SCHLUSS MIT DEM Müll

Deutsche Umwelthilfe

Cutting the Crap:

How to Increase Resource Efficiency in the European Personal Care Retail Sector

Table of content

List of Abbreviations

CEP	Circular Economy Package
CSR	Corporate Social Responsibility
DUH	Deutsche Umwelthilfe
EU	European Union
FMCG	Fast moving consumer goods
LED light	Light-Emitting Diode light source
NGO	Non-governmental organisation
SMEs	Small and medium enterprises
R&D	Research and Development

Published in August 2016 in cooperation with Changing Markets

Executive Summary

This report investigates the reported actions of personal care retailers to reduce resource impact of their products and implement the principles of circular economy. The report looks at ten large personal retailers in Europe, examining their publicly available policies, strategies and measures to become more resource efficient. A recent study by the Wuppertal institute showed that fast-moving consumer goods - products such as food and cosmetics, mostly sold by supermarkets and personal care retailers - can cut their resource footprint by 20 per cent across the whole product range. This report concludes that, in order to achieve this, personal care retailers need to step up their game and it gives practical recommendations to this end.

The responsible use of resources is one of the big challenges of our times. The amount of plastic packaging continues to grow across the EU and already today we use 1.5-times the resources that the Earth can regenerate in one year. When it comes to increasing resource efficiency and implementing a circular economy in the Fast Moving Consumer Goods (FMCG) sector, personal care retailers play an important role as intermediary between suppliers and consumers of daily products.

The 10 researched retailers in this report are Boots, Budnikowsky, DM, Douglas, Etos, Kruidvat, Müller, Rossmann, Sephora, and Superdrug. These companies all sell personal care products, including store brand products.

In depth research by Rank a Brand has shown that, the investigated personal care retailers do not take their responsibility to increase resource efficiency across their product assortments seriously enough. Rank a Brand executed a detailed study of companies' communicated resource efficiency objectives, measures and progress for this paper, in addition to its standard ranking. In the results, Kruidvat[1] scored best on resource efficiency questions, followed closely by Etos[2] and Boots[3]. Douglas took last place, scoring zero points on resource efficiency questions.

Key findings :

- High-level targets and data on the resource impact of product assortments are missing: none of the retailers reported targeting a reduction in the overall resource impact of their product assortment and none of them reported measuring the resource impact of their product assortment.
- Additionally, retailers scored relatively low on specific resource questions covering topics ranging from paper packaging to carrier bags.
- None of the retailers reported an objective to move towards 100% recycled or certified paper packaging for store brand primary and secondary products by a defined deadline. However, Kruidvat[1], Boots[3], Rossmann and Superdrug reported having implemented some concrete measures.
- None of the retailers reported a time-bound objective to move towards 100% recycled paper in store brand hygiene products. Five retailers (Kruidvat[1], Etos[2], Boots[3], Rossmann and Superdrug) reported having implemented measures for the sustainable use of paper in store brand hygiene products.
- None of the retailers reported an objective with a specific deadline to reduce carrier bag waste, but eight retailers (DM, Budnikowsky, Kruidvat[1], Etos[2], Boots[3], Müller, Rossmann and Superdrug) reported measures to reduce carrier bag waste. None of the companies reported on the environmental impact of implementing such measures.
- None of the retailers reported a time-bound objective to minimise the environmental impact of store brand product packaging. All retailers except Douglas reported having implemented one or more measures to minimise the environmental impact of such packaging, but only Sephora[4] reported an annual change in the size of its packaging material footprint.
- Only three retailers (Kruidvat[1], Etos[2] and Boots[3]) reported objectives to minimise own waste by reducing, reusing and recycling. Etos[2] and Sephora[4] reported generated own waste compared to the previous year, and only Sephora reports a reduction.

Besides investigating publicly available information from personal care retailers on resource efficiency, this report highlights a number of product groups sold by personal care retailers for which more sustainable alternatives already exist, such as concentrated detergent, compressed deodorant and recycled hygiene paper. The report ends with concrete recommendations for personal care retailers in order to reach improved resource efficiency of their product assortment: to drop least efficient products in favour of alternatives, to adopt concrete targets with deadlines for reducing resource impact of product assortments and to start measuring and communicating to consumers about the resource impact of products.

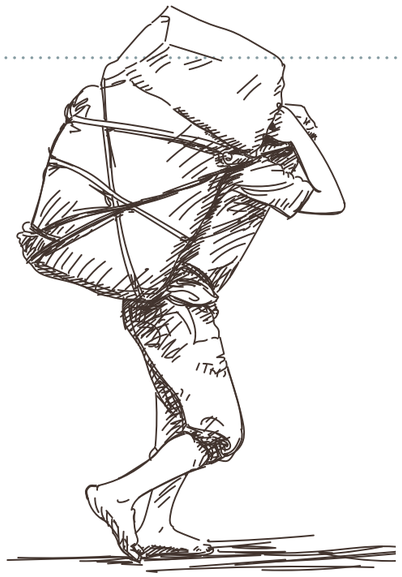
1. Introduction

Fast Moving Consumer Goods (FMCG) are the face of global overconsumption and resource waste: over-packaged, single-use and non-recyclable products are being consumed daily in large amounts, among them soft drinks, toiletries and food. Mountains of plastic fill the world's oceans and non-recyclable waste accumulates in our landfills and incinerators. While politicians discuss ideas such as a circular economy and resource efficiency, trends on the ground travel in the exact opposite direction: towards more packaging and more resource-intensive products that very fast end up as waste.

1. As subsidiary of retail (sub) group AS Watson Benelux
2. As subsidiary of retail group Ahold
3. Only for UK operations as part of 2012/2013 CSR report
4. As subsidiary of retail group LVMH

The idea of a resource-efficient circular economy

In a circular economy, materials are (re)used for as long as possible to extract maximum value and then recovered at the end of a product's life to create a closed circle of production and consumption. Resource efficiency is a complementary strategy that aims to reduce the amount of materials and other resources needed to manufacture the products in the first place – it is indispensable for moving towards circular economy.



