



ALDI Stores

(A Limited Partnership)
ALDI STORES 365 8111

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CORPORATE

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18 October 2019

Cesar Melhem, MLC
Chair, Environment and Planning Committee
Parliament House
Spring St, East Melbourne
Victoria 3002

By email: Michael.baker@parliament.vic.gov.au

Dear Mr Melhem,

Re: Invitation to appear at a public hearing

Thank you for your letter of 25 September 2019.

ALDI is an active member of the Australian Packaging Covenant Organisation and has a long-standing commitment to reduce the impact of our operations on the environment. We took this a step further in June 2019 by announcing our Plastics and Packaging Commitments, including our overall aim to reduce our plastic packaging by 25% by 2025. This will include a reduction in the use of soft plastic in our own label products.

We have also committed to actively reduce the amount of plastic packaging in our fresh produce range and transition to more sustainable alternatives where possible, provided there is no increase in food waste. We are already making progress against this commitment. For example, we recently removed plastic flow wrap from our spring onions, resulting in an 87% reduction in plastic and avoiding 20 tonnes of soft plastic packaging annually. We are also actively increasing our packaging-free range, which now includes zucchini and celery, further reducing soft plastic packaging.

Australia produces 7.3 million tonnes of food waste across the supply and consumption chain. While ALDI is committed to reducing packaging, we also recognise the important role packaging can have to prevent food waste throughout the supply chain, in store and for customers. Studies have found, for example, that shrink-wrapping continental cucumbers can extend shelf life by up to fourteen days. Food waste has significant environmental impacts, not least of which are greenhouse gas emissions and, as such, we are keen to reduce plastics and packaging provided that there is no increase in food waste.

Where packaging cannot be removed, ALDI is committed to increasing the recyclability of our product packaging, and to helping our customers to recycle. This includes clear and consistent on-pack recycling messaging. All ALDI-branded products will carry the Australasian Recycling Label (ARL) by the end of 2022, all eligible ALDI products are labelled with Container Deposit Scheme labelling and all ALDI-branded products will meet the APCO targets to be either 100% recyclable, reusable or compostable by the end of 2025. ALDI recycles 100% pallet wrap across all stores and distribution centres, however we do not currently

offer an in-store customer soft plastic recycling collection point. Our investigation into implementing an instore soft plastic recycling scheme with organisations such as RED Group and Replas identified that the market for customer mixed soft plastic recyclate is at maximum capacity and further collection points are not currently feasible. We do offer a national in-store customer recycling option for household batteries, and we are the first and only Australian supermarket to do so. Last year alone we collected 5.9 million batteries through this scheme. While we continue to investigate ways to assist our customers to recycle, we believe responsibility for waste and recycling collection should primarily be through public and governmental solutions, such as existing kerbside recycling.

Regarding climate change impacts, we committed to reducing our greenhouse gas emissions intensity by 30% by 2020 from on a 2012 baseline. We are proud to say that we achieved this goal in 2018, achieving a 33% reduction 2 years ahead of schedule through a combination of energy efficiency initiatives, refrigeration improvements and renewable energy generation. We have installed solar panel across 82 of our stores and two of our regional distribution centres, with further expansion planned in 2020. Our lean operations with limited product lines and high proportion of own-label products allow us to maximise food transportation efficiency. In addition, 97% of our fresh produce is Australian sourced.

ALDI does not offer a deli counter or similar for meat or fish. Besides our loose produce, ALDI does not currently offer products where customers would need additional plastic bags. ALDI has never provided customers with single use carrier bags, saving an estimated 6 billion carrier bags, or 40,000 tonnes of plastic, from entering the environment since 2001.

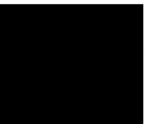
Our other activities to improve recycling and/or reduce packaging include using reusable produce crates and milk trolleys in our stores, both of which we led the Australian market with; and recycling all our soft plastic pallet wrap and cardboard in stores, and converting end-of-use wooden pallets into mulch, which is sold in our stores as a SpecialBuys gardening product.

Finally, ALDI has committed to publicly reporting on the progress we make towards all of our plastics and packaging commitments from 2020.

We hope that the above initiatives help you with your deliberations for the inquiry.

Yours sincerely,

ALDI Stores



Daniel Baker

Corporate Responsibility Director