

**From:** Milton, Grace <Grace.Milton@tesco.com>  
**Sent:** Friday 11 June 2021 15:05  
**To:** circulareconomy  
**Subject:** Consultation Submission  
**Attachments:** Tesco Ireland response - Public Consultation on the Proposed Publication of the Circular Economy Strategy.pdf

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Good afternoon,

On behalf of Tesco Ireland, please find attached submission to the Consultation on the Proposed Publication of the Circular Economy Strategy.

Please note, this document may contain some commercially-sensitive information.

We also include a proposed case study, should the Department wish to include.

Many thanks for the opportunity to engage and do let me know if you have any queries.

Best wishes,  
Grace

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## **Government Consultation on the Proposed Publication of the Circular Economy Strategy**

### **Tesco Ireland Response - June 2021**

#### **Introduction**

Tesco Ireland welcomes the opportunity to respond to this consultation on a Whole of Government Circular Economy Strategy 2021 - 2022 and to share our perspective in relation to same.

We welcome engagement with industry and other stakeholders through this consultation and are available to discuss any aspect of this submission and to expand on, or clarify, any points as required.

*As this document may contain commercially sensitive information, we would request should it be published, that we are provided with advance notification and the opportunity to identify/redact any such information.*

#### **About Tesco Ireland**

Tesco Ireland is one of Ireland's largest private sector employers, with over 13,000 colleagues working in our head office, distribution centre and 151 stores in towns and cities nationwide. We are conscious of our role in tackling climate change and protecting the environment, as well as helping to support the delivery of related sustainability policies. We are working hard to make and influence change where we can.

With sustainability at the core of our operations, Tesco Ireland has set an ambitious science-based target to become a zero-carbon business by 2050. Guided by our overarching sustainability strategy - the *Little Helps Plan* - we have achieved a 35% absolute carbon reduction from operations in 2020, and aim for a 60% reduction by 2025, and 100% reduction by 2050.

Through our relationships with suppliers, and in supporting our customers, we aim to lead our sector towards sustainable consumption. We want to reduce our direct environmental impact and help encourage and support our suppliers and customers to do the same.

We have received the Business in the Community (BITC) Business Working Responsibly Mark in recognition of our sustainability commitments. We are also proud signatories of the Business in the Community Low Carbon Pledge to halve our carbon footprint by 2030. Our policies are aligned to the United Nations Sustainable Development Goals, as well as European and national frameworks. We are a member of Repak, which has led the way in improving recycling levels in Ireland and we are pleased to have signed the Repak Plastic Pledge, as well as being members of the Repak Plastic Challenge Working Group. The main aim of this Working Group is to work collaboratively to support the achievement of Repak's Plastic Strategy and Plastic Pledge

objectives and to seek to find solutions to some of Ireland's most significant plastic packaging challenges.

At Tesco, we support the vision for a circular economy for plastic packaging and have committed to:

- Remove, reduce and redesign packaging materials and their use
- Improve recovery and recycling, ideally working with relevant stakeholders
- Work to raise awareness and educate to support behaviour change

In terms of our wider role in tackling climate change, we have strong sustainability principles embedded throughout our business – from procurement and technical, right through to the customer experience. We know sustainability is a priority for our stakeholders, and we are responding.

For the purposes of this submission, we have largely concentrated on those areas relevant to the circular economy which most impact our business, and where we believe we can have the most influence - namely food waste, plastic and packaging waste and single-use plastics.

In this response, we share our experience in relation to a number of these areas, in which we are making significant progress, and highlight what we believe are both opportunities and challenges in this regard.

We have focused on a number of specific questions as follows:

#### Consultation questions

- 1. Do you agree with the draft Strategy's proposed key objectives? In your view, are there further or alternative objectives that should be included?**
- 2. Do you agree with the overall level of ambition set out in the draft Strategy? If not, is further ambition needed or is the draft Strategy overly ambitious?**

We propose to respond to questions 1 and 2 together, in that both questions relate to the overall aims of the Strategy.

We are pleased to note that the approach adopted in the development of the Strategy and its future implementation, is one of collaboration and consultation. The Cross-Government approach is demonstrative of the significant ambition to respond to the scale of change that is required, and it is welcome that Government is engaging with the private sector in this regard.