Currently in the EU, each consumer produces an average of 475 kilograms of waste per capita per year (Eurostat, 2016). Germany has an even higher average of 618 kilograms of waste per person per year and is the packaging waste 'champion' of Europe with 201.4 kilograms of packaging waste per person per year (ibid.). Many products that used to be unpackaged, such as fruits and vegetables but also cosmetics, are now wrapped in several layers of plastic and paper, claiming to increase 'consumer convenience' or 'hygiene'. In Germany, for example, 63% of fruits and vegetables are now sold packaged, and the weight of packaging is increasing too (NABU, 2016). This trend is exemplary for other daily products and can be seen across Europe.

As a result of overconsumption and inefficient resource use, all the resources that the Earth can generate in one year are already used up by August. This is called the Earth Overshoot Day and happens earlier each year as global resource consumption continues to rise. If everyone lived like an average European or German citizen, we would need 2.6 Earths each year to replenish our resources and sustain our way of life (WWF, 2014). Of course, we only have one planet, and we are seeing the consequences of resource crises around the world in the form of food price volatility, environmental degradation and even war.

The total material consumption in Europe is 31 tons[5] per capita per year – this corresponds to the weight of four elephants consumed by each person in the EU each year, or 85kg per day. If we want to reach a sustainable and equal level of global resource consumption, we need to cut this down drastically to 10 tons per capita by 2050. For the EU, resource use needs to be reduced by 21 tons per person, or by 68 per cent to reach this goal (Bringezu et al., 2014). This means making better and more durable items with the limited resources that we have, reusing them and recycling them back into the economy.

How many Earths does it take to support humanity ?

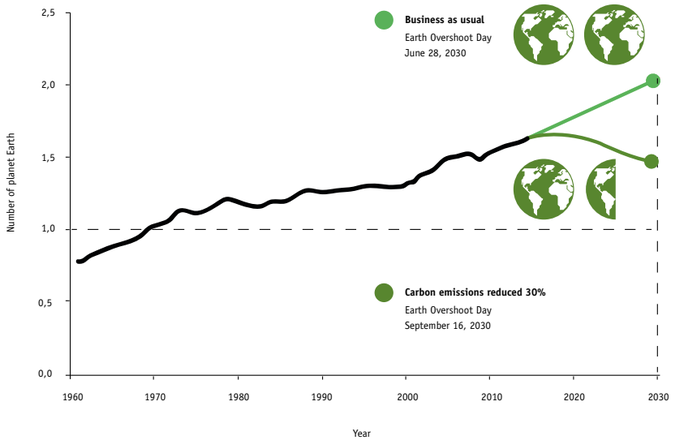


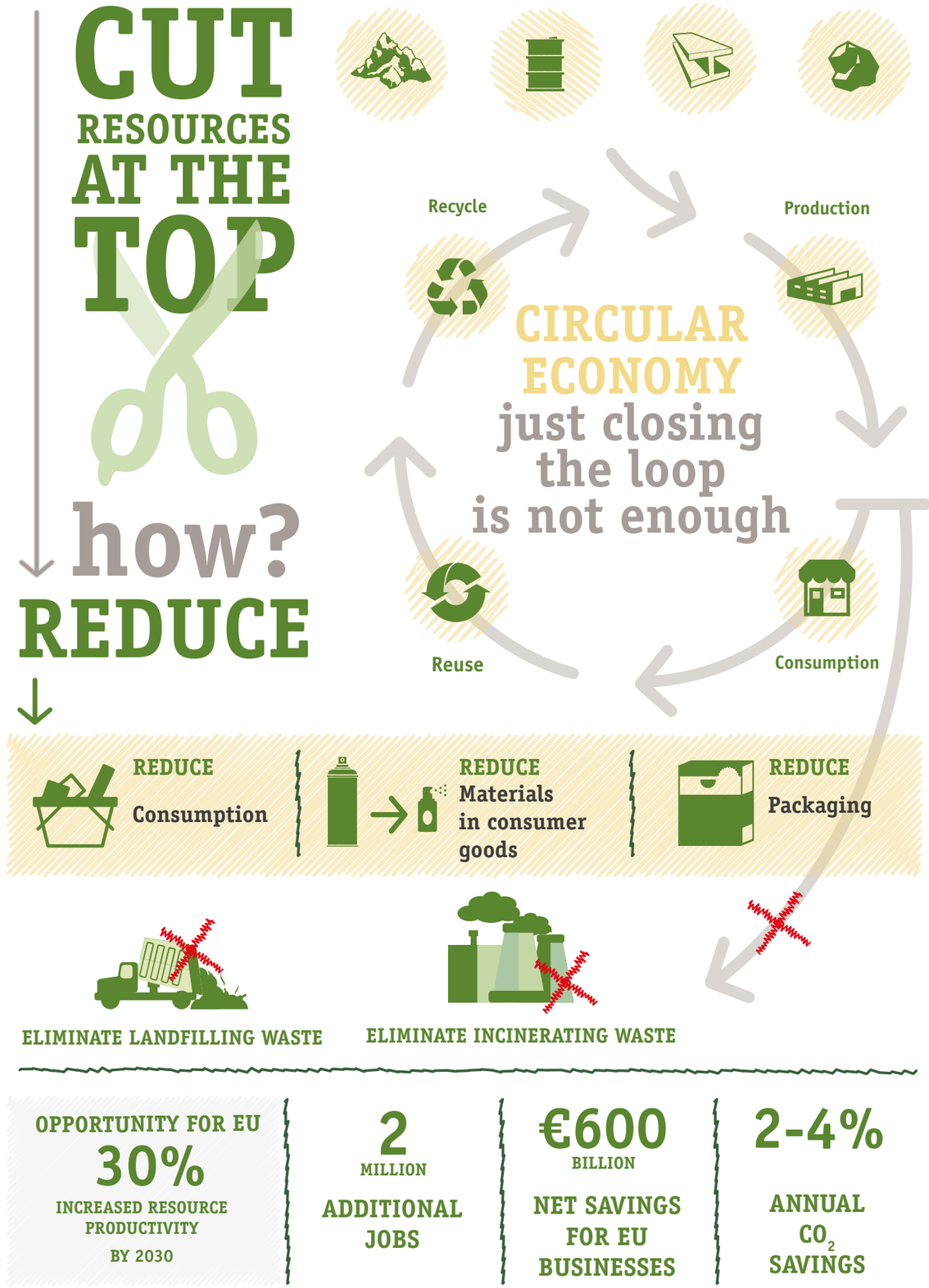
Figure 1: The need to cut resource use in order to stay within the planetary boundaries (Global Footprint Network, 2016)

