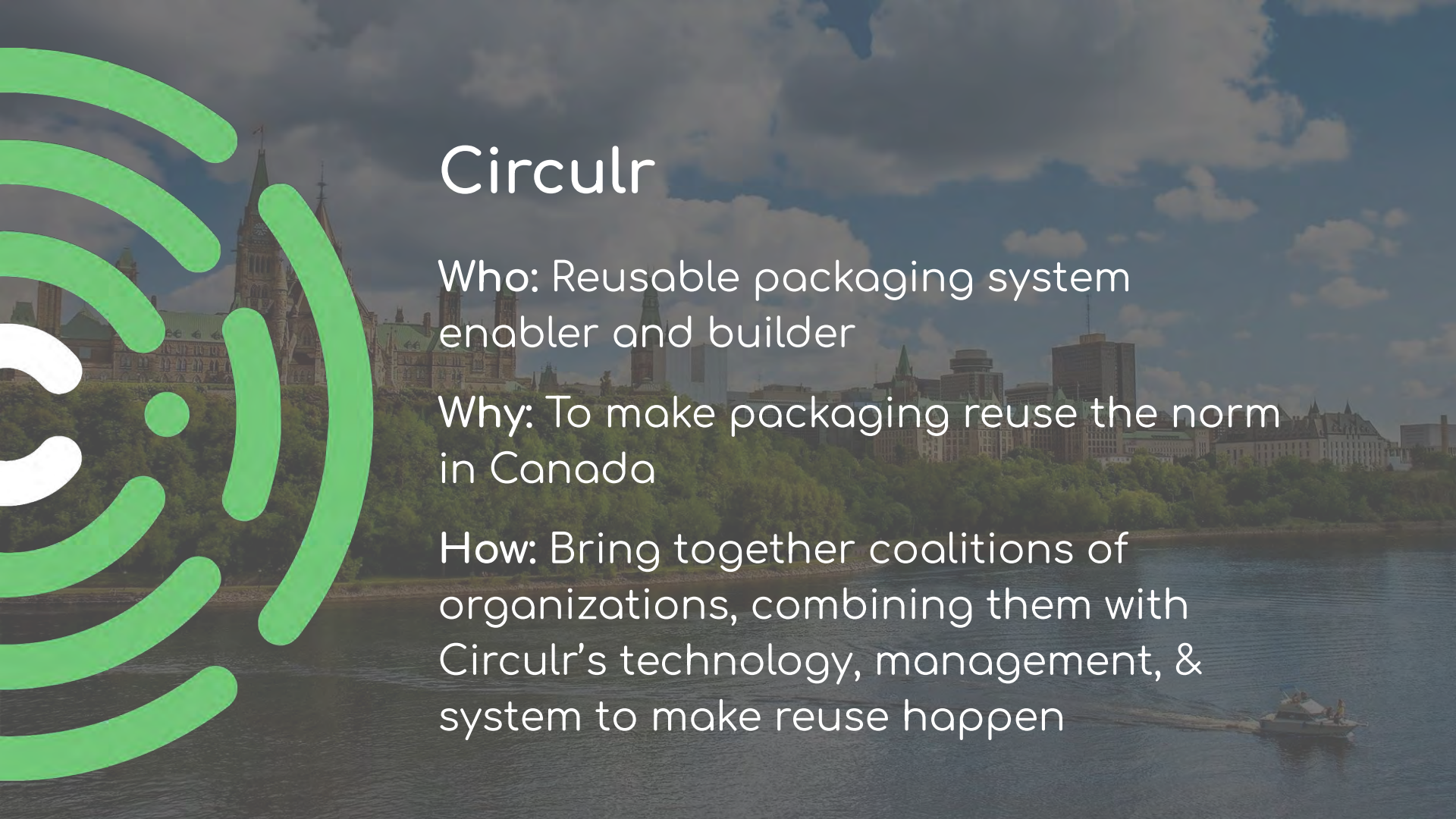
Circulr

How Reusable Packaging Can Scale in the Grocery Space

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Circulr

Who: Reusable packaging system enabler and builder

Why: To make packaging reuse the norm in Canada

How: Bring together coalitions of organizations, combining them with Circulr's technology, management, & system to make reuse happen

Circulr Area of Focus



Manufacturing

Management of standardized shared-pool packaging, label guidelines setting



Consumer

Retail integration and consumer awareness and education



Reprocessing

Fully manage or develop contracting of sorting, washing and redistribution with health and safety reporting



Collection

Orchestrate collection points (high or low tech) and their collection including, deposit/reward redemption

System Wide

Managing coalition, data analytics for both marketing and system improvement purposes, funding / growth opportunities

Common Challenges



Manufacturing

- Packaging sourcing to reduce filling line friction and adoption
- Initial hesitation on swapping packaging to standard format



Consumer

- Consumer awareness and education in-store
- Communicating value proposition
- Ensuring proper incentive mix to capture the whole market



