



ALDI Australia
Suppliers' Guide to Sustainable Packaging
July 2021



1. Introduction

The Ellen MacArthur Foundation has predicted that at current rates of plastic pollution, “there will be more plastic than fish in the ocean by 2050”. Governments, industry and consumers have recognised the need for our economies to become circular; moving away from a take-make-waste approach and toward closed loop solutions.

As a responsible retailer, ALDI accepts that we have an important role to play, which is why we have announced the ALDI Australia Plastic and Packaging Commitments. These Commitments will trigger action in our supply chain and drive sustainable packaging innovation in Australia. We believe this will not only benefit the environment but also provide value to our business partners and customers.

2. ALDI Australia Plastic and Packaging Commitments



By the end of 2025, we aim to reduce plastic packaging by 25% (2019 baseline).

- **2019 baseline:** as compared to product packaging supplied to ALDI from 1 January - 31 December 2019.
 - The reduction will be calculated as a sales volume-weighted average, i.e. total weight of packaging / sales volume (RCV) of all ALDI Australia own-brand products.
- **Plastic:** Plastics are Polymers that include thermoplastics, polyurethane, thermosets, elastomers, adhesives, coatings and sealants and Polypropylene fibres. Polymer types include, but are not limited to: Polyethylene Teraphthalate (PET), Polyvinyl Chloride (PVC), High-Density Polyethylene (HDPE), Low-Density Polyethylene (LDPE), Polypropylene (PP), Polystyrene (PS), and Expanded PS.



We will actively reduce the amount of plastic packaging in our fresh produce range and transition to more sustainable alternatives where possible, providing no increase in food waste.

- **Fresh produce:** fresh fruit, vegetable and herb products supplied to the following ALDI Commodity Groups:
 - ACG 38 - Vegetables: all Sub Commodity Groups
 - ACG 58 - Fruits: all Sub Commodity Groups
 - ACG 73 - Chilled Accompaniments: 03 - Salads
 - ACG 88 - Salads; 01 - Lettuces
- Sustainable packaging alternatives include those that:
 - Reduce packaging
 - Offer a reusable packaging solution
 - Are widely recyclable or home compostable.
- **Food Waste:** defined as food (including beverages) that can no longer be sold, meaning that it either has to be disposed of or donated.



We will phase out problematic and unnecessary single-use plastics by the end of 2020. These include plastic straws, plastic disposable tableware and plastic stemmed cotton buds. Beyond 2020, we will prioritise the phase out of EPS packaging and PVC packaging labels.

- Phase out: ALDI will not accept delivery of problematic and unnecessary single-use plastics after the above-stated deadline.
- Problematic and unnecessary single-use plastics:
 - Problematic single-use plastics are not reusable, widely recyclable or compostable, or have detrimental impacts on the environment (e.g. plastic straws).
 - Unnecessary single-use plastics are those that are not necessary for food safety/integrity or could be replaced with more sustainable alternatives, including reuse models.
- Plastic straws: applies to plastic drinking straws sold as stand-alone products as well as those sold as components of other products (e.g. juice boxes, poppers, etc.).
- Plastic disposable tableware: includes plastic plates, cutlery, stirrers, and drink and coffee cups sold as separate products but also those included in other products, such as ready meals (e.g. microwave meals, noodle cups, etc.).
- Expanded polystyrene (EPS): refers to EPS loose fill consumer packaging, EPS moulded consumer packaging and EPS food and beverage consumer containers. This requirement does not currently extend to business-to-business packaging.
- Polyvinyl Chloride (PVC) labels: refers to labels and sleeves on consumer packaging made of PVC.



We will prioritise the reduction or replacement of difficult to recycle black plastic packaging.

- Difficult to recycle black plastic packaging: refers to any rigid plastic that is coloured using carbon black pigments, which are non-detectable by recycling facility sensors. Black plastic that does not use carbon black pigments and is detectable by recycling facilities will be acceptable to ALDI, provided the supplier can prove recyclability.
- While this commitment applies to ALDI own-brand products only, suppliers providing branded products are also encouraged to remove black plastic from their packaging.



The packaging of our exclusive brands will be reformulated to be 100% recyclable, reusable or compostable by the end of 2025.

- Recyclable: packaging must be recyclable at either kerbside or within ALDI stores. Packaging that can be technically be recycled but not through kerbside or ALDI stores is not considered 'Recyclable' under this goal.
- Reusable packaging: designed to be reusable and promotes reuse possibilities.
- Compostable: certified to the Australian Home Compost Standard: AS 5810 - 2010. Claims of degradability, biodegradability, or industrial compostability, etc. that do not meet the Australian Standard will not be accepted given the current limited number of suitable organics recycling facilities accepting these materials and a lack of industry and consumer knowledge around the considerations of compostability.