The benefits of resource efficiency and a circular economy

A resource-efficient and circular economy will bring benefits to the environment, but also to our economy and society. The European Commission has calculated that increasing resource productivity[6] in the entire EU economy by 30 per cent by 2030 will lead to 2 million additional jobs, €600 billion net savings for EU businesses and a 2-4 per cent annual reduction of CO2 emissions (European Commission, 2014) (see also infographic). Another study estimates the expansion of the circular economy at a wider range of 1.2 to 3 million jobs by 2030. According to the lower estimate, Germany would create the most jobs (328,000), with the UK in second place (210,000) and Italy (154,000) coming in third. To date, more than 3.4 million Europeans are already employed in the circular economy (WRAP, 2015).

Source: European Commission (2014) and WRAP (2015)

5. This refers to abiotic material consumption
6. Resource productivity refers to the amount of resources required to generate one Euro GDP



EU Circular Economy Package

The European Commission published a proposal for a legislative package on the circular economy in December 2015, which revises a number of EU waste policies. The package has been subject to sharp criticism by NGOs, Members of the European Parliament and some Member States because the more ambitious targets of the previous proposal were axed by the European Commission as part of its 'Better Regulation' agenda. The Commission dropped a specific resource efficiency target despite the multiple benefits a target of this nature would bring. For recycling of municipal waste, the new target is 65 per cent rather than 70 per cent, the figure put forward in the previous package. For recycling packaging waste, the target was 75 per cent rather than the previously proposed 80 per cent - all to be attained by 2030. The Council adopted conclusions on the action plan for a circular economy, while the specific legislative proposals must go through European Parliament and the Council. It remains to be seen how these proposals will be translated into clear market signals for business actors in different sectors to prevent waste and reduce resource use.
Source: Euractiv (2015) and European Council (2016)

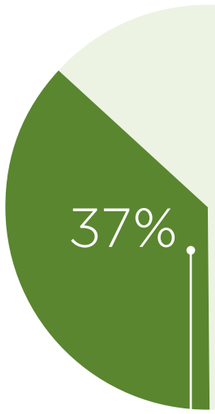
The FMCG sector needs to transform towards a circular and resource-efficient sector just as urgently as any other sector. This reports looks into a specific sub-sector of the FMCG sector: personal care products ranging from toiletries to detergent. Ten large European retailers of such goods are ranked according to their current publicly available data on strategies and measures to reduce the resource impact of their assortment.

The report builds on findings provided by the Wuppertal Institute[7] concerning the potential to cut resources in the FMCG sector and to move towards a circular economy. It recommends concrete steps for personal care retailers to take to reach this potential in practice.

2. Key Facts on the Personal Care Sector

Personal care product retail falls within the so-called Fast Moving Consumer Goods (FMCG) retail sector. FMCG are products that are sold and used quickly, i.e. within days or weeks, and at a relatively low cost. The value of the entire FMCG retail sector in the European Union is hard to accurately estimate but possibly exceeds 1.2 trillion Euros[8], with the ten largest retailers holding about 40 per cent of this market. The largest retail groups have supermarket, hypermarket and discounter chains.

The FMCG market is relatively resource-intense. For example, in Germany, the biggest national economy in the EU, 37 per cent of all materials consumed by households take the form of consumer goods, whereas Germans spend only 17 per cent of their income on these goods. This shows the disproportionate material intensity of FMCG: they are too resource intensive and their economic lifetime is too short. In addition, the environmental consequences and resource intensity are not sufficiently reflected in the prices of these products.



In Germany, the biggest national economy in the EU, ***37 per cent of all materials consumed by households take the form of consumer goods.***

Within the FMCG industry in Europe, retail cosmetics and personal care products had a significant value of about €72.5 billion in 2014 (Statista, 2016). The personal care and cosmetics sector consists of both large and small companies, with Small and Medium Enterprises (SMEs) estimated to make up 30 per cent of the market. The product portfolio ranges from 20,000+ products for large companies to around 160 for smaller companies.

The sector is highly innovative in Research and Development (R&D) within the fast-moving consumer-focused goods market. Over 25,000 scientists and 514,000 students in life sciences are researching new areas of science, working with new ingredients and developing formulations. This leads to an impressive number of patents in the EU each year (Economic and Social Committee, 2016). In 2005, there were for instance 2,599 new patents registered in the EU by the cosmetics sector alone (Global Insight, 2007).

As a result, resource-efficient innovations are already available for a range of personal care products from compressed deodorant to concentrated detergent and are quickly developing for others, such as solid toothpaste and shampoos, and cleaning products without fossil fuel ingredients[9]. The key intermediaries in this sector are retailers. They decide which products they sell and can select their product assortment based on a range of criteria including resource efficiency. This is called choice-editing. IKEA, for example, has done this with LED light bulbs: as of September 2015, IKEA no longer sells halogen and 'energy-saving' compact fluorescent bulbs and only sells LED lights. These kinds of policies can greatly influence whether innovations are scaled up in the market.

Retailers also have power over suppliers due to their high level of purchasing power. They also act as producers for their store brand products. Moreover, retailers have the ability to provide consumers with information on alternatives at the point of sale, by which they can influence consumer decision-making. As consumers purchase fast-moving consumer goods quickly and without in-depth reflection (Bio Intelligence Service, European Commission, 2012), it is important that information is clear and aggregated at the point of purchase[10] - either displayed on the product itself or at the store. A survey conducted by the Wuppertal Institute together with other research institutes shows that the availability of reliable product-specific environmental information would be highly appreciated and would influence buying decisions by 87 per cent (Echternacht et al., n.d.). Moreover, there have been several initiatives to comprehend resource use of products at the EU level, such as the 'product passport'[11], but these initiatives have been stalled.

