

# Upstream Innovation – Packaging Solutions



March 16, 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](http://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

# ANTITRUST STATEMENT

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.

# TODAY'S SPEAKERS



**Josephine Christoffersen**  
Research Analyst, New  
Plastics Economy Initiative  
**Ellen MacArthur  
Foundation**



**John Kotlarczyk**  
Senior Director, CSR &  
Waste Reduction  
**Walgreens**



**Dan Leskovec**  
Senior Manager,  
Environmental  
Sustainability & Waste  
Reduction  
**Walgreens**



**Laura Beres**  
Senior Director, Strategic  
Portfolio Delivery  
**Ulta Beauty**



**Kate Worley**  
Senior Manager II,  
Sustainability-Zero Waste  
Strategy  
**Walmart**

# JOSEPHINE CHRISTOFFERSON

ELLEN MACARTHUR FOUNDATION

# UPSTREAM INNOVATION

Practical solutions to achieve a circular  
economy for plastics packaging

Josephine Christoffersen  
Research Analyst, New Plastics Economy Initiative



100+ best  
practice case  
studies



# Upstream Innovation

A guide to packaging solutions

'Where to  
start' & 'What  
good looks  
like' guidance

3 steps for  
upstream  
decision  
making



# ***OBJECTIVES OF THIS SESSION***

Introduction to **upstream innovation strategies** for plastic packaging

**Reuse** deep dive: typical hurdles and opportunities

Get familiar with the Upstream Innovation **Assets**

## **USE THE “RAISE A HAND” FUNCTION**

**By the raise of hand, who has heard of  
upstream innovation?**

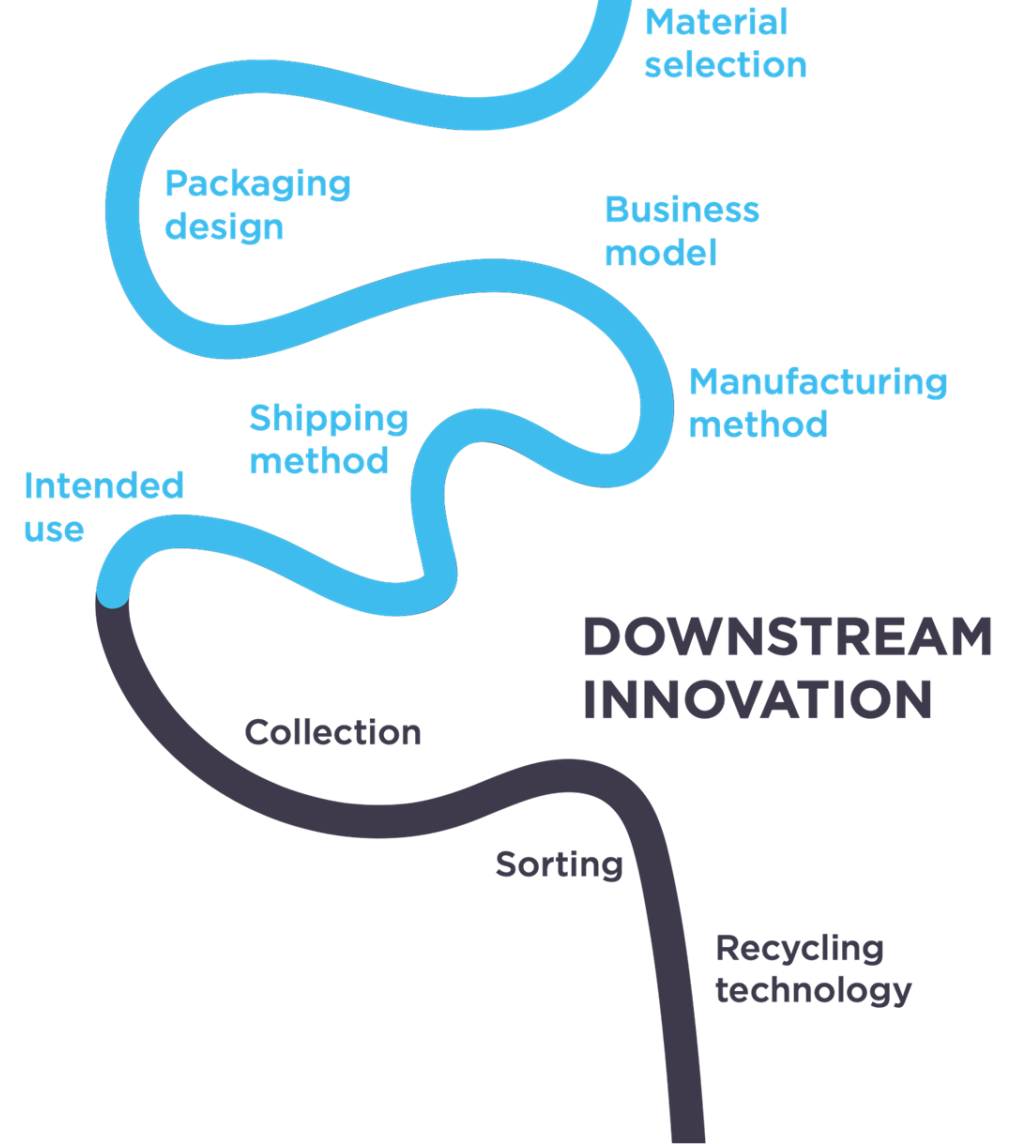
WHAT IS UPSTREAM  
INNOVATION?

**If you came home to find that  
your apartment was flooding,  
would you immediately start  
mopping up the water?**

## WHAT IS UPSTREAM INNOVATION?

**If you came home to find that your apartment was flooding, would you immediately start mopping up the water?**

## UPSTREAM INNOVATION



# WHY EXPLORE UPSTREAM INNOVATION?

WHY EXPLORE UPSTREAM  
INNOVATION?

# 1 Tackle plastic pollution

## WHY EXPLORE UPSTREAM INNOVATION?

- 1 Tackle plastic pollution
- 2 Provide the solutions customers want



In 2018, Unilever's Sustainable Living Brands that communicate a strong social or environmental purpose had

**69% FASTER GROWTH**

than the rest of the business.

## WHY EXPLORE UPSTREAM INNOVATION?

- 1 Tackle plastic pollution**
- 2 Provide the solutions customers want**
- 3 Capture untapped business opportunities**



## WHY EXPLORE UPSTREAM INNOVATION?

- 1 Tackle plastic pollution
- 2 Provide the solutions customers want
- 3 Capture untapped business opportunities
- 4 Reduce carbon emissions



Using Sodastream to make sparkling water at home creates

**87% LESS CARBON EMISSIONS**

compared to sparkling water sold in single-use plastic bottles.

## WHY EXPLORE UPSTREAM INNOVATION?

- 1 Tackle plastic pollution
- 2 Provide the solutions customers want
- 3 Capture untapped business opportunities
- 4 Reduce carbon emissions
- 5 Get ahead of changing regulation

## WHY EXPLORE UPSTREAM INNOVATION?

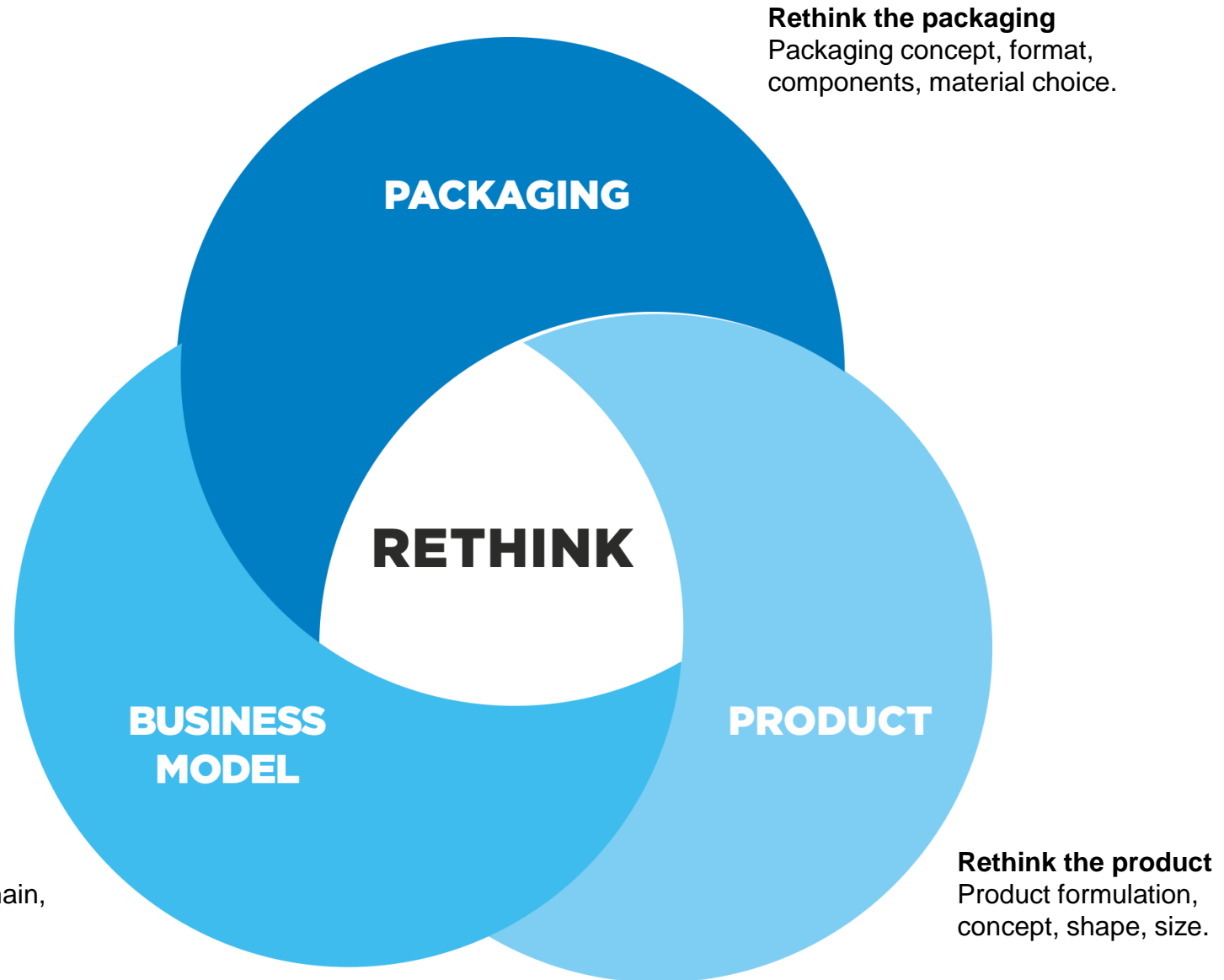
- 1 Tackle plastic pollution
- 2 Provide the solutions customers want
- 3 Capture untapped business opportunities
- 4 Reduce carbon emissions
- 5 Get ahead of changing regulation
- 6 Join the new normal



