

Implementation of Reusable Packaging Models: Lessons Learned from the Field



May 6, 2021

RETAIL COMPLIANCE CENTER

The Retail Compliance Center has a number of resources related to environmental compliance and sustainability that apply in retail including introductory information as well as detailed reviews of regulations and variations in state requirements.

www.rila.org/rcc



Webinars



Fact Sheets



Tracking Matrices



Retail Advisor



Newsletters

HOUSEKEEPING

Everyone is muted upon entry

- This reduces background noise during the webinar.

Recording

- The webinar is being recorded and will be housed on the RCC site for future views. The slide deck will also be posted to the RCC site.

Posing a question/commenting

- Please use the Q&A box to pose questions or comments.
- Questions and comments posed will go directly to the speakers and moderators.
- Questions will be answered after the conclusion of the speakers' presentation.

Webinar Feedback Survey

- Survey launched during Q&A as live poll

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RILA believes strongly in competition. Our antitrust laws are the rules under which our competitive system operates. It is RILA's policy to comply with both the letter and the spirit of antitrust laws. This Antitrust Statement has been adopted to avoid even the appearance of impropriety under the antitrust laws.

At any association meeting, participants must avoid any discussion of the following subjects in order to avoid even an appearance of impropriety:

- **Do not** discuss current or future prices, price quotations or bids, pricing policies, discounts, rebates, or credit terms.
- **Do not** discuss cost information such as production costs, operating costs, or wage and labor rates.
- **Do not** discuss profits or profit margins, including what is a "fair" profit margin.
- **Do not** discuss allocating markets, territories, or customers.
- **Do not** discuss current or future production or purchasing plans, including plans to take facility downtime, production quotas, or limits on output.
- **Do not** discuss refusing to deal with any suppliers, customers, or competitors (or any class or type of suppliers or customers).
- **Do not** require or pressure any supplier, customer, or competitor to adopt any particular actions or policies.
- Never agree on any aspect of future pricing or output.

Do not engage in prohibited discussions before a meeting or after a meeting is over. These antitrust guidelines apply not only in formal RILA meetings, but also in hallways, casual conversations, phone calls, emails, text messages, cocktail parties, golf outings, or any other setting that is related in any way to the RILA. If you have questions or concerns, or if you are uncertain about the propriety of any subject of discussion or proposed activity, you should stop the discussion immediately and bring the issue to the attention of RILA staff or consult your company's general counsel.

WEBINAR OVERVIEW

- The lay of the land for reuse models in North America, including notable policy shifts, pioneering innovators and the enabling technologies needed to amplify impact, illustrated by case studies from Closed Loop Partners' NextGen Consortium, Beyond the Bag Initiative and Closed Loop Ventures Group
- The nuts and bolts of what it takes to get reusable packaging off the ground, including selecting the perfect spot, choosing the right payment models, measuring impact, optimizing for health and safety, choosing materials built to last, and collaborating with diverse stakeholders
- What steps are needed to collectively accelerate the reuse models, moving from piloting and experimentation to implementation in global supply chains

SPEAKERS



Kate Daly
Managing Director,
Closed Loop Partners



Joanne Dwyer
VP CSR & Sustainability,
CVS Health



Reuse on the Rise

Implementation of Reusable Packaging Models: Lessons Learned from the Field

Kate Daly

Managing Director

Center for the Circular Economy, Closed Loop Partners



An investment firm and innovation center, with an extensive network of Fortune 500 corporate investors, industry experts and impact partners.

We invest in the circular economy, a new economic model focused on a profitable and sustainable future.

The Center for the Circular Economy

Closed Loop Partners' innovation hub for research, analysis and pre-competitive collaborations focused on building the circular economy.

The Rise of Reuse Models

CORPORATE INITIATIVES



Don't Toss That Cup: McDonald's and Starbucks Are Developing Reusables



Starbucks launches 'Borrow A Cup' trial with reusable cups for Earth Month. Here's how it works



Loop's quest for reuse dominance has only gotten more ambitious during the pandemic



McDonald's is testing a new system of reusable, returnable coffee cups



Just Salad Introduces Digital Reusable Bowl Program

MARKET GROWTH & OPPORTUNITIES

Packaging Possibilities: Future Thrills Loom for Reusable Packaging

Returnable Packaging Market Size Worth \$153.35 Billion By 2028: Grand View Research, Inc.

