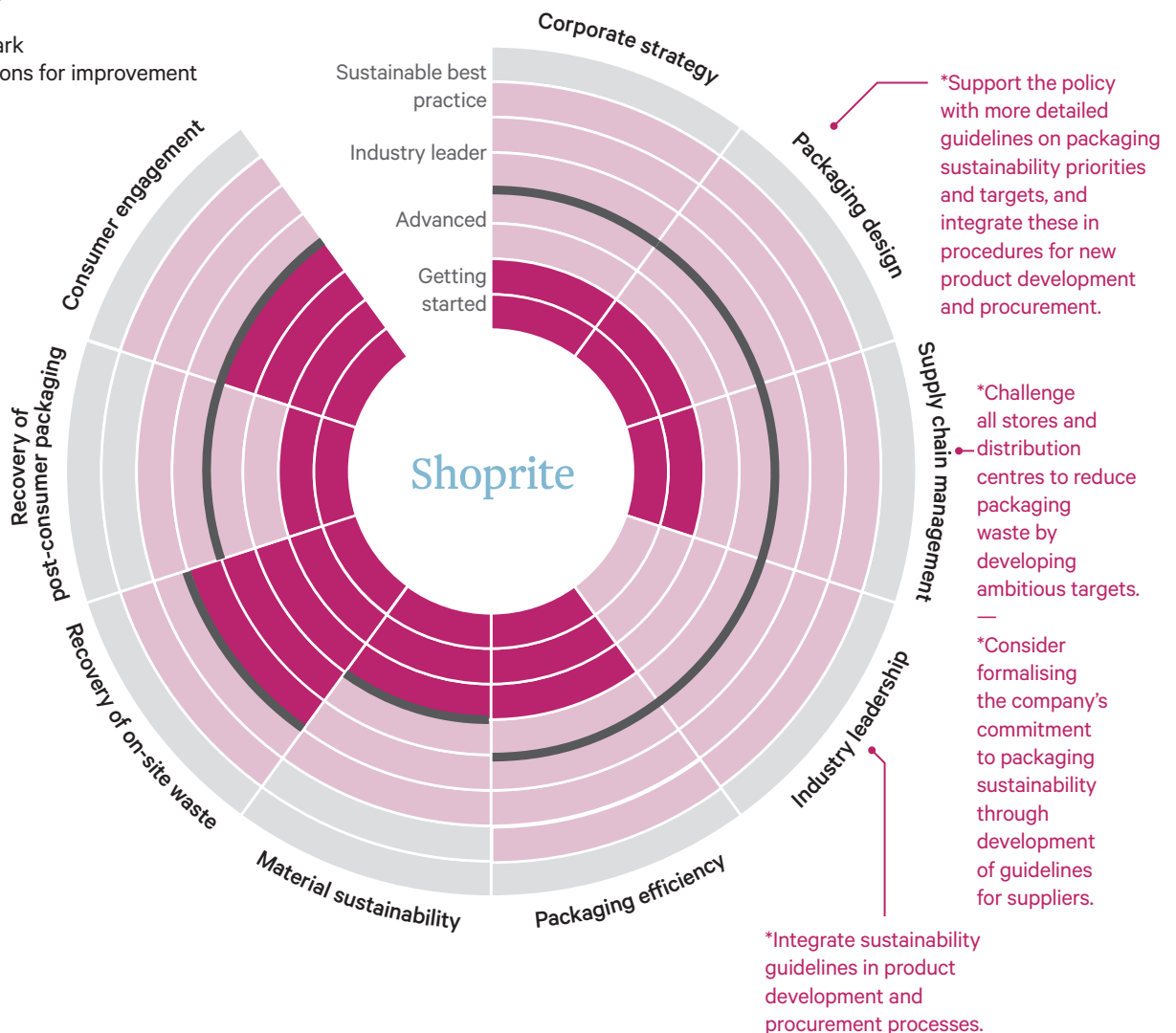
Materials sustainability: Shoprite is taking some action to improve the sustainability of materials used in packaging by increasing recycled content. For example, all convenience food cartons and sleeves are from recycled material and the Checkers retail shopping bag is made from a minimum of 75% post-consumer waste. There are however, no references to documented policies or targets relating to material sustainability issues.

On-site packaging recovery: Shoprite has a zero-to-landfill approach within their distribution operations, which forms part of their reverse logistics strategy. An example is the installation balers in the Centurion distribution centre that will process cardboard, paper and plastic. There is no publicly available information on their recovery rate for solid waste or used packaging.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



Post-consumer packaging recovery: Shoprite has publicly indicated that it aims to increase the recyclability of its consumer packaging. The company does not however, report the proportion of packaging which is recyclable, or actual recovery rates. This is no indication that the company has taken any action to improve systems for collection and recycling.

Consumer engagement: Shoprite is working to ensure that all packaging includes relevant recycling and material identification labels. There is no publicly available information on actions to engage consumers on other sustainability issues, e.g. food waste, through their packaging.

“We work with our suppliers to reduce packaging as far as possible. This creates a cost saving, as well as reduction in virgin material used and ultimately avoids post-consumer waste to landfill. And we are constantly seeking opportunities to reduce waste through collaboration with our suppliers such as shelf-ready packaging.”

Tesco

www.tesco.com

Mean score: 2.4



LEADING/ADVANCED

About the company

Tesco is one of the world's leading international retailers with headquarters in the United Kingdom. The company's principal activity is food retailing, with more than 2,500 stores worldwide.

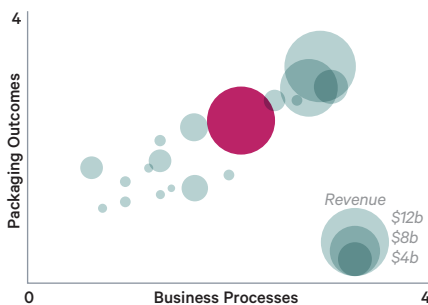
Products and services

Food and non-food products; electricals, home entertainment, clothing, health and beauty, stationery, cookshop and soft furnishings, and seasonal goods such as barbecues and garden furniture.

Countries where company operates:

UK, the Republic of Ireland, Hungary, Poland, the Czech Republic, Slovakia, Turkey, Thailand, South Korea, Malaysia, Japan, China and the US.

Company comparison



OVERALL PERFORMANCE

Tesco has made a concerted effort to understand and quantify the complex trade-offs that often need to be made when optimising packaging sustainability. The company has a company-wide strategy to focus on food waste minimisation and to be zero carbon by 2050. The company employs sophisticated data analytics to measure and report on packaging consumption and has shown good progress against meeting these targets. The company scored highly on several industry leadership metrics but could be more transparent with public reporting on both setting packaging sustainability targets and showing progress against targets. Tesco is innovating in a number of areas and has started to realise the benefits of systematic collaboration and better communication across the company for achieving packaging sustainability.

COMMENTS ABOUT EACH CRITERIA:

Corporate strategy: Tesco has a number of policies and targets to improve packaging sustainability, although these are not publicly available and little documented progress against targets could be found online. The company has recently undertaken a large initiative to reduce food waste through the use of packaging. This supports their aim to be zero carbon by 2050. Annual progress towards targets is monitored and data is collected on weight of material, carbon impact and the % of recycled plastic content within the packaging.

