

Loblaws, Sobeys put a wrap on plastic bags

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Canada's two largest grocery chains, Loblaw Companies Limited and Sobeys, are putting a lid on the use of plastic shopping bags.

Loblaw said Thursday it will no longer provide free bags at checkout counters of its corporate locations and participating franchise stores across the country as of next April. The plastic bags will be available only on request, and will cost five cents each.

Sobeys said it will also charge five cents per bag, but only in the Toronto area, in response to the city's proposed waste reduction bylaw. It said its program will be in place by June 1, expected to be the first day of Toronto's waste diversion charge.

"This important move will inspire and help Canadians to more fully embrace reusable bag practices," Loblaw executive chairman Galen Weston Jr. said.

"It represents the next natural step forward as we continue to acknowledge and respond to Canadians' desire to support environmental initiatives."

Between now and April, said Weston in an interview, "we're gearing up for [the program], and the first step will be to launch on Jan. 12 in Toronto."

Loblaw said a pilot project involving five outlets has shown that providing a variety of affordable reusable bag options and charging a nominal fee for plastic bags are primary drivers in changing consumer behaviour.

Stores that have been charging a fee for the bags distribute almost 55 per cent fewer bags per \$1,000 sales than those stores that supply to bags for free, the company said.

"Customers were fairly comfortable" with the reusable bags, said Weston. "But it wasn't without the occasional complaint and the occasional frustration."

One of the things customers struggle with most, he said, "is the frustration of forgetting their reusable bag."

Part of the program is going to be to learn how best to remind customers to bring their bags, said Weston.

The British grocery chain Sainsbury has a program "where they text you before you go to the grocery store reminding you to bring your bag," he said.

Gerald Butts, president and CEO of the World Wildlife Fund, welcomed Loblaw's move to stop providing free plastic bags.

"Loblaw has enormous ability to influence change," he said.

"Loblaw is an anchor in a very big supply chain. So if they can use their power within that to influence their customers and their suppliers, it's really important."

Also, said Butts in an interview, "it's pretty clear that if you put a price on something, then people are going to use less of it. We'd like to see people using fewer plastic bags. There's a clear environmental benefit attached to that."

Loblaw said it will continue to encourage consumers to use alternatives to plastic bags and will enhance its sale of reusable bags. It already offers reusable bags at checkout counters for 99 cents and tallies loyalty points when they are used.

Loblaw said most of the proceeds from the sale of the bags will be used to cover the cost of its plastic bag reduction program.

As well, "we'll take some of the money and invest it in lower food prices ... [and] in our sustainability projects and a couple of environmental charities," said Weston.

Sobeys, which sells a reusable bag at its outlets, plans to use money from bag sales for environmental and sustainability initiatives.

Loblaw's reusable bags are about 100 per cent post-recycled plastic and are made in China mostly from recycled bottles.

On the TSX on Thursday, Loblaw shares closed up 14 cents, at \$31.14, and shares of Sobeys' parent company Empire Co. Ltd. closed up 78 cents, or more than 1.5 per cent, at \$45.67.

The Liquor Control Board of Ontario is also ending its use of plastic shopping bags, offering shoppers paper bags instead.

In October last year, furniture retailer IKEA Canada began charging five cents for plastic bags, donating proceeds to Tree Canada to help plant trees throughout the country.