Reuse makes a comeback

Reusable Packaging Optimizes Supply Chain Automation

Reduce, reuse, recycle, register?

The Four Forces Driving Reuse

ENVIRONMENTAL IMPACT

Increasing sustainability commitments from global brands to reduce waste.

REGULATION

Growing regulatory pressures in the U.S., including single-use plastic bans in California, New York, and Hawaii.

INNOVATION

Groundbreaking technological developments supporting modern reuse models.

CONSUMER DEMAND

Increasing eco-consciousness among consumers.

NEXTGEN CONSORTIUM

MANAGING PARTNER



FOUNDING PARTNERS



SUPPORTING PARTNERS



ADVISORY PARTNER



INNOVATION PARTNER

IDEO

The NextGen Consortium is a multi-year, global consortium that aims to address single-use foodservice packaging waste by advancing the design, commercialization and recovery of packaging alternatives.

\$10M+
initiative

3 innovation categories

- Innovative materials and cup formats
- Next generation coatings and liners
- Reusable cup systems

480

unique solutions to redesign the fiber cup sourced by the NextGen Cup Challenge



12

winning solutions each received a portion of \$1M in funding



6

winning solutions supported and scaled by the **Circular Accelerator**



19

in-market pilot locations for sustainable cup solutions

BEYOND THE BAG

MANAGING PARTNER



FOUNDING PARTNERS



SECTOR LEADS



SUPPORTING PARTNERS



ENVIRONMENTAL PARTNERS



INNOVATION PARTNER



100
BILLION

SINGLE-USE
PLASTIC BAGS
USED PER YEAR
IN THE U.S.

TOP
10

BEACH
LITTER ITEM

12
MINUTES

AVERAGE TIME
A BAG IS USED

UP TO
1000
YEARS

AVERAGE
LIFESPAN OF A
PLASTIC BAG



The Nine Beyond the Bag Challenge Winners

Enabling Technologies



Fill-it-Forward
Tag-Based Customer Facing Application



SmartC
Customer Facing App and IT Infrastructure



Circular ID
Material Tracing and IT Infrastructure

Reuse & Refill



ChicoBag
Bag Form & Bag System



GOATOTE
Kiosk-Based Bag System



Returnity
Packaging System

Innovative Materials



DOMTAR
Stretchable Fiber Bag



PlasticFri
Starch-Based Compostable Bag



Sway
Seaweed-Based Bag



Joanne Dwyer

Vice President, Corporate Social
Responsibility & Sustainability,
CVS Health



What has helped us build our reputation as a socially responsible company?

- Our **business/economic impact** in local communities
- The **decisions** we make that positively impact health: opioids, tobacco, trans fats, chemicals of concern
- Our **focus** on reducing our environmental impact
- Our **commitments** to, and by, our people and partners
- Our **investment** in our local communities

Transform Health 2030

Healthy People

How we're delivering on our purpose of helping people on their path to better health across all touchpoints

Provide 65 billion health care interactions to individuals

Healthy Business

We are committed to fostering a business that creates value for our colleagues, stockholders, partners and supply chain

Invest more than \$85 billion in inclusive wellness, economic development and advancement opportunities.

