Climate Action in Practice:

Actionable Insights to Adopt Circular or Sustainable Packaging

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With the support of

BOSTON CONSULTING GROUP

Welcome to the *Climate Action in Practice* Guide

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

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

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

Where to start | Six key challenges, one common framework

Six key challenges identified by our members:

REDUCE DEFORESTATION

Example activities

- Agroforestry; Re/Afforestation
- Deforestation-free sourcing

ENHANCE SUSTAINABLE AGRICULTURE

Example activities

- Cropland management
- Livestock management

MERCHANDISE SUSTAINABLE PRODUCTS

Example activities

- Increased availability of sust. goods and ingredients
- Promotion of sustainable products to drive adoption

REDUCE FOOD LOSS & WASTE

Example activities

- Shelf-life monitoring
- Responsible promotion tactics

INCREASE LOW-CARBON ENERGY & LOW-CARBON TRANSPORT

Example activities

- Low-emissions refrigeration
- Fuel switch to BEV
- Renewable heat & power

ADOPT CIRCULAR OR SUSTAINABLE PACKAGING

Example activities

- Reduction of unnecessary packaging
- Improved package-recyclability

For each key challenge, this publication provides the following resources:

- ***Shared vision of the future***
- ***Overview and key insights***
- ***Regional considerations***
- ***Actions retailers should consider***
- ***Relative impact & feasibility***
- ***Case studies & additional resources***

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

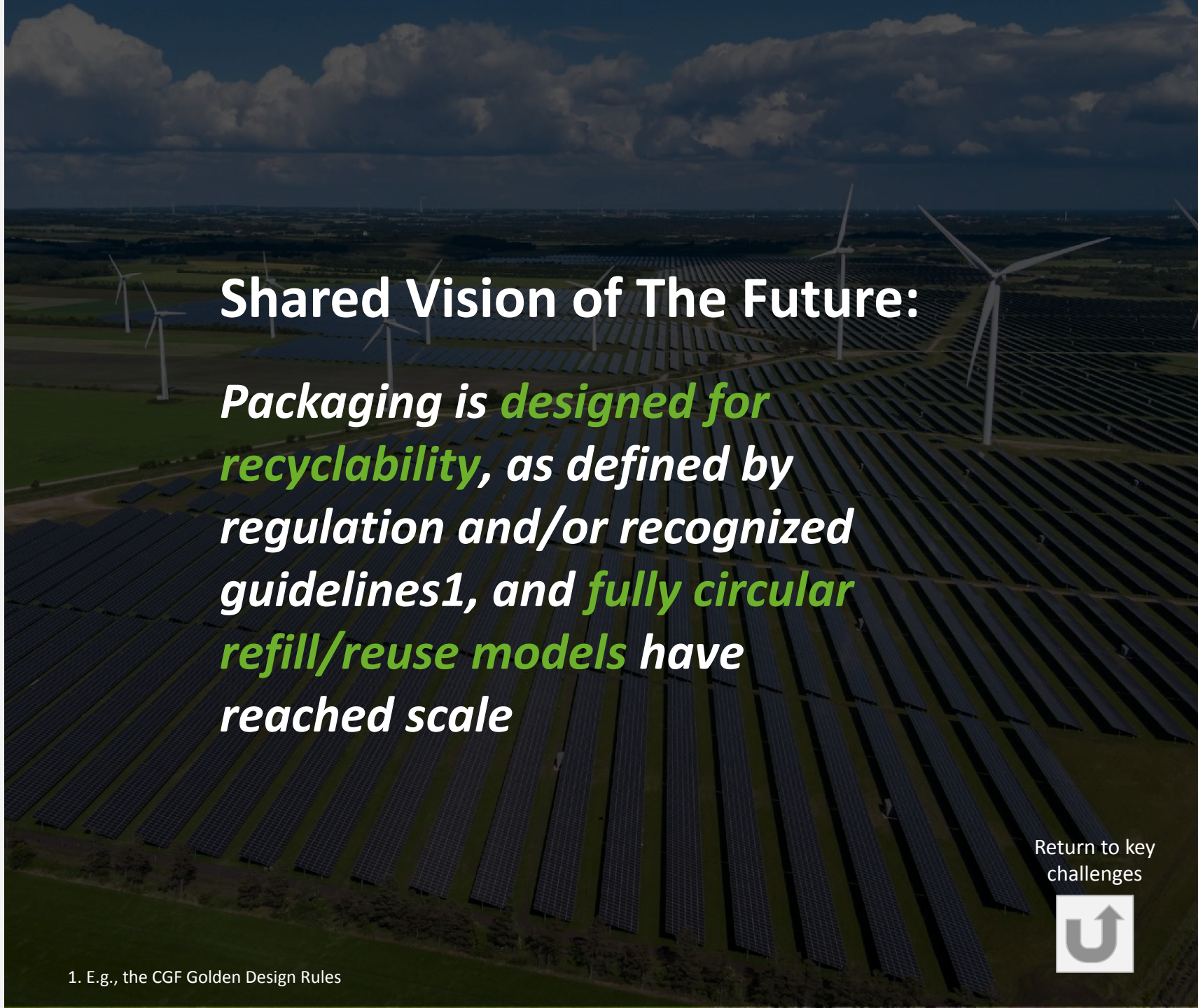
Note: Key action areas identified based on relative emissions reduction potential and broader environmental benefits

