



International Position Statement on Sustainable Product Packaging

“The ALDI SOUTH Group of Companies conducts its business according to the principle of corporate responsibility. In all we do, we assume responsibility towards our customers, business partners, employees, the community, and the environment.”

(Source: Preamble Corporate Responsibility Principles of the ALDI SOUTH Group)

This Position Statement is intended to describe how we fulfil our international responsibility towards people and planet by means of our commitment and efforts in the area of sustainable product packaging. In this respect, we focus on the most essential elements and work to develop simple and effective solutions to the complex questions and challenges faced. The following document provides an overview of the approach taken by the ALDI SOUTH Group. Each of the ALDI SOUTH countries is individually responsible for further developing and implementing this approach.

1. Our aspiration

1.1 Background

The ALDI SOUTH Group strongly believes that long-term business success can only be achieved by assuming responsibility for people and planet. For this reason, we consider ecological and social criteria throughout our product supply chains – from raw materials to final production.

Global threats, such as growing deforestation rates, rising carbon emissions, and the littering of our earth's oceans with plastic waste, can be increasingly observed. Environmental awareness among consumers is growing and politicians, NGOs and the general public ascribe great importance to resource efficiency and, in this context, to the role of product packaging in particular. The 17 Sustainable Development Goals (SDGs) specified within the United Nation's 2030 Agenda for Sustainable Development require action to be taken in various areas related to product packaging (Figure 1).

Against this background, the topic of more sustainable product packaging is high on the agenda of industry players worldwide. Our aspiration is for all of our product packaging to be designed in the most sustainable way possible.



Figure 1:
Selected UN Sustainable Development Goals related to product packaging (Source: United Nations 2016)

1.2 Sustainable product packaging

The primary role of packaging is to protect the product and to facilitate handling. In this framework, improving the sustainability of product packaging is a **topic of high complexity** due to the diverse **additional factors to be considered** within the scope of a comprehensive approach (Figure 2).

With regard to the sustainability of product packaging, in particular regarding the SDGs, it becomes apparent that environmentally responsible packaging is assigned particularly high importance. But at the same time, potential target conflicts may result from these ‘factors to be considered’ (Figure 2), for example:

1. Packaged vs unpackaged

fresh produce: In some cases, plastic packaging for fresh produce (e.g. cucumbers with long transport distances) can increase shelf life and reduce food waste although it is perceived as unsustainable by many consumers.

- 2. Recycled cardboard as packaging for food products,** such as cereals, may have a negative impact on product safety due to the migration of mineral oil residue.



Figure 2:
Factors to be considered for sustainable product packaging

These two examples demonstrate that detailed consideration of the different influencing factors on product packaging is necessary, and therefore product packaging needs to be evaluated on a case-by-case basis, in order to assess and improve its sustainability.

2. Our approach

2.1 Environmentally responsible packaging

When focusing on the improvement of product packaging solutions in terms of ecological sustainability, the ALDI SOUTH Group follows the three main levels (**reduce, reuse, recycle**) of the internationally recognised waste hierarchy (Figure 3).

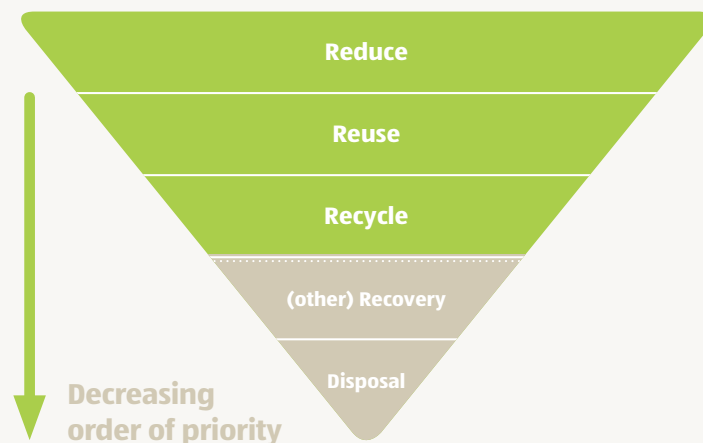


Figure 3:
5-level waste hierarchy (in compliance with the '5-level waste hierarchy' of the European Directive 2008/98/EC on waste, the 'Waste Management Hierarchy' of the U.S. Environmental Protection Agency, and the 'Waste Avoidance and Resource Recovery Act' 2001 No.58, New South Wales, Australia)

With regard to environmentally responsible product packaging, this hierarchy implies that measures aiming to **reduce** and prevent the use of packaging should be given the highest priority, followed by actions in the areas of **reuse** and **recycling**. Other waste recovery (e.g. energy recovery) and disposal methods should always have the lowest priority.



Figure 4:
International goal on wood fibre-based packaging of the ALDI SOUTH Group

2.2 Sustainable product packaging at ALDI SOUTH

At international level, the approach of the ALDI SOUTH Group to sustainable product packaging is based on three main pillars which are displayed in Figure 5.