At Tesco, we are committed to playing our part to engage with Government, the wider business community and civil society, in order to help deliver on the principles of circularity. Having engaged regularly with the Environmental Protection Agency on food waste and other areas, we welcome its important role in delivering the new Circular Economy Programme. We remain available to engage with the Cross Departmental Working Group / Circular Economy Advisory

Group, and we look forward to sharing our views on and supporting the delivery of national policy in this area in the future, as appropriate.

In that context, we would suggest that as the circular economy policy is developed, and other related strategies and Directives are implemented, it will be important to ensure an evidence-based approach is adopted. Such an evidence-based approach should consider practical, operational and cost implications and examine these in full, while at the same time working to find solutions to deliver environmental benefit.

**4. Would you rate Irish public awareness of the circular economy as high, medium or low? And how important do you think raising public awareness is to further developing the circular economy?**

We would agree that public awareness in relation to circularity is important - we are committed to supporting our customers and providing them with relevant information as together we all work towards the development of a circular economy. For a circular economy to be a success, there must be a strong consumer demand. A 2018 behavioural study from the European Commission on Consumers' Engagement in the Circular Economy found that while most consumers were willing to buy second-hand goods, only 10% of Irish consumers had actually purchased anything second hand within the previous year. Consumer education is crucial to achieving targets.

We welcome the ambition in the Plan to focus on raising public awareness to improve understanding of the circular economy's potential. We note proposals for a national circular economy platform and brand – this has merit as an important and relevant resource, if developed in consultation with industry. We would be pleased to share our views in relation to the practical implementation of such a brand in the retail environment, as appropriate.

A high-intensity public awareness campaign could inform and educate consumers on the way that plastics, including packaging, are produced, used and discarded, the benefits of a circular approach and the urgency to tackle the issue. It should also give clarity on what can and cannot be recycled.

Should such a campaign be developed, we would be pleased to support same as appropriate.

**8. What do you see as the major regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.**

Overall, we would suggest that clear and concise guidance on Legislation/Directives should be provided in a timely manner in order to allow Member States and relevant stakeholders to adapt. The primary regulatory barriers as we see them, include the following:

- *Guidance:* As the Directive (and other policy) is being interpreted for implementation in the Irish market, it is important that it is scrutinised in terms of practical application – we would propose that industry is engaged with and given sufficient notice and guidance in relation to adoption.

- *Implementation Dates:* As above, while the implementation of the Directive and related policy is worked through, we would welcome the provision of sufficient time to ensure that changes can be made, and taking into account the technical and operational realities of the retail setting and wider supply chain.
- *Enforcement:* We would welcome clarification in terms of the enforcement agency, compliance regime and sanctions.

**9. What do you see as the major non-regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.**

The following are some of the non-regulatory barriers which we see as being most pertinent to our sector:

- *Recycling infrastructure:*
  - a. Tesco is pleased to be the first retailer to develop a soft plastics recycling solution in Ireland. Kerbside collection options for materials that are not currently recyclable, such as soft/flexible plastics, could help support the development of the circular economy.
  - b. Compostable packaging is a popular alternative, but it requires specific conditions to be able to compost (heat, moisture etc.) and there is currently no wide-scale infrastructure available to handle this. Compostable packaging can also be a contaminant if it enters other recycling streams. Guidance on compostable/biodegradable plastics would be welcome.
- *Public awareness:* As mentioned above, raising public awareness is key, to inform and educate consumers on the way that plastics, including packaging, are produced, used and discarded, the benefits of a circular approach and the urgency to tackle the issue.

**14. Any other comments?**

### **Packaging and recycling**

At Tesco, our target is to ensure we never use more packaging than is needed. Where we need packaging, because it serves a clear purpose like reducing food waste or to protect a product in transit, we do our best to ensure that what we do use is from sustainable sources and, where possible, goes on to be reused or recycled.

We have set challenging targets that will deliver a step change in how much packaging waste we generate. We have also committed to including recycling information on all own-label packaging to help our customers to understand what can and cannot be recycled.

Our Packaging Commitments to 2025 include:

- all packaging on Tesco own-label products will be fully recyclable;
- packaging weight on all own-label products will be halved;
- all unnecessary packaging will be reduced;
- and all paper and board used will be 100% sustainably sourced.