Packaging design and processes: Environmental impacts are considered during packaging design. Food waste minimisation is identified as a priority for meeting future packaging sustainability targets. Most products meet Tesco environmental guidelines for packaging. Tesco has a team dedicated to looking directly at packaging that covers: technology, safety, legal requirements, quality and commercial value. For example, the team intercepted and stopped fish lines using polystyrene to transport fish – 654 tonnes of polystyrene were avoided.

Supply chain management: Tesco chooses to work closely with strategic suppliers where it has particular influence. Tesco has implemented a packaging training course including a sustainability module for suppliers. This is run 5-6 times per year to an audience of 30 at a time. Most suppliers are meeting Tesco packaging guidelines.

Industry leadership: Tesco is a member of a number of external packaging bodies including INCPEN and WRAP. The company is represented as a board member on the Packaging Society which can influence the thinking of the industry. Representatives attend both government and non-government meetings. In the past, Tesco has worked with ENV23 and PRAG on the recycling of plastics.

Tesco was the first Irish retailer to recycle all in-store packaging. The company has recently won two highly commended awards. One was for innovative chicken packaging saving food waste, and the other was for fresh soup packaging design. Tesco also support their suppliers to enter for awards and several have won awards.

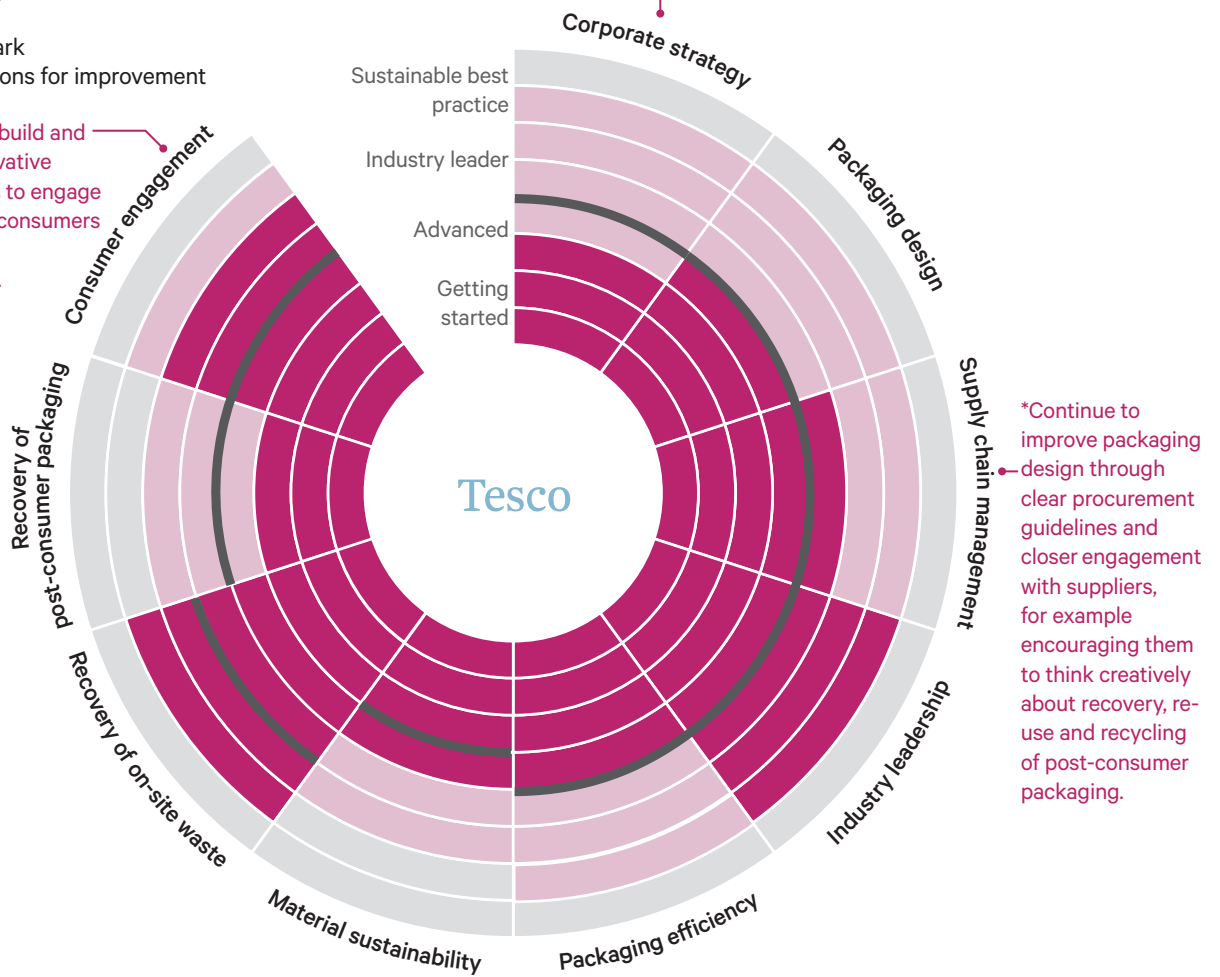
PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Continue to build and develop innovative opportunities to engage and educate consumers on packaging sustainability.

*Improve transparency by providing more information on packaging sustainability policies and targets and progress towards meeting these targets on the Tesco website and public reports.



Packaging efficiency: Tesco measures the quantity of packaging put on the market but this does not appear to be publicly reported. There has been a year on year decline in packaging weight per unit gram of product. This is considered a better measure to control for fluctuations in sales volume.

Materials sustainability: Tesco has a number of policies and targets to improve material sustainability. These include reducing use of PVC and polystyrene, increasing recycled content and sourcing FSC certified board. This is not driven by legal requirements but driven by ‘doing what is right.’

Over 99% of all products are free from PVC and polystyrene and the company is committed to identifying and working with suppliers to find alternative materials that will do the same job. Tesco is in the process of developing a packaging database for calculating the carbon impact of packaging due to be completed by March 2017.

On-site packaging recovery: Tesco does not send any packaging waste to land fill. 100% is reused or recycled. The company has identified an opportunity to improve the quality of recycling. Getting waste in the correct bin will reduce material contamination and improve reuse and recyclability.

Post-consumer packaging recovery: Recyclability is considered in the design process for packaging. Tesco also provides recycling bins for their customers at their larger stores. There is a trend for more innovative designs that will allow consumers to re-use packaging but this is only just beginning. (e.g. laundry liquid refills)

Consumer engagement: Tesco uses WRAP’s On-Pack Recycling Label on almost all packaging to indicate whether it can or cannot be recycled. Some packaging also includes information for consumers on reducing food waste, e.g. store potatoes in a dark room.

Tiger brands

www.tigerbrands.com

Mean score: 1.9



ADVANCED

About the company

The Company is a manufacturer of branded food products in sub-Saharan Africa, as well as home care, personal care and baby care products.