Reprocessing

- Establishing appropriate washing systems
- Coordinating reverse supply chain into existing process
- Replacing loss rate and meeting supply gaps



Collection

- Making return as easy as the status quo
- Efficient transportation
- Choosing the appropriate return point mechanism

Lessons Learned



Manufacturing

- Standardized packaging in shared pool
- Not too ugly - not too beautiful
- Any material can work - situation dependent
- Focus on expanding segment depth over breadth



Consumer

- In-aisle promotion with standard messaging
- Consumer purchase and use is the same as status quo
- Limited single-use option or reuse is priced cheaper



Reprocessing

- Standard washing and sorting process is most efficient with standard pool
- Use existing reverse logistics where possible



Collection

- Deposit and incentives increase return rate
- Use pre-existing collection and reverse logistics where possible
- Collection has to be convenient as possible

Optimal Reuse

1. Extension of Pre-Existing Collection
2. DRS, EPR and Reuse Goals Clearly Articulated
3. Incentives are Key to High Return Rates
4. Cohesive Packaging Segment Targeted
5. Shared Pool Systems Make Reuse Efficient

Circulr Experience

Successful grocery packaging reuse system in Toronto, Waterloo and Wellington Region

- Independently developed system
- Managed full reuse process
- Wide variety or product categories and packaging types reused
- 50+ retailers and brands supported
- 50,000+ pieces of packaging reused
- Interest from large brands and retailers for expansion

Case Study - The Stone Store Guelph

20+
Sku's Included

5,000+
Jars reused

73%
Return rate

"We've wanted to offer reuse for a while, but the logistics were too much for us to take on alone. Circulr has taken the hassle out of the process, allowing us to offer reuse to our customers who are adopting it more and more."

- Stone Store Manager, Erin Copland



Circulr's Integration into CGF Program

The project was initiated by the Consumer Goods Forum, operated by Reposit & funded by key players including **Walmart, Loblaws, Shoppers Drug Mart, Real Canadian Superstore, Your Independent Grocer, Unilever, L'Oréal, P&G, Avery Dennison, Amcor, and IBM**

Current focus is on **home care & personal care products** with Circulr being brought in to support operations.

Circulr is leading the investigation of how food can be added into the project.

Reuse City Ottawa Brief

Reposit

The Consumer Goods FORUM

Develop and test a cross category, collaborative, returnable packaging platform that is feasibly **commercially**, **operationally**, and **environmentally** scalable across Canada and internationally.

COLGATE-PALMOLIVE · L'ORÉAL · Unilever · P&G · Loblaw Companies Limited · Walmart

RETURN
packaging returned to business



Collective action with clear governance

Reposit

Governance Structure



Stakeholder Roles: Detail

A Provide system oversight, and operational alignment. Includes all retailer, brand and system enabler partners. Reposit hold final decision authority.

1 Producers central to system shaping. Eligible to join governance based on strategic or delivery contribution.

2 Retailers central to system shaping. Eligible to join governance based on strategic or delivery contribution.

3 Government & other non-profit bodies (Ottawa City Gov't, CPP, ECCC) have strong advisory role, in addition to providing funding and other strategic support.

B.1 Reposit will set up a Canadian entity as the System Operator to apply for Canadian government grants, administer funds and operate the local system with support from Reposit UK.

B.2 Reposit UK will provide expertise, resources and operating processes to the local entity. Reposit holds decision-authority.

4 Local Canadian System Operator will subcontract and manage with support from Reposit UK out to various 3rd parties, including washing ,reverse logistics, and marketing

5 Suppliers & system enablers continue to support as independent advisors

Objectives & outcomes of project

Reposit

The **Reuse City, a large-scale, multi-brand, multi-retailer program**, must address the next challenges in scaling up the use of reusable packaging in the consumer goods sector by launching a trial program in Ottawa, Canada, with the ambition to expand nationally and globally if successful. This program has four primary objectives:

Prove Volume Creation	Test operational viability	Prove financial feasibility	Measure environmental footprint
1	2	3	4

Summary project output:
Proven consumer demand uptake, return compliance and repeat rates that drive the volumes in a pooled packaging-as-a-service system that tests operational and financial and environmental viability of such a system. This will create a blueprint to enable the appropriate investment decisions to be made to inform scale up in Canada and internationally.

