



18 October 2019

Mr Cesar Melhem MLC
Chair
Environment and Planning Committee
Legislative Council
Parliament House
East Melbourne VIC

Inquiry into Recycling and Waste Management

Dear Mr Melhem

Woolworths Group is pleased to provide a written submission to the Environment and Planning Committee's inquiry into Recycling and Waste Management.

Woolworths employs over 60,000 team members in Victoria, operating 252 supermarkets, 32 Big W stores and 376 BWS and Dan Murphy's liquor outlets throughout the state.

We are committed to playing our part in creating a true circular economy and we recognise that an effective recycling and waste management system is crucial to achieving that aim.

We note your letter of 25 September 2019. Below we respond to the specific questions posed in that letter as well as points 4 and 5 of the inquiry's terms of reference.

1. What steps are you taking to reduce the use of soft plastics in your own range of products?

Woolworths has adopted the packaging targets set by the Australian Government and the Australian Packaging Covenant Organisation (APCO), that is, **all of our own-brand packaging will be reusable, recyclable or compostable by 2025.**

We understand the concern around soft plastics and regularly review the packaging we use and investigate more sustainable solutions. We were the first major supermarket chain to nationally eliminate single-use plastic bags and the sale of plastic straws.

However it is important to recognise that in some cases there are not yet suitable alternatives to soft plastic packaging. Soft plastic can be a very efficient packaging material: it offers barrier properties that protect products and maintains freshness, is light and compact for transport, and packs down small for disposal. Should future developments offer an alternative material that is better for the environment and can be recycled or reused, we would strongly consider adopting it.

2. What steps are you taking to encourage suppliers of fresh fruit and vegies to reduce the use of soft plastics in products they supply to your supermarket? i.e. plastic shrink wrapped cucumbers for example

Reducing or replacing the plastic packaging of fresh fruit and vegetables is one of our key focus areas.

Over the past two years, we have worked with our suppliers to **reduce plastic in this area by over 500 tonnes**. We have reduced plastic packaging across a range of our products, including organic bananas, tomatoes, stone fruit, celery, kale and organic spring onions. The tray we use for sweet potatoes and organic apples is now made from recycled cardboard rather than plastic.

At the same time, we are conscious of the impact that changes to packaging can have on food waste. Packaging can protect the quality and extend the shelf life of fruit and vegetables as it is transported from the farm to the store and to our customers.

Taking the example given, we have found that a plastic wrapped continental cucumber lasts up to three times longer than an unwrapped continental cucumber. The plastic also helps to prevent dehydration and physical damage to the cucumber in transit from the supplier to the customer - keeping the cucumber fresher for longer.

Food waste has a significant environmental impact. For instance, UK research found that the environmental impact of food waste is far higher than that of packaging - around 50% more food waste is thrown away than packaging, and significantly more packaging is recycled than food waste is composted.

We have implemented a national 'Reducing Food to Landfill Program', and now all of our supermarkets throughout the country have a food diversion program in place (including food rescue through partnerships with OzHarvest, Foodbank and Fareshare, and our Stock Feed for Farmers program).

3. Are you taking any steps to assist customers dispose of their soft plastic refuse from products purchased at your store?

We recognise our responsibility to help our customers recycle. All 252 Woolworths supermarkets in Victoria have a prominent RedCycle bin for customers to recycle their soft plastics.

Nationally since January 2019, our customers have **returned over 500 tonnes of soft plastics through the RedCycle program**, of which 69.4 tonnes have come from Victoria.

While there is a demonstrated willingness of customers and business to recycle soft plastic products, we believe that more needs to be done to build the end market for products made from recycled soft plastic content. Goods made from recycled soft plastics are generally more expensive than those made from other material. We suggest that consideration be given to how government can incentivise end markets for products made from soft plastics. This could include mandatory procurement requirements for state and local government, for instance.

4. Are you introducing any measures in your supermarkets to reduce carbon emissions? I.e. eating seasonally rather than cold stored, reduction in transportation of food etc.

In 2015, we committed to reducing our carbon dioxide emissions to 10% below 2015 levels by 2020. We met this target ahead of time, with our 2019 carbon dioxide emissions 18% lower than those in 2015. We have now adopted a more ambitious, science-based, target in line with the level of carbon dioxide reduction required to limit global warming to 1.5 degrees above pre-industrial levels. Our revised direct emissions target is to **reduce our emissions to 60% below 2015 levels by 2030.**

We are investing in a number of initiatives to optimise our energy use and reduce our direct carbon dioxide emissions. These include:

- Retrofitting LED lighting to our stores and switching off lights outside trading hours;
- Changing the way heating, ventilation and air-conditioning equipment is controlled in our stores;
- Establishing a centralised Energy Management Centre to manage energy consumption across our supermarkets;
- Continuing to implement new technology to reduce reliance on certain synthetic refrigeration gases with high global warming potentials;
- Installing solar panels on the roofs on a number of our stores, car parks and distribution centres. Over 100 stores and two distribution centres have solar panels installed;
- Introducing two electric heavy vehicles (Australia's largest electric trucks) to be used in grocery and produce deliveries from distribution centres to stores.