7. See Wilts et al. (2016) Benefits of Resource Efficiency in Germany. http://wupperinst.org/uploads/tx_wupperinst/Benefits_Resource_Efficiency.pdf
8. own calculation based on EY; Cambridge Econometrics Ltd.; Arcadia International (2014) The Economic Impact of Modern Retail on Choice and Innovation in the EU Food Sector. Luxembourg: Publications Office of the European Union. pp. 51-52. http://ec.europa.eu/competition/publications/KD0214955ENN.pdf
9. see e.g. European Commission (2010) Ecosurfactant Development Leads to Greener Cleaning Products https://ec.europa.eu/environment/ecoap/about-eco-innovation/good-practices/belgium/509_en

3. The Players: Overview of the Personal Care Retail Market

GROUP	AS WATSON			CVC	LVMH – AHOLD DELHAIZE – WALGREENS BOOTS ALLIANCE					
RETAILER	dm	ROSSMANN	Kruidvat	Superdrug	BUDNI	Douglas	SEPHORA	Etos	Boots	Müller
HEADQUARTERS	GERMANY	GERMANY	NETHERLANDS	UK	GERMANY	GERMANY	FRANCE	NETHERLANDS	UK	GERMANY
SALES TURNOVER IN EUROPE (€ BILLION)	9	7,9	N/A	1,06	0,4[1]	2,6	1,94[2]	0,5[3]	6,8	3,4
EMPLOYEES IN EUROPE	55.000	47.000	15.000	14.000	1.900	20.000	N/A	5.000	60.000	32.000
STORES IN EUROPE	3.000	3.400	1.100	>800	182	1.700	1.012	550	2.500	742
PRESENCE IN OTHER COUNTRIES	AUSTRIA, BOSNIA-HERZEGOVINA, BULGARIA, CROATIA, CZECH REPUBLIC, GERMANY, HUNGARY, MACEDONIA, ROMANIA, SERBIA, SLOVAKIA, SLOVENIA	ALBANIA, CZECH REPUBLIC, HUNGARY, POLAND, TURKEY	BELGIUM, NETHERLANDS	IRELAND, UNITED KINGDOM	GERMANY[4]	AUSTRIA, BULGARIA, CROATIA, CZECH, GERMANY, FRANCE, HUNGARY, ITALY, LATVIA, LITHUANIA, MONACO, NETHERLANDS, PORTUGAL, POLAND, NORWAY, ROMANIA, SLOVENIA, SPAIN, SWITZERLAND, TURKEY	CZECH REPUBLIC, DENMARK, GREECE, FRANCE, ITALY, POLAND, PORTUGAL, ROMANIA, SPAIN, SWEDEN, TURKEY	NETHERLANDS	IRELAND, NETHERLANDS, NORWAY, UNITED KINGDOM	AUSTRIA, CROATIA, HUNGARY, GERMANY, SLOVENIA, SPAIN, SWITZERLAND
CSR REPORT?	✖	✖	✔ GROUP REPORT	✔ GROUP REPORT	✖	✖	✔ GROUP REPORT	✔ GROUP REPORT	✔ GROUP REPORT	✖

1. 2013/4
2. 2012
3. rouugh estimate
4. Budniskowsky is only present in Metropolitan region of Hamburg

10. 75 per cent would use the information if directly visible on the shelf, only 37 per cent would access it in the shop using an app on a smart phone, and only 20 per cent would look for the information at home on a computer. See also, Echternacht et al. (n.d.) Is My Consumption Sustainable? Integrating benchmarks for sustainable resource us in consumer communication. https://elsevier.conference-services.net/viewsecurePDF.asp?conferenceID=3781&loc=files&type=fpaper&abstractID=879214
11. A set of information about the components and materials that a product contains, and how they can be disassembled and recycled at the end of the product's useful life, see more information at https://ec.europa.eu/environment/ecoap/about-eco-innovation/policies-matters/eu/20130708_european-resource-efficiency-platform-push-es-for-product-passports_en

4. Cutting the Crap: 20 Per Cent Fewer Resources is Possible Now

Notwithstanding the need for further innovation, a 20 per cent reduction in the resource impact of daily products is possible almost immediately – mostly by switching to existing, more resource-efficient alternatives according to a recent study by the Wuppertal Institute (Wilts et al., 2016). They are a number of ways of reaching this savings potential, all of them related to the different steps in the waste hierarchy. The waste hierarchy ranks different options for dealing with waste. It starts with waste prevention or material use reduction from the top and is followed by reuse, recycling, other recovery (e.g. burning waste to get energy) and lastly, disposal.

Five ways to reduce resource use in the personal care retail sector

1. Reduce materials through product innovation

A first and obvious approach is to reduce the resource requirements of the product while keeping or even improving product functionality. This requires product innovation. Examples are the compression of deodorants and the concentration of detergents. Such solutions can be considered as a first and often rather incremental approach to producing more resource-efficient products. Resource savings are in the range of 10-15 per cent for such product innovations (Wilts et al., 2016, p. 37).

2. Reduce or eliminate packaging

Packaging saving potentials vary according to the product group, but if the entire FMCG industry were to shift to "best in class" solutions, packaging could be reduced by up to 80 per cent (Wilts et al., 2016, p. 38).

3. Extending the lifetime of a product by reuse and repair

Extending product lifetime leads to resource and waste savings because fewer new products are needed. In the FMCG industry, reuse is limited mainly to packaging, and a known example is reusable beverage bottles. Retailers can offer consumers options that increase reuse, such as refilling detergent, shampoo and cereal containers[12]. This also creates new business model opportunities (see point 5). The benefits of reuse are relatively under-researched compared to the benefits of recycling, for example. They are clearly product and context-specific but nevertheless significant (Wilts et al, 2016, p. 42). In the case of reusable bottles, for example, up to 70 per cent of input materials can be saved (Stiftung Warentest, 2011).