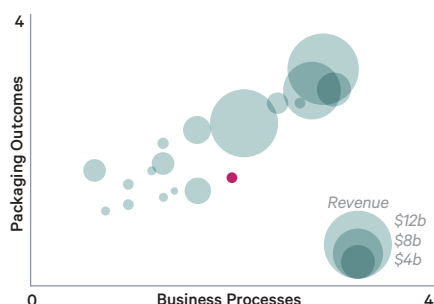
Products and services

Major food brands; personal care, baby care and home care brands; branded, prescription and generic medicines, as well as consumer well-being brands; and medicine delivery, blood, renal, diagnostic and other hospital products.

Countries where company operates:

Nigeria, Cameroon, South Africa, Zimbabwe, Kenya, Ethiopia, Chile, Peru.

Company comparison



OVERALL PERFORMANCE

Tiger Brands' environmental policy includes a commitment to reduce the environmental impact of packaging, with a target to reduce packaging weight per ton of product by 3% each year. A significant reduction was achieved between 2013 and 2015 (35%). Life cycle assessment (LCA) is being used to understand and measure the environmental impacts of products and packaging. Tiger Brands is involved in industry initiatives to improve recovery systems for post-consumer packaging including the Multilayer Packaging Forum and The Glass Recycling Company.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Tiger Brands has a clear and public commitment to sustainable packaging in its environmental policy. They have specific targets for packaging including a 3% reduction in packaging use and carbon impact between 2013 and 2016, and these targets were met for the past two years. Other measures include the number of packaging projects being implemented (waste minimisation, innovations and partnerships) and cost savings from innovations.

Packaging design and processes: There is some consideration of environmental issues in design, particularly packaging efficiency. The company uses life cycle assessments (LCA) to understand packaging impacts and has asked its suppliers for more information on their environmental policies and progress.

Supply chain management: Tiger brands works closely with packaging suppliers to identify opportunities for improvement using LCA. These assessments have led to a number of improvements. There is no information available on mandatory minimum performance criteria for packaging although environmental impacts are monitored,

Industry leadership: Tiger Brands actively engages in a number of sector-wide initiatives to improve packaging sustainability and achieve broader transformation. For example, the company is a founding member of the Multilayer Packaging Forum, which is developing recycling initiatives for multilayer packaging.

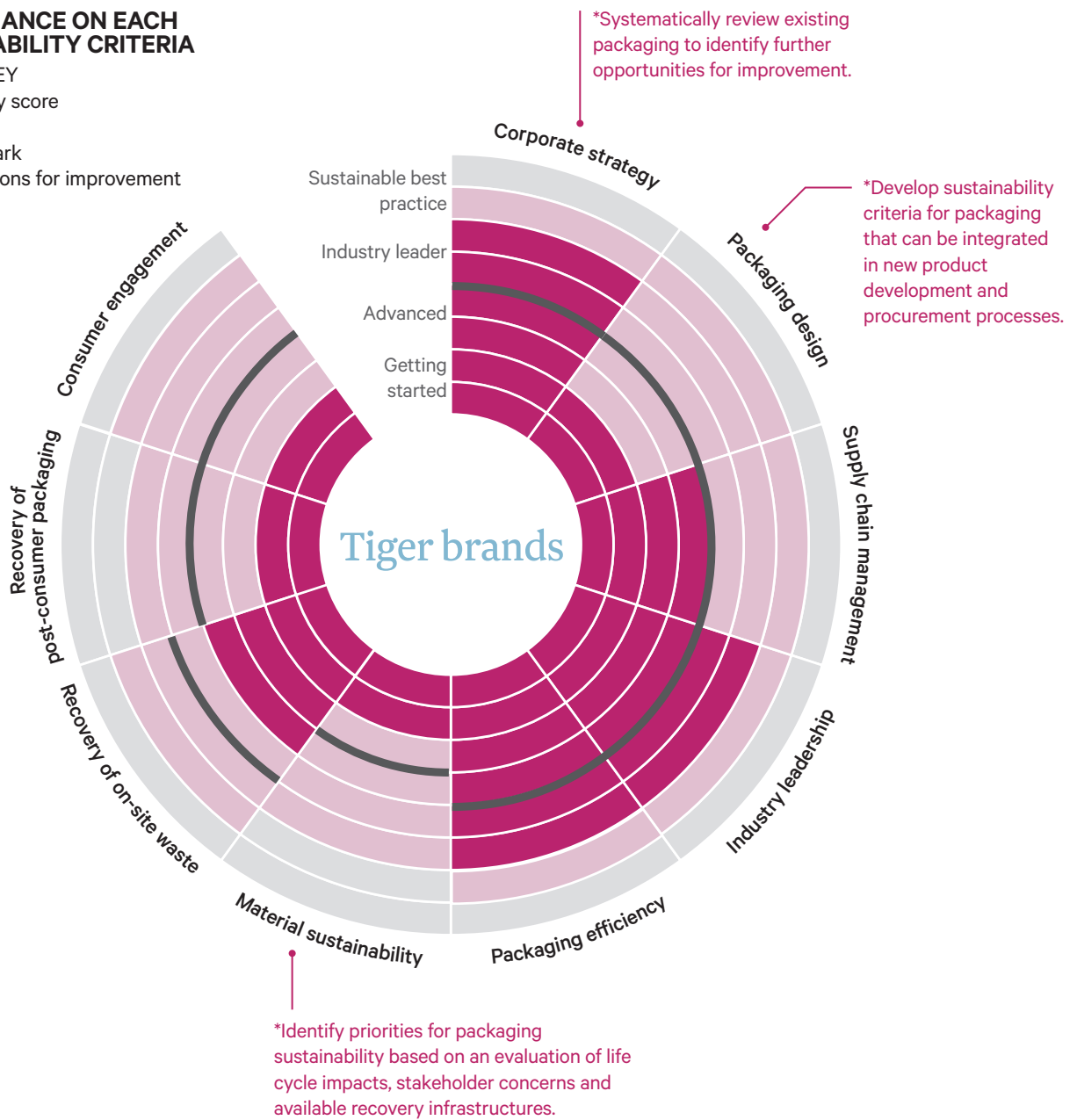
Packaging efficiency: Tiger Brands has a target to reduce total packaging weight by 3% each year between 2013 and 2016. By 2015 consumption had fallen by 35%. Packaging efficiency is a priority for cost reasons and to reduce total environmental impacts (measured as life cycle carbon emissions). The company has published case studies demonstrating improvements.

Materials sustainability: Tiger Brands has a commitment to use materials from sustainably managed, renewable resources while considering packaging and product performance requirements. The company stopped using oxo-degradable polyethylene bread bags in 2012 in response to feedback that recyclable PE bags could be recovered through an existing recycling system.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



On-site packaging recovery: Tiger Brands has a target for reducing overall waste, and a goal of zero waste to landfill for on-site waste through waste avoidance, recycling and energy recovery. Waste per ton of production fell by 50% between 2013 and 2015. The recovery rate is not reported.

