



## **Alberta Plastic Bag Distribution**

**Annual Report March 2012**

## Executive Summary

In the spring of 2010, four industry associations representing the major retailers of consumer products in Canada reached an agreement with the Government of Alberta to implement a province-wide strategy to reduce the distribution of single-use plastic bags. The agreement is defined in a Memorandum of Understanding between Alberta Environment and the Retail Industry Associations – namely, the Retail Council of Canada, the Canadian Federation of Independent Grocers, the Canadian Association of Chain Drugstores and the former Canadian Council of Grocery Distributors, which was dissolved in 2011.

The result of the agreement is the Alberta Plastic Bag Distribution Reduction Strategy Implementation Plan, which seeks to reduce the number of plastic bags distributed in Alberta by 50 per cent by the year 2013.

The Implementation Plan covers a five-year period from January 1, 2009 through December 31, 2013 and creates a foundation for future initiatives in keeping with the spirit of continuous improvement. The Plan also reflects the signatories' recognition of the voluntary nature of the bag reduction strategy and that reducing the distribution of plastic bags in Alberta is a shared priority.

This annual report describes progress made from the inception of the strategy and measures the first two years of activities in 2009 and 2010, using 2008 as the baseline year.

It is estimated that 741,120,220 plastic bags were distributed in Alberta by grocers, retailers and pharmacies in 2008. To achieve the 50 per cent reduction target, Albertans need to reduce the number of plastic bags they use by an estimated 370 million.

In 2009, the number of plastic bags distributed decreased to an estimated 679,901,981, representing an 8.3 per cent reduction from the baseline year. In 2010, it is estimated that 589,269,695 plastic bags were distributed by Alberta grocers, retailers and pharmacies, a significant reduction of 20.5 per cent from the baseline year. This is a reduction of 151,850,525 plastic bags from 2008 to 2010, signifying that Albertans are on their way to achieving the initiative's objective of reducing the number of plastic bags distributed in the Province by 50 per cent by the year 2013.

This considerable reduction was achieved through the use of a number of different initiatives and incentives to change consumer behavior. Key factors contributing to this year's progress towards the 50 per cent reduction target include:

1. Encouraging consumers to bring/use their own bags or other carrying devices (e.g., back packs);
2. Providing an incentive for consumers to bring their own bags or reusable bags;
3. Facilitating customer access to alternative reusable, compostable or degradable bags;
4. Training staff to deploy efficient bagging techniques; and,
5. Where practical, utilizing stickers, tape or other 'paid purchase' identifiers in lieu of plastic bags.

The three participating associations and their respective members have accomplished much since 2008 and this annual report demonstrates the retail sector has made tangible progress towards achieving the reduction targets.

## **Overview:**

The Alberta Plastic Bag Distribution Reduction Strategy Implementation Plan is the result of an agreement between three industry associations representing the major retailers of consumer products in Canada and the Government of Alberta to implement a province-wide strategy for reducing the distribution of single-use plastic bags. The main components of the strategy are defined in the June 2, 2010 Memorandum of Understanding (MOU).

The Implementation Plan covers a five-year period from January 1, 2009 through December 31, 2013 and creates a foundation for future initiatives in keeping with the spirit of continuous improvement. The initiative seeks to reduce the distribution of plastic bags as a “first step towards reducing the overall impact of single use bags.”<sup>1</sup> Accordingly, the primary focus of the strategy is reducing bag distribution at point of sale, with the objective to reduce the per capita and overall distribution of plastic bags at point of sale by 30 per cent over three years (ending December 31, 2011) and 50 per cent over five years (ending December 31, 2013) using 2008 as the baseline. Additional commitments, such as promoting reusable bags and facilitating the recycling of plastic bags, are considered complementary to the main strategy.

## **Who We Are:**

Collectively, the three retail associations and their members account for more than 90 per cent of the plastic bags distributed to consumers in Alberta.

***Retail Council of Canada*** is a not-for-profit, industry-funded association representing more than 45,000 store fronts of all retail formats across Canada, including grocery, department, specialty, discount, and independent stores, and online merchants.

The ***Canadian Federation of Independent Grocers*** is a not-for-profit trade association representing over 4,000 grocery retailers from every part of Canada. CFG serves as a strong and united voice for independent grocers, providing programs for operational excellence, facilitating educational and training programs and fostering relationships among retailers and suppliers.

The ***Canadian Association of Chain Drug Stores*** is a national association representing community pharmacies across Canada, including traditional chain and banner drug stores, grocery chains and mass merchandisers with pharmacies. Together, CACDS members operate more than 6,500 pharmacies that dispense almost 80 per cent of the nation’s prescriptions each year. They employ over half a million Canadians including 80 per cent of the pharmacists in Canada practicing in community pharmacies.

