

Industry Best Practice

John Lewis Partnership

The recent focus on plastic pollution has given sustainability professionals an opportunity to "reframe the narrative" on resource efficiency to move business models towards the circular economy, John Lewis's sustainability manager Ben Thomas has claimed.

Pledges to reduce plastic are sweeping the retail industry following the rise in consumer awareness and the publication of the **Government's 25-Year Environmental plan**, which seeks to eliminate all "**avoidable**" plastic waste in that timeframe. The John Lewis partnership has been no exception to this movement, with Waitrose – which joined the partnership back in 1937 - announcing that it will stop selling packs of plastic straws at all supermarkets by September 2018.

The announcement builds on the retailer's commitment to make all own-label packing, which includes plastic food trays, widely recyclable, reusable or home compostable by 2025, a target which is also held by John Lewis. John Lewis's sustainability manager Ben Thomas claimed that renewed focus on packaging will enable retailers to explore new business models that champion the circular economy and collaborative efforts to improve resource efficiency.

"The recent focus on plastic has absolutely given us the chance to reframe the narrative [on resource efficiency]. "You'd be naive to think there's no legislation to come in off the back of this; there's huge discussions around producer responsibility already and if you don't start to react to these conversations you'll be in trouble in the long term. We need to be pre-emptive of what is coming our way and certainly other brands are thinking along the same lines."

John Lewis Towards Zero Waste

The John Lewis Partnership has a dedicated resource and waste strategy. Goals are in place **to divert 100% of waste from landfill by 2021**, as well as achieving **100% closed-loop recycling of cardboard, plastic and glass in the same timeframe**.

Since July 2016, the Partnership has diverted 98.2% of waste away from landfill, while more than 67% of operational waste was recycled. Progress was largely achieved through supplier engagement and Waitrose's involvement in collaborative forums such as the Courtauld Commitment 2025 and the Partnership's participation in the Paper Cup Recovery and Recycling Group (PCRRG).

These collaborative approaches hold the key to tackling waste and embedding the circular economy as a “business as usual” approach. “There’s a huge push to making more packaging recyclable and removing avoidable plastics,” he said. “We have a lot of aspirations and generally were going to move towards the circular economy sooner rather than later. “We can only do this across the industry. One retailer can’t change it all and a collaborative approach is the only way of tackling it. As a collective, retail has such a strong voice to lobby and this will be paramount to shifting the agenda on these issues. It would be naïve of one retailer to think they can do it by themselves. Retailers share so many suppliers, it makes sense to tackle this collaboratively.”

Industry bodies have warned retailers that plastics and packaging are becoming “competitive issues”, but the Partnership has expressed a willingness to work with other retailers to promote the circular economy.

In 2016, Waitrose launched a range of packaging made from 15% waste peas and pulses that don’t make the grade during the pasta production process. Alongside reducing the use of virgin tree pulp, the new packaging will lower emissions by 20% and negate the need for an inner plastic sleeve within the pack. A statement on the Partnership’s website notes that “Waitrose is working to develop first-to-market solutions for new, more sustainable packaging materials that can be shared with the industry”.

John Lewis Servitisation Approach

For the John Lewis Partnership, resource efficiency extends well beyond plastics and packaging. The organisation is trialling numerous service-based solutions to engage with consumers and create value from second-life items. The Partnership is utilising takeback schemes to give second life to furniture, for example. Around 10 million items of furniture are discarded in the UK annually, despite one-third of them being suitable for reuse. John Lewis’s sofa reuse scheme reused or recycled 2,000 customer returns in 2016. A similar scheme is running for mattresses. The Partnership is working with the Furniture Recycling Group (TFRG), diverting around 1,500 tonnes of waste from landfill in 2016 by recycling around 60,000 items.

Research from WRAP suggests an overwhelming majority of British consumers have a desire to embrace circular business models when it comes to unwanted electrical and electronic products. The Partnership collects waste electrical appliances from consumers, with more than 370,000 items collected over a 12-month period.

“Reuse is an area where we realise there is a real value proposition for our customers as a service offering,” Thomas added. “Reuse is a real key thing for us and there is a massive opportunity for John Lewis to extend the life of those items.”

Assessment & Approach to Waste

Some 200 million tonnes of waste is discarded in the UK each year according to latest Government figures. Of this, half is generated by construction activities, around a quarter is generated by other business activities, and some 28 million tonnes comes from households. The Waste and Resources Action Programme (WRAP) estimates that food and packaging accounts for over 40% of what households throw away each year. Around three-quarters of the UK's waste is already recycled or recovered in some form with just over a quarter going to landfill each year.