Post-consumer packaging recovery: Tiger Brands is a founding member of the Multilayer Packaging Forum, a group responsible for developing recycling initiatives for multilayer packaging. This is consistent with the company’s desire for self-regulation. The company is also a shareholder in The Glass Recycling Company, which was established to improve the recycling rate for glass packaging through improved collection infrastructure and community education.

Consumer engagement: Tiger Brands is taking some actions to encourage consumers to recycle. It is a shareholder and board member of The Glass Recycling Company, which has an active campaign to increase glass bottle recycling through community and school education programs.

Unilever

www.unilever.com

Mean score: 3.0



LEADING

About the company

Unilever is one of the world's largest suppliers of fast moving consumer goods. The company is headquartered in London and employs over 170,000 people.

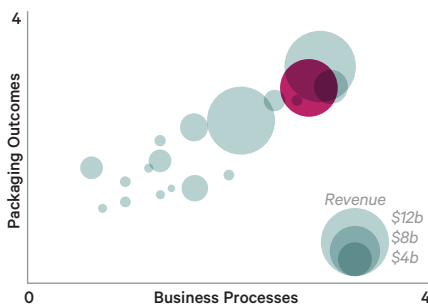
Products and services

Foods, detergents, home care and personal care products.

Countries where company operates:

190 countries.

Company comparison



OVERALL PERFORMANCE

Unilever is an industry leader in product and packaging sustainability. The company has a comprehensive sustainability plan that includes ambitious targets, a range of decision-support tools for design and procurement, and a focus on product-packaging innovation. It aims to achieve transformational change by promoting new ideas and technologies to its peers, and through global collaboration on issues such as deforestation.

COMMENTS ABOUT EACH CRITERIA

Corporate strategy: Unilever has a target to halve the environmental footprint of their products (including packaging) between 2010 and 2020. Progress is measured and reported annually. By 2015 the footprint had reduced by 29% and there is a strong focus on continuous improvement. Sustainability is viewed as a source of innovation and growth for the business.

Packaging design and processes: Significant progress has been achieved towards the targets in the Sustainable Living Plan. Targets include reducing packaging, increasing recycled content and eliminating PVC. Optimisation and SLP targets are considered each time the company designs new packaging

Supply chain management: Unilever is rolling out a Responsible Sourcing Policy and 270 suppliers met the self-assessed criteria in 2015. There is a strong focus on reducing deforestation through sourcing paper and board from certified or recycled sources.

Industry leadership: Unilever recognises that sustainability contributes to business success through more growth more trust, lower costs and less risk. It aims to achieve transformational change through its own operations and by sharing knowledge with industry peers and government. Company personnel are involved in multiple collaborations at national and global levels.

Packaging efficiency: Packaging use is monitored and reported. Product-packaging systems are redesigned to improve efficiencies, e.g. through concentrates. Annual reports and the website highlight achievements in reducing material consumption and product waste (e.g. through residue that is thrown away with the packaging). An innovative metric that combines packaging weight, product residue and recycling levels is used to monitor progress.

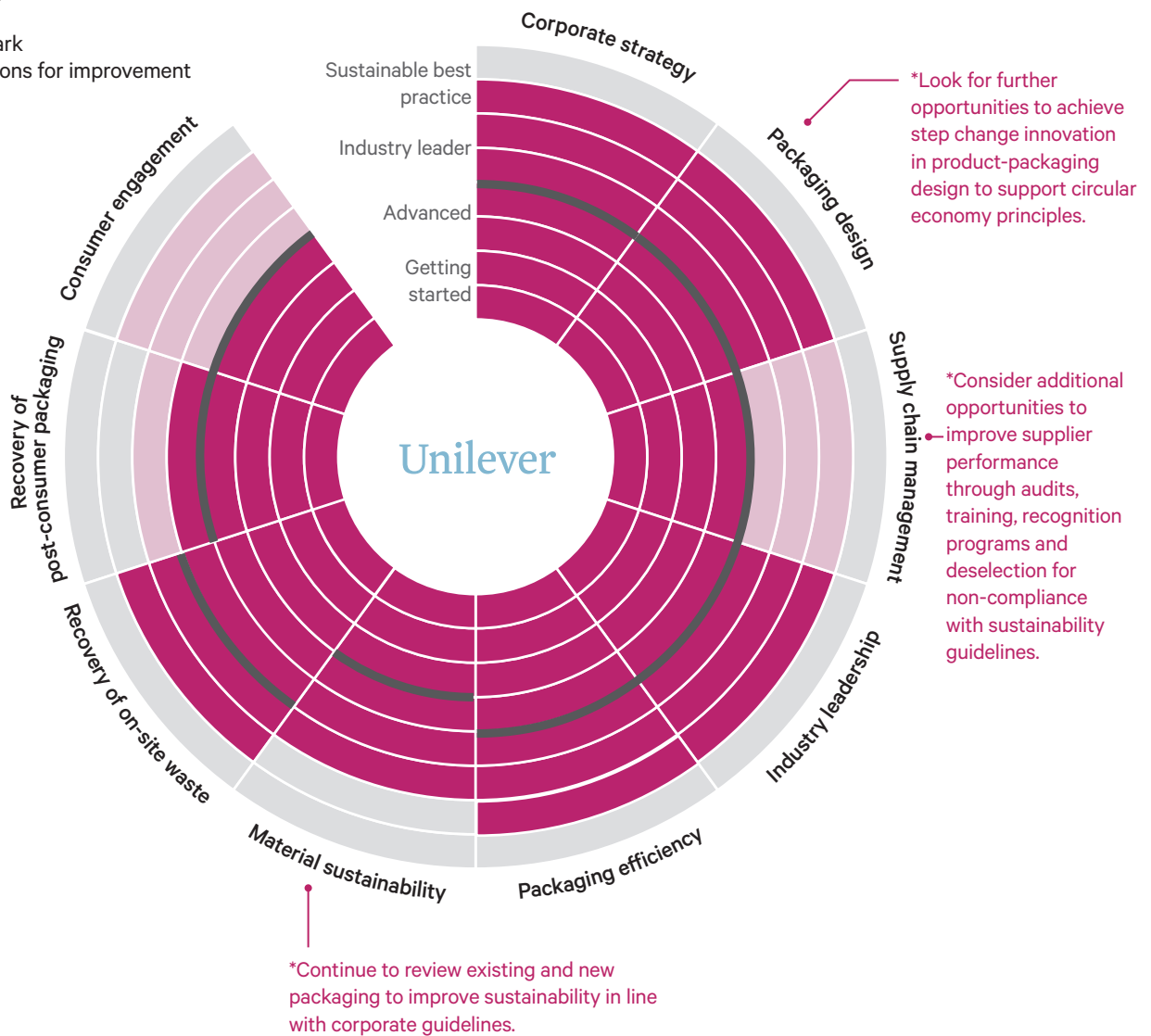
Materials sustainability: Unilever aims to source 100% of paper and board packaging from sustainable sources by 2030, including certified and recycled fibre. PVC will also be eliminated. The company is on target to achieve both goals.

