



Alberta Plastic Bag Distribution Reduction Strategy

Annual Report for 2012-2013

EXECUTIVE SUMMARY

The purpose of this report is to present the plastic bag reduction results achieved in Alberta between 2008 and 2013.

It is estimated that 741,120,220 plastic bags were distributed in Alberta by grocers, retailers and pharmacies in 2008.

Since the initiative was put in place, the number of plastic bags distributed decreased by 21.6%. Based on the figures available for 2013, the number of plastic bags distributed was estimated at 581,013,200, a gross reduction of 160 million bags since the baseline year of 2008.

The results for 2012 and 2013 seem to show that the reduction in volumes of plastic bags distributed has plateaued despite retailers' best efforts to educate and incentivize behavior change for consumers.

In the past two years, efforts to reduce the number of single-use plastic bags have included:

1. Expanded use of in-store communication to encourage consumers to bring/use their own bags or other carrying devices (e.g., back packs)
2. Continued use of incentives for consumers to bring their own bags or reusable bags.
3. Increased customer access to alternative reusable bags.

Where practical:

4. Using stickers, tape or other 'paid purchase' identifiers in lieu of plastic bags.
5. Offering recycled cardboard boxes or plastic bins as a carry-out option.

These results might not reflect Albertans' efforts in reducing their bag consumption as there were certain discrepancies in the figures reported by retailers for 2011, 2012 and 2013. This raises concerns with respect to data reliability. Generally speaking, this also shows the limit of data collection in a voluntary approach and advocates for the use of different data sources. The multimaterial recycling program in Manitoba has access to reliable data in this regard and shows that Manitobans achieve reduction rates above 50%. As all stewards marketing plastic bags are required to report on a yearly basis, we believe this approach provide more accurate data to rely on. As such, Albertans and Manitobans should not be that different in their use of plastic bags.

Nonetheless, the 21.6 percent reduction achieved since 2008 needs to be considered in the light of the impressive growth in retail sales/household expenditures in Alberta over the past 5 years. The three participating associations, their respective members and other stakeholders need to consider other alternatives as to what could potentially drive behaviour change on single use plastic bag consumption in the years to come, and given new information and fast-evolving technologies, have a more in-depth discussion reconsidering the priority of plastic bags in the waste stream in Alberta.

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.”¹ 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. CFGI 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.

¹ “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 and actions are in line with the retail sector's broader commitment to environmental stewardship and waste management, utilizing the following 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

A reduction of around 22 per cent has been achieved after 5 years of efforts from retailers, including deploying proven practices from other jurisdictions at store level and facilitating consumer awareness and understanding of environmental impacts of plastic single use bags. Despite this, this result is below the objective of reducing plastic bags by 50 per cent by 2013 set in 2008.

REDUCE

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, 2010, 2011, 2012, and 2013 are as follows:

	2008	2009	2010	2011	2012	2013
Units (bags) distributed	741,120,220	679,901,981	589,269,695	606,782,575 ²	591,409,216	581,013,200
% change vs. previous year		(8.25)	(13.25)	3.0	(2.5)	(1.7)

² Number was adjusted from last year due to errors, and to account for retailers that did not report

The techniques that retailers have used to get to encourage consumers to reduce the number of single use plastic bags include continued deployment of incentives to encourage reduction and recycling, increased availability of reusable bags, and driving greater consumer awareness. However, over the past few years, due to consumer complaints about bag charges, some retailers chose to reinstate complimentary single use plastic bags in stores. In addition, there have been some concerns over a saturation point for reusable bags and consumer fatigue on messaging.

Per Capita Reduction

The table below tracks the reduction in plastic bag usage per capita in Alberta since 2008. The use of plastic bags per capita has decreased significantly since 2008.

	Single Use Plastic (units)	Single Use Plastic (units per capita) ³
2008	741,120,220	209
2009	679,901,981	187
2010	589,269,695	159
2011	606,782,575	162
2012	591,409,216	154
2013	581,013,200	147

For comparison purposes, single use plastic bag distribution in Alberta was estimated at 209 units per capita for the first year of its Plastic Bag Reduction Initiative. In Ontario, Manitoba and British Columbia, annual bag consumption varied between 107 and 114 per capita five years after the launch of their respective plastic bag reduction initiatives. While Alberta, might not have achieved a reduction rate similar to the other jurisdictions, it is important to note that the baseline year for the initiative came two years later than the other provinces. As such, Albertans had by then most probably benefited from national initiatives implemented with the commitments in ON, MB and BC signed between 2006 and 2008.

	Annual per capita bag consumption after 5-year commitment
Ontario	109
Manitoba	114
British Columbia	107
Alberta	147

³Per capita figures are based on the 2008 - 2012 Alberta Municipal Affairs Official Population List, found at http://municipalaffairs.gov.ab.ca/mc_official_populations.cfm

Higher household retail expenditures

Retail sales proportionally higher in Alberta also explain this gap in plastic bag reduction. In fact, the average Alberta household retail expenditures grew by 19.4% between 2009 and 2013, while those of the average Canadian household only increased by 8.6% within the same period. By 2013, the average Alberta household spent 25 % more than the average Canadian household in the retail sector.

