



## Responsible Packaging Policy

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## 1. Context

Packaging plays an important role in protecting and delivering products to our customers. In some cases it also enables the use of the product. After the consumer removes the product from the packaging or empties the packaging to use the product, the packaging becomes waste. The environmental issues related to (plastic) packaging waste and litter are of growing concern to Action, our consumers, governments and NGOs. Efficient resource management and circular compatibility are at the core of those concerns.

The legal context for all packaging introduced to the European market is the EU 94/62/EG Packaging & Packaging Waste Directive aimed at the prevention of waste and the increase of packaging recycling rates. For plastic packaging, the EU Plastic Strategy as well as the upcoming EU Single Use Plastic Directive apply.

## 2. Vision

Action aims at the reduction of negative social and environmental impacts of packaging by reducing the amount of packaging waste and assuring circularity of all packaging used within its supply chains.

## 3. Scope

- All packaging within Action supply chains
- Product packaging and transport packaging at the Distribution Centre (DC) and store level
- For food packaging additional requirements of Food Contact Materials legislation apply

## 4. Legal Compliance

EU 94/62/EG – Packaging and Packaging Waste Directive  
EU Plastic Strategy  
EU Single Use Plastic Directive<sup>1</sup>

## 5. Policy Commitments

Below the policy commitments are laid down. We are well aware of the complexity of these commitments and therefore recognise that a step-by-step approach is needed.

### 5.1. Awareness & compliance

- The baseline compliance requirements: Total content of heavy metals should not exceed 100ppm
- The packaging material should be recyclable
- Recovery by composting, only if home-compostable and proven to have additional benefit

### 5.2. Fit for purpose sustainable packaging design

All packaging used within Action's supply chain should be fit for purpose. As long as the product protection and the occupational safety are the main priority, material reduction should be considered. It can be achieved either through downsizing or introduction of alternative materials providing the same functionality at a lower environmental impact. Improving packaging designs should be conducted in the context of the total packed product – packaging system to avoid unintended trade-offs.

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<sup>1</sup> EU Single Use Plastic Directive has impact of food packaging only

### 5.3. Circular compatibility

Action is committed to achieving 100% recyclability of the packaging material by 2025. In line with EU legislation, in some cases composting of biomass materials will also be accepted as contribution to the recycling target when such materials act as a carrier for organic content (e.g. coffee capsules, tea bags, plant pots). Following the circular principles, Action will seek to introduce re-usable transport packaging systems where the use of such systems has been proven environmentally beneficial. To achieve this goal the following steps are to be taken:

#### 5.3.1. Reduction of complexity of packaging materials

While technically every material can be recycled, only a few materials have a proven track record of cost-effective recycling systems. To improve the probability of materials to be recycled, Action is committed to eliminating packaging materials that are industrially compostable or difficult to recycle.

<b>Accepted materials</b>	<b>Banned Materials</b>	<b>Materials to be avoided</b>
Paper	Polyvinylchloride (PVC and PVdC)	Polystyrene (PS)
Cardboard / corrugated board	Polylactic acid (PLA) and other industrially compostable non-recyclable materials	Complex laminates / multi-layered materials
Aluminium	Oxo-degradable materials	Multi-component, multi-material packs that cannot easily be separated for recycling
Steel	Black and dark plastics (see specific commitment for details)	
Glass		
Polypropylene (PP)		
Polyethylene terephthalate (PET)		
High-density polyethylene (HDPE)		
Low-density polyethylene (LDPE)		
Wood		

Source: *New Plastics Economy Catalysing-Action*, Ellen McArthur Foundation

Materials that are not listed should be subject to evaluation before their use is authorised.

#### 5.3.2. Recycled content

Increasing the recycling rates of packaging means that new market application for recycled content should be developed. Action recognises this challenge and commits to the use of recycled packaging materials where technically possible without compromising health and safety and legal requirements relating to food hygiene.

#### 5.3.3. Additional requirements for secondary and tertiary packaging

- No PVC tape / no staples. Preference for paper tape.
- Labels that cannot easily be separated during recycling should be avoided.

#### 5.3.4. Waste management in shops and DC's

Action is committed to zero packaging waste in shops and DCs, through separate collection for recycling.

#### 5.4. *Plastic reduction*

Going beyond legal requirements as laid out in the EU Plastic Strategy and the EU Single Use Plastic Directive, Action is driven to further reduce the use of plastic in its business operations. We will therefore focus on eliminating any unnecessary single use plastic packaging, with the aim to reduce overall plastic consumption measured against our baseline year 2019.

#### 5.5 *Life cycle approach*

Recyclability is one of the main requirements and ground rules for the packaging used by Action. In cases where a choice can be made between two recyclable and similarly functioning packaging options, the introduction of an alternative packaging should lead to an overall environmental benefit, quantified by a LCA (life cycle assessment). Such LCA study should cover all stages of the life cycle of the packaging, from the extraction of the raw material to the end of life. Cradle-to-gate material LCA studies are not sufficient.

#### 5.6 *Sustainable sourcing*

Sustainable sourcing of packaging materials means that both social and environmental aspects are taken into consideration, either through verified (certification) schemes or through respecting the legal requirements and environmental policy recommendations. Examples of sustainably sourced materials are:

- FSC- / PEFC-certified wood, paper & cardboard
- Biomass- and fibre-based material from sustainable sources, that do not compete with food supply or ecosystem services
- Recycled materials that are free from toxins

#### 5.7 *Partnership & circular innovation*

Achieving a circular, recyclable packaging system requires close cooperation with the upstream and downstream stakeholders. Action is engaged in dialogue with our selected recycling partners and suppliers in order to further optimise the packaging for recycling and reuse.

Action will explore opportunities to offer customer-bring-back schemes, while ensuring these are aligned with consumer behaviour

## 6