We recently opened our greenest-ever store at Heidelberg, which has been designed in accordance with the requirements of a 5 Green Star Design. Victoria will soon be home to an even more sustainable new supermarket, our most environmentally friendly supermarket yet.

5. Some supermarkets overseas allow customers to bring their own containers to purchase food rather than using plastic bags. Would you consider allowing this practice in your supermarkets? If not, why not. If yes, what would you need to implement such a practice and how long would you expect it to take? What obstacles do you think you might encounter?

We are currently exploring the option for customers to bring their own containers for our Deli, Seafood and Meat sections.

In implementing this option, we need to ensure that state and local government health and safety requirements are met, including ensuring that customers' containers are clean to a food grade standard. One way of doing this is by having our team undertake a further clean of the container once it is presented by a customer. We have been conducting a number of swab tests to ensure that our cleaning practices exceed regulations. We are also working with local councils in certain areas to ensure that our proposed processes meet or exceed their regulations.

Currently our biggest challenge is ensuring our processes meet the National Measurements Institute (NMI) guidelines to ensure that we are not overcharging customers by including the weight of their container in the price of the product. Currently our scales use a standard tare weight across our store network.

6. What if any other measures are you considering to improve recycling and/or reduce the use of unnecessary packaging?

Woolworths was the **first Australian retailer to begin the roll out of the standardised Australasian Recycling Label (ARL)**. This label, printed on our packaging, helps to clearly communicate the proper way to dispose of each packaging component. By providing these instructions we are helping our customers develop better recycling habits and increasing the amount of packaging that is disposed of appropriately.

Additionally, we regularly review the packaging that we use across our own brand range to identify opportunities for improvement. An example of this is our 3 litre milk bottles which we worked with our supplier to redesign, resulting in an overall plastic reduction of nearly 400 tonnes. In 2018 we launched plant based packaging for a wide range of our in store bakery products - the plant based packaging replaced and eliminated over 500 tonnes of plastic from our supply chain.

Term of Reference 4: strategies to reduce waste generation and better manage all waste such as soft plastics, compostable paper and pulp, and commercial waste

Kerbside organic bins

Our research tells us that customers want us to use more compostable packaging and such products may in some circumstances be a good alternative to the single-use plastic items. However, widespread adoption of these products is only feasible when consumers have access to facilities such as kerbside organic bins to properly dispose of these items and there are adequate commercial composting facilities to process the items.

We note that kerbside FOGO (Food Organics, Garden Organics) collection is widely available in the Adelaide metropolitan area. We suggest Victorian state and local governments consider how they can offer a similar service to Melbourne households. FOGO collection is likely to have a greater positive impact on the environment including diversion of waste from landfill than bans on certain household plastic products.

Container deposit schemes

Container deposit schemes are a proven and effective way for consumers to recycle beverage containers. We would encourage governments to work together to harmonise the different schemes to reduce complexity and cost.

In both NSW and Queensland, Woolworths supermarkets have partnered with global company TOMRA on Reverse Vending Machine (RVM) refund points. In NSW, TOMRA operates over 300 RVMs, with many of these located on Woolworths sites. Customers can choose to receive their refunds by voucher, which can then be redeemed for purchases or cash at Woolworths supermarkets.

Banning single-use plastics

We support efforts to reduce the volume of single-use plastics in the environment, however we would like to see government action take place on a nationally consistent basis.

It is also important that any bans avoid any unintended consequences for consumers or the environment. Reusable and/or recyclable plastic products can continue to play a role in supporting recycling, food waste reduction and broader sustainability initiatives. As a

responsible retailer, we also mindful of social and medical reasons for the continued use of single-use plastics by some members of the community.

Government procurement policies

As noted above, we believe adjustments to government procurement policies are a key tool for developing markets for recycled products.

Term of Reference 5: Relevant reviews, inquiries and reports into the waste and recycling industry in other Australian jurisdictions and internationally

Over the past 12 months, there have been numerous reviews, consultations and inquiries across Australia. We strongly encourage local, state and Commonwealth governments to work together on nationally consistent policies around recycling and the circular economy.

Woolworths Group appreciates the opportunity to contribute to the Committee's work. Should the Committee have any further questions, please contact us.

Yours sincerely

Paul Crossley
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Woolworths Group Limited