On-site packaging recovery: Unilever has a goal of zero non-hazardous waste to landfill globally. By early 2016 this had been achieved in 400 Unilever owned or dedicated sites including factories, offices and warehouses in 70 countries. Overall a diversion rate of ~96% has been achieved. It is not clear how much on-site packaging is disposed to landfill.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

- Company score
- Average
- Benchmark
- * Suggestions for improvement



Post-consumer packaging recovery: The Sustainable Living Plan aims to increase recycling and recovery rates for packaging. The percentage of recyclable packaging is not reported, although data is included in the metric for product waste. There are some initiatives in emerging markets to support and improve the informal recycling sector.

Consumer engagement: The company is actively involved in campaigns to encourage more sustainable use of its products, e.g. to save energy or water. There is no publicly available information on labelling or campaigns to promote packaging recovery.

“We want to move to a circular economy, enabling more packaging to either remain in loops or have the best possible opportunity to be recycled.”

Vitasoy

www.vitasoy.com

Mean score: 1.5



GETTING STARTED/ADVANCED

About the company

The principal activities of Vitasoy are the manufacture and sale of food and beverages.

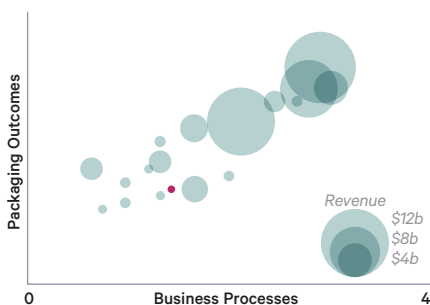
Products and services

The company produces and distributes a variety of high-quality, nutritious food and beverages which are marketed under two major brands: Vitasoy, a range of nutritious soy and other plant-based beverages and tofu, and Vita, a range of teas, juices, distilled water and dairy milk products. It also provides organic soy milk and tofu under the SANSUI brand.

Countries where company operates: The company has manufacturing plants in Hong Kong, Mainland China, Australia and Singapore, and trades products in more than 30 countries worldwide.

Company comparison

4



OVERALL PERFORMANCE

Vitasoy is in the early stages of exploring packaging sustainability. The company has a documented commitment to reduce the environmental impacts of packaging but has not yet put in place formalised procedures for considering all aspects of packaging sustainability in design and procurement. The company is in the process of developing guidelines.

COMMENTS ABOUT EACH CRITERIA:

Corporate strategy: Vitasoy has a documented commitment to reduce the environmental impacts of packaging and one documented packaging target (FSC certified packaging). The company reports annually on weight reductions in packaging material categories and reports on glass bottle reuse rates.

Packaging design and processes: There is some consideration of environmental issues in the design process, but no formal design guidelines or checklists. Research is underway to investigate other opportunities including recycled content, recyclability and environmentally preferable materials.

Supply chain management: Vitasoy communicates with suppliers on its sustainable packaging requirements, e.g. FSC certified cartons, labelling and weight reduction. The process appears to be informal, there is currently no documented requirement, e.g. in sustainability guidelines or checklist provided to suppliers. The company is developing more formal documented requirements. Regular contact with suppliers is used to engage with them and to identify opportunities for more sustainable packaging.

Industry leadership: Vitasoy is investigating opportunities for a recycling initiative in Hong Kong in collaboration with industry peers, but no action has been taken yet (and the commitment is not public).

Packaging efficiency: The company has a documented commitment to improve packaging efficiency and monitors material savings for most of the packaging types. Reductions in the weight of aluminium cans and PET bottles have been achieved. Savings are reported annually in Sustainability Reports.

Materials sustainability: The company has a documented target to have 90% of laminated paper packs printed with FSC certification label by 2019, and is investigating broader sustainability issues for the materials it uses.

On-site packaging recovery: Vitasoy has no targets for waste recovery, however, the company reports that most onsite waste is recovered for reuse or recycling. There is no publicly available data on the percentage of waste or packaging recycled.

Post-consumer packaging recovery: Glass bottles are recovered and refilled through existing industry systems in China and Hong Kong (~90% recovery rate). The company reports that all of the materials it uses are potentially recyclable (PET, glass, paper, aluminium). There are some gaps in the recycling infrastructure for paper cartons in Hong Kong, so the company is investigating opportunities to work with others to support a recovery initiative.

PERFORMANCE ON EACH SUSTAINABILITY CRITERIA

CRITERIA KEY

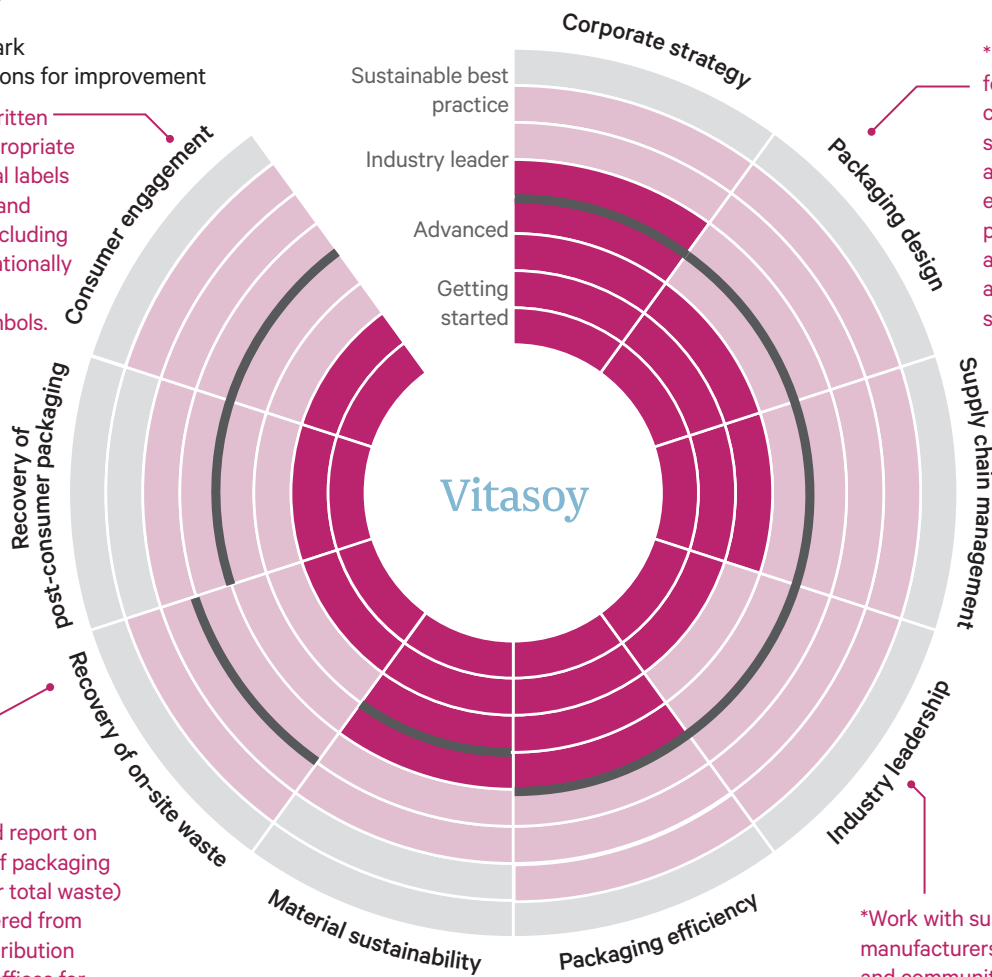
- Company score
- Average
- Benchmark
- * Suggestions for improvement

*Develop a written policy on appropriate environmental labels for products and packaging, including use of internationally recognised recycling symbols.