4. Using more recycled materials

Increasing the use of recycled materials reduces the need to extract new materials from the Earth. Moreover, recycling normally requires less energy than resource extraction. The resource savings from using recycled materials differ depending on the type of material. Savings are especially high for metal. On average, the overall resource saving potential for FMCG related to increasing recycled materials can be estimated in the range of 20-50 per cent (Wilts et al., 2016, p. 39).

5. Adopting new, more sustainable business models

New business models that build upon circularity and reuse, such as the 'product as a service' model, are becoming increasingly popular. This means that the supplier retains ownership of the product and the customer only leases the service. This stimulates design geared at optimal reuse and recycling. Retailers will play an important role in the circular business model as both a facilitator and a service provider. On average, resource savings are estimated in the range of 20-50 per cent in consumer goods (Wilts et al., 2016, p.44).

For personal care retailers, the possibility to reduce the resource impact of an assortment could start, for instance, with the following product groups, all of which were investigated in the Wuppertal Institute study:

12. See for example Szaky, Tom (2015) Are refill stations the answer to packaging waste? Sustainable Packaging, 01 April 2015. http://www.packagingdigest.com/sustainable-packaging/are-refill-stations-the-answer-to-packaging-waste150401

5. The State of Play: Ranking Personal Care Retailers on Resource Efficiency

The NGO Rank a Brand[13] conducted research that investigated reporting by personal care retailers on climate, environmental and social objectives and measures. The results showed that ten large personal care retailers in Europe are lagging behind on the overall ranking compared to other closely related sectors such as supermarkets and cosmetics brands. These two sectors have already scored better on a range of aspects including climate footprints, avoidance of hazardous chemicals and non-renewable raw materials and labour conditions in supply chains. On a scale of A to E, with A being the best, the highest-ranked personal care retailers were German DM, Dutch Etos and Kruidvat with a mediocre D-score of 10 out of 36 points. The lowest-ranked retailer was the UK-based company Superdrug with an E-score of only 3 out of 36 points.

In comparison to other sectors, relatively few personal care retailers have structured Corporate Social Responsibility (CSR) reports – most of them report only some sustainability information on their website. In fact, none of the retailers studied had their own CSR report over the year 2014/2015, although Kruidvat, Superdrug, Sephora, Etos and Boots were covered and mentioned as part of their respective group's CSR report (their corporate holding groups are Ahold, LVMH, A.S. Watson and Walgreen Boots Alliance respectively[14]). However, the information listed in the group reports is often generalised and data for the individual company is not easily extractable, which makes comparison between companies difficult.

The ranking was based on publicly available data and contained a number of questions on resource efficiency, and in addition to this, Rank a Brand investigated resource efficiency questions in detail. From the results of this investigation, it becomes clear that the topic of resource efficiency and circularity in product assortments has not been taken seriously. Retailers are mostly not reporting adequate measures to improve resource efficiency of the products they sell. Detailed study of resource efficiency objectives, measures and reporting showed that Kruidvat[15] scored best on resource questions, followed closely by Etos[16] and Boots[17]. Douglas took last place with a score of zero points on resource efficiency questions.

Kruidvat scored best on the investigated resource aspects, followed closely by Etos and Boots.

Of the ten large personal care retail chains in Europe that were investigated:

- None of the retailers reported a target to reduce the overall resource impact of their product assortment and none reported measuring its resource impact.
- None of the retailers reported an objective to move towards 100% recycled or certified paper packaging for store brand primary and secondary product packaging by a defined deadline. Only four of the retailers (Kruidvat[15], Boots[17] , Rossmann and Superdrug) reported measures regarding the use of recycled or certified primary and secondary paper packaging for store brand products, but none of them reported annual results of the measures implemented.
- None of the retailers reported a time-bound objective to move towards 100% recycled paper for store brand hygiene products but three retailers (Kruidvat[15], Etos[16] and Boots[17]) have a time-bound target for 100% certified or recycled paper for such products though. Five retailers (Boots[17], Etos[16], Kruidvat[15], Rossmann and Superdrug) reported measures implemented to use paper in store brand hygiene products sustainably.
- Eight of the ten retailers (DM, Boots[17], Budnikowsky, Etos[16], Kruidvat[15], Müller, Rossmann, and Superdrug) reported measures to reduce carrier bag waste. None of the companies reported on the environmental impact of implementing such measures. Boots[17] was the only retailer to report measures taken concerning shipping packaging used for home delivery.
- None of the retailers reported a time-bound objective to minimise the environmental impact of store brand product packaging. All retailers except for Douglas reported that they took measures to minimise environmental impact of store brand product packaging. Sephora[18] reported annually on the change in their packaging material footprint, even though the impact increased by 17.9 per cent in 2015 compared to 2014.
- Three retailers (Kruidvat[15], Etos[16] and Boots[17]) reported objectives to minimise own waste by reducing, re-using and recycling. From these, only Etos[16] reports yearly on own waste generated and reduced compared to the previous year. Sephora[35] also reports on its annual waste generation and has even decreased its waste generation, but it does not have a reduction objective. Six retailers (Budnikowsky, Kruidvat[15], Etos[16], Boots[17], Sephora[18] and Superdrug) reported one or more measures to minimise own waste.

It is clear that none of the companies investigated takes a strategic approach towards resource efficiency, as both high-level goals for resource reduction and information on the total resource impact of retailers' assortment are lacking from their reporting.

In other areas where policy measures are reported, they are often vague and unspecified, for instance when a company reports a measure taken regarding product packaging but gives only one example. Moreover, yearly reporting on progress is very often lacking, leading to questions of whether progress or implementation of measures actually took place.