Healthy Community

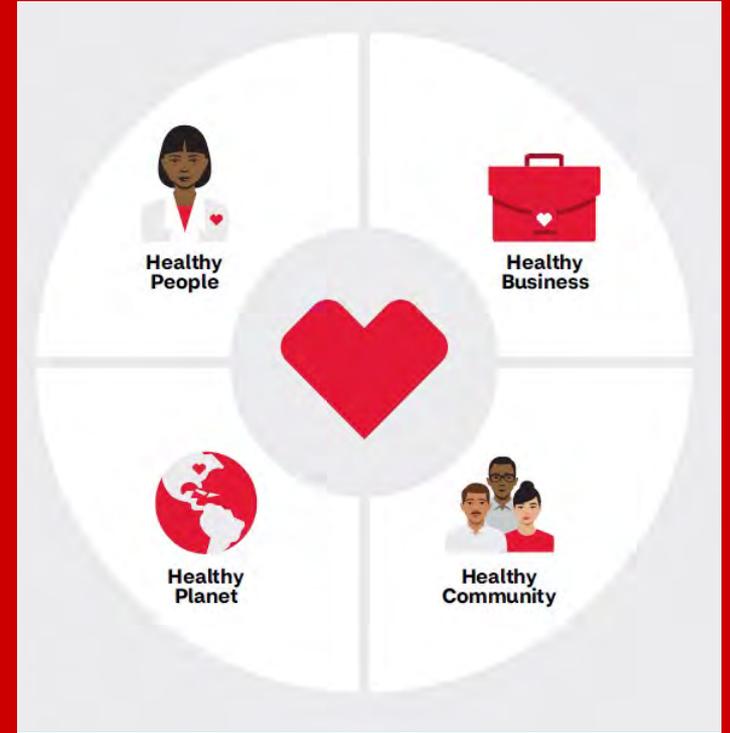
We are delivering significant social impacts to support the health of communities across the U.S. and improve health outcomes in the communities we serve

Commit more than \$1.5 billion in social impact investments

Healthy Planet

The health of our environment is inextricably linked to human health and we're committed to doing our part as a health care leader

Reduce our environmental impact by more than 50%



Reuse Models On the Ground

Investing in Reuse & Refill

Algramo[®]



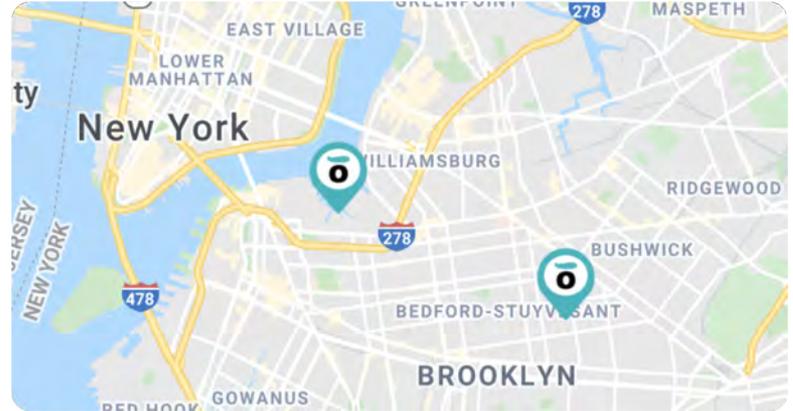
Algramo Deep Dive



Algramo

Walmart

Soap on tap? A startup arrives in NYC with a plan to take the plastic out of cleaning products.



THE CLOROX COMPANY

CLOROX

Pine-Sol

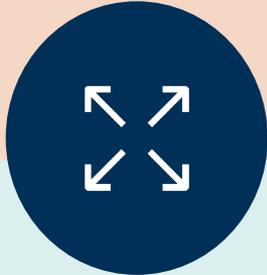
Our Methodology



INNOVATE

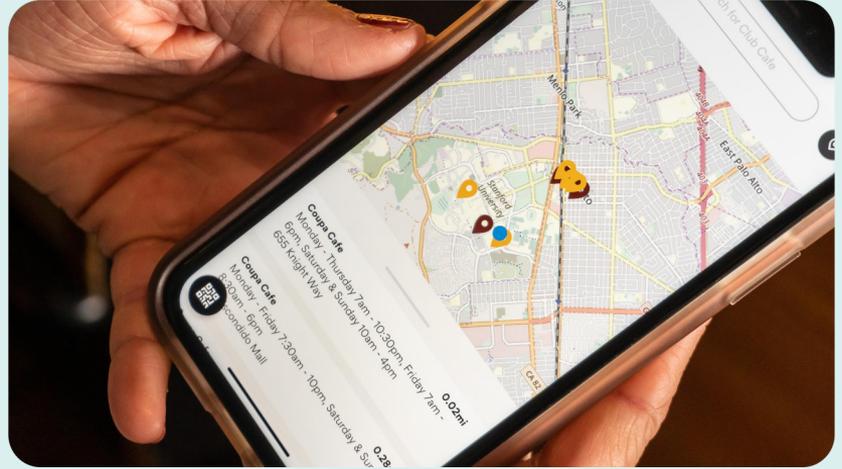
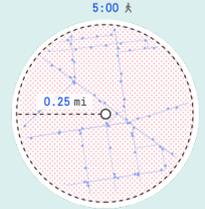