**+1,000 ORGANISATIONS**  
**20% OF INDUSTRY**

united behind a common vision and targets for a circular economy for plastic packaging.

# HOW DO I APPROACH UPSTREAM INNOVATION?



# 1

## **Elimination**



Packaging is eliminated while user experience is maintained or enhanced.

# 2

## **Reuse**



Packaging is reused, rather than discarded after one use, creating value for both users and businesses.

# 3

## **Material Circulation**



Packaging is designed so that the materials it is made from can be recycled or composted.

# 1

## **Elimination**



Packaging is eliminated while user experience is maintained or enhanced.

# 2

## **Reuse**



Packaging is reused, rather than discarded after one use, creating value for both users and businesses.

# 3

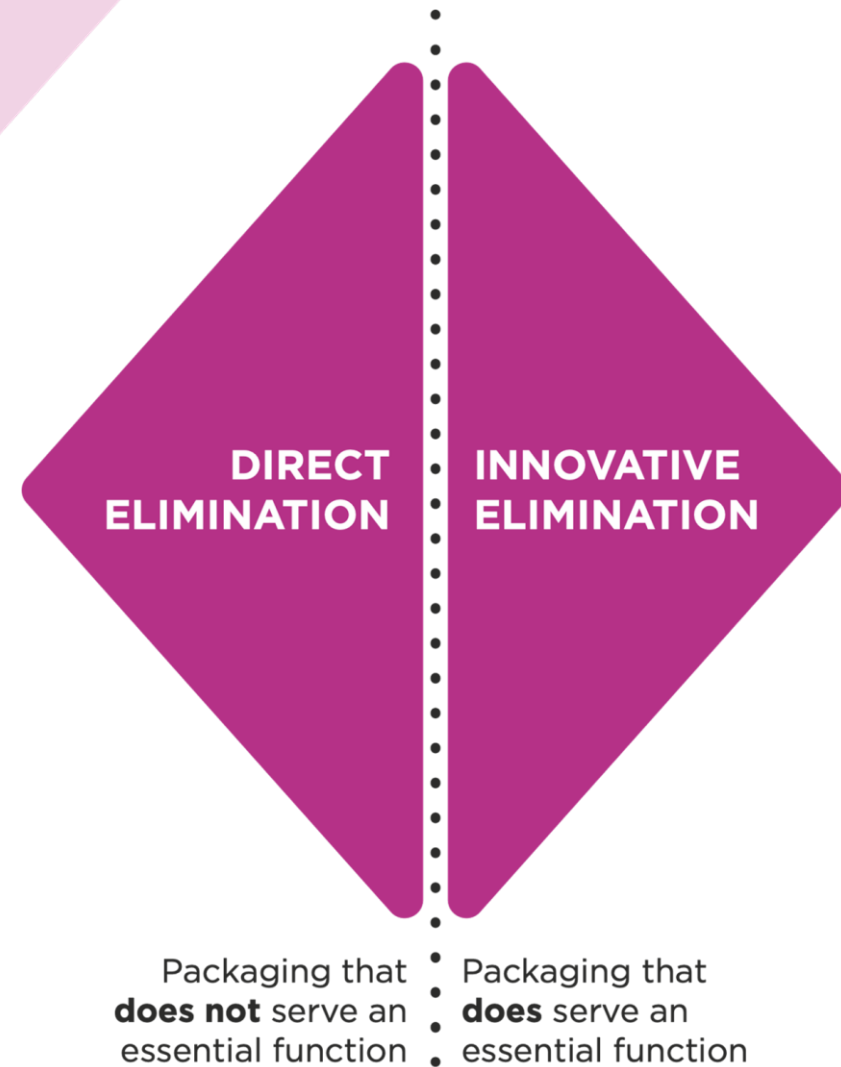
## **Material Circulation**



Packaging is designed so that the materials it is made from can be recycled or composted.

STRATEGY 1  
ELIMINATION

# There are two approaches to Elimination







RETHINK  
PACKAGING

DIRECT  
ELIMINATION

# Tesco

Multi-pack films



Photo: Asda

RETHINK  
PACKAGING



DIRECT  
ELIMINATION



# ASDA

## Greeting card packaging

---

RETHINK  
PACKAGING



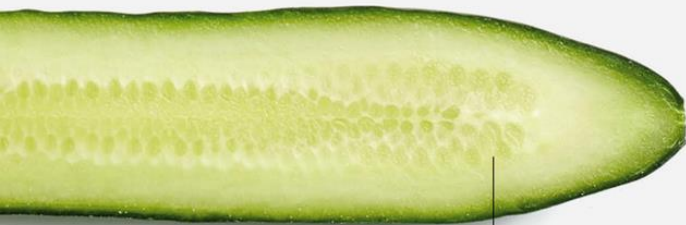
INNOVATIVE  
ELIMINATION



# Apeel

## Edible coatings

---

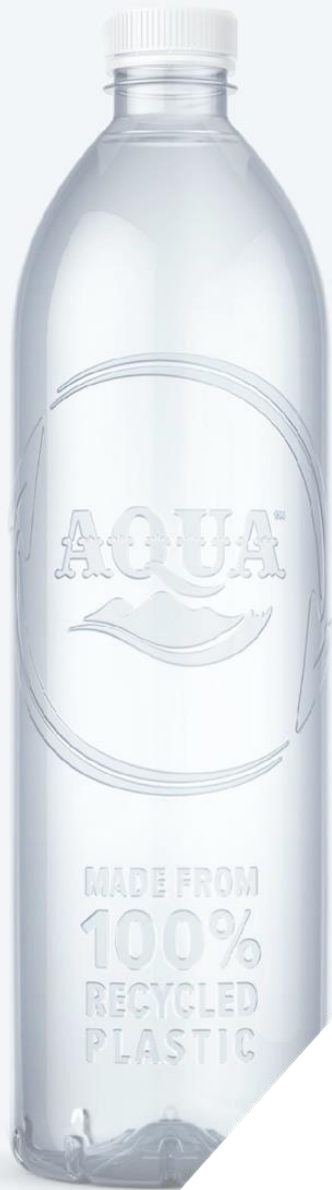


Oxygen  
stays  
outside

Moisture  
stays  
inside

Photo: Apeel Sciences





RETHINK  
PACKAGING



INNOVATIVE  
ELIMINATION



# Aqua Life from Danone

## Label-free bottles

---



RETHINK  
BUSINESS MODEL



INNOVATIVE  
ELIMINATION



# LUSH Lens App

Communicating without a label

# 1

## **Elimination**



Packaging is eliminated while user experience is maintained or enhanced.

# 2

## **Reuse**



Packaging is reused, rather than discarded after one use, creating value for both users and businesses.

# 3

## **Material Circulation**



Packaging is designed so that the materials it is made from can be recycled or composted.

# The time for reuse is now.

By 2025, **Mars Incorporated** aims to have launched 10 reuse pilots to test new business models in different geographies and with different brands.

**Unilever** has committed to reduce virgin plastic packaging by 50% by 2025, with one third coming from an absolute plastic reduction.