Good examples show that concrete high-level targets and transparent annual reporting is possible, however. For example, Ahold, the holding company of which Etos is a subsidiary, has identified a target to eliminate landfill as a disposal method by 2020 and reports yearly on all waste by production, type and disposal method (Ahold, 2015). LVMH, Sephora's holding company, provides a good example for measuring all packaging material: the company measures and reports all primary and secondary packaging introduced onto the market by type and by business group (LVMH, 2015). However, LVMH lacks a concrete target to reduce total packaging. A.S. Watson Benelux, holding of Kruidvat, also provides a good example for setting concrete, ambitious targets such as moving towards 100% recycled or certified paper in all its own brand products by 2018. Albeit a good initiative, from a resource perspective, it would therefore be better if the target were specifically geared towards recycling, as recycling is more resource efficient.[19]

An example proving that retailers can demand transparency on resource use from suppliers comes from Kruidvat. The company developed a scorecard with criteria for store brand products, which contains quality and sustainability criteria for suppliers. As part of this, Kruidvat asks suppliers to provide detailed information on their water and waste streams, as well as a plan to reduce this year-by-year. In 2015, 93 per cent of Kruidvat's suppliers had already complied. This resource efficiency measure could be extended to all resource streams (specifically materials) needed to produce products, so that the total resource impact of products can also be measured and reduced yearly. Once product-specific information is available, retailers could pass this on to consumers so that they, in turn, can make informed choices.

Without high-level targets, the availability of transparent information on the resource impact of products as well as yearly reporting on progress, resource efficiency policies in the personal care retail business will remain inconsistent. This hampers the business sector to transition to a resource-efficient, circular economy and prevents the consumers to make sustainable purchasing decisions.

13. Rank a Brand (2016) Drugstores Ranking 2016. http://rankabrand.org/drugstores
14. The CSR report for UK Boots prior to its merger with Walgreens was also referenced for Boots, as it can be assumed that such measures have not been abolished since the merger
15. As subsidiary of the retail (sub) group AS Watson Benelux
16. As subsidiary of the retail group Ahold
17. Only for UK operations, according to Boots UK 2012/2013 CSR report
18. As subsidiary of retail group LVMH
19. Although the initiative to use certified paper is beneficial to the fight against illegal deforestation, it is not a resource efficiency measure as such.
20. See Beat the Microbead campaign http://www.beatthemicrobead.org/

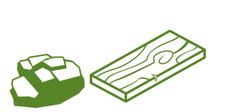
Cutting resources in FMCG abroad: UK Courtauld Commitment 2025

In the UK, 114 organizations including retailers, producers, NGOs and local authorities signed voluntary commitments to reduce resources needed to provide the UK with food and drink by 20 per cent over ten years. The agreement aims specifically to provide lower impact products, provide them more efficiently, help people get more value from the food and drink they buy and make best use of remaining waste and surplus food. This so-called Courtauld Commitment 2025 is a follow-up of earlier Courtauld commitments. Although NGOs have criticised the agreement on the grounds that it is voluntary, the government claims that waste has been cut by 2.9 million tonnes and packaging has been reduced by 10 per cent as a result of the previous commitments. According to the Deutsche Umwelthilfe, regulations such as resource tax or ecological design licensing fees would lead to even larger waste and packaging reductions.
Source: WRAP (2016a and 2016b)

The need to move away from linear, throwaway culture: The example of plastics.

At the projected growth rate in plastic consumption using a business-as-usual scenario, the oceans are expected to contain more plastics than fish by 2050. Between 1964 and 2014, production of plastics increased by 20 times to 311 million tonnes, and this is expected to keep growing. An almost fourfold increase in production amounts is expected by 2050. Plastic packaging used mainly for consumer goods represents a quarter of all plastics produced. The biggest problem is that plastic packaging is mostly used once only. As a consequence, 95 per cent of plastic packaging material value, which represents €73-110 billion annually, is lost to the economy after a short first use. In addition, plastic packaging generates negative externalities such as marine pollution, estimated to cost €37 billion according to UNEP. Plastics are not just used for packaging, but are also a product ingredient: tiny scrub particles of plastic are used in facial scrubs, and plastic also features in detergent in liquid form. Plastics smaller than 5mm are called microplastics, and at a size of under 1mm they are called microbeads. As these are often washed down the drain and cannot be filtered out by water treatment plants, they end up in our ecosystems and food chains, such as in the fish we eat. Many NGOs are calling for a ban of microplastics from daily products.[20]
Source: Ellen McArthur Foundation, 2016 and Beat the Microbead, 2016

Ranking:
Resource efficiency in personal care retail






BRAND	GENERAL RANKING	SCORE ON IN-DEPTH RESOURCE EFFICIENCY QUESTIONS	Measures implemented: Time-bound objectives		Reporting on result	Measures implemented: Time-bound objectives (*)		Reporting on result
dm	D	10%	?	?	✗	?	?	✗
BUDNI	D	14%	?	?	✗	?	?	✗
Etos	D	33%	?	?	✗	?	?	✗
Kruidvat	D	38%	?	?	✗	✓*	?	✗
Boots	D	33%	?	?	✗	✓^	?	✗
Müller	D	10%	?	?	✗	?	?	✗
Douglas	D	0%	?	?	✗	?	?	✗
ROSSMANN	D	19%	?	?	✗	?	?	✗
SEPHORA	E	24%	?	?	✗	?	?	✗
Superdrug	E	29%	?	?	✗	✓	?	✗

BRAND	Measures implemented: Time-bound objectives (*)		Reporting on result	Result sufficient	Measures implemented: Time-bound objectives**	Reporting on result	Measures implemented: Time-bound objectives**	Reporting on result	Actual decrease	Measures implemented: Time-bound objectives	Reporting on result	Actual decrease
dm	?	?	✓	✗	✓	?	✓	?	✗	?	?	✗	?	?	✗	?
BUDNI	?	?	✓	✗	✓	?	✓	?	✗	?	✓	?	✗	?	✓	?
Etos	✓-	✓-	?	?	✓	?	✓	?	✗	?	✓	✓*	✓*	✗	✓	✓*
Kruidvat	✓*	✓*	✓-*	✗	✓*	?	✓*	?	✗	?	✓*	✓*	✗	?	✓*	✓*
Boots	✓^	✓^	✗	?	✓^	?	✓^	?	✗	?	✓^	✓^	✗	?	✓^	✓^
Müller	?	?	✗	?	✓	?	✓	?	✗	?	?	?	✗	?	?	?
Douglas	?	?	✗	?	?	?	?	?	✗	?	?	?	✗	?	?	?
ROSSMANN	✓-	?	✓	✗	✓	?	✓	?	✗	?	?	?	✗	?	?	?
SEPHORA	?	?	✗	?	?	?	✗	?	✓*	?	✗	✓*	✓*	?	✓*	✓*
Superdrug	✓	?	✗	?	✓	?	✗	?	✓	?	✗	?	✓	?	✗	?