We have made significant progress to date, for example, we have:

- Introduced on-pack recycling information to all our own label products.
- Removed plastic-wrapped multipacks, replacing them with plastic-free multibuy, removing 1.5 million pieces of plastic wrap each year from tinned tomatoes, tuna, sweetcorn etc. which cannot currently be accepted in Irish household recycling collections. Tins are available individually with plastic wrap no longer used to hold them together.
- Worked with suppliers to remove soak pads from meat, fish and poultry products, where possible. To date, this has resulted in the reduction of approx. 155 tonnes of non-recyclable packaging from our operations.
- We also removed single use plastic straws and plastic cutlery.
- Removed the plastic chip from two Tesco Rice Cake lines - Salt & Vinegar and Lightly Salted - removing over 4.31 million pieces of plastic.
- Removed 7.1 tonnes of plastic from the Tesco Irish Cheddar Cheese range.
- Worked with suppliers to introduce detectable black plastic trays - meaning that these black trays can now be detected in recycling machines and recycled. Approx. 448 tonnes of plastic are now converted to detectable black plastic and we have replaced approx. 97 tonnes of black trays with recyclable clear trays where a detectable black tray could not be sourced.
- Removed 170 tonnes of packaging by reducing the weight and moving to a single piece cap for Tesco Slievenamon Water.
- Relunched the Tesco Preferred Materials List to our suppliers, which captures a list of materials that cannot be used as they are not easy to recycle.
- Removed composite drums, Plywood, MDF and Glitter from our own-label products.

In 2021, our packaging plans will continue to be based on our 4R approach – Reduce, Remove, Recycle, Reuse. The 4R strategy is based on the following:

- Remove all non-recyclable and hard to recycle materials
- Reduce packaging where we can
- Look for opportunities to reuse packaging
- Ensuring all packaging is recyclable

This 4R approach allows us to deliver and communicate a clear message to our customers on our achievements - by applying the relevant 'R' logos to our packaging. In 2021, we plan to continue our Red, Amber Green list of preferred materials and work in conjunction with our suppliers to continue making their packaging more easily recyclable, and further remove hard-to-recycle materials.

***Supporting domestic recycling:***

We believe that for our customers to optimise their recycling rates, clear on-pack information is important. [REDACTED]

***Supporting manufacturers, suppliers and retailers:***

The 'Tesco Packaging Preferred Materials List' is reviewed regularly to continue to remove all packaging that is hard to recycle from our business across primary, secondary and tertiary packaging.

In relation to improving probability of recycling and reducing contamination, we have introduced a Red, Amber, Green list for materials, which has been successful.

- Green materials are widely recyclable and can include recycled content
- Amber materials are not currently widely recyclable, Tesco is constantly reviewing these materials
- Red materials are banned materials. Exiting Reds & providing solutions for Ambers would enable all our packaging to be recycled

We have also launched a secondary packaging guidance document for all suppliers to use. The aim of this document is to deliver reductions in secondary packaging while enhancing the customer shopping experience.

***Recommendations:*** On-pack recycling information must deliver a simple, consistent recycling message on packaging to help consumers recycle more material, more often. Although many consumers know that glass and metal packaging, in particular, can be recycled, they are still confused about what they should do before recycling.

Clear guidance and on pack recycling messaging is important, with the aim of keeping it simple for consumers. It will be important however that such messaging does not create implications for the supply chain in terms of sourcing or additional complexity, and thus should align across markets.

**Food safety and packaging**

For the past twelve years, we have not been sending any food waste to landfill. This has been achieved by working closely with our waste providers to follow the waste hierarchy and segregating waste in our stores, distribution centres and head office to ensure we can reuse, recycle, recover and finally dispose of our waste in the right ways.

We recognise that packaging also has a significant environmental impact, which is why we are committed to finding more sustainable packaging solutions.

***Recommendations:*** From a food safety perspective, consultation on alternatives to plastics should be undertaken with the Departments of Health and Agriculture as well as state agencies

such as Bord Bia and FSAI, food producers, manufacturers and suppliers to ensure compliance with EU legislation.

We note that the draft Circular Economy Strategy submitted by Deputy Richard Bruton to the Oireachtas Joint Committee on Environment and Climate Action has a recommendation to set a requirement that 20% of floor space in larger supermarkets be used for the sale of loose products purchased by people who bring reusable containers. As noted above, it is important that any proposal is considered from an evidence-based approach in terms of practical application in the retail setting. With regards to the sale of loose products, food safety in particular would need to be considered. We note also the increased role packaging has played from a health and safety/customer perspective throughout Covid-19. We would be happy to share our views on this further.

### **Food waste**

We note that the draft Circular Economy Strategy submitted by Deputy Richard Bruton to the Oireachtas Joint Committee on Environment and Climate Action has an ambition to halve food waste within five years. We have been working on food waste reduction for a number of years and our view is that further research in the area of food waste would be beneficial in terms of future policy development - we are happy to assist and share knowledge, as appropriate.