Why is this project different



① Collaboration across **many retailers**, **categories** and **brands**



② **Standardized supply** chain, where possible



③ **Pooled packaging** as a service



④ Merchandising **in-category**



⑤ All items **asset tracked**, focused on **data & insight**



⑥ Deposit return PLUS **reward**: to nudge and create value



⑦ Designed with **scale-up** in mind

A system designed with stakeholders to deliver the project objectives for the benefit of stakeholders

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Return for Reward

Reposit



Shop

Buy a product in a returnable bottle



Return

To any participating store



Reward

Get your Deposit PLUS a REWARD

A Blueprint to Maximize the Benefits

Blueprint Principles

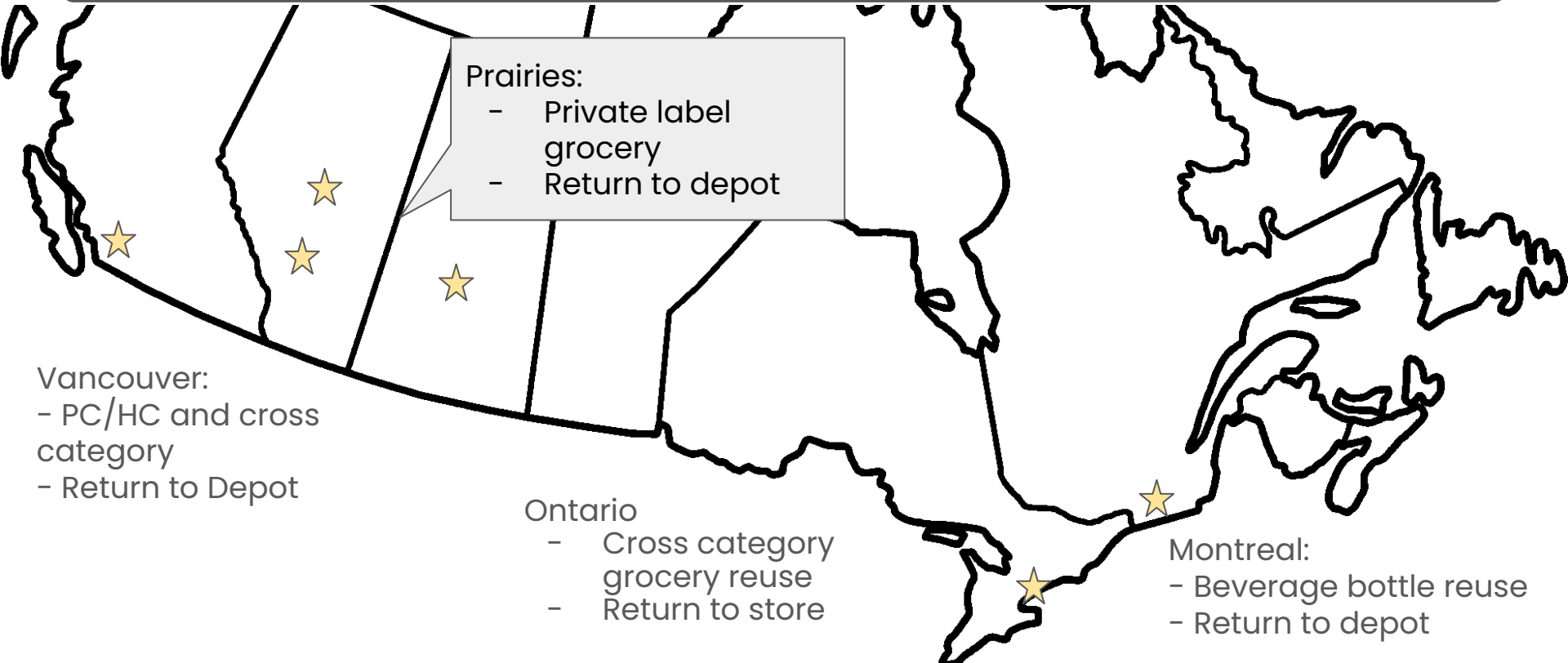
- Use Ottawa as a blueprint and central point of expansion geographically
- Extend into nearby regions and categories that are “reuse-ready”
- Core principles remain unwavering, reuse systems will adjust to market needs

Benefits at Scale

- Increased volume from expansion reduces individual unit cost
- Broader consumer awareness helps increase return rates and adoption
- Reuse system becomes even more environmentally efficient at higher level

Geographic Areas of Opportunity

Identifying multiple potential geographic regions for different product categories and types of reuse



Prairies:
- Private label grocery
- Return to depot

Vancouver:
- PC/HC and cross category
- Return to Depot

Ontario
- Cross category grocery reuse
- Return to store

Montreal:
- Beverage bottle reuse
- Return to depot

Wine Bottle Reuse

Tasting Room Pilot Project

- Partnered with 5 Niagara wineries to collect existing bottle poured on site
- Reused over 6000+

Wine Bottle Reuse Report

- Partnered with Environmental Defence to analyze potential impact of bottle reuse

Province Wide Reuse

- Developing standardized refillable bottle for province-wide deployment


THE GLOBE AND MAIL*

GOOD TASTE

Plans to sell Niagara wine in refillable bottles continue to ferment

CHRISTOPHER WATERS

SPECIAL TO THE GLOBE AND MAIL

PUBLISHED 2 HOURS AGO

GOOD TASTE

Second Harvest: A Niagara winery is looking at reusing wine bottles

CHRISTOPHER WATERS

SPECIAL TO THE GLOBE AND MAIL

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Thanks for Listening
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