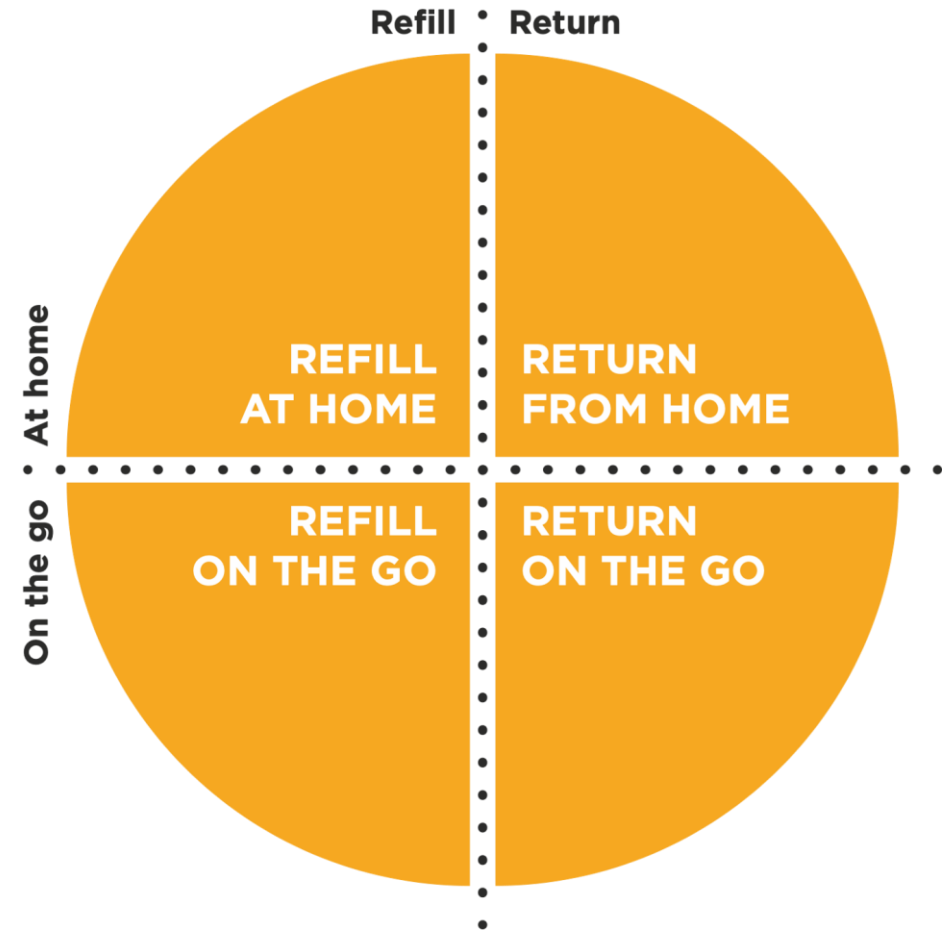
**37** Global Commitment signatories are currently engaged in testing and piloting reuse business models across different markets and product types.

**The Coca-Cola Company** aspire to scale up reusable packaging to 50% by 2030 in Brazil, up from the current 20%.

**Bio D**, which offers its products in large sizes to allow retailers to set up refill stations, saw an increase of 52% in its refill sales in 2018.

STRATEGY 2  
REUSE

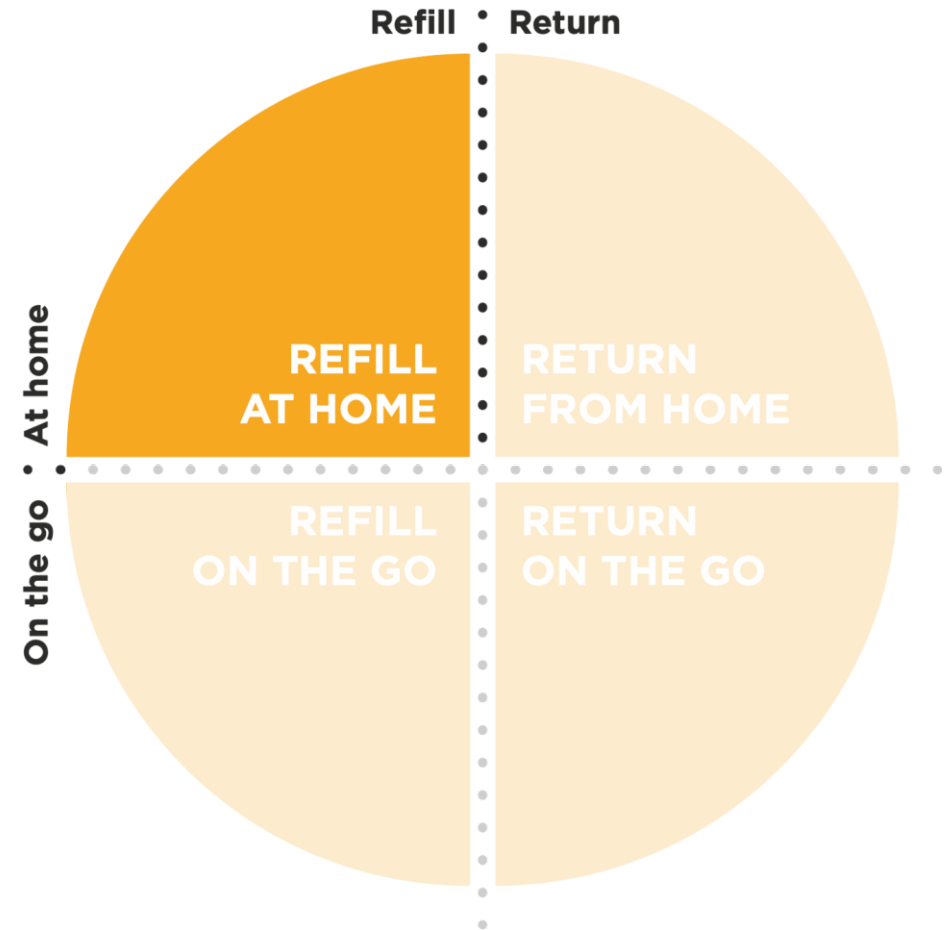
There are four  
consumer facing  
reuse models





STRATEGY 2  
REUSE

There are four  
consumer facing  
reuse models





RETHINK PRODUCT &  
BUSINESS MODEL



REFILL  
AT HOME



# SodaStream from PepsiCo

Instant sparkling water

---

RETHINK PRODUCT &  
BUSINESS MODEL



REFILL  
AT HOME



# Replenish

Shared design for concentrates

---



Photo: Replenish

## SUMMARY: REFILL AT HOME



### TYPICAL BARRIERS

- + Selling and communicating the value of concentrates
- + User experience



### TRENDS

- + Solid or concentrated products
- + Customised products or packaging
- + Auto-refill services



### WHERE TO START

- + Products with high water content
- + Integration with e-commerce

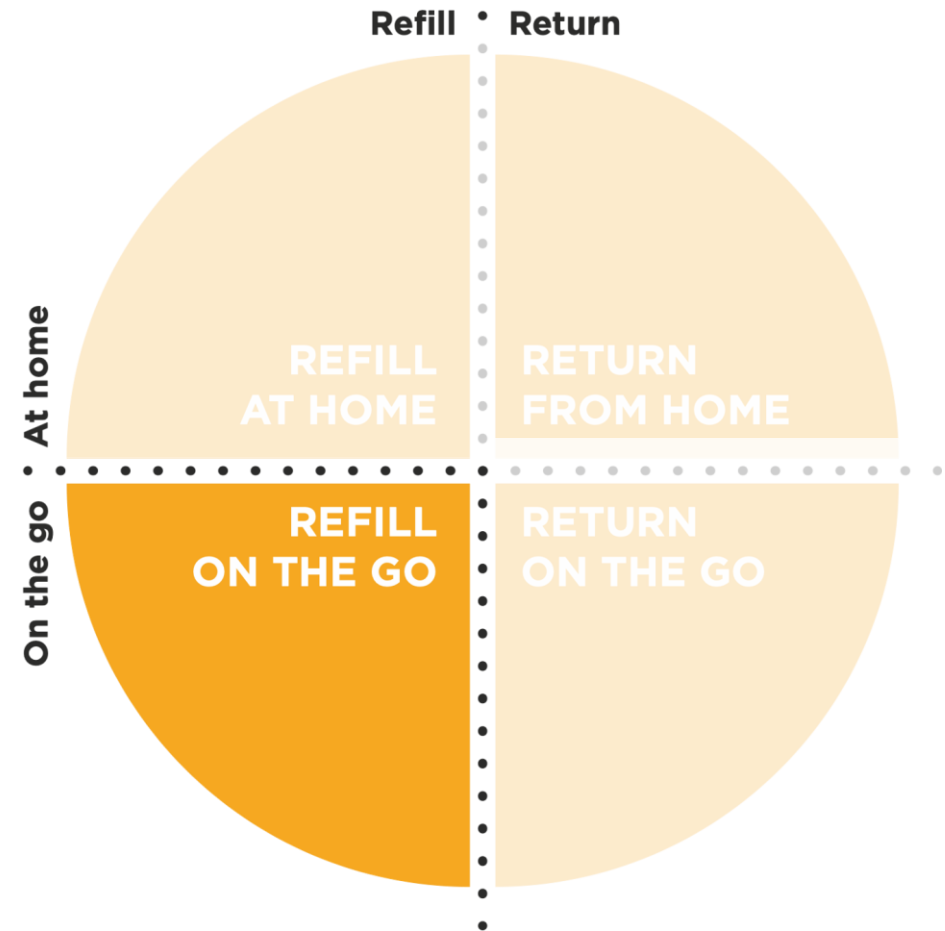


### WHAT GOOD LOOKS LIKE

- + Product formulation
- + Refill packaging
- + Industry alignment

STRATEGY 2  
REUSE

There are four  
consumer facing  
reuse models



RETHINK BUSINESS  
MODEL



REFILL ON  
THE GO



# PepsiCo's Pepsi Spire

---

Customised drink dispensing





RETHINK BUSINESS  
MODEL



REFILL ON  
THE GO



## MIWA & Nestlé

### High-tech bulk dispensing

---

Photo: Nestlé



RETHINK PACKAGING &  
BUSINESS MODEL



REFILL ON  
THE GO



# Algramō

Turning packaging into a wallet

---



Photo: Algramō



## POLL 1

**What do you experience to be, or think might be, the key hurdles for your organisation in terms of implementing a refill on the go system?**