Where to start | High-level impact and feasibility estimates can guide prioritization[1]

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

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

Adopt circular or sustainable packaging



Shared Vision of The Future:

Packaging is designed for recyclability, as defined by regulation and/or recognized guidelines1, and fully circular refill/reuse models have reached scale

Return to key challenges

1. E.g., the CGF Golden Design Rules

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

Topic resources to follow …

Sustainable Packaging Overview

Regional Considerations

Activities Retailers Should Consider

Relative Impact & Feasibility

Retailer Case Studies

"Best Source of Truth" Resources

1. E.g., the Association of Plastic Recyclers' definitions of recyclability

Overview | What to know about circular or sustainable packaging

Strategic Context

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

Key Challenges

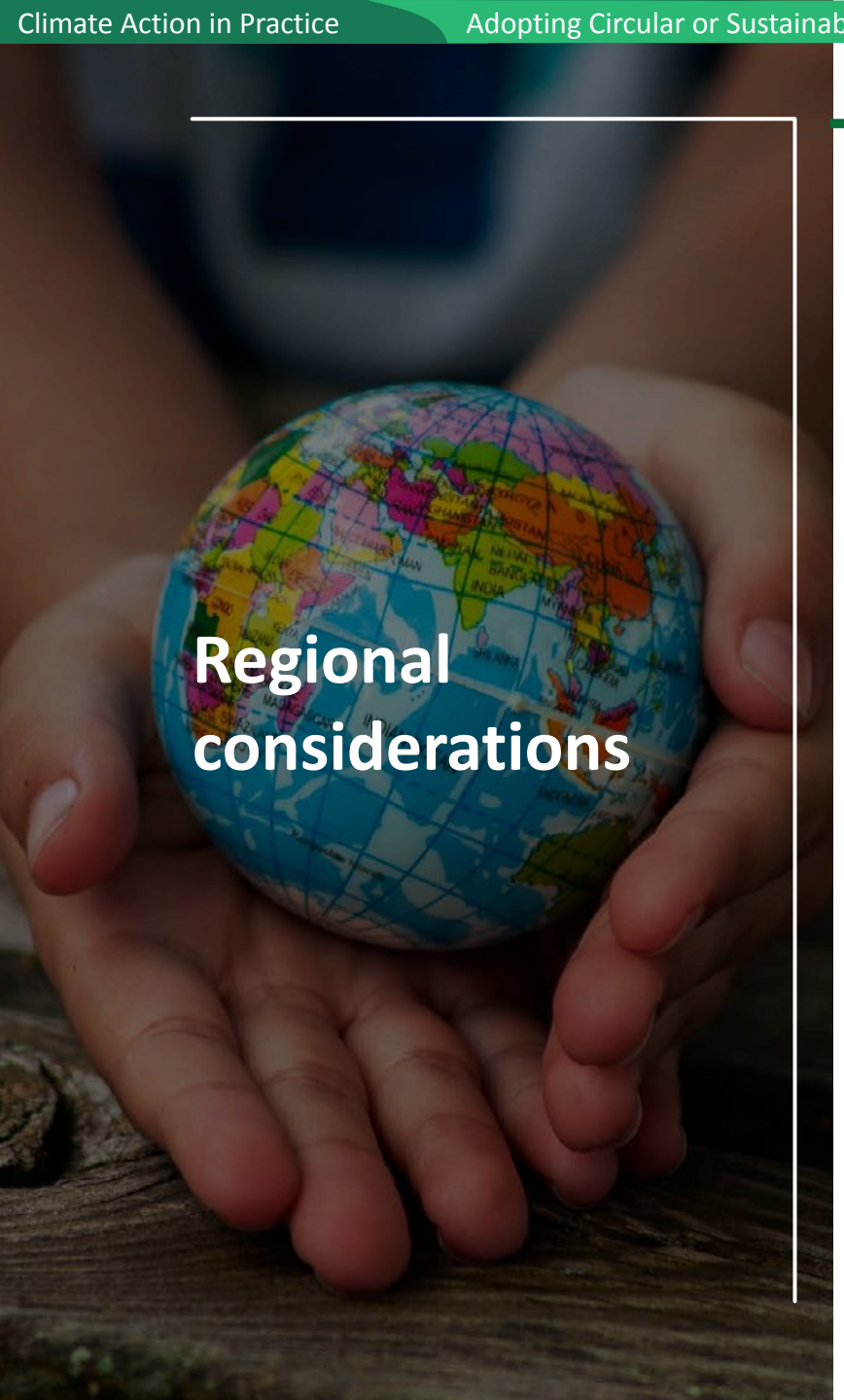
Global regulation is accelerating rapidly (e.g., extended producer responsibility (EPR)) directly impacts retailers' private labels