*Develop a more formal process for considering packaging sustainability in design and procurement, for example a documented procedure that ensures all packaging is evaluated against a set of packaging sustainability criteria.

*Measure and report on the amount of packaging waste (and/or total waste) that is recovered from factories, distribution centres and offices for reuse or recycling.

*Work with suppliers, other product manufacturers, government and community groups to provide consumers in Hong Kong with a recycling system for paper cartons.



Consumer engagement: Product labels include standard recycling symbols. The company has documented its efforts to incorporate sustainability information on packaging, e.g. FSC labelling.

“[Sustainable packaging]... is a focus area in Vitasoy’s sustainability journey from the intake, i.e. choice of materials, to its usage and disposal. Efforts are underway to understand this entire area and to explore potential initiatives with various parties to help contribute to the reduction of environmental impact.”

6. Appendices

A. RESEARCH METHOD

This section describes the research method and process and summarises the Evaluation Framework we developed for the assessment.

1. We developed a framework for packaging sustainability, including a set of 9 criteria and 5 levels of performance. The framework was based on the knowledge and experience of the research team, literature review; and five interviews with packaging sustainability experts. The framework was reviewed by two sustainability packaging experts. The full Assessment Framework, criteria and performance levels are provided in Appendix B.
 2. From the assessment framework, we developed a series of questions to be answered from publicly available data and information provided by companies via interview and/or written responses and documentation.
 3. Stewart Investors selected 25 companies to be included in the study and initiated a request for interview on our behalf. We gave all companies several opportunities to respond. Prior to each interview, we undertook desktop research on the progress being made towards packaging sustainability. This publicly available information was then used to pre-populate the interview template.
 4. All companies were contacted and given the opportunity to be interviewed. Responses from these interviews were combined with publicly the available data. Some companies elected to provide detailed written responses to the questions in lieu of an interview.
 5. Not all companies responded to the interview request and in cases where there was insufficient or no publicly available data to undertake an assessment, these companies were excluded from the study.
 6. Based on the responses and information collected all companies were assessed against the ISF Packaging Sustainability Framework and given a performance score for each criterion. This provided an overall performance level for the company. Each score was then converted into a qualitative description of performance.
 7. All draft assessments were reviewed by the research team.
 8. All companies were then given an opportunity to review and comment on their responses, provide further information, respond to any follow up questions and correct any inaccuracies. Each company was also given the opportunity to comment on their assessment against the ISF Packaging Sustainability Framework. Most companies responded to the draft assessment and where necessary, assessments and scores were adjusted to take account of any additional information as provided.
 9. We undertook a final team review of all assessments for calibration and to ensure consistency across the different companies.
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B. PACKAGING SUSTAINABILITY FRAMEWORK

Introduction

Companies were evaluated for their progress towards packaging sustainability. The packaging sustainability framework was developed to guide the evaluation of packaging sustainability and consists of nine criteria. The first four criteria related to business processes and activities, i.e.:

- Corporate strategy
- Design processes
- Supply chain management
- Industry leadership.

Actions under corporate strategy, design and supply chain management are essential to formalise a company's commitment to packaging sustainability and to integrate it in everyday practice. The broader category of 'industry leadership' recognises activities outside the business that promote industry or national transformation, for example by developing voluntary standards or recycling systems in collaboration with others.

The last five performance criteria relate to packaging performance:

- Packaging efficiency
- Material sustainability
- On-site packaging recovery
- Post-consumer packaging recovery
- Consumer engagement (e.g. labelling).

Performance against each of the criteria was assessed on a scale from 0 ('no action') to 4 ('sustainable best practice').



Overview of the criteria and performance expectations

Business processes

Criteria	Performance level			
	X – no response	0 - no action	1 – Getting started	
1. Corporate strategy		No awareness or commitment to environmental improvement of packaging	Interest in environmental impacts of packaging but actions limited or ad hoc	
2. Packaging design processes (in-house)		Environmental issues not considered in packaging design	Some consideration of environmental issues (informal process)	
3. Supply chain management		Environmental issues not considered in packaging procurement	Some consideration of environmental issues (informal process), rely on suppliers for advice	
4. Industry leadership		No action being taken beyond the companies own operations and packaging	The company takes an active interest in industry or government stewardship initiatives that are most relevant to its business e.g. through an industry Association	

				Criteria
	2 - Advanced	3 – Leading	4 –Sustainable best practice	
	Documented commitment to packaging sustainability, integrated in corporate strategy	Ambitious SMART target(s) for packaging sustainability and progress is being measured. Looking for shared value	Has achieved ambitious targets and is committed to continuous improvement and innovation	1. Corporate strategy
	Documented sustainability guidelines or checklist used to assess all new packaging	Documented new product development procedures include sustainability guidelines and all packaging assessed to identify opportunities	All current packaging has been assessed and optimised. The focus is on step change innovation in product-packaging design	2. Packaging design processes (in-house)
	Sustainability guidelines or checklist provided to all suppliers, active engagement with suppliers to identify opportunities for improvement	Documented packaging sustainability criteria, suppliers engaged and audited, action taken if non-compliant (and/or a mandatory minimum performance standard/ criteria for new suppliers)	All suppliers meet high standards for packaging sustainability and are fully compliant with the company's sustainability requirements	3. Supply chain management
	Actively involved in at least one NGO, industry or government initiative to improve packaging sustainability in the industry as a whole	The company is actively engaged in a number of sector-wide initiatives designed to achieve broader transformation at a regional, national or global level, e.g. through new standards or regulations	The company is transforming its business model to significantly reduce the impacts of its products and packaging (e.g. by replacing a product with a service)	4. Industry leadership



Packaging outcomes

Criteria	Performance level			
	X – no response	0 - no action	1 – Getting started	
5. Packaging efficiency		No action is being taken to improve packaging efficiency	Some action is being taken to improve packaging efficiency through limited or ad hoc initiatives	
6. Material sustainability		No action taken to improve material sustainability	Some action taken to select more sustainable materials through limited or ad hoc initiatives. Complies with legal requirements e.g. for heavy metals	
7. Recovery of on-site packaging		No on-site packaging waste is recycled	On-site packaging waste is only recycled where there is financial value	
8. Recovery of post-consumer packaging		No action taken to recover post-consumer packaging waste	Some action has been taken, e.g. to investigate options for recovery of packaging; design for recovery	
9. Consumer engagement		No effort to engage consumers in packaging sustainability	Some effort to engage consumers through limited or ad hoc packaging initiatives	