Moreover, population growth and increasing consumption (particularly in more affluent communities) are rapidly eroding many of the earth's natural resources. JLP relies on natural resources to produce our high quality products and run our operations, so this issue affects us directly. Growing pressure on diminishing resources and poor global stewardship could increase our costs, restrict our access to key raw materials and make our global supply chains more volatile.

However, a waste-centric approach to resource efficiency is no longer sufficient and potentially gets in the way of resources being used in the most efficient and effective way. Unlike society's current 'take-make-dispose' business model, we need to transition to a 'circular economy' where the value of the materials and energy used in products are kept for as long as possible. In a sustainable circular economy, waste doesn't exist and resources aren't landfilled. A more circular approach to business can also help global efforts in combating climate change by reducing greenhouse gas emissions.

Commitments and Targets

We want to lead our sector in sustainable production and consumption, offering our customers the good value, high quality products and services that they expect from us while respecting our planetary boundaries and need for social equity.

We are committed to sending zero waste to landfill from our operations and construction activities in the UK and Republic of Ireland. We also work across our value chain and take action on key areas of waste such as food waste, used clothing, packaging, and carrier bags. We support the transition to a sustainable circular economy and will prioritise business model innovation and put circular ways of working into practice.

Approach

Waste has a number of cost implications, not least the fact that we pay for it as materials and we pay again for its disposal. In fact, WRAP estimates that the true cost of waste could be as much as ten times that of disposal costs. Since Plan A was launched in 2007, we've worked hard to take action on waste across our entire value chain. Working with WRAP, suppliers and trade associations we've estimated that our value chain accounts for around 2.5m tonnes of waste across the world – around 80% of which is in our supply chain.

Marks & Spencer

Our M&S operated stores, offices and warehouses in the UK and Republic of Ireland produce around 83,000 tonnes of waste all of which is valued and retained in the economy in some form. The majority is either transit packaging, such as cardboard and polythene, or unsold food which cannot be donated to charities. The small amount of damaged or impact clothing generated in our stores is donated to Oxfam or Newlife. We send no operational waste to landfill and have been working hard to reduce the waste we create. We're also continually improving our approach to fitting out our stores by seeking ways to reuse and refurbish equipment.

We estimate that used products and packaging from customers generates over 400,000 tonnes of materials with just over half likely to be reused or recycled. The remainder will be sent to some form of municipal disposal. Based on our market share, our customers will be producing around 250,000 tonnes of food waste with around a third being composted or recovered in some form and 100,000 tonnes of clothing of which around a half will be reused or recycled. We use around 80,000 tonnes of product packaging, mostly on food products (85%) and according to UK Government data the majority of this (over 70%) is recycled or recovered.

We want to help our customers reuse or recycle every product or piece of packaging we sell but we cannot do it alone. For example, in partnership with Oxfam through Shwopping we're promoting the reuse and recycling of unwanted clothing and we're enabling customers to recycle Christmas cards each year helping the Woodland Trust to plant new trees throughout the UK. We're also working with our suppliers to reduce supply chain waste and have introduced industry leading programmes covering manufacturing and farming excellence in support of this.

We're now turning our attention towards how we use resources to produce our high quality products and run our stores and operations. By using resources more efficiently we have the potential to reduce our business costs and improve our resilience to global competition for material resources that may become less easily available.

We believe that both voluntary and regulatory actions are important. For example, during the 1990s we seconded a senior manager to help draft the UK's packaging waste regulations. Since the introduction of this legislation the recycling and recovery of packaging materials in the UK has improved from less than 30% to over 70%. Similarly, we have supported the introduction of mandatory carrier bag charging legislation across the UK based on our own voluntary approach which we introduced in May 2008. This enabled us to achieve a 70% reduction in food carrier bag usage which increased to 80% with the additional support of legislation.

Internationally, we operate within a range of different legislative environments and economic frameworks. As a result, there is myriad waste management legislation to which we need to adhere. For example, in the UK major pieces of regulation include legislation on packaging, handling of food waste, waste segregation and in Northern Ireland, Wales, Scotland and the Republic of Ireland on carrier bags (with England to follow in October 2015).

