Plastic Packaging Reduction Index (PPRI): Evaluating Fast Moving Consumer Goods Companies

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Background

Single-use plastics have become one of the most significant **environmental challenges** today. Most single-use plastics, which largely include packaging, become waste in landfills or natural environments. Both **plastic** and **packaging** have been identified by **Fast Moving Consumer Goods (FMCG)** companies as one of the most critical Environmental, Social, and Governance (ESG) issues to be addressed.

Research Questions

The objective of this research is to **develop** a **Plastic Packaging Reduction Index (PPRI)**. The index will assess and score how a selected group of FMCG corporations are doing at reducing their use of plastics in consumer goods product packaging. Having the proposed Index in place, a second part of the research objective is to **apply** the index to a sample of FMCG companies, and provide a final alphabetical score for each evaluated company.

Methods

- **Eleven indicators** (8 quantitative and 3 qualitative scored on a binary (yes/no) scale) were created.
- All indicators were scored on a **scale of 0-100**, with 100 being the best score possible.
- Following the Ellen MacArthur Foundation (EMF) *Circulytics* method, the framework's indicators were organized into **two categories**: Outcomes and Enablers.
- A **weighting system** was developed. Each category has a different weight. The Outcomes category has an overall weight of 60%, and the Enablers category 40%.
- Using the total scores in both categories, a **weighted average** was calculated which resulted in the company's final score out of 100.
- Following the Circulytics numerical to alphabetical score conversion table, a **final lettered score** was assigned to each of the companies with A being the highest and E the lowest score
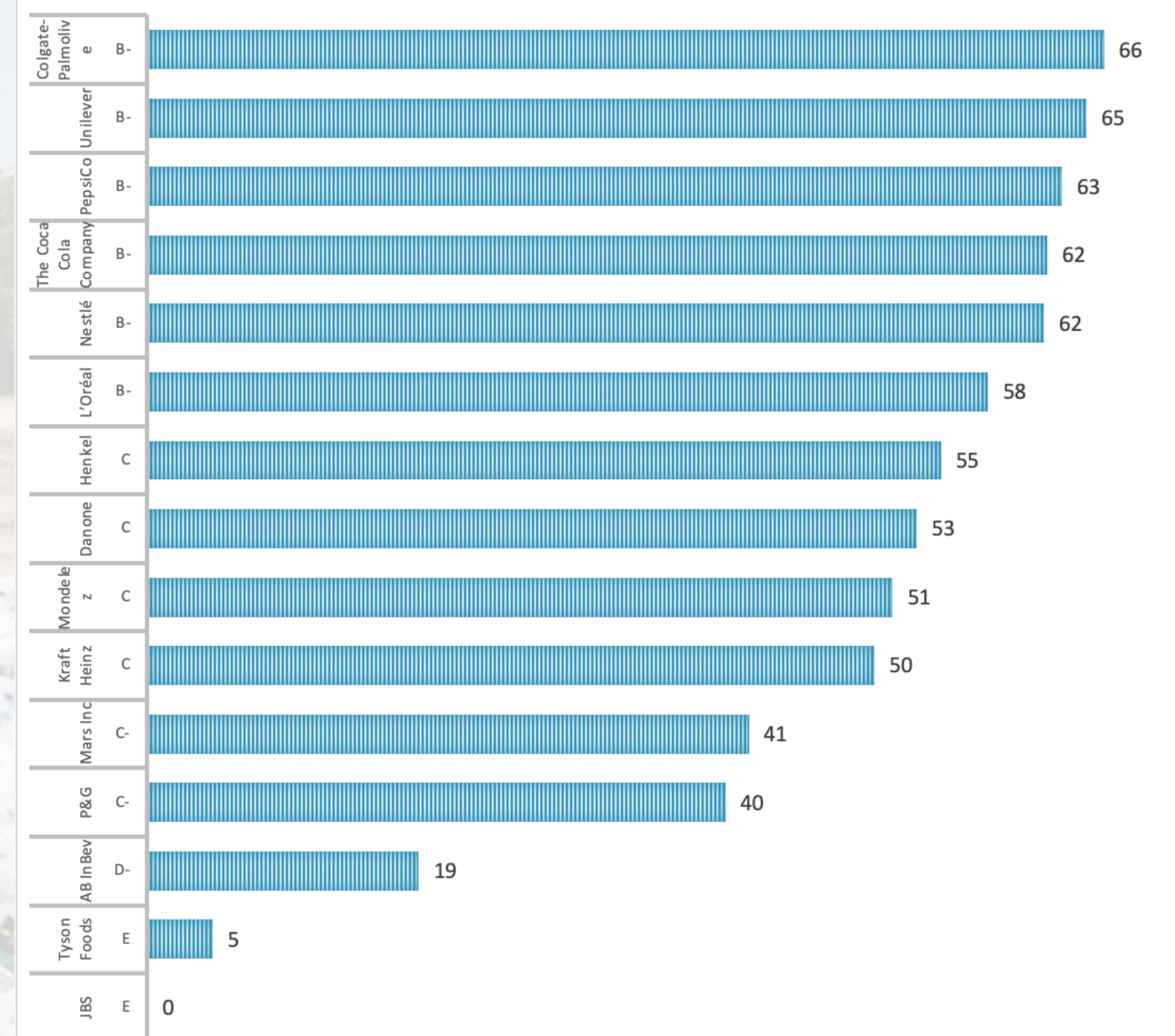
Key Findings

- Companies are focusing on packaging being **reusable, recyclable, or compostable**, rather than reducing the amount of plastic used in packaging or using recycled material.
- Ensuring that plastic packaging is recyclable, reusable or compostable does not necessarily mean that the packages are being **recycled, reused or composted.**
- Percentages found for the **recycled material** used in plastic packaging indicator were very **low** (38% to 0.3%)
- Only 6 out of the 15 companies reported on metrics or initiatives on **plastic collection or recovery**.
- Only half of the companies disclosed being actively working on developing **alternative packaging**
- Companies must shift towards a more **circular approach** in which the same three terms are used in the past tense
- Companies must increase **consistency in reporting** on the metrics of **how much plastic is being used** in product packaging and establish reasonable targets

Results

None of the 15 companies received a score above 66. The company with the **highest score was Colgate-Palmolive** with a total score of 66 that alphabetically corresponds to a "B- ". Only 5 companies received a total score higher than 60, but lower than 66, these being Colgate-Palmolive, Unilever, PepsiCo, The Coca Cola Company, and Nestlé. JBS received the lowest possible score being zero, as no information was found for any of the evaluated indicators.

FMCG PLASTIC PACKAGING REDUCTION SCORECARD

Company	Score	Value
Colgate-Palmolive	B-	66
Unilever	B-	65
PepsiCo	B-	63
The Coca Cola Company	B-	62
Nestlé	B-	62
L'Oréal	B-	58
Henkel	C	55
Danone	C	53
Mondelez	C	51
Kraft Heinz	C	50
Mars Inc	C-	41
P&G	C-	40
AB InBev	D-	19
Tyson Foods	E	5
JBS	E	0

References

Circulytics. (2021a). Circulytics Brochure. Ellen MacArthur Foundation. https://emf.thirdlight.com/link/hpqctc2qdako-v1xw8g/@/preview/1

Ellen McArthur Foundation. (2021). Global Commitment 2021 Progress Report. https://emf.thirdlight.com/link/n1ipti7a089d-ekf9l1/@/preview/1?o