(*) refers to 100% objective
** refers to reduction of footprint
^ refers to UK operations only
- refers only to certified paper, not recycled paper
* brand owner (group) level

Does the brand (company) have an effective policy to reduce the overall resource/ material use embedded in the products it sells?

Does the brand have an environmental policy for the use of **paper for primary and secondary product packaging of its store brands?** Are all those paper materials recycled and/or certified?

Does the brand have an environmental policy for the use of **paper for hygiene products of its store brands?** Are all those paper materials recycled and/or certified?

Does the brand (company) have clear objectives to **minimize the environmental impact of its shipping packaging and carrier bags,** by reducing, re-using, recycling and responsible sourcing of packaging materials, and does the brand annually report on these results?

Does the brand have clear objectives to minimize the **environmental impact of its store brands product packaging,** by reducing, re-using and recycling, and does the brand annually report on these results?

Does the brand (company) **have clear objectives to minimize own waste**, by reducing, re-using and recycling, and does the brand annually report the results?

6. Concrete Recommendations for Personal Care Retailers

Personal care retailers are urged to take more actions to shoulder their responsibility in sustainable resource consumption, which fits within the Earth's limits. The report "Cutting the Crap"[21] shows that saving resources via efficient products and packaging is possible and beneficial. The report is based on the results from the Wuppertal Institute study, which shows that switching to resource efficient product and packaging can lead to a 20 per cent reduction in resource use. Personal care retailers are urged to implement the following readily available measures:

1. **Immediately stop selling resource-inefficient products for which better alternatives exist.**

   Personal care retailers reduce the resource intensity of the products they sell, even if they do not manufacture them directly. The five concrete examples in Chapter 4 show that there are a range of resource-efficient products on the market already. Retailers can switch directly to selling better alternatives exclusively: recycled toilet paper, compressed deodorants, concentrated detergent and drinks in reusable bottles. This would also include banning any superfluous packaging, such as an additional layer of packaging on an already-packaged product (e.g. a pot of facial cream wrapped in a cardboard box). This does not lead to fewer consumer choices. Even with more resource-efficient products on the market, consumers can still access a wide range of different brands and product qualities. It simply means that consumers will be presented with more (and easier) opportunities to make responsible resource-efficient purchases without having to overthink their trip to the shop.

2. **Ensure long-term targets and policies to reduce the resource impacts of the products they sell.**

   Retailers should adopt a resource efficiency target to reduce the total material resource consumption of their businesses taking concrete measures. As a minimum, such measures should include the elimination of inefficient products and the provision of information on resource use of the products in the assortment. Moreover, they should include supply chain analysis, the identification of hot spots of resource intensity and efforts to address causes of resource intensity for each product group. A 20 per cent material resource efficiency target is realistic, as product case studies and research conducted by the Wuppertal Institute shows. Such a target should have a concrete deadline, be binding and include commitments to reduce food waste, packaging and materials in products. The target should also include transparent indicators and regular reporting on progress.

3. **Demand information from suppliers on the resource impact of products (including packaging) and pass this information on to consumers.**

   In order to build a data and knowledge on resource impact of products, personal care retailers should measure and demand information from their suppliers which and how many resources are being used to make the products they purchase, and to provide a life-cycle assessment of the products if possible. Retailers should make information on the resource impact of products available and transparent. They should inform consumers on the resource impact of different product alternatives at the point of sale. With this information, supermarkets can decide more easily which products they want to sell (to implement point 1) and consumers can decide more easily which products they want to buy.

Circular Economy Package: Policy recommendations by the Deutsche Umwelthilfe

Immediate action by companies is necessary to curb the resource use and stay within the limited amount of resources available. The overall policy framework for resource efficiency and the circular economy needs drastic improvement at the EU and national levels. In view of the Circular Economy Package that is being discussed in Brussels (see page 6 for more information), the following 5 demands of the Deutsche Umwelthilfe would support a market shift towards resource efficiency and circularity in the personal care sector:

1. *Set a clear target to reduce resource consumption. One possibility would be to reduce the total resource consumption by 30 per cent until 2030, compared to 2014.*
2. *Extend Ecodesign to products and packaging with regard to material efficiency, reusability, reparability, recyclability and detoxification.*
3. *Set mandatory waste prevention targets. Residual waste should be limited to maximum 130 kilogram and packaging waste to 90 kilogram per person per year in 2030.*
4. *Promote reuse through separate reuse targets for textiles, electronics, bulky waste, sales packaging, transport packaging and beverage packaging. For sales packaging, transport packaging and beverage packaging, the targets to increase the share of reused packaging put on market have to be 10 per cent increased by 2025 and another 20 per cent by 2030 compared to the 2018 levels.*
5. *Improve recycling quality by promoting products and packaging with good recyclability and high proportions of recycled content, and by making resource-intense products and packaging more expensive*

Source: DUH et al. (2016)

References

Ahold (2015) *Responsible Retailing Report 2015*. https://www.ahold.com/Media/Care-for-the-environment.htm#!/Responsible-retailing-5/Responsible-Retailing-Reports/Responsible-Retailing-Report-2015.htm

Beat the Microbead (2016) *International Campaign Against Microbeads in Cosmetics*. http://www.beatthemicrobead.org/

Beat the Microbead (2016) *Microplastics: Scientific Evidence*. https://www.beatthemicrobead.org/en/science

BIO Intelligence Service; European Commission (2012) *Study on Different Options for Communicating Environmental Information for Products: Final report prepared for the European Commission – DG Environment*.http://ec.europa.eu/environment/eussd/pdf/footprint/ProductsCommunication_Final%20Report.pdf