We are also signatories to WRAP's Courtauld Commitment which is pushing for improved resource efficiency and reduced waste within the UK grocery sector and Sustainable Clothing Action Plan (SCAP) 2020 Commitment which is attempting to tackle the environmental impacts of clothing. We also support the British Retail Consortium's (BRC) Better Retailing Climate initiative which is pushing for the retail sector to send less than 1% of their waste to landfill by 2020.

Through the Consumer Goods Forum we are playing our part in tackling the global food waste challenge by agreeing to halve food waste within our operations by 2025 against a 2016 baseline contributing to associated UN Sustainable Development Goals on sustainable consumption and production by 2030. Our approach focuses on improving our resource efficiency and putting the circular economy into action:

M&S Achieving Zero Waste to Landfill in Operations

In February 2012, we achieved our zero waste to landfill commitment – ensuring that all of our operational and construction waste (from every one of our M&S operated stores, offices and warehouses) in the UK and Republic of Ireland is sent for reuse or recycling.

We spent over 18 months developing a strategy to ensure it was feasible, robust and commercially viable. Waste had previously been managed directly by different parts of the business. For example, arrangements in our clothing warehouses differed to those in our stores and again in our offices. We realised that this was inefficient and would prevent us delivering our target, so we agreed that responsibility for waste should be centralised.

Some areas of our business, such as logistics, were deriving revenue from recycling which was factored into their operating plans. Other parts of the business had to make additional investments. Over the period of 3 years we restructured our operating plans and moved funding between areas to enable us to put in place a new recycling solution. We also had to work with our supply base to change the materials being used to ensure they could be recycled.

All waste is segregated at individual sites and backhauled and consolidated at warehouses using the return journeys of delivery fleets wherever possible. 'Store labels' are used for tracking purposes to identify the waste source and tracked all the way to its final destination. We donate damaged or unsold clothing to Oxfam or Newlife and we donate samples to Shelter. In some cases we've sent waste to suppliers who use it to manufacture new products for M&S. On a day-to-day basis, waste management is the responsibility of our Property Group.

The revenue we derive in the UK and Republic of Ireland from recycling, coupled with the avoidance of landfill cost and a reduction in the staff time needed to process food waste, delivers around a £6m annual benefit to the business.

Outside the UK and Republic of Ireland, we operate or are in joint ventures in 20 countries. Waste management infrastructure varies greatly across these territories. In many instances waste is also managed by landlords so is outside our operational control. As a result, we are not currently able to report on waste from our other international locations, but this is an area we are actively looking to improve upon.

M&S Taking Action on Transit Packaging

We were the first UK retailer to introduce reusable food transit packaging systems in the late 1960s to tackle our biggest use of packaging – how we transported our product from farm or factory to store. Over 70% of our food is now transported in this way saving around 20,000 of single trip packaging each year.

In the 1990s we introduced similar systems to transport clothes. Since the mid 1970s we have even reused or recycled clothing hangers. During the 1990s we also introduced reusable transit boxes for horticulture and reusable nylon roller rail covers saving thousands of tonnes of cardboard.

We continue to take action on transit and home delivery packaging. For example, with home delivery items we've reduced the levels of wrapping used on individual products within a single parcel. Furthermore, in collaboration with our suppliers we've launched water-free packaging for bouquets of flowers bought online. The flowers are sealed in a water-free airtight bag during transit from our warehouse to the customer's home. These packs significantly reduce water usage and damage to

the flowers. We estimate that this packaging will save over half a million litres of water this year.

M&S Towards Zero Net Waste in the Supply Chain

Each year we work with our suppliers and other retailers to reduce the carbon impact of food packaging and food waste as part of the Courtauld Commitment and Sustainable Clothing Action Plan obligations.

We've learnt that different parts of our supply chain face different challenges on waste. Our clothing and home suppliers create relatively small amounts of waste but this is often difficult to recycle. Our food supply chain creates more waste and can vary greatly from one supplier to the other. According to the Food and Drink Federation over 95% of UK supply chain waste is already reused, recycled or recovered in some form but the biggest challenge remains – how to retain the greatest resource value from these materials. We source products and commodities from over 70 countries and what can and cannot be recycled is dictated by the local availability of recycling technologies which will vary greatly.