By the end of 2020, all paper and pulp-based packaging in our everyday range will either be FSC, PEFC or 70% recycled.

- **Paper and pulp-based packaging:** primary packaging derived from wood-based component(s) (including wood-based cellulose, paper and pulp). Sticker labels are excluded from this commitment.
- **Everyday range:** All ALDI branded core range products.
- **FSC:** certified to the Forest Stewardship Council (FSC) Chain of Custody standard.
- **PEFC:** certified to the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody standard.
- **70% recycled:** primary packaging must consist of at least 70% recycled materials.
- In addition to the above packaging goal, all ALDI-branded products with wood, paper or pulp-based components must be either certified to FSC or PEFC standards or consist of 100% recycled materials.



We will aim to stimulate an Australian circular economy by committing to include 50% recycled materials in all our packaging by the end of 2025.

- The percentage of recycled content will be calculated as a sales-weighted average, i.e. the proportion of recycled material per plastic packaging unit supplied to ALDI will need to reach 50% on average, across the entire range.
- **Recycled content targets for other materials:** are in line with the APCO 2025 recycled content targets and cover both primary packaging (i.e. that the customer takes home) and secondary packaging (i.e. such as outer cartons/shelf-ready packaging),

Material Type	Proposed Revised ALDI 2025 Target (Primary and Secondary)
All packaging	50%
Plastics	30%
PET	30%
HDPE	20%
PP	20%
Flexible Plastics	10%
Paper	60%
Metals	35%
Glass	50%



We will use the Australasian Recycling Label (ARL) on ALDI branded products by the end of 2022 and we will further educate customers on the importance of packaging waste reduction (reduce, reuse, recycle).

- **Australasian Recycling Label (ARL):** an evidence-based system that provides easy to understand instructions on-pack about how to correctly dispose of every part of a product's packaging. Suppliers will be asked to provide data and specifications to populate the Packaging Recyclability Evaluation Portal (PREP) tool (see 6. Helpful Tools).



We will publicly report against all of these goals from 2020.

- **Publicly report:** ALDI will produce progress reports and may request data from suppliers to do this. Supplier information will be anonymised and aggregated prior to publication.
- **From 2020:** the first report, published in 2021, will document progress made in 2020.

3. Key Packaging Considerations

The below provides recommendations for the key areas suppliers should consider when designing or purchasing packaging. The below points are general guidance and packaging may need to be considered and compared on a case-by-case basis.

Reduce:

- Reduce unnecessary packaging
- Reduce thickness/weight and optimise packaging design
- Reduce further negative ecological impacts (e.g. use sustainably sourced and/or renewable materials)

Reuse:

- Optimise return systems for beverage bottles (e.g. through Container Deposit Schemes)
- Consider offering flexible refill packs in order to promote the reusability of primary packaging
- Optimise primary packaging design so that it is reusable and promotes possibilities for reuse

Recycle:

- Ensure that packaging materials used are collected, sorted, and recycled at the national level.
- Prefer one material instead of material combinations
- Strive for separability if various material components are used for packaging
- Avoid carbon black and dark packaging and minimise the use of ink
- Aim for maximum residual emptying of packaging in order to improve recyclability
- Display recognised recycling labels on packaging to raise and increase customer awareness

Recycled Content:

- Maximise recycled content without compromising product safety and prefer post-consumer material instead of post-industrial material

Prioritisation of Packaging Improvements:

In cases of potential conflict between packaging improvements, the following prioritisation of packaging considerations is recommended:

1. Elimination of packaging
2. Reusability
3. Recyclability
4. Use of recycled content
5. Light-weighting of packaging
6. CO₂ and Life Cycle Assessment (LCA) impact.

4. Other Packaging Related Policies and Guidance

If you would like to know more about ALDI Australia's other Corporate Responsibility policies related to packaging, please contact aldicr@aldi.com.au.

5. Helpful Resources

To support our business partners in the implementation of the ALDI Plastics and Packaging Commitments, some helpful resources are provided below:

- **APCO Sustainable Packaging Guidelines (SPG):**
[https://documents.packagingcovenant.org.au/public-documents/Sustainable%20Packaging%20Guidelines%20\(SPGs\)](https://documents.packagingcovenant.org.au/public-documents/Sustainable%20Packaging%20Guidelines%20(SPGs))
- **APCO Publication - Recycled Materials in Food Contact Applications:**
<https://www.australianpackagingassessment.com.au/wp-content/uploads/2017/11/Recycled-material-in-food-contact-applications.pdf>

APCO has an extensive library of materials developed to support its members implement sustainable packaging decisions. Some examples of helpful resources are provided below:

- *Design Smart Material Guides*: cover a range of packaging material types, including rigid and flexible plastic, composite, compostable, fibre-based, etc.
- *Further guidance on use of recycled content*
- *Packaging Assessment templates*

Commercial Recycling

To assist in minimising packaging-associated waste generated during product packaging and shipping processes (e.g. pallet wrap, packaging off-cuts, etc.), we recommend the following resources.