TEST



SCALE

14 Participating Cafes in NextGen Cup Bay Area Pilots



The 9 Critical Steps to Building a Reuse Model



The 4 Pillars of Reuse Models



01

Reuse models must have a **positive environmental impact.**



02

Reuse models must provide a **seamless, convenient experience** for companies and customers.



03

Reuse models must be **inclusive and accessible.**



04

Reuse models must be **safe and hygienic** at every step of the process.

Six Key Steps for Retailers to Implement Reusable Packaging Models

Make Sustainable Material Choices

Built to last and to be recovered



PLASTIC

Design to last, manage heat transference and include key messaging around the life cycle benefits and recoverability of the material.



STAINLESS STEEL

Leverage the benefits of this robust and desirable cup material, while balancing the tradeoffs associated with sourcing and cost.

TRADEOFFS TO CONSIDER

- Price
- Material Sourcing
- Durability
- Functionality
- User Experience
- Perception of Sustainability

Select the Perfect Spot

There are fundamentals to selecting a retail location and where the cup lives in-store



CLUSTER

Networks of stores and points-of-return create enough presence to become highly visible to, and convenient for customers.

THE 5-MINUTE WALK

Also known as the “pedestrian shed”, this is considered to be the distance people are willing to walk before opting to drive.

IN-STORE LAYOUT

Store experience for customers should be pleasant, easy to interpret, accessible, visible and hygienic.

Choose the Right Payment Model

Incentives, no hidden costs, or pay-as-you go

ACCOUNTING FOR LOST CUPS

DEPOSIT

Financial hold placed on a customer's account that is released once checked-out cup is returned.

PENALTY

Incurred only after a cup is not returned within a given time period, no upfront hold is placed.

FEE FOR SERVICES

PAY-PER-USE

Allows customers flexibility without the risk of paying more for a service they may or may not use.

SUBSCRIPTION

For frequent users, provides an opportunity for savings over many uses, as opposed to paying each time.