M&S Food Suppliers

Over the last 5 years we've been working with our food suppliers to help them divert waste away from landfill by using the most carbon efficient approach available, for example anaerobic digestion or composting. We're also working with our suppliers to minimise food packaging write-offs. This has been supported through the introduction of industry-leading programmes covering manufacturing and farming excellence that encourage diversion from landfill and give credit for waste reduction. For example, through our Food Sustainability Scorecard we have worked hard with suppliers to motivate and incentivise their efforts to prevent waste occurring. We've done this by embedding lean and waste management practices, improving our understanding of where waste is occurring and encouraging them to actively look for redistribution opportunities to ensure as much food as possible reaches people's plates. More than 385 supplier sites are now participating in the Sustainability Scorecard accounting for over 92% of product volume. During 2015/16, our suppliers of food and household products reduced waste by over 250,000 tonnes and over 60% send no waste to landfill.

We also work closely with a range of partners such as Company Shop, with whom we have worked for over a decade, helping to ensure surplus stock does not go to waste from our depots and suppliers. Two years ago we strengthened our efforts and as a result suppliers have increased what they redistribute to Company Shop by 300%. We can also demonstrate the more businesses redistribute the better their overall businesses waste reduction results. Taking ownership of this issue has also

been incredibly rewarding for suppliers, who have seen the positive social and environmental impact that they can achieve with their surplus.

M&S Clothing and Home suppliers

We require our suppliers to make every effort to minimise the production of excess products and seconds.

In the event that excess and seconds arise we require our suppliers to manage these items responsibly and avoid disposal by incineration or landfill. M&S Outlets and our Appointed Excess Disposal Agents are the only routes that labelled items can be sold to. Overseas manufactured items are not generally permitted to be imported to the UK. Our appointed agents remove identification before selling on.

In the case of 'seconds', we require M&S identifying marks, labels and packaging to be removed or permanently obliterated before any items leave the factory for resale to trade or in factory shops. Items should be first offered to our appointed agents. The only exception to this is with toiletries, cosmetics, toys or home fragrances where we require such items to be destroyed beyond recovery or repair.

In situations where our intellectual property has been infringed by a third party (e.g. another retailer) our normal course of action is to require them to donate the items in question to Oxfam through our Shwopping programme (see below).

M&S Taking Action on Product Packaging

Good packaging helps to protect products from damage and in the case of food keep it fresh. Reducing packaging in some cases may create more damaged and waste products – so the right balance needs to be found. We want our packaging to be right for our customers, right for our brand and right for our products. Aligned with this ambition, we've been working on improving the environmental credentials of our packaging for many years and have developed clear guidelines for our suppliers to follow. Our strategy has been to:

- Optimise the amount of packaging we use;
- Increase the recyclability of our packaging;
- Reduce the overall carbon footprint;
- Use more sustainable raw materials such as recycled content in plastics and specifying sustainably sourced wood;
- Label packs with recycling information to help customers dispose of packaging in the right way.

Between 2007 and 2012 we reduced our packaging by 25% per item. Since 2012, we've continued to support the delivery of WRAP's Courtauld Commitment targets

which aim to reduce the carbon impact of food packaging, providing a more balanced assessment of environmental impact. As a result, between 2012 and 2014 our food packaging usage has reduced by a further 10% per item.

Over 90% of all the packaging we use is recyclable and we're working with partners to develop facilities for the other 10% which includes lightweight and carbon efficient packaging such as black CPET recipe dish trays and multi-layered pouches. However, we need more materials at a higher quality collected at the kerbside and made available to our suppliers.

We're collaborating on projects to improve the availability of recycled materials and reduce the carbon footprint of packaging. For example, we've investigated ways to improve the recycling of black CPET trays used for many of our recipe dishes, we've trialled a new recyclable barrier paper to replace foils in the packaging for crisps and biscuits, and continued to replace our polystyrene packs with other more easily recyclable types of plastic.

We've also invested in partnerships to improve national levels of packaging recycling, the first of which is with Somerset County Council's Waste Partnership. This has enabled the council to add plastics and cardboard to the materials it collects from homes across its five district councils. We're now using some of these materials in the production of 13 different types of M&S food packaging.

We initiated work with WRAP which led to the development of the On Pack Recycling Label (OPRL) scheme which aims to improve communications with consumers about what types of packaging can be recycled. All our retail packaging now carries these standardised labels where space permits.

We are a registered producer under the packaging obligations regulations and are a member of the Valpak compliance scheme. **Creating partnerships to help our customers reuse and recycle our products and packaging.** Conversations about recycling in schools, collecting waste? best practice guidelines, framework contracts for waste management.

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