	Alberta		Canada	
	Average household expenditures in retail	% growth between 2009 and 2013	Average household expenditures in retail	% growth between 2009 and 2013
2009 ⁴	\$17,073		\$14,937	
2013 ⁵	\$20,379	+19.4%	\$16,220	+8.6%

REUSE

Reusable Bags

Encouraging consumers to switch to reusable bags is an essential part of the strategy to reduce plastic bag usage. 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 from 2009 to 2013 are as follows:

	2008	2009	2010	2011	2012	2013
Units (reusable bags) distributed	2,369,400	2,471,437	2,996,977	10,126,737 ⁶	9,345,153	9,844,732
% change vs. previous year		4.3 %	21.3 %	(23 %)	(7.8 %)	5.3 %
% change vs. base year		4.3 %	26.5 %	327.4 %	294.4 %	315.4 %

The distribution of reusable bags has shown a significant increase in 2011. However, as noted above, the sales of reusable bags seems to be plateauing. We attribute that situation to a high saturation point of reusable bags in the marketplace and distributed as promotional gifts, and that many consumers are reaching a limit.

⁴ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil16a-eng.htm>

Types of expenditures considered in this estimate are: Food expenditures, Household furnishings and equipment, Clothing and accessories, Personal care, Reading materials and other printed matters, Tobacco products and alcoholic beverage.

⁵ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil130a-eng.htm>

Estimates include the same types of expenditures as 2009.

⁶ Please note that this number was restated due to a data entry error – the number is in fact much higher than what was stated in the previous report – 2,309,177.

RECYCLE

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 now provide convenient in-store collection bins for plastic bag recycling. In collecting data for this report, 234 locations⁷ were confirmed as locations that accept plastic bags for recycling at retail, which has unfortunately decreased since 278 in 2011 – this is due to a changeover in management of various retailers, some of whom as part of their business model do not provide these facilities. In total, more than 200 tons of plastic bags were collected by retailers for recycling in 2013.

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.

Reducing Distribution and Utilization of Single Use Plastic Bags

Best practices in *widespread* use include:

- Offering customers the opportunity to obtain (through purchase or promotion) reusable bags at point of sale;
- Signage and other forms of in-store communications encouraging the use of reusable bags;
- Integrating branded reusable bags with store- or chain-wide environmental programs;
- Asking customers at checkout whether they need bags before providing them.

Best practices now in *common* use include:

- Offering recycled cardboard boxes or plastic bins as a carry-out option.
- Using stickers, tape or other ‘paid purchase’ identifiers in lieu of plastic bags for large items;

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

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[http://www.plastics.ca/Recycling/PlasticBags/StoresCollectingBags/index.php?page=0&action=list&sort_col=store&sort_dir=ASC&reset_search_params=&search_params\[store\]=&search_params\[city\]=&search_params\[province\]=AB](http://www.plastics.ca/Recycling/PlasticBags/StoresCollectingBags/index.php?page=0&action=list&sort_col=store&sort_dir=ASC&reset_search_params=&search_params[store]=&search_params[city]=&search_params[province]=AB)

- Environmental fee on single use bags
- Rebates or loyalty points to consumers who use their own bags or reusable bags
- Programs promoting the retailer’s support for charitable causes or linking reusable bag purchases to environmental campaigns, etc.
- Training staff in efficient bagging techniques to reduce usage.

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 tracking of best practices cannot offer a complete portrait of the initiatives implemented in the past years.

Education and Outreach Message

The plastic bag reduction strategy described in the Implementation Plan includes an Education and Outreach component that, among its various objectives, ensures that any environmental fees attached to plastic bag distribution are not portrayed as government taxes. Even if some retailers have decided to abandon the environmental fee approach, education and outreach remain at the heart of any future plastic bag reduction initiatives.

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).

Although this commitment may be coming to an end, the retail industry associations will continue to identify opportunities to work with local governments and charity groups which have expressed an interest in partnering to help promote the plastic bag reduction strategy. Working with local governments is an important next step for retailers to extend consumer education and awareness beyond the retail footprint and integrate it more fully within the broader community.

CONCLUSION

Despite industry's best efforts, the performance results by 2013 indicate that while good progress was made at the beginning of the plan, reduction has plateaued to reach a 22 per cent reduction rate between 2008 and 2013, which is under the target of 50 per cent reduction by the end of 2013. The fact the average Alberta household spends 25 per cent more than the average Canadian household in the retail sector can partly explain the lower reduction results.

Meanwhile, the number of reusable bags distributed in Alberta grew by 315 per cent, which shows the retailers' commitment to offering sustainable alternatives to Albertans.

We believe that further discussion is warranted on other alternatives that could potentially drive behaviour change on single use plastic bag consumption in the coming years. Also, retailers believe that Alberta should follow Manitoba's lead and compile the number of bags marketed in the province through a multimaterial recycling program that offer reliable data. Manitobans show a 50 per cent reduction in the number of distributed single use plastic bags. Their multimaterial recycling program also ensure that all single-use plastic bags are recycled and offer a second life. Albertans and Manitobans should not be that different in their use of plastic bags. Overall, we believe that retailers, waste management operators, municipalities and the provincial government need to have a more in-depth discussion reconsidering the management of plastic bags in the waste stream in Alberta.