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

Opportunity & Solutions

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

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



Regional considerations

Not exhaustive

US & Canada | Emerging EPR regulations
Adoption of state-level Extended Producer Responsibility (EPR) laws requires retailers to adjust packaging strategies to meet new legal obligations[1] - *US*

Latin America | Informal recycling systems
Reliance on informal recycling sectors means retailers can reduce waste by designing packaging compatible with local recycling capabilities and engaging with waste pickers[2] - *e.g., Colombia, Brazil*

Europe | Strict regulations
Strict EU regulations (e.g., Packaging and Packaging Waste Regulation) compels retailers to find sustainable packaging alternatives to comply with regulations[3] - *EU*

Asia | Strict regulations in some countries
High plastic pollution has led to strict packaging waste laws in certain countries; retailers must adopt sustainable packaging to comply[4] - *China, Indonesia, Philippines*

Africa | Limited recycling infrastructure
Lack of recycling infrastructure in many African countries means reusable and alternative-material packaging are key for minimizing waste[5] – *numerous countries*

Oceania | Voluntary targets
Australia's National Packaging Targets require retailers to ensure all packaging is reusable, recyclable, or compostable by 2025[6] - *Australia*

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

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

Target private label products for packaging redesign in early stages

Example activities include

- **Understand regulatory requirements and bolster digital backbone to enable data collection.**
  - All brand owners need to report packaging volume, format, and material in regulated markets
  - Mid-size brand owners could face millions in EPR fees over the next 5 years
- **Identify private label products with excessive or unnecessary packaging** and work with these suppliers **to incorporate eco-design principles**[1] that satisfy cost, performance, and sustainability criteria (e.g., lighter, more compact packaging improves pallet efficiency)
- **Signal demand for recycled content (PCR) and alternative materials** via contract negotiations

Scale solutions by partnering with packaging manufacturers and building internal expertise

Example activities include

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

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

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

	Impact		Feasibility			
	Low		Medium			
	 Emissions reduction	 Co-benefits (business, social, environmental)	 Affordability	 Ease of implementation	 Public sector support	 Degree of control
Rating	Low	Medium	Medium	Medium	High	Medium
Notes	Packaging contributes to scope 3 emissions but is not typically a major driver for retailers	Reduced waste benefits ecosystem health and conserves resources in addition to aligning with consumer priorities and enhancing brand reputation	Costs for sustainable packaging materials and redesigns can be significant but are mitigated through economies of scale and avoided regulatory fees	Requires deep engagement with suppliers and careful redesign to prevent compromising food safety, which can be complex but achievable with planning	Strong regulatory momentum, especially in the US and EU	While retailers don't directly control their private label packaging, they can provide specifications

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

Levers in action: Retail case studies

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

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

*See **Loblaw Press Release** for more info*

Carrefour partners on a bottle return scheme to encourage reuse

In partnership with Coca-Cola, Heineken, and Citeo, Carrefour launched a bottle return program in 150 stores throughout Paris. Customers can purchase 5 soda, water, and beer products in reusable glass bottles and receive €0.10-0.20 per bottle returned. The bottles are sanitized and refilled at the partner's factory and restocked on Carrefour's shelves. A reused bottle can reduce water use by 50%, CO_2 by 75%, and energy use by 80%.[1]

