



PACKAGING SUSTAINABILITY

Sustainability is increasingly a fundamental part of the retail business model. It is a commitment to our customers and the communities in which we live. In many cases, enhanced sustainability can also reduce costs, but more importantly, surveys show that our customers expect that we are implementing sustainable practices.

PRODUCT PACKAGING

One area where CRA member companies are making considerable strides is in reducing product and packaging waste. These initiatives include, but are not limited to:

Recycling and Waste Diversion. Retailers are promoting recycling in their own practices and products through recycling rates and recycling initiatives.

Source Reduction. Reducing the amount of materials required in packaging, or source reduction, is a huge step towards sustainability that many of our members are working towards.

Compostability. One element of recycling is a material's ability to be composted. Many of our members are not only recycling, but making their products more recyclable.

RECYCLING, WASTE DIVERSION, AND COMPOSTING

- One prominent national retailer has **increased its recycling rates for cardboard by 46%** over the last seven years. Another recycled 430 million pounds of plastic film and rigid plastic in 2018 alone.
- Multiple retailers are **phasing out EPS** (expanded polystyrene) **and PVC** (polyvinyl chloride), two difficult to recycle, barely biodegradable packaging components.
- Retailers are partnering with organizations such as Keep America Beautiful and the Recycling Partnership. In the 2017/2018 fiscal year, the Recycling Partnership impacted 50 million households and **kept 160 million pounds of recyclables out of landfills.**
- The Retail Industry is creating databases for consumers to search for products that have a **lessened environmental impact.**
- Multiple retailers have set, and achieved, their own goals to **divert 75-80% or more of their waste from landfills into the circular economy.**
- Retailers are using Forest Stewardship Council **(FSC) certified paper** product packaging.
- Retailers are **increasing the recycled content** in paperboard packaging.
- A major retailer has established a **“Zero Plastic Waste”** goal, including the attainment of 100% recyclable and reusable packaging for private brands and a **0% waste-to-landfill goal by 2025** for all key markets.
- Multiple retailers have special product labels **instructing consumers on how to recycle** products to achieve maximum recyclability.
- One retailer has set a goal of **100% compostability** in its private label packaging.



SOURCE REDUCTION INITIATIVES

- Retailers are **redesigning 134 packages** to reduce size and materials.
- The Home Depot currently conducts supplier audits utilizing their **Social & Environmental Responsibility Standards**. Any supplier who doesn't meet those standards is cut.
- Retailers are implementing **"Circular design" for private label clothing**, so that every aspect of product creation—from design, to sourcing, to manufacturing, to sale—is done sustainably. This initiative encourages the reuse of textiles, as they do not break down easily when thrown away.

THEY ARE DOING THIS BY:

- Establishing stores where customers can drop off their old and used clothing. Instead of turning to landfills, clothes are recycled and reused.
 - Working to decrease microfiber shedding.
 - Reducing plastic use by tightening packaging standards.
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- Retailers are **transitioning to paper gift cards**. One company, has saved 60 tons of plastic. Moving into 2020, Best Buy has set a goal to reduce the packaging size of the gift cards, as well as aim for 100% of in-store cards made from paper.
 - Retailers are signing on to the **New Plastics Economy Global Commitment** to reduce polystyrene packaging.
 - Retailers are sourcing all paper packaging from sustainable or credibly **certified forests**.
 - Retailers are **enhancing the reuse of packaging** for large items such as flat screen TVs and appliances, through reusable packaging tools and employee training on handling.
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- Best Buy requires all recyclers to follow their "Best Buy Standards". The standards state that "Recyclers must pass a thorough environmental, safety and downstream audit process before contracting with Best Buy, and are subject to recurring onsite, desktop and downstream assessments." By implementing such rigorous standards, **Best Buy is ensuring that every step of the distribution process**, even those out of the company's hands, are executed with sustainability in mind. Because of these efforts, among other standard requirements the company enforces, Best Buy has been **included in Barron's 2019 List of Top 100 Sustainable Companies**.
 - Retailers are **collaborating with sustainability experts** including the Sustainable Packaging Coalition, the Sustainable Apparel Coalition, and the Ellen MacArthur foundation.

ABOUT THE CRA

CRA is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 418,840 retail establishments with a gross domestic product of \$330 billion annually and employs 3,211,805 people—one fourth of California's total employment.