				Criteria
	2 - Advanced	3 – Leading	4 –Sustainable best practice	
	Documented policy and/or targets in place to optimise packaging efficiency and at least one case study that show improvements	The company has SMART targets to optimise packaging efficiency. Progress is monitored and reported. There are many case studies to demonstrate improvements	All packaging has been optimised. Continuous improvement program in place to optimise product-packaging systems. Significant outcomes have been reported	5. Packaging efficiency
	There are documented policies and/or targets on material sustainability issues, e.g. renewable, recycled, or compostable.	Documented policy and/or targets on sustainability issues linked to global standards e.g. FSC. Progress is monitored and reported	Targets have been achieved. All packaging materials are from renewable or recycled sources, can be recovered and have no hazardous components	6. Material sustainability
	Most on-site packaging waste is reused or recycled. Suppliers are asked to take-back or minimise packaging	There is a zero waste to landfill target and a high percentage of packaging is diverted through reuse, recycling or composting (close to 100%). The recovery rate is measured and reported	No packaging waste disposed to landfill or incineration. Closed loop systems operating	7. Recovery of on-site packaging
	Documented commitment to improve recovery; some operational or financial support is being provided to improve recovery	The company has taken some responsibility for recovery of its packaging (composting and/or recycling), progress is being monitored and reported; packaging designed for recovery	All packaging is designed for reuse, recycling or composting. Consumers in all markets have access to a free recovery service and high recovery rates are being achieved	8. Recovery of post-consumer packaging
	There is a strategy for consumer engagement in packaging sustainability, e.g. through on-pack labelling	There is clear, visible on-pack labelling for recovery that complies with international standards. Consumers are engaged in broader sustainability issues, e.g. food waste	There is a strategy to continuously educate consumers about sustainable consumption/ disposal, e.g. through information, ecolabels	9. Consumer engagement

Supporting information

1. Corporate strategy

Performance levels

0. No awareness or action to minimise the environmental impacts of packaging.
1. The company wants to reduce the environmental impacts of its packaging but so far action has been fairly limited, or ad hoc. There is no high level commitment from management and/or the company has engaged with packaging sustainability in a tokenistic way.
2. The company has clear commitments and targets for packaging sustainability that are documented in sustainability and marketing strategies. They may be quite broad, e.g. 'reduce packaging' or 'eliminate PVC'. Packaging sustainability is considered to be important for the business and is integrated in corporate strategy, rather than being a separate, 'add-on' activity.
3. The company's commitments to packaging sustainability are clearly articulated in corporate strategies and policies, with specific, measurable and time-related targets. These could include:
 - '100% of fibre-based packaging from certified or recycled sources by 2020'
 - 'Reduce packaging by 5% between 2010 and 2020'.

Performance against targets is measured and monitored. Metrics are based on international standards e.g. from the ISO packaging sustainability standard, Global Reporting Initiative or Consumer Goods Forum. With high-level leadership from management, responsibility for the packaging sustainability strategy is shared across the organisation – in design, production, distribution, customer support etc. The company looks for shared value initiatives i.e. that provide business value as well as public benefit.

4. The company has achieved ambitious targets across its entire product range and is committed to continuous innovation and improvement. There is evidence that the company has met and refined targets. The company thinks strategically about packaging sustainability as a source of innovation and competitive advantage, developing new products, business models, technologies, processes and systems that support sustainability.

2. Packaging design (internal)

Performance levels

0. Environmental issues are not considered in the design of new packaging.
1. There is some consideration of environmental issues in design but the process is informal or ad hoc, relying on the interest and knowledge of individual staff members.
2. The company has guidelines or a checklist that highlight the most important packaging sustainability issues for the company. Single-indicator metrics (e.g. recycled content) are used to monitor progress. The guidelines/checklist are integrated in a formal, documented new product development (NPD) procedure and used to assess all new packaging. The company tends to rely on suppliers or external consultants to undertake packaging assessments.
3. The company has access to in-house knowledge on packaging sustainability so that they can make decisions based on real, rather than perceived benefit. Trade-offs between different environmental parameters, or between environmental and commercial parameters, are identified and the reasons for the decisions reached are documented. With every new pack, a sustainability review is undertaken and documented in line with the company's NPD procedure. This is done using a quantitative assessment tool, which may combine a numerical scoring system for each criterion and actual data for key metrics. Non-compliance is elevated for management review and decision.

4. All current packaging has been designed to meet sustainability guidelines. It has been optimised by weight and volume; and is fit for purpose (protects the product, minimises product waste). All packaging is designed for recovery at end of life. LCA or life cycle indicators (e.g. carbon footprint) may have been used to evaluate alternative packaging **formats or materials**. The focus now is on achieving step change innovation in product-packaging design. Where possible the product and packaging are designed together to optimise performance. The company understands the complexities of product and packaging sustainability and communicates these issues both internally and externally.

3. Supply chain management

Performance levels

0. Environmental issues are not considered in procurement processes for packaging (if design is undertaken by suppliers) or for packaging materials and components (if design is managed in-house).
 1. There is some consideration of environmental issues in the procurement process but it is relatively informal or ad hoc. The company relies on its suppliers for advice because they are the ones with the expertise.
 2. Environmental sustainability is considered during the procurement process for all packaging and packaged products. There are sustainability guidelines or a checklist that outline mandatory requirements or preferences. These are included in documentation provided to all suppliers, e.g. in a supplier manual or specifications. There is active engagement with suppliers to share expectations and identify opportunities for improvement, e.g. through regular meetings. Marketing and procurement staff are responsible and accountable for compliance.
 3. The company provides training for suppliers to build capacity and support implementation of the sustainability guidelines. Their performance is audited and action is taken if they are non-compliant (e.g. further engagement or de-selection). There may be a recognition or reward process for high performing suppliers.
 4. All suppliers meet high standards for packaging sustainability and are fully compliant with the company's sustainability requirements. Environmental issues in the supply chain are well understood and procurement processes ensure that impacts are minimised.

4. Industry leadership

Performance levels

0. The company is focused on its own operations and packaging. It does not get involved in industry or government initiatives beyond regulatory compliance and/or actively resists new regulation to improve packaging sustainability.
 1. The company is aware of industry or government initiatives in packaging sustainability and takes an active interest in those that are most relevant to its activities. This could be through membership of an industry or professional association or participation in local environmental initiatives.
 2. Company personnel are involved in at least one industry or government initiative to improve packaging sustainability in the industry as a whole. This could be through membership of a board or advisory group, financial contributions to R&D or infrastructure development, or a partnership with a key stakeholder.
 3. The company has helped to initiate or manage sector-wide initiatives designed to achieve broader change at a regional, national or global level e.g.:
 - Participation in industry groups such as the Consumer Goods Forum, ISO, GRI etc. to develop voluntary industry standards or reporting systems
 - Advocacy or negotiation to establish stronger packaging regulations that support the industry's (rather than just the company's) license to operate.

The company benchmarks its sustainability performance against industry peers and aims to go beyond standard practice. There is a high level of engagement with industry peers, governments and NGOs to share and promote good outcomes. The company does not oppose reasonable regulations to facilitate more sustainable practices.