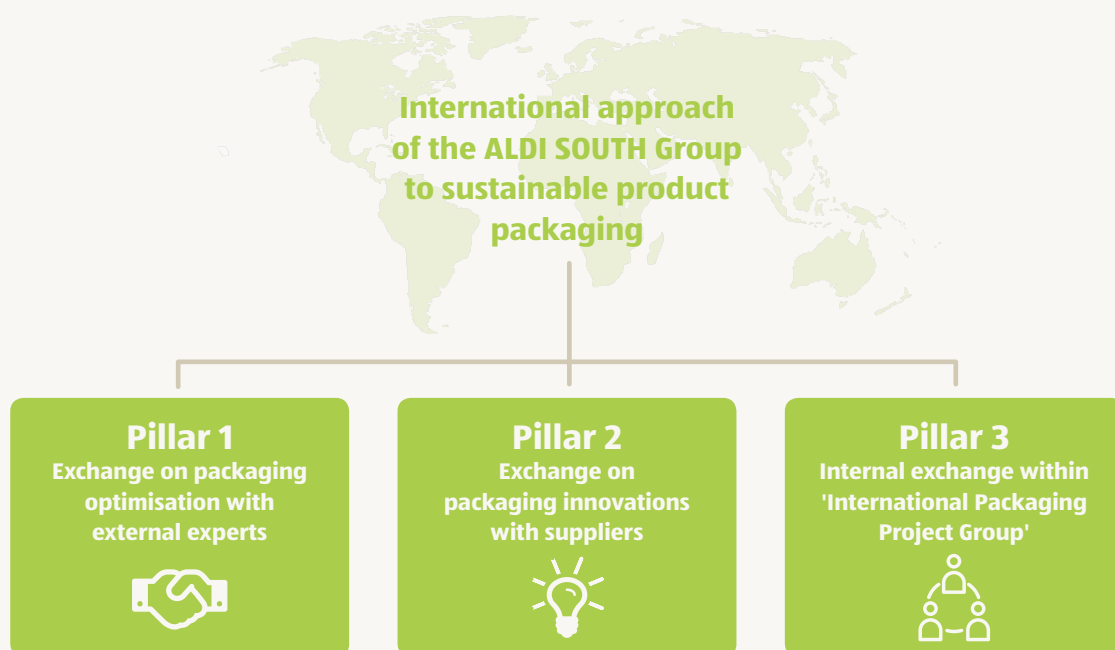


Figure 5:
International approach of the ALDI SOUTH Group to sustainable product packaging

3. Our implementation

We implement our international approach as follows:

In collaboration with external experts (pillar 1), and in regular exchange with our operations in Germany, the United Kingdom/Ireland, the United States, Australia, and the HOFER Group, the ALDI SOUTH Group has developed an international guideline for environmentally responsible product packaging, which includes concrete recommendations and examples for evaluating product packaging. In this context, we mainly cooperated with two external business partners focusing on different key topics: Dr Manfred Tacker, Head of the department of Packaging and Resource Management at the University of Applied Sciences in Vienna, collaborated with us in developing the relevant general basics and provided scientific input. With regard to the recommendations for improving the recyclability of our product packaging, we worked closely together with DSD - Duales System Holding GmbH & Co. KG ('Der Grüne Punkt' Germany).

Our guideline follows the three most important levels of the waste hierarchy referred to in '2.1 Environmentally responsible packaging' (Figure 3):



Figure 6:
Levels of the waste hierarchy on which our guideline for environmentally responsible product packaging focuses

The guideline is being adapted at national level and provides orientation for decision-makers for the composition and selection of materials to be used for our product packaging.

¹ 'DSD - Duales System Holding GmbH & Co. KG' synergises the entrepreneurial activities of 'Der Grüne Punkt' for a sustainable economy which keeps recyclables in closed circuits. 'Der Grüne Punkt - Duales System Deutschland GmbH (DSD)' forms part of this holding company and is the market leader in the area of dual systems in Germany. Moreover, it focuses on take-back systems as well as the development and marketing of recycled materials.

The evaluation and implementation of criteria for environmentally responsible product packaging across the ALDI SOUTH Group is conducted in close cooperation with our business partners. We seek a **regular exchange with our suppliers on sustainable packaging innovations (pillar 2)** in order to be informed of current developments and possibilities for improvements in this sector.

Beyond this, we established an internal **'International Packaging Project Group' (pillar 3)** which consists of representatives from all ALDI SOUTH countries in order to exchange information on challenges as well as best practice approaches concerning sustainable packaging. The following selection demonstrates the variety of recent national activities developed based on hotspots:

- Several detergent and cleaner products offered at **ALDI SOUTH Germany** are sold in bottles made of 100% recycled plastic, including up to 20% post-consumer material ('Duales System' recycling system).
- For the **HOFER Group**, in collaboration with suppliers, packaging of organic products was analysed with respect to its ecological improvement potential and optimised, for example, by increasing the share of recycled materials or reducing the amount of packaging material used.
- **ALDI UK and ALDI Ireland** evaluated the primary packaging of its top 20 frozen products and identified opportunities for reducing packaging. A trial project on packaging optimisation was conducted in 2017 with one product line. This trial project serves to gather data on both material and cost savings throughout the relevant supply chain.
- **ALDI US** has initiated a Packaging Working Group to enhance internal exchange between CR and Buying departments.
- **ALDI Australia** has published a National Action Plan, including specific measures and objectives, in cooperation with the Australian Packaging Covenant, a national initiative on sustainable packaging, and focuses its actions on aspects, such as design, recycling, and product stewardship.

In this context, the ALDI SOUTH Group strives to continuously improve the sustainability of its product packaging and will update this position statement according to current developments.



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On behalf of the national organisations of
the ALDI SOUTH Group.

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Update May 2018 (p. 6): adjustment of the international goal on wood fibre-based packaging

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Please see cr.aldisouthgroup.com for more information on our international corporate responsibility activities.