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<sup>1</sup> “Memorandum of Understanding for a Voluntary Strategy to Reduce Plastic Bag Distribution in Alberta,” June 2, 2010, p.5.

## **Commitment and Core Principles:**

In accordance with the Implementation Plan, the three retail industry associations and their members have collectively committed to achieving a 50 per cent reduction in the number of plastic bags distributed in Alberta by the end of 2013, using 2008 as the baseline year.

The associations have further committed to reducing the environmental impact of single use plastic bags where they continue to be distributed.

These commitments reflect the retail sector's broader commitment to environmental stewardship and waste management and are supported by the following core principles:

- The pursuit of stewardship goals in accordance with the '3Rs' hierarchy (i.e., Reduce, Re-use, Recycle);
- The commitment to work together to achieve common goals on a voluntary basis;
- The deployment of a multi-pronged approach to plastic bag reduction and to continuous improvement in all areas (such that efforts are not concentrated in one area only, and do not stop once specific objectives have been achieved);
- A willingness to work in partnership with others, including local and provincial governments, to extend the reach of the plastic bag reduction initiative; and,
- A willingness to innovate and adopt best practices from other jurisdictions where it makes sense to do so.

## **What We Have Achieved So Far:**

The initiative is on track to achieving its objective of reducing plastic bags by 50 per cent by 2013. Significant progress has been made commensurate with the expansion of proven practices at the store level and growing consumer awareness and understanding of actions shoppers can take to reduce the environmental impacts of single use plastic bags.

### ***Gross Reduction:***

The key performance indicator under the initiative is the reduction in the number of single use plastic bags distributed to consumers at point of sale. Using the same self-reporting methodology used to establish baseline numbers for 2008, the gross reduction numbers for 2009 and 2010 are as follows:

	<b>2008</b>	<b>2009</b>	<b>2010</b>
Units (bags) distributed	741,120,220	679,901,981	589,269,695
% change vs. previous year		(8.25)	(13.25)
% change vs. base year		(8.25)	(20.5)

The significant decrease in the distribution of plastic bags in 2010 is due to in-store incentives encouraging reduction and recycling, increased availability of reusable bags, greater consumer awareness and, most importantly, consumers changing their behaviour and reducing their reliance on single-use plastic bags. Since the inception of the Implementation Plan, plastic bag usage in Alberta has been reduced by 20.5 per cent, demonstrating significant progress towards the target of reducing plastic bag usage by 50 per cent by the year 2013.

***Per Capita Reduction:***

Plastic bag usage per capita for the baseline year is as follows:

	Single Use Plastic (units)	Single Use Plastic (units per capita) <sup>2</sup>
<b>2008</b>	741,120,220	215.9

For comparison purposes, single use plastic bag distribution in British Columbia was estimated at 723,447,640 units for 2008 or 165 units per capita for the first year of its Plastic Bag Reduction Initiative.

Plastic bag usage per capita for 2009 is as follows:

	Single Use Plastic (units)	Single Use Plastic (units per capita) <sup>3</sup>
<b>2009</b>	679,901,981	193.1

Plastic bag usage per capita for 2010 is as follows:

	Single Use Plastic (units)	Single Use Plastic (units per capita) <sup>4</sup>
<b>2010</b>	589,269,695	166.3

The use of plastic bags per capita has decreased significantly since 2008. Measuring from the baseline year to 2010, a total reduction of 49.6 units per capita has been realized within the first two years of the Implementation Plan.

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<sup>2</sup> Per capita figures are based on the 2008 Alberta Municipal Affairs *Official Population List*, which placed Alberta’s 2008 population at 3,433,145.

<sup>3</sup> Per capita figures are based on the 2009 Alberta Municipal Affairs *Official Population List*, which placed Alberta’s 2009 population at 3,520,268.

<sup>4</sup> Per capita figures are based on the 2010 Alberta Municipal Affairs *Official Population List*, which placed Alberta’s 2010 population at 3,543,797.

### ***Reusable Bags:***

Encouraging consumers to switch to reusable bags is an essential part of the strategy. Over the past few years, retailers have aggressively promoted reusable bags with their customers.

Using the same self-reporting methodology used to establish baseline numbers for 2008, the number of reusable bags distributed in 2009 and 2010 are as follows:

	2008	2009	2010
Units (reusable bags) distributed	2,369,400	2,471,437	2,996,977
% change vs. previous year		4.3	21.3
% change vs. base year		4.3	26.5

The significant increase in the distribution of reusable bags in 2010 is due to several factors: increased accessibility of reusable bags at the point of sale; providing economic incentives for customers to choose reusable over single-use bags at point of sale; in-store promotion of reusable bags; and, greater consumer awareness of reusable bags. Since the inception of the Implementation Plan, reusable bag distribution in Alberta has increased by 26.5 per cent, demonstrating significant progress towards achieving the target of reducing plastic bag usage by 50 per cent by the year 2013.