4. The company is transforming its business model to significantly reduce the impacts of its products and packaging (e.g. by replacing a product with a service). It works within and across industries and government in continuously raising the bar through new standards, regulations and reporting structures for packaging sustainability. Senior managers use their profile to promote packaging sustainability to peers and other stakeholders.

5. Packaging efficiency

Performance levels

0. No action is being taken to improve packaging efficiency.
1. Some action is being taken to improve packaging efficiency although these have been limited or ad hoc, and driven by cost.
2. There is a documented commitment to improve packaging efficiency and reduce costs. The company can provide at least one example that shows where and how improvements have been made.
3. Improving packaging efficiency is seen as more than a cost saving strategy for the company. Reducing packaging volume is seen as a worthwhile and beneficial target even when cost savings are not readily identifiable, and considered in design and/or procurement processes. The company has specific, measurable and time-related targets to reduce and optimise the amount of packaging that it puts onto the market, e.g. '10% reduction in packaging weight by 2020'. Progress is being measured and reported, both internally and externally. The company can provide examples of packaging achievements, such as a reduction in the weight or volume of a particular pack, elimination of unnecessary packaging or improved pallet utilisation.
4. Targets have been achieved. Packaging has been minimised without compromising functional performance, particularly product protection. There is a continuous improvement program in place to optimise efficiency of the product-packaging system as a whole, e.g.:
 - By reformatting the product as a concentrate to reduce packaging and transport impacts
 - By changing the way that a product is delivered to the consumer, e.g. shifting from a product to a service
 - By transforming the supply chain to eliminate a significant amount of packaging, e.g. shifting to bulk delivery of ingredient.

6. Materials sustainability

Performance levels

0. No action is being taken to improve material sustainability.
1. Some action has been taken to select more sustainable materials, although these have been relatively limited, e.g.
 - Normal industry practice e.g. use of recycled materials in corrugated boxes
 - Required by law, e.g. phase out of heavy metal compounds.
2. The company is committed to using more sustainable materials. There is an active program in place to understand where materials come from, and to select more sustainable materials where these meet cost and other requirements. All legal requirements have been met, e.g. to eliminate hazardous materials. There are documented policies and/or targets on material sustainability issues e.g.:

- To only use sustainably-sourced wood or paper, e.g. Forest Stewardship Council (FSC)
 - To use more renewable or recycled materials
 - To use simple, easily recyclable materials
 - To eliminate (regulated) hazardous substances.
3. The company understands the source of its packaging materials and is taking steps to minimise environmental impacts in its supply chain and at end of life. It has documented policies and/or targets related to material sustainability, e.g.:
- 100% of materials sourced from renewable or recycled sources
 - 100% of materials from recyclable or compostable materials
 - 100% of wood-fibre packaging from certified sustainable sources
 - Voluntary elimination of potentially toxic or hazardous compounds, e.g. BPA, phthalates, based on the precautionary principle.

Progress against targets is measured and reported. Examples can be provided that show packaging outcomes.

4. Targets have been achieved. All packaging materials are made from renewable or recycled sources. Packaging does not include any components that are potentially toxic or hazardous. It can be safely manufactured, used and recovered with no negative impacts on people or the natural environment. The company may be involved in the development of an innovative packaging material (e.g. plastics from CO₂, mushroom packaging etc.).

7. On-site packaging recovery: Reuse, recycling and composting

Performance levels

0. Packaging waste that is generated on-site is generally not recovered. It is disposed to landfill or incineration along with other waste.
1. Some packaging waste is reused or recycled, but mostly those that have value or are easy to recycle, e.g. cardboard.
2. The company has a documented policy or target to reduce and recover packaging waste generated on-site. Having already found markets for used cardboard and other valuable wastes, it is now trying to recover more difficult waste streams, such as plastic film, strapping etc. Most packaging waste generated on-site is source-separated and recycled.
3. A high percentage of packaging waste that is generated on-site is reused, recycled or composted (close to 100%). This includes packaging from incoming products (corrugated boxes, plastic film, strapping etc.) as well as packaging waste generated in the manufacturing process (e.g. offcuts, rejects). Suppliers are asked to take back or minimise packaging. The company has an ambitious target, e.g. zero non-hazardous waste to landfill. Progress is measured and reported.
4. The company does not dispose of any on-site packaging waste to landfill or incineration. All packaging waste is reused, recycled, composted or recovered through a waste to energy (WTE) facility.

8. Post-consumer packaging recovery: reuse, recycling and composting

Performance levels

0. No action is being taken by the company to increase recovery of packaging at end of life ('post-consumer packaging'). This is being left to others
1. Some actions have been taken to improve recovery of post-consumer packaging, e.g.
- They are starting to investigate the availability of infrastructure to collect reusable/recyclable/compostable packaging
 - Some effort has been made to design or choose recyclable packaging.

2. The company has a documented commitment or target to improve recovery of its packaging at end of life. Recovery options are considered in the design and/or procurement process. Some operational or financial support is being provided to external groups to improve recovery, e.g. through:
 - Sponsorship of a national recycling program
 - Pilot projects to investigate new ways to collect or recycle packaging.
3. The company is taking responsibility for the recovery of post-consumer packaging through reuse, recycling and/or composting:
 - In jurisdictions that mandate extended producer responsibility (EPR) the company is fully compliant with the regulations
 - Where there is no legal obligation, the company is taking action voluntarily to improve the recovery of its packaging. This could be through a company-funded take-back program or by helping to fund public infrastructure for collection and recycling.

End of life recovery is being considered in the design or procurement process, and communicated to customers through labels or other means. The company has an ambitious target for the design of packaging that can be recovered at end of life, e.g. '100% of packaging to be recyclable or compostable'. Companies involved in take-away food, snack foods or beverages are also taking action to reduce litter.

4. All packaging is designed for reuse, recycling or composting. Consumers have access to easily accessible and free collection services for all of the company's packaging. High recovery rates for this packaging are being achieved.

9. Consumer engagement

Performance levels

0. The company has not made any effort to engage consumers in packaging sustainability. Packaging is not labelled with advice on reuse, recycling, composting or disposal.
1. The company has made some effort to engage consumers in packaging sustainability, although these actions have been relatively limited (e.g. recycling symbols on glass or cardboard) or ad hoc.
2. There is an active program to promote more sustainable behaviour by consumers, e.g. through packaging labels, social media etc. The company has a documented policy to include appropriate labelling on all packaging, including anti-litter, recycling and/or composting symbols.
3. The company encourages its consumers to dispose of their packaging in the most environmentally responsible way, e.g. by reusing, recycling or composting. It provides information to consumers through on-pack labelling that complies with corporate guidelines and recognised standards (e.g. Mobius loop, On-pack Recycling Label in UK, SPC label in US). Labels are clear and visible. The company participates in or initiates consumer education to improve recycling.
4. The company uses its packaging to educate consumers about sustainable packaging and sustainable consumption. All packaging includes clear instructions on appropriate reuse, recycling or composting. Certified ecolabels are used to highlight environmental features of the product and packaging, e.g. FSC, Fair Trade. The company promotes more sustainable consumption and disposal practices, e.g. by educating consumer about how to reduce food waste or by encouraging them to buy or use less.