- Difficulties of managing hygiene
- Costs related to dispensing systems and hygiene management
- Lack of interest from consumers to engage in this way of shopping
- The required alterations to store set-up (i.e. accommodating for dispensing systems)
- Getting my suppliers to deliver products in bulk
- Other - please share in chat

## SUMMARY: REFILL ON THE GO



### TYPICAL BARRIERS

- + Managing hygiene
- + Making the shopping experience convenient
- + Getting products supplied in bulk



### TRENDS

- + Customised dispensing systems
- + Smart dispensers
- + Distributed sale points



### WHERE TO START

- + Dried food products
- + Beverages

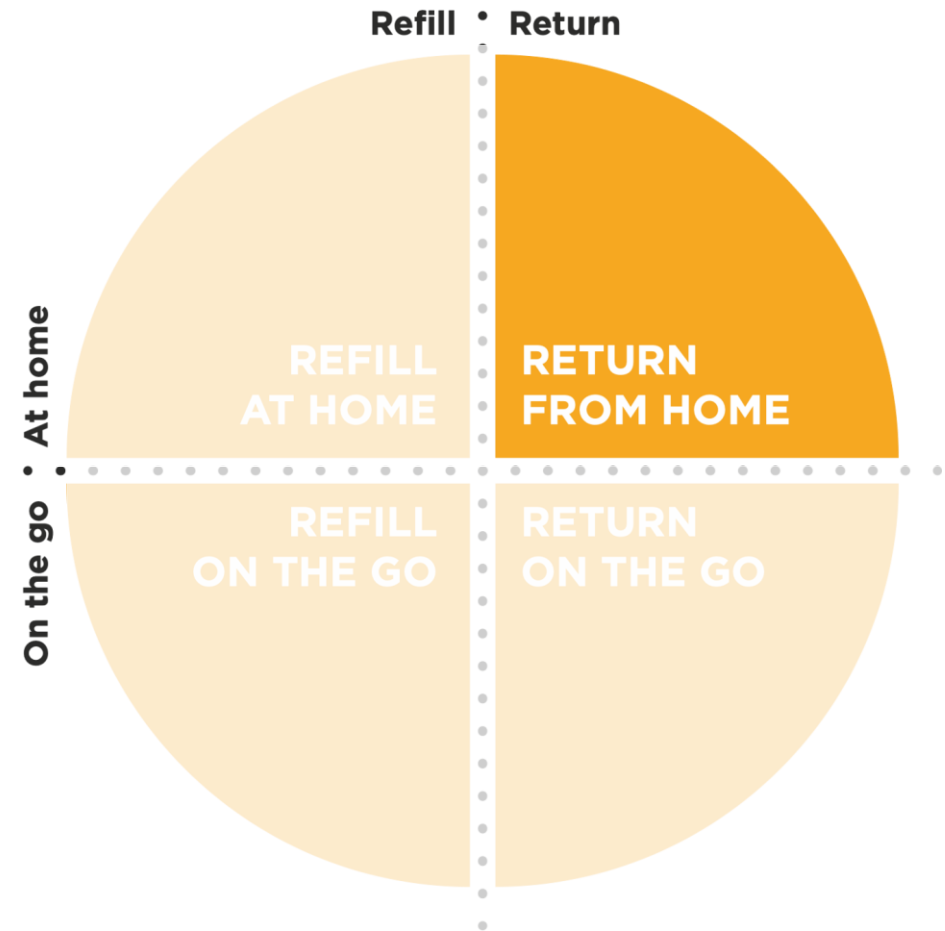


### WHAT GOOD LOOKS LIKE

- + Product formulation
- + Packaging hygiene
- + Customer engagement
- + Dispensing equipment

STRATEGY 2  
REUSE

There are four  
consumer facing  
reuse models





RETHINK PACKAGING &  
BUSINESS MODEL



RETURN  
FROM HOME



## Loop

Popular brands, reusable packaging

---

Photo: Loop and TerraCycle



RETHINK PACKAGING &  
BUSINESS MODEL



RETURN  
FROM HOME



## Abel & Cole

Club Zero: decanting at home

---

## SUMMARY: RETURN FROM HOME



### TYPICAL BARRIERS

- + Reverse and cleaning logistics
- + Limited to premium products



### TRENDS

- + Auto-replenishment services
- + Superior packaging design
- + Shared infrastructure



### WHERE TO START

- + E-commerce products
- + Urban areas

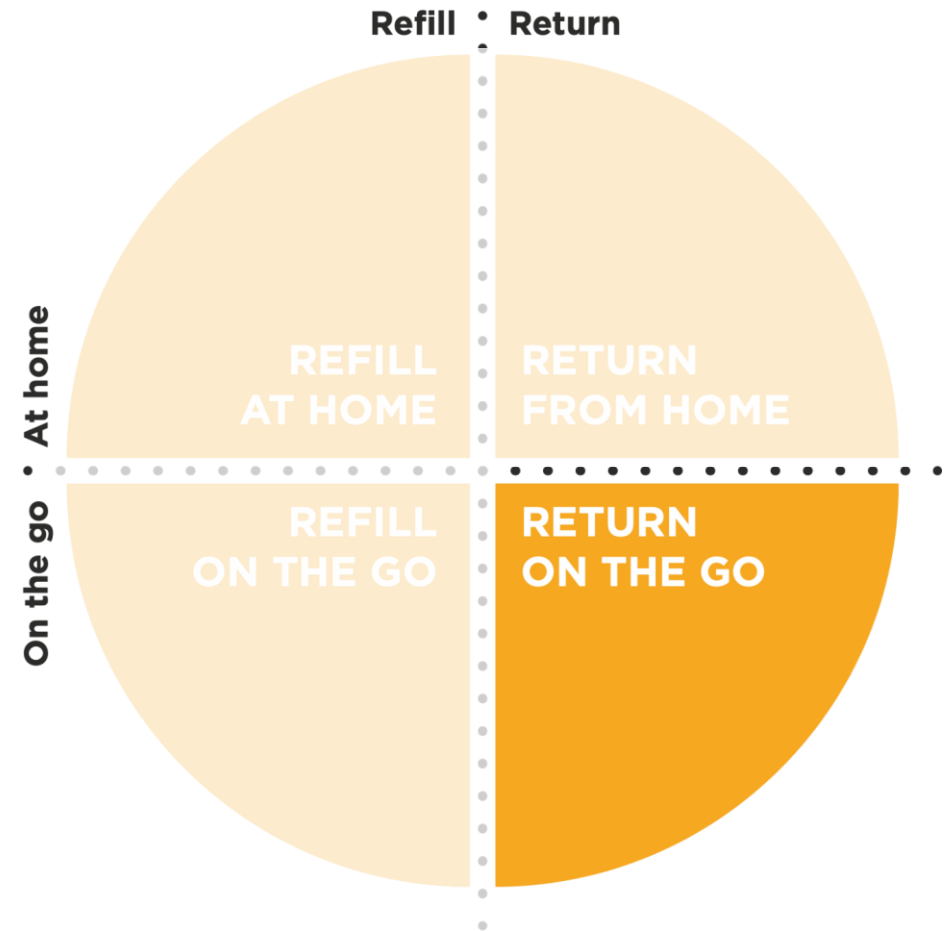


### WHAT GOOD LOOKS LIKE

- + Packaging hygiene
- + Packaging design
- + Customer engagement

STRATEGY 2  
REUSE

There are four  
consumer facing  
reuse models





RETHINK PACKAGING &  
BUSINESS MODEL



RETURN ON  
THE GO



# The Coca-Cola Company

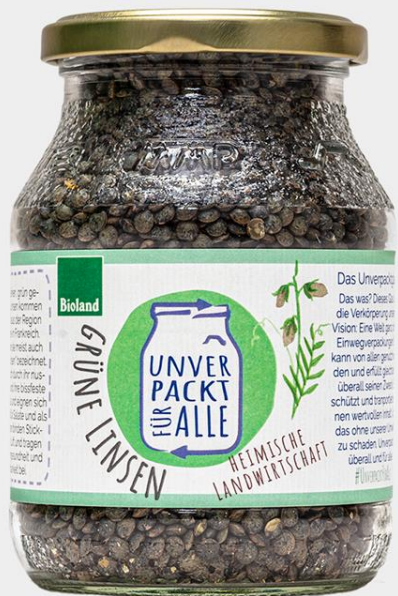
A shared design for multiple brands

---



Photo: Latam Returnable Agile Project  
Team 2018 - Coca-Cola





RETHINK PACKAGING &  
BUSINESS MODEL



RETURN ON  
THE GO



## MMP glass jars

Shared reuse system for jars



RETHINK  
BUSINESS MODEL



RETURN ON  
THE GO



# VYTAL

Reusable takeaway packaging

---



RETHINK PACKAGING &  
BUSINESS MODEL



RETURN ON  
THE GO



# LimeLoop

## Reusable e-commerce packaging

---

## POLL 2

**What do you experience to be, or think might be, the key hurdles for your organisation in terms of implementing a return on the go system?**