Bringezu et al. (2014) *Indikatoren zur Steigerung der Ressourcenproduktivität. Arbeitspapier 1.4 im Projekt Ressourcen* http://edocs.fu-berlin.de/docs/servlets/MCRFileNodeServlet/FUDOCS_derivate_000000003399/PolRessxAP1_IndikatorenxundxZielexzurxSteigerungxderxRessourcenproduktivitxt_WI.pdf

DUH et al. (2016) *Position Paper on the EU Circular Economy Package*. http://www.duh.de/uploads/tx_duhdownloads/160526_DUH_Position_Paper_Circular_Economy_German_English.pdf

Echternacht et al. (n.d.) *Is My Consumption Sustainable? Integrating benchmarks for sustainable resource us in consumer communication*. https://elsevier.conference-services.net/viewsecurePDF.asp?conferenceID=3781&loc=files&type=fpaper&abstractID=879214

Economic and Social Committee (2016) Working document on "*Strengthening the European Personal Care, Body Hygiene and Beauty Products IndustrialSsector (Own-initiative Opinion)*" https://webapi.eesc.europa.eu/documentsanonymous/EESC-2016-01027-00-00-DT-TRA-EN.docx

Ellen MacArthur Foundation (2016) *The New Plastics Economy: Rethinking the future of plastics*. https://www.ellenmacarthurfoundation.org/assets/downloads/EllenMacArthurFoundation_TheNewPlasticsEconomy_15-3-16.pdf

Euractiv (2015) *Timmermans Defends Ambition of New Circular Economy Package* http://www.euractiv.com/sections/sustainable-dev/timmermans-defends-ambition-new-circular-economy-package-320049

European Commission (2010) *Ecosurfactant Development Leads to Greener Cleaning Products* https://ec.europa.eu/environment/ecoap/about-eco-innovation/good-practices/belgium/509_en

European Commission (2013) *European Resource Efficiency Platform Pushes for 'Product Passports'* https://ec.europa.eu/environment/ecoap/about-eco-innovation/policies-matters/eu/20130708_european-resource-efficiency-platform-pushes-for-product-passports_en

European Commission (2014) Analysis of an EU target for Resource Productivity, accompanying the document *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Towards a circular economy: a zero waste programme for Europe*. http://ec.europa.eu/environment/circular-economy/pdf/AnalysisEUtarget.pdf

European Council (2016) *Council Conclusions on the EU Action Plan for the Circular Economy*. http://www.consilium.europa.eu/en/press/press-releases/2016/06/20-envi-conclusions-circular-economy/

Eurostat (2016) *Environment in the EU: Each Person in the EU Generated 475 kg of Municipal Waste in 2014*. http://ec.europa.eu/eurostat/documents/2995521/7214320/8-22032016-AP-EN.pdf

EY; Cambridge Econometrics Ltd.; Arcadia International (2014) *The Economic Impact of Modern Retail on Choice and Innovation in the EU Food Sector*. Luxembourg: Publications Office of the European Union. http://ec.europa.eu/competition/publications/KD0214955ENN.pdf

Global Footprint Network (2016) *Do we fit on the planet?* http://www.footprintnetwork.org/pt/index.php/GFN/page/world_footprint/

LVMH (2015) Environmental Report. https://r.lvmh-static.com/uploads/2016/04/rapport-environnement-2015-va.pdf

NABU (2016) *Vorverpackung bei Obst und Gemüse: Zahlen und Fakten 2000 bis 2014*. https://www.nabu.de/imperia/md/content/nabude/konsumressourcenmuell/160531-nabu-obst_gemuese_verpackungen_studie.pdf

Rank a Brand (2016). Drugstores Ranking 2016. http://rankabrand.org/drugstores

Statista (2016) *Market Value of Cosmetics and Personal Care in Europe from 2012 to 2014 (in Billion Euros)* http://www.statista.com/statistics/439551/european-cosmetics-market-value/

Stiftung Warentest (2011) *Verpackungen für Mineralwasser: Mehrwegflaschen besser*. https://www.test.de/Verpackungen-fuer-Mineralwasser-Mehrwegflaschen-besser-4293824-0/

Szaky, Tom (2015) Are refill stations the answer to packaging waste? *Sustainable Packaging, 01 April 2015*. http://www.packagingdigest.com/sustainable-packaging/are-refill-stations-the-answer-to-packaging-waste150401

Wilts et al. (2016) B*enefits of Resource Efficiency in Germany*. http://wupperinst.org/uploads/tx_wupperinst/Benefits_Resource_Efficiency.pdf

WRAP (2015) *Economic Growth Potential of More Circular Economies*. http://www.wrap.org.uk/content/economic-growth-potential-more-circular-economies

WRAP (2016a) *The Courtauld Commitment 2025* http://www.wrap.org.uk/content/courtauld-commitment-2025

WRAP (2016b) *Courtauld Commitment 3* http://www.wrap.org.uk/node/14621

WWF (2014) *Living Planet Report* http://www.wwf.eu/media_centre/publications/living_planet_report/

SCHLUSS MIT DEM Müll

Deutsche Umwelthilfe

Deutsche Umwelthilfe e.V.
Environmental Action Germany

Bundesgeschäftsstelle Radolfzell
Headquarters Radolfzell

Fritz-Reichle-Ring 4
78315 Radolfzell, Germany
Tel.: 0049 77 32 99 95 - 0
Fax: 0049 77 32 99 95 - 77

E-Mail: info@duh.de
www.duh.de

Bundesgeschäftsstelle Berlin
Headquarters Berlin

Hackescher Markt 4
10178 Berlin, Germany
Tel.: 0049 30 24 00 86 7-0
Fax: 0049 30 24 00 86 7-19

E-Mail: berlin@duh.de
www.duh.de

Ansprechpartner
Contact

Thomas Fischer
Leiter Kreislaufwirtschaft
Head of Circular Economy
Tel.: 0049 30 2400867-43
E-Mail: fischer@duh.de