- PlanetArk's www.recyclingnearyou.com.au.
- State/Territory Government websites offer helpful guidance on available business recycling services.

6. Helpful Tools

ALDI Australia Supplier Tender Packaging Brief

Suppliers will be required to complete a packaging brief for each tender submitted to ALDI Australia. The packaging brief will form a part of the product tender in the ALDI Tendering Portal, and will ask questions such as:

- Has there been a reduction in the packaging component weight compared to the existing packaging component weight? If so, then please list.
- Has there been a change in packaging component material to a more sustainable alternative? If so, then please list.
- Do any packaging components contain carbon black pigments?
- Does the product or packaging contain any single-use and/or problematic plastic packaging components (such as straws or cutlery)?
- If 'Yes' is selected for the above question, please provide details of the single-use/problematic plastic, and is any alternatives are available.
- By weight, what percentage of the proposed packaging is either widely recyclable (kerbside), reusable or home compostable (%)?
- Can you confirm that all wood/paper/pulp-based primary packaging (core range) are from 70% recycled materials or from certified sustainable supply chains (PEFC/FSC)?
- Secondary packaging: Is all paper or pulp-based secondary packaging either FSC, PEFC or recycled (70% or more)?
- What is the percentage of packaging (by weight) made from recycled content (%)?

Life Cycle Assessments (LCAs)

LCAs are helpful tools to understand, quantify and communicate the environmental and social credentials of packaging solutions. The assessment considers the complete life cycle, starting from the production of raw materials to the final disposal of the products, including recycling if applicable. The international standards relevant to life cycle assessments are:

- **ISO 14040: 2006** - Environmental management – Life cycle assessment – Principles and framework.
- **ISO 14044: 2006** - Environmental management – Life cycle assessment – Requirements and guidelines.

Requesting a LCA from packaging providers can help suppliers make more informed packaging decisions.

Packaging Recyclability Evaluation Portal (PREP): helps brand owners, packaging designers and manufacturers assess the recyclability of various packaging components. PREP can help brand owners appropriately label their products but also informs packaging design to achieve maximum recyclability in the Australian context.

Australasian Recycling Label (ARL): an evidence-based system that provides easy to understand instructions on-pack about how to correctly dispose of every part of a product's packaging. The recyclability claims are based on PREP analysis.



Available Grant Schemes

We encourage you to seek out available grant schemes that support innovation and the commercialization of sustainable packaging solutions. Some examples of grant providers are provided below to get you started:

- **Sustainability Victoria:** <https://www.sustainability.vic.gov.au/Grants-and-funding>
- **NSW Environment Protection Authority:** <https://www.epa.nsw.gov.au/working-together/grants>

7. Key Contacts

The below contacts are available to help answer any questions you may have regarding specific topics.

Enquiry Topic	Contact	
Tenders	<i>Relevant contact in ALDI Corporate Buying.</i>	
Contractual Arrangements		
Technical specifications	<i>Relevant technical service provider (TSP)</i>	
Claim verification and artwork approval		
ALDI Policies	ALDI Corporate Responsibility Department	aldicr@aldi.com.au
Sustainability initiatives		
PREP Tool	Australian Packaging Covenant Organisation (APCO)	02 8381 3700
APCO Membership	Australian Packaging Covenant Organisation (APCO)	https://apco.org.au/contacts

8. Sources of Further Information

The below institutions can provide further guidance and support on a variety of issues related to sustainable packaging.

- **Australian Institute of Packaging (AIP):** <http://aipack.com.au/>
- **Australian Packaging Covenant Organisation (APCO):** <https://apco.org.au/>
- **Boomerang Alliance:** <https://www.boomerangalliance.org.au/>
- **Ellen Macarthur Foundation:** <https://www.ellenmacarthurfoundation.org/>
- **NSW Environment Protection Authority:** <https://www.epa.nsw.gov.au/>
- **PlanetARK:** <https://planetark.org/>
- **Replas:** <https://www.replas.com.au/>
- **Sustainability Victoria:** <https://www.sustainability.vic.gov.au/>