- Costs and environmental impacts of cleaning
- Costs and environmental impacts of reverse transportation
- Lack of interest from consumers to engage in this way of shopping
- Implementing the right infrastructure
- Other - please share in chat

## SUMMARY: RETURN ON THE GO



### TYPICAL BARRIERS

- + Reverse and cleaning logistics
- + Convenience



### TRENDS

- + Smart systems
- + Turn-key solutions
- + Shared infrastructure
- + Low footprint reusable packaging



### WHERE TO START

- + Beverages
- + Products consumed on the go

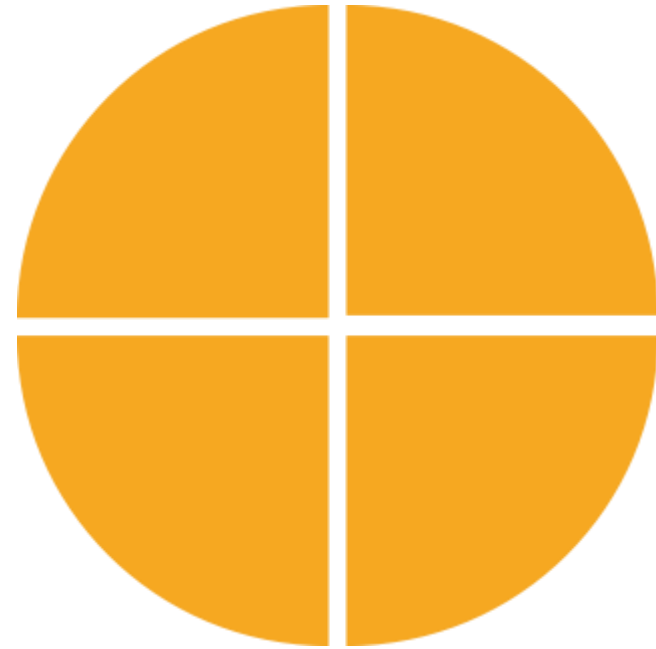


### WHAT GOOD LOOKS LIKE

- + Shared design
- + Customer engagement

STRATEGY 2  
REUSE

A wide range of **B2B**  
reuse models exist



**Reusable packaging  
moves between  
businesses only**





Photo: Svenskt Retursystem AB

RETHINK  
PACKAGING



B2B



# Swedish Return System

## Industry-wide shared packaging

---

photo: CHEP A Brambles Company

RETHINK  
PACKAGING



B2B



# CHEP, a Brambles

Cross-industry packaging platform

---



## SUMMARY: B2B



### **TRENDS**

- + Standardisation
- + Turn-key solutions
- + Smart systems



### **WHERE TO START**

- + Identify current single-use packaging use
- + Explore existing turn-key solutions



### **WHAT GOOD LOOKS LIKE**

- + Shared design

**POST IN THE CHAT**

**Which case study inspired you the most?**

# AS RETAILERS YOU CAN

- 1** Engage your private labels and pilot with these
- 2** Partner with a brand and trial reuse for a particular product type with them
- 3** Join or tap into existing reuse platforms



UPSTREAM  
INNOVATION

# *ASSET PACK*

# Want to learn more about upstream innovation?

Download the Ellen MacArthur Foundation's guide:  
**Upstream Innovation: A guide to packaging solutions**

[plastics.emf.org/upstream](https://plastics.emf.org/upstream)



# KATE WORLEY

WALMART

# BEYOND THE BAG INITIATIVE CONTINUES TO GROW

MANAGING PARTNER



FOUNDING PARTNERS



SECTOR LEADS



SUPPORTING PARTNERS

Great Local Brands of  
Ahold Delhaize | USA



ENVIRONMENTAL PARTNERS



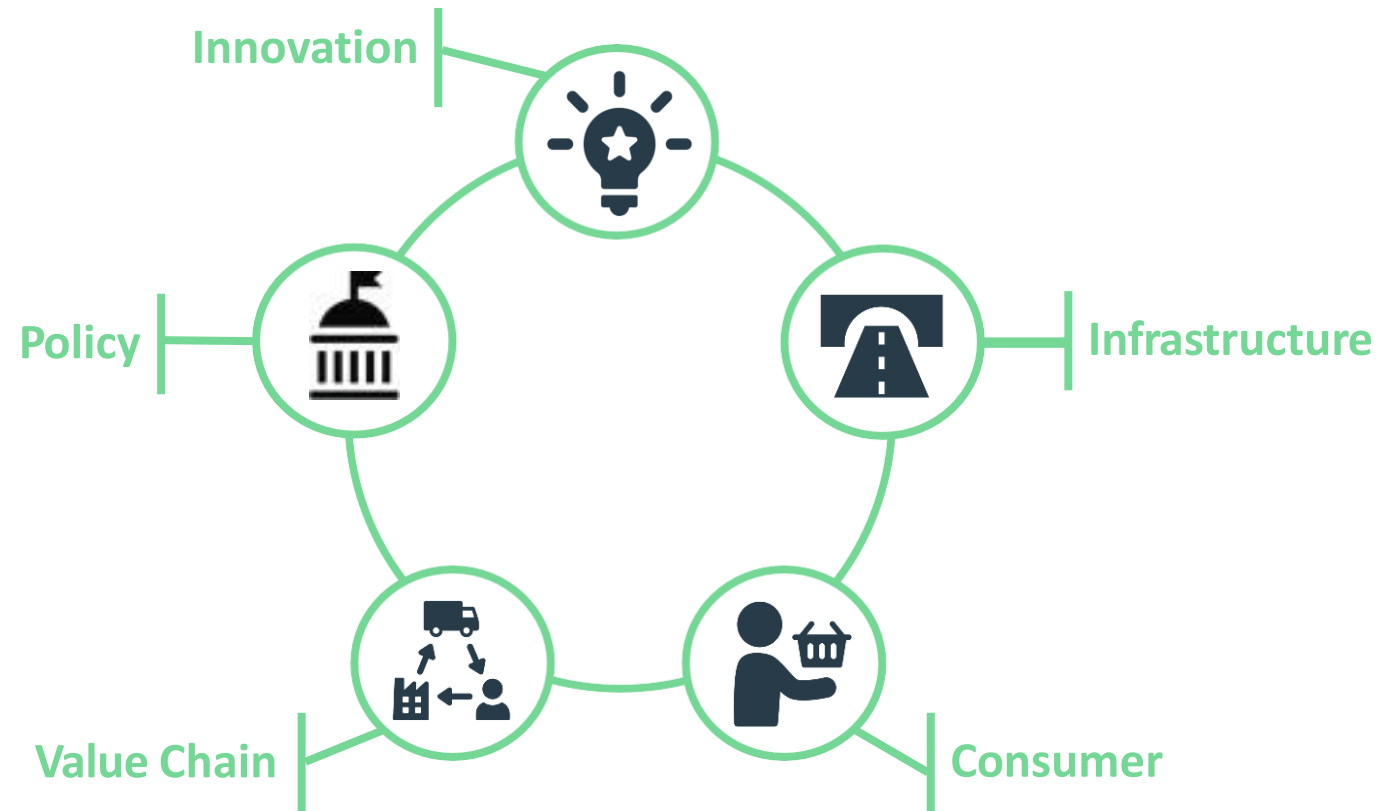
INNOVATION PARTNER





# THE BTB INITIATIVE TAKES A HOLISTIC APPROACH

*A holistic process that identifies solutions, engages stakeholders, invests in infrastructure, and aligns the value chain, ultimately creating a system that improves upon the retail bag*



# 455 TOTAL SUBMISSIONS LEADING TO 9 WINNING SOLUTIONS

455

Total  
Submissions

- Received submissions from **60 countries**
- **38K page views** of Challenge Website
- Connected with **2143 organizations and individuals**

255

Submissions  
Reviewed

- Solutions reviewed by **Founding Partners, Sector Lead Partners, and Environmental Advisory Partners**
- Solutions scored across **11 dimensions**

58

Shortlisted  
Solutions

- Conducted **1:1 feedback** sessions with **retailers, customers, and design experts**
- Solutions reviewed by **Founding Partners, Sector Lead Partners, Environmental Partners, and Judges**

9

Winning  
Solutions

- Secondary reviews by **Founding Partners, Sector Lead Partners, Environmental Advisory Partners, and SMEs**
- **Six-hour cross-discipline workshop**
- **Background check** by third-party provider

# FINAL PORTFOLIO OF SOLUTIONS

*This suite of solutions provides ample opportunity to learn about new systems and solution capabilities to meet customers' and retailers' needs alike*

## Innovative Materials



**DOMTAR**  
Stretchable Fiber Bag



**PlasticFri**  
Starch-Based Compostable Bag



**Sway**  
Seaweed-Based Bag

## Reusable Systems



**ChicoBag**  
Bag Form & Bag System



**GOATOTE**  
Kiosk-Based Bag System



**Returnity**  
Packaging System

## Enabling Technologies



**Fill-it-Forward**  
Tag-Based Customer Facing Application



**Connected-USE**  
Customer Facing App and IT Infrastructure



**Circular ID**  
Material Tracing and IT Infrastructure

# REUSABLE SYSTEMS

*Packaging and reusable bag systems that deliver value by encouraging reuse.*



## ChicoBag

- Deposit-based reusable bag and system, non-kiosk, return bag in-store or mail-in for washing and reuse, end-of-life, retailer POS integration
- Washable at home, collapses/ attached carabiner, RFID tracking for rewards
- USA company, recognized for sustainability
- Non-Biodegradable, industrial recyclable, made from PET