Optimize Health & Safety Protocols

COVID-19 and beyond



WASHING IN-STORE



OFFSITE INDUSTRIAL WASHING

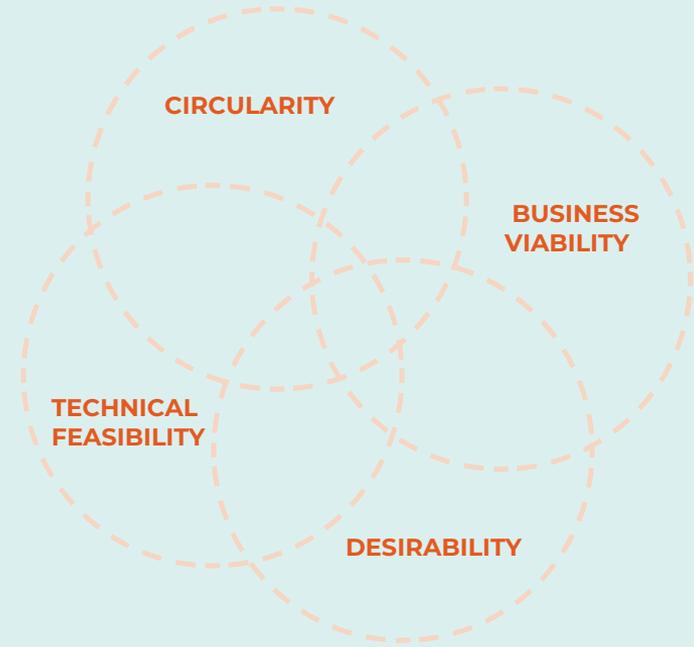


Measure Impact and Success

Developing replicable standards and processes to measure impact and success

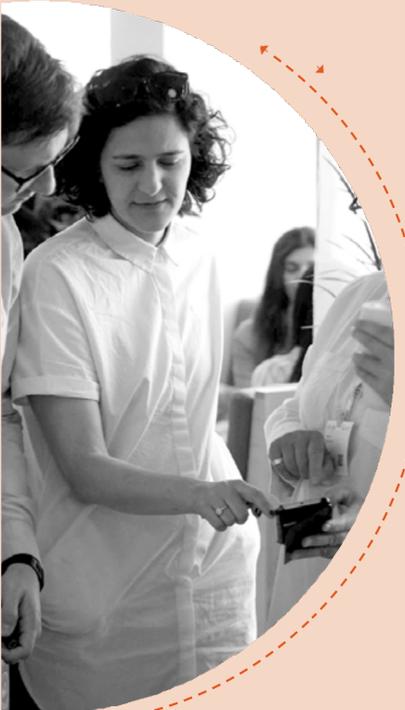


Learnings must be gathered across every moment in the cup journey, and for every stakeholder group.



Engage Diverse Stakeholders

Collaboration is the key to success



**Reusable
Packaging
Companies**



Businesses



Customers



Employees



**Logistics
Partners**



**Cities &
Governments**

What's Next and What's Needed?

01

Environmental impacts must be considered.

We need to evaluate the impacts of potential solutions, to mitigate unintended consequences.

02

Continuous learning is critical.

We are learning what works, drawing insights from NextGen pilots, knowing that there is no one-size-fits-all solution.

03

Reuse models need to be accessible.

We are extending our reach, taking an ecosystem approach to build reuse models, and improving the accessibility of reuse.

04

Collaboration is necessary.

We are working with existing partners, and looking at new partnerships, to expand engagement across different contexts.

Thank You

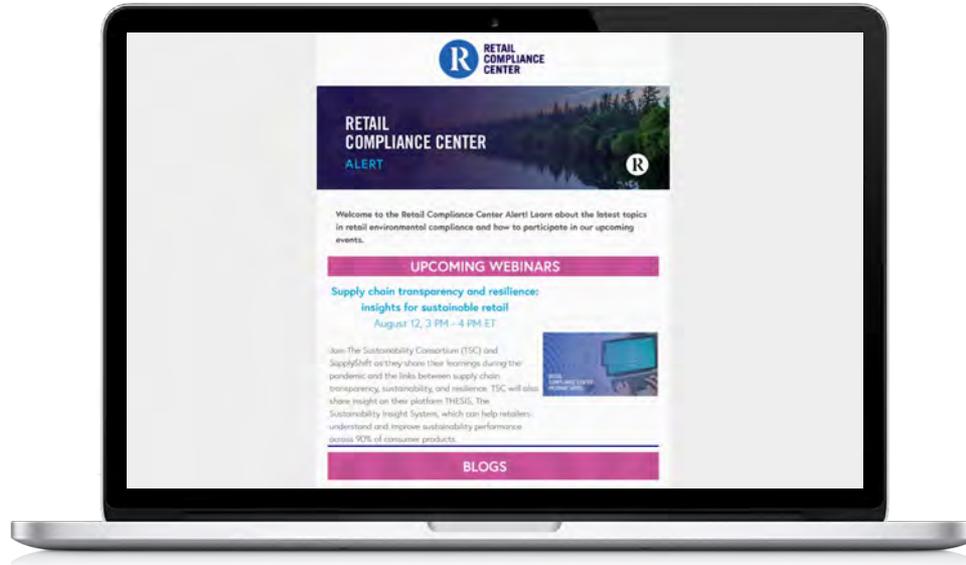
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QUESTIONS?

USE THE Q&A BOX TO SUBMIT YOUR QUESTIONS

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For more information on retail environmental compliance and sustainability, visit the RCC website at <https://www.rila.org/retail-compliance-center>.



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RETAIL COMPLIANCE CENTER – CONTACT US

THANK YOU