Carrefour plans to expand the program to 500 stores by 2026

*See **European Supermarket Magazine** for more info*

1. ADEME

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

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

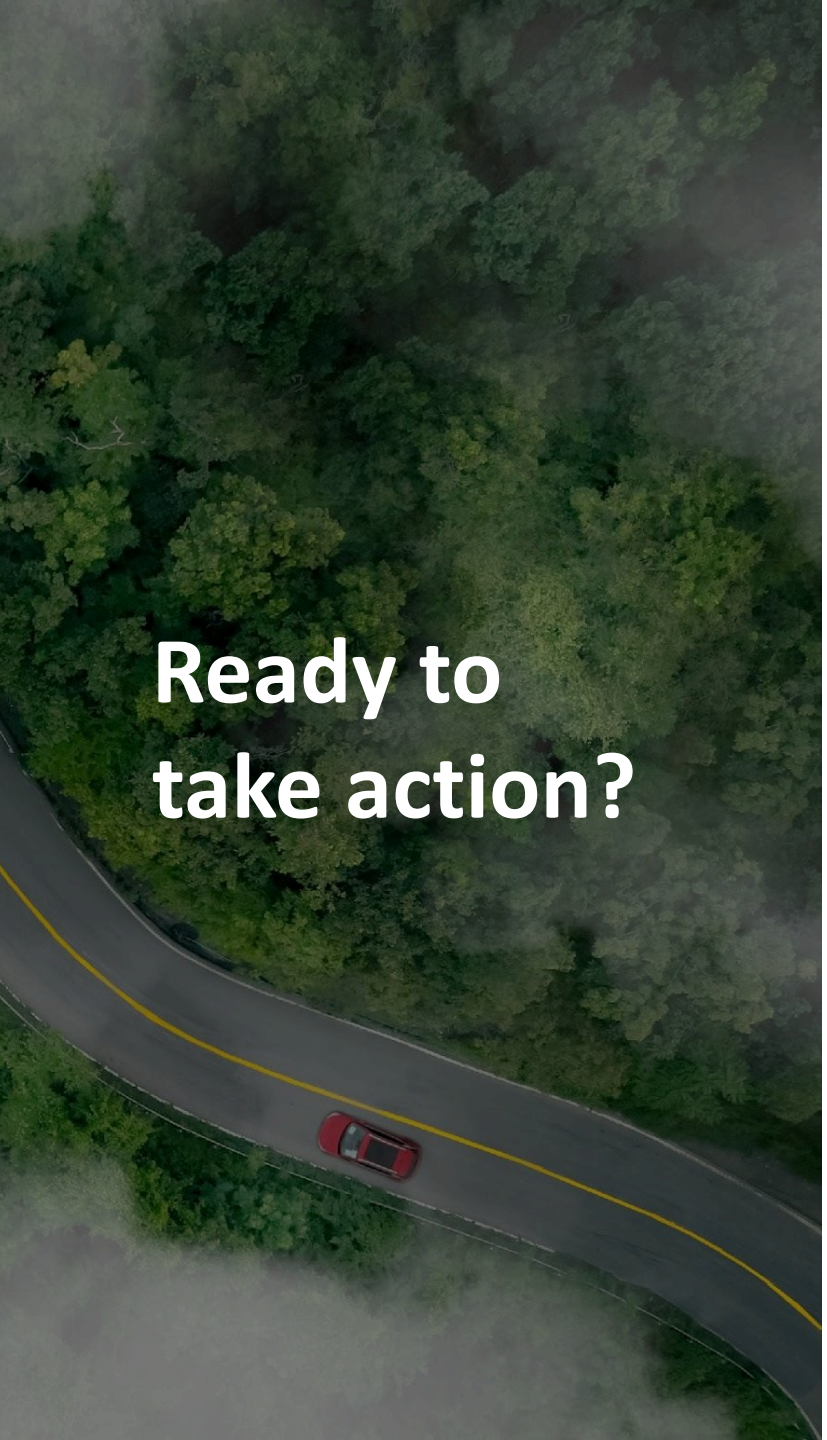
Mandatory regulation Voluntary standard, framework, or guidance

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

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

Mandatory regulation | Voluntary standard, framework, or guidance

Return to key challenges



Ready to take action?

How to become the next changemaker:

1. **Explore practical resources** to tackle key sustinabaility challenges
2. **Connect with our experts** to accelerate your sustainability journey
3. **Join the CGF** to collaborate with industry leaders and drive positive change


Thank you