## Goatote

- Kiosk, subscription-based reusable bag and system. Users utilize app or touch screen
- Customer returns bags to kiosks, they are collected/washed, system could be bag agnostic, limited ops involvement
- Non-biodegradable, curbside recyclable, made from PET
- Testing at St. Paul Public School System
- USA company



- Reusable packaging, used for .com or OPD delivery, returned in-store or picked up, cleaned and recirculated, manage inventory. Retailer can choose to clean as well
- Established USA company
- Non-Biodegradable, industrial recyclable, made from PET, rPET, silicon

# JOHN KOTLARCYZK & DAN LESKOVEC

WALGREENS



# Walgreens Loop Partnership and Buddy Bench Project

Member of Walgreens Boots



Walgreens  
Boots  
Alliance

*Walgreens* Trusted since 1901™

# Walgreens and Loop

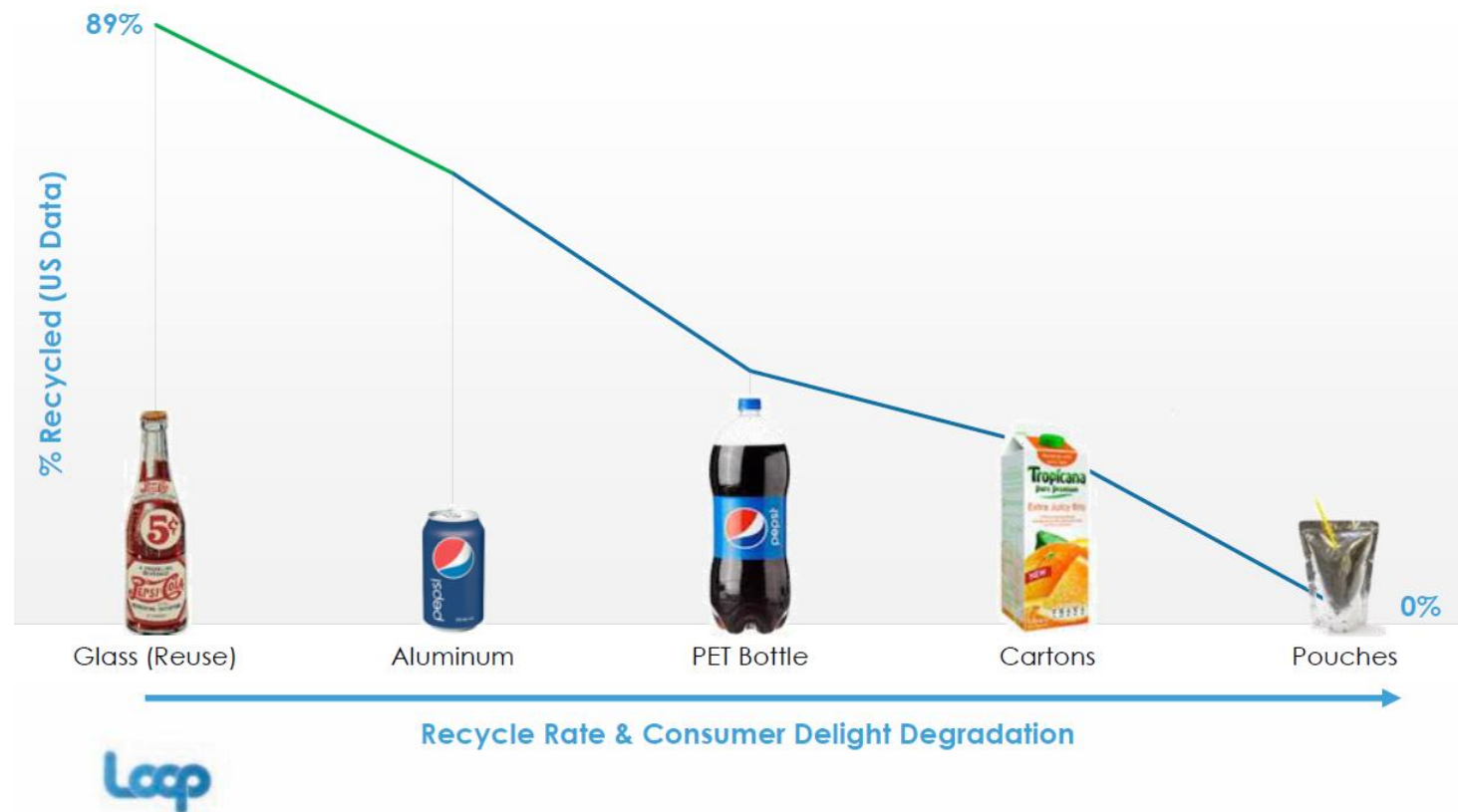
Integrating an innovative, and sustainable  
customer consumption model





# Recyclability and Customer Delight

Manufacturers have reduced the weight of their packaging to save on costs and reduce environmental impact. In the process, **recycling rates** and **consumer delight** has deteriorated.



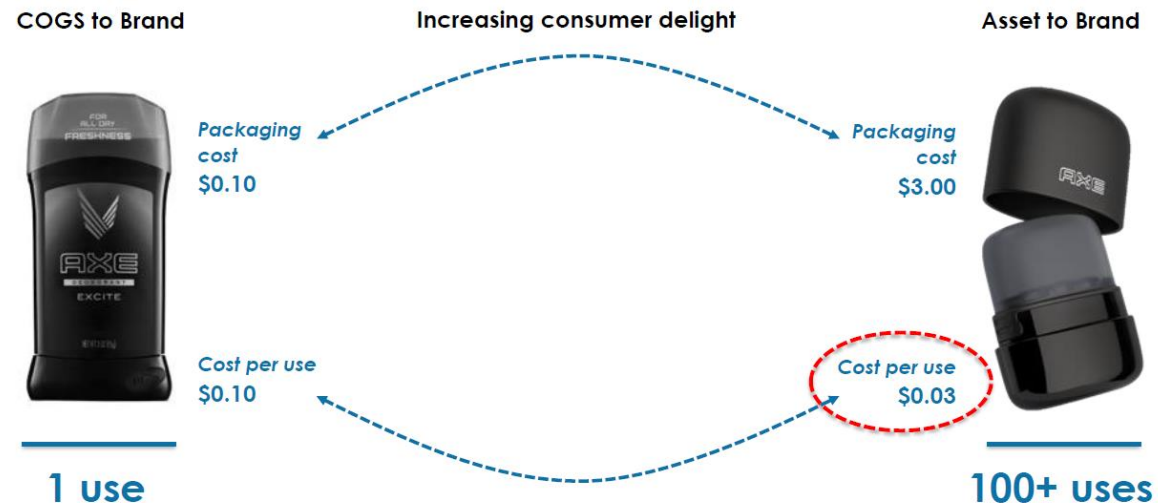
# What is Loop?

Loop is a circular shopping platform that transforms the packaging of your everyday essentials from single-use disposables to durable, feature-packed designs.



## A FUNDAMENTAL CHANGE OF OWNERSHIP

Why should a consumer own a package that they don't want to own?



# CPG Partners

Loop operates within the Household Consumables, Personal Care, and Consumable categories. Below is a small sampling of the numerous vendors and brands partnering with Loop.



# How it works

Loop is a subscription platform that has partnered with major brands to create durable, sustainable, and beautiful packaging for everyday products.

Consumers receive their products in a reusable tote (think “milkman” model) and return via the tote when product is finished. Their used packaging is cleaned, sterilized, refilled, and used again.

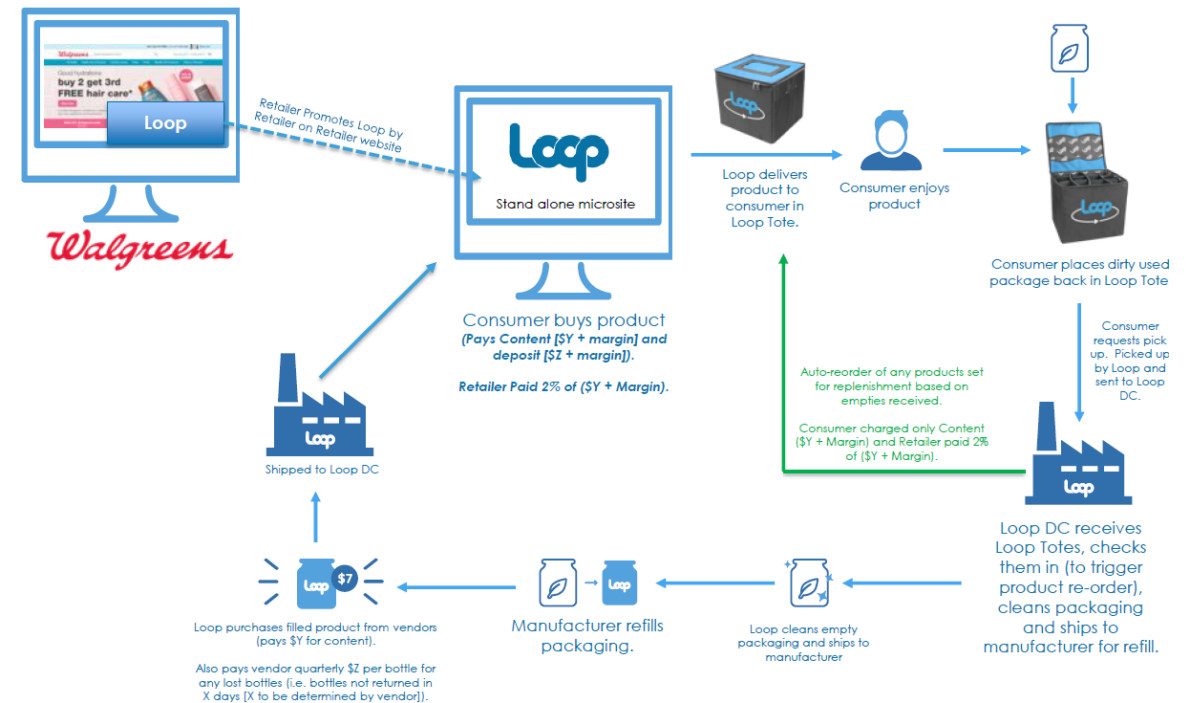
Initial Walgreens commitment and investment

- Host a link on Walgreens.com taking customers to a one page site giving static information on Loop and providing a link to the Loop Store
- Harmonize Communications and PR to promote Walgreens involvement with Loop



### TEST AND LEARN: Loop Stand-Alone model

Retailer will receive 2% of all retail transactions in perpetuity on consumers that Retailer sends to this platform (or 3% of wholesale).