### **Deployment of Best Practices:**

Retailers continue to increase their commitments to in-store practices that mitigate the distribution of single-use plastic bags to consumers. At an industry-wide level, many organizations have embraced best practices based on experience in other jurisdictions, both nationally and internationally.

At the store level, practices vary depending upon merchandise mix and store format, but through associations, best practices are shared and refined. In keeping with the voluntary nature of the initiative, best practices are promoted but not prescribed by the industry associations.

As noted on in the Overview, the Implementation Plan focuses on reducing the distribution of single-use plastic bags at point of sale. At the same time, the plan's proponents subscribe to the '3Rs' hierarchy of waste mitigation and are aware that the secondary strategies of re-use and recycling complement the reduction goal by raising awareness and providing alternatives to the use of new bags. Accordingly, this section of the plan addresses all three levels in the 3Rs hierarchy.

### ***Reducing Distribution and Utilization of Single Use Plastic Bags***

Best practices in *widespread* use include:

- Utilizing stickers, tape or other 'paid purchase' identifiers in lieu of plastic bags for large items.

- Integrating branded reusable bags with store- or chain-wide environmental programs.

Best practices now in *common* use include:

- Signage and other forms of in-store communications encouraging the use of reusable bags.
- Asking customers at checkout whether they need bags before providing them.
- Training staff in efficient bagging techniques to reduce usage.
- Offering customers the opportunity to obtain (through purchase or promotion) reusable bags at point of sale.

Best practices in *growing* use, subject to business constraints, include:

- Providing incentives for consumers to bring their own bags or reusable bags in the store. Typical incentives currently offered in the marketplace include the application of an environmental fee and providing rebates or loyalty points to consumers who use their own bags or reusable bags.
- Offering recycled cardboard boxes or plastic bins as a carry-out option.
- Integrating bag reduction into the retailer's in-store environmental programs, e.g., branded reusable bags, 'green' messages, promoting support for charitable causes, etc.

***Increasing Opportunities to Recycle Used Plastic Bags:***

Being able to recycle used plastic bags reduces the burden on local landfills, provides valuable feedstock for plastic material recyclers and raises awareness among consumers of the environmental impacts of single use plastic bags.

Many retail outlets provide convenient in-store collection bins for plastic bag recycling. In collecting data for this report, 238 stores were confirmed as locations that accept plastic bags for recycling at retail.

***Benchmarking Best Practices:***

The effectiveness of these practices is evident in Alberta and elsewhere. However, because of the voluntary nature of the agreement and the competitive nature of the industry, the systematic tracking of best practices has not occurred.

***Broadening the Message - Education and Outreach:***

The plastic bag reduction strategy described in the Implementation Plan includes an Education and Outreach component that, among its various objectives, will ensure that any environmental fees attached to plastic bag distribution are not portrayed as government taxes.

For the purposes of the Implementation Plan, 'Education and Outreach' consists of (A) Retail Education; (B) Consumer Education, and (C) Stakeholder Outreach. Its primary role is to:

1. Promote participation and alignment among Retail Industry Associations and their members – the underlying assumption being that retailers are the 'front line' communicators with respect to consumers and therefore should convey consistent messages that reflect the full industry commitment.
2. Facilitate public awareness, understanding and support.
3. Influence consumer behaviour (i.e., encourages participation in bag reduction initiatives, help make thoughtful choices).
4. Position industry and government commitments in a positive way with emphasis on the following key messages:
  - The plastic bag reduction strategy is a voluntary initiative on the part of the retail industry by agreement with the provincial government
  - Any fees applied at point of sale are not government imposed taxes
  - Reducing the distribution of single use plastic bags is the "right thing to do" (i.e., promote the environmental benefits).

While the immediate plan has been focused on start-up, it is expected that the Education and Outreach component of the strategy will be increased to build further public participation and support.

In the coming year, the retail industry associations will focus on exploring opportunities to work with local governments, including Edmonton and Calgary, which have expressed an interest in partnering to help promote the plastic bag reduction strategy. This is a logical next step in extending consumer education and awareness beyond the retail footprint to integrate it more fully within the broader community.

### **Conclusion:**

The performance results summarized in this Annual Report indicate that there has been significant progress commensurate with the expansion of proven practices at store level. Plastic bag usage has decreased by 20.5 per cent since 2008, and the year to year numbers show a promising trend that suggests the reduction strategy has gained momentum in Alberta. At this rate, industry is on track to achieve its goal of reducing plastic bags distributed by 50 per cent by the year 2013.

Retailers will continue implementing strategies that impact consumer behavior. In particular, extending consumer education and awareness initiatives beyond the retail stores can play an important role in motivating consumers to take action prior to reaching the point of sale.