***Recommendations:*** We have removed best before dates where it can best be achieved within the store environment, for example in some fresh products such as some hard fruits and vegetables. It is important to note that any best-before/use-by date removal must be in line with health and safety requirements and that the technical elements are considered from the beginning, to avoid any food safety risk.

Furthermore, it is important to note that the charitable food sector in Ireland is not as established as in the United Kingdom or some European countries. As a result, there is a limited existing capacity to take food donations – we would suggest that the FSAI has an important role in identifying potential additional channels for these donations.

We would also welcome the opportunity to discuss additional outlets for food surplus management where possible, in line with the food waste hierarchy, namely animal feed. This currently an option in the United Kingdom and many EU member states.

We are of course cognisant of the challenges to ensuring that animal by-product does not find its way into the animal food chain, and the need for unstinting adherence to food safety requirements. However, we would welcome discussion on the role food waste can play – for example, the potential for suitable bakery or fruit/vegetable items to be redirected in this manner.

### **Conclusion**

We welcome this consultation and the opportunity to share our views. We will be happy to engage further with the Department on this important issue and welcome reciprocal engagement in this regard.



ENDS



### Case Study: Tesco Ireland – A circular approach to tackling food and plastic waste

Tesco Ireland is one of Ireland's largest private sector employers, with over 13,000 colleagues working in its head office, distribution centre and 151 stores in towns and cities nationwide. Tesco is conscious of its role in protecting the environment and is working hard to make and influence change.

The company has set ambitious science-based targets, and guided by its sustainability strategy - the Little Helps Plan - has achieved a 35% absolute carbon reduction from operations in 2020, and aims for a 60% reduction by 2025, and 100% reduction by 2050.

Through its relationships with its suppliers, and in supporting its customers, Tesco aims to lead its sector towards sustainable consumption, reducing direct environmental impact and encouraging and supporting its stakeholders to do the same.

Tesco Ireland has recently developed a **new circular process which addresses food and plastic waste within its operations.**

Tesco has led the way in food waste reduction through its in-store processes, partnership with FoodCloud - with whom it was the first retailer to partner - and through colleague donations. To date Tesco has donated 13 million meals through its national surplus food donations programme with FoodCloud, and donated 434 tonnes of bakery, produce and ambient food through Colleague Shop in 2020/21. However, there remains an element of surplus food which cannot be donated or provided to Tesco colleagues, for food safety reasons.

Therefore, in June 2020, Tesco introduced a new way to manage this surplus food waste, by becoming the first Irish retailer to purchase renewable gas made from its surplus food to power stores.

Kildare-based Green Generation now processes any of Tesco's surplus food waste - which is not donated to FoodCloud or given free of charge to colleagues – via anaerobic digestion, and the outputs are fed into the gas network. Tesco then purchases the renewable gas via Naturgy, taking a circular economy approach to minimising its carbon footprint. Facilitated by Gas Networks Ireland, this will reduce Tesco's carbon emissions by 1,200 tonnes annually and will power six Tesco stores in Ireland.

As part of this process, the plastic packaging in which this surplus food waste is contained, is recycled by Irish manufacturing company, Paltech, also based in Kildare. Hard plastic is recycled as normal, and soft plastic is flaked and prepared for processing into construction materials to be used in Tesco's store network.

As a further step in this process to continue to 'close the loop' and increase circularity, Tesco has extended this recycling option to its customers. In doing so, it has become the first retailer in Ireland to create a customer-facing recycling solution for soft plastics.

Customers can now remove unwanted soft plastic packaging - such as cling wrap or outer wrap from water bottle multipacks - at the end of their shopping trip, and place it into a dedicated bin which has also been made from recycled soft plastic. They can also bring this packaging back to a Tesco store at a later date if they prefer.

Partnering with Paltech, these plastics will then be flaked and prepared for processing, as per the process outlined above. Customers can also leave behind hard, recyclable plastic packaging, such as multi-pack fresh produce packaging, for recycling.

This overall initiative combines Tesco's commitment to SDG 12.3 to halve per capita food waste by 2030, and the company's 4 Rs approach (Remove, Reduce, Reuse, Recycle) to tackling packaging waste.

While packaging remains an ongoing challenge, it is an important step in developing a system where plastic stays out of the environment, and inside a circular economy.