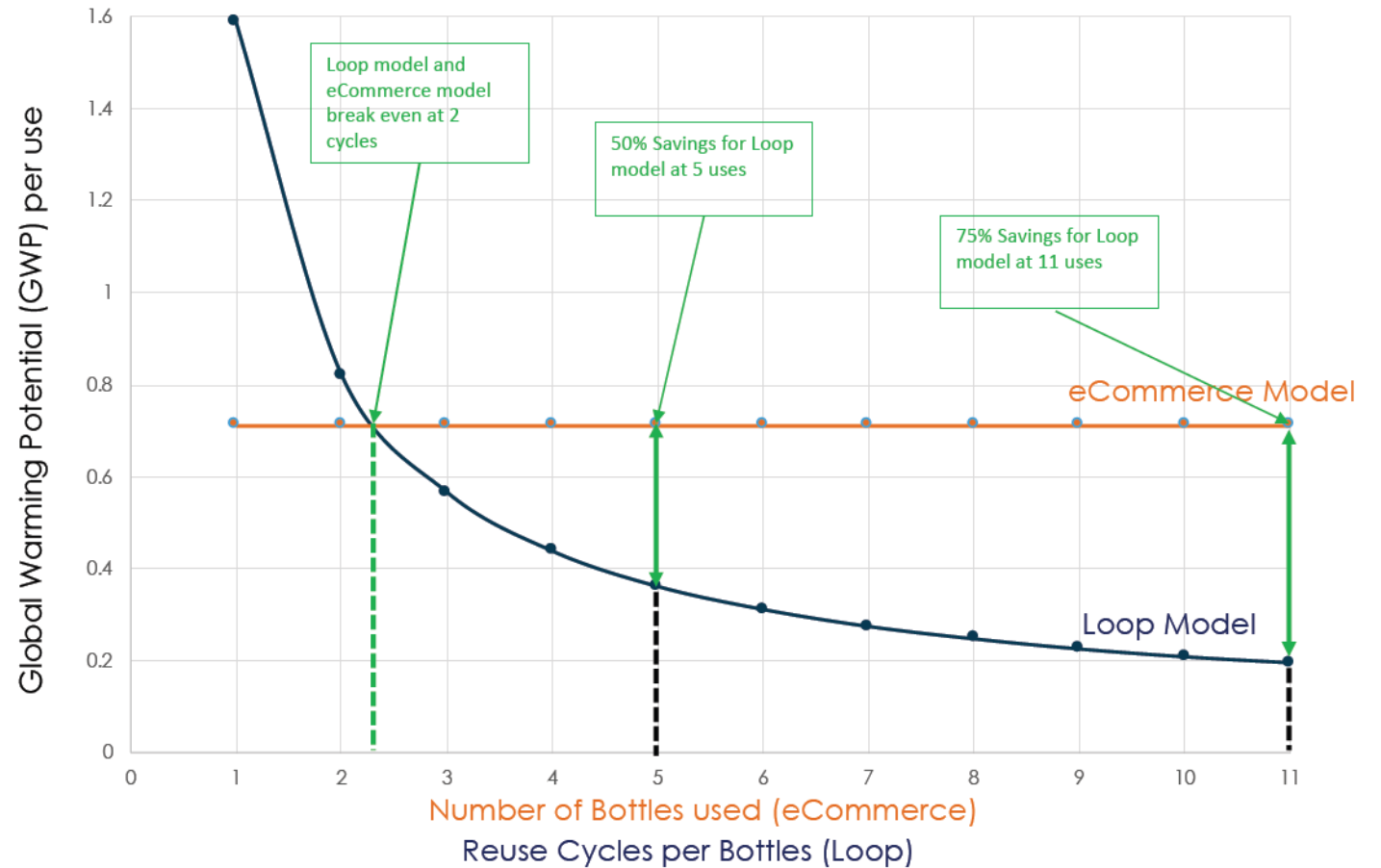


# Sustainability

This graph compares the sustainability of the Loop model for shampoo vs the traditional eCommerce model (customer orders, uses shampoo, disposes of container).

It demonstrates that while the Loop model initially has a greater environmental impact, it breaks even between the second and third use, becomes 50% more sustainable at the fifth use, and 75% more sustainable at the 11<sup>th</sup> use.

The benefits level off at 75% more sustainable.



# Buddy Bench Project

# Red Nose Day



**Thanks for being  
an Everyday Hero**

Your support of Red Nose Day helps  
keep children in need safe, healthy  
and educated.\*



**Red Nose Day is making a difference**

Together, we've helped raise **more than \$27 million** for kids who need it most.



# Red Nose Recycling



**Carpet Padding**



**Packaging Issues**

# In-Store Recycling Containers

©2019 Walgreen Co. All rights reserved.





# Mixed Materials – Depackaging challenges



# Buddy Bench





# Buddy Bench In Schools



# LAURA BERES

ULTA BEAUTY





CHOICES FOR YOU & FOR YOUR WORLD™

WILL COME TO LIFE ACROSS FIVE PILLARS



**CLEAN  
INGREDIENTS**

Excludes parabens, phthalates,  
and other ingredients on our  
*Made Without List*



**CRUELTY  
FREE**

Not tested on  
animals



**VEGAN**

Created without  
animal ingredients,  
by-products or derivatives



**SUSTAINABLE  
PACKAGING**

Reduced, recyclable, or  
refillable packaging to  
minimize waste



**POSITIVE  
IMPACT**

Highlighting brands that  
have giving back at their  
core



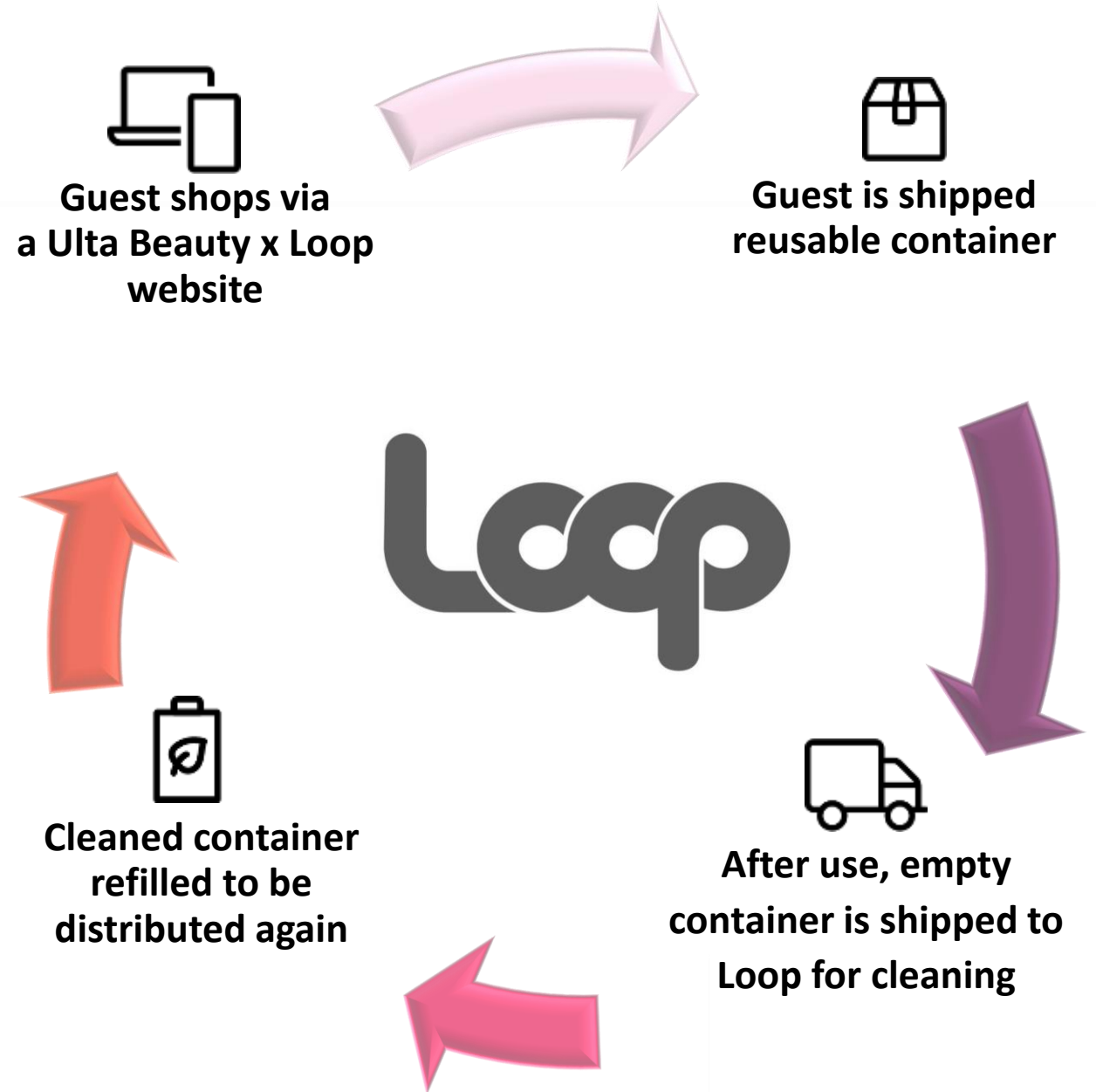
**Loop** is a circular platform designed to eliminate waste by transforming the packaging of everyday items from single-use disposables to durable, feature-packed designs. Owned by TerraCycle.

#### DELIVERY SERVICE

Replaces single use disposable packaging

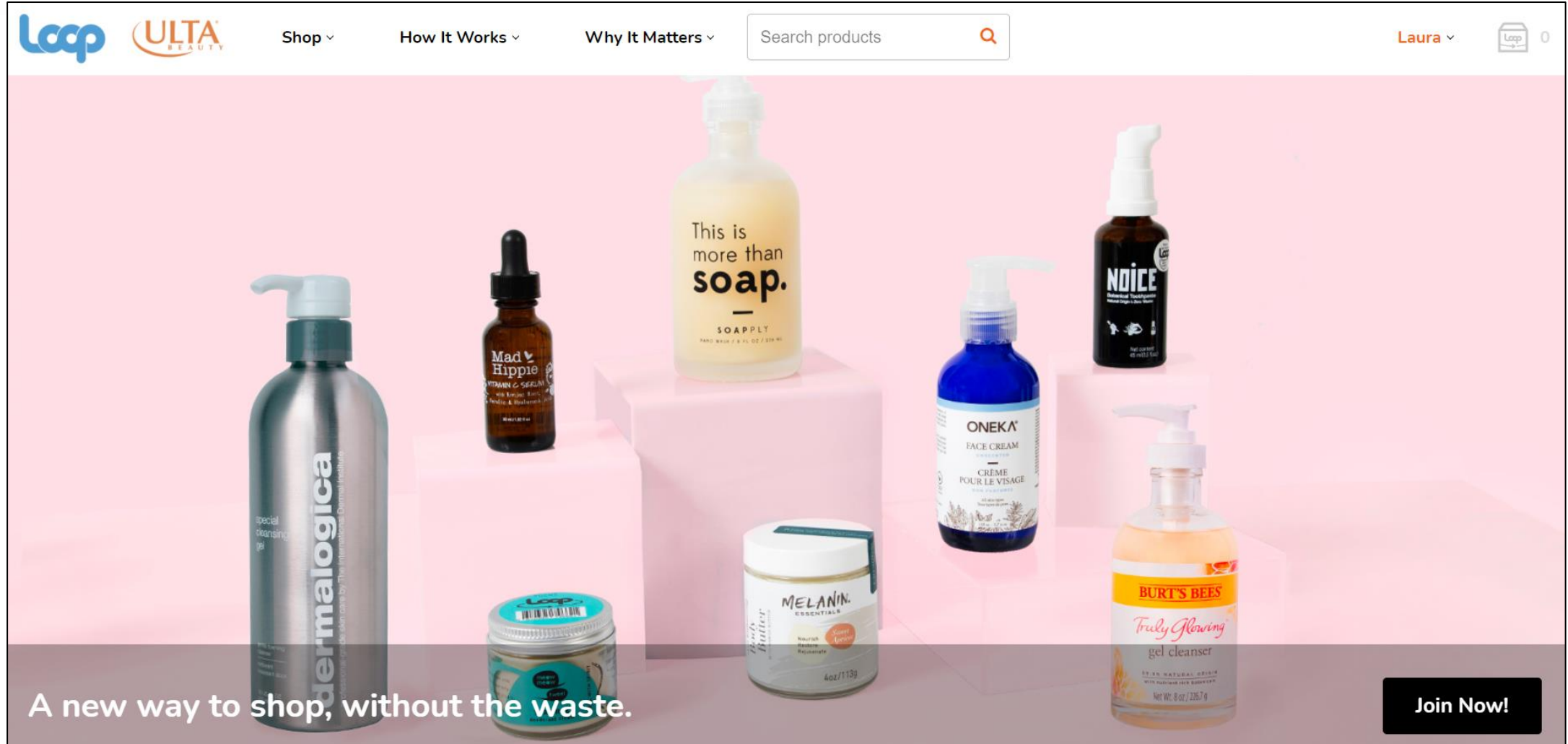
#### EXCLUSIVITY

Ulta Beauty is the exclusive U.S. beauty retail partner through Q3 2021



**Loop x Ulta Beauty** launched on March 3<sup>rd</sup> with an assortment that is growing daily!

<https://loopbyulta.com/>

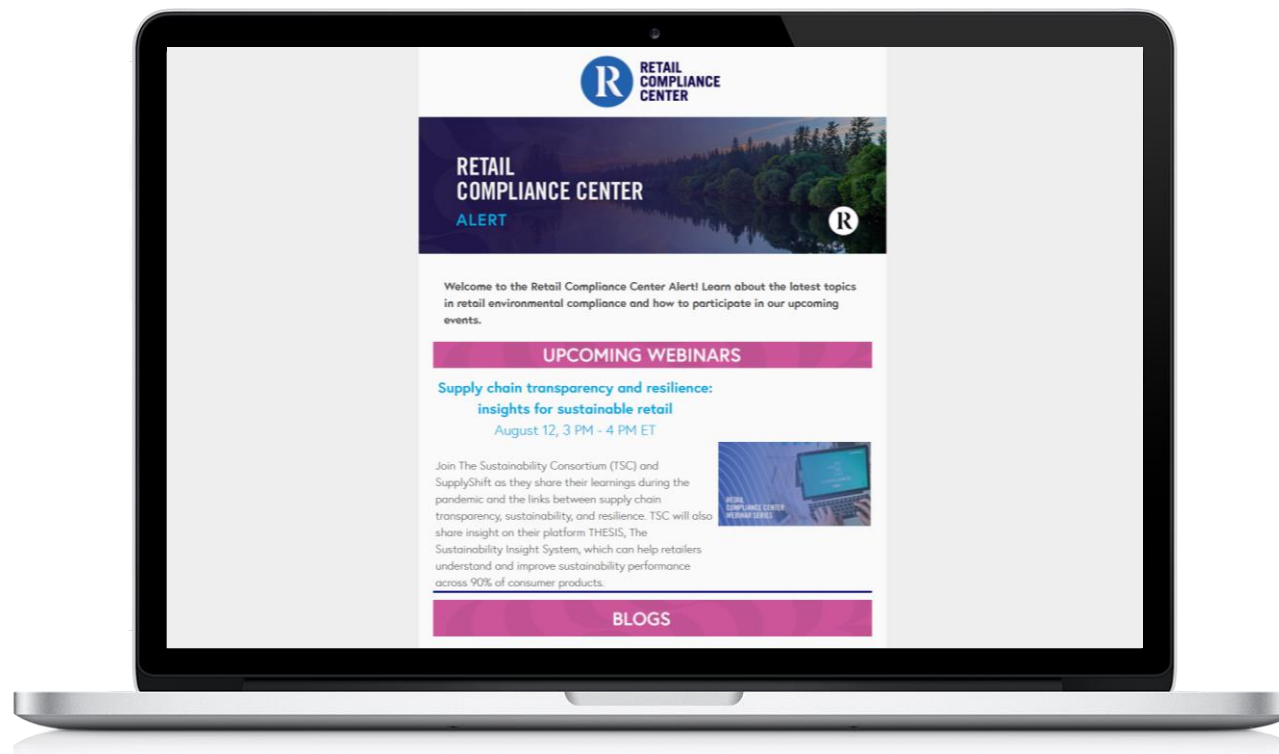


# QUESTIONS?

USE THE Q&A BOX TO SUBMIT YOUR QUESTIONS

# Don't miss future webinars, sign up for RCC Alerts

Join our mailing list by signing up at <https://www.rila.org/retail-compliance-center/sign-up-for-alerts>



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



**Tiffin Shewmake**

Vice President, RILA and Executive  
Director, Retail Compliance Center

[Tiffin.Shewmake@rila.org](mailto:Tiffin.Shewmake@rila.org)



**Kaela Martins**

Manager, Environmental Programs &  
Retail Compliance Center

[Kaela.Martins@rila.org](mailto:Kaela.Martins@rila.org)



**Kevin Gibney**

Coordinator, Environmental Programs  
& Retail Compliance Center

[Kevin.Gibney@rila.org](mailto:Kevin.Gibney@rila.org)

# RETAIL COMPLIANCE CENTER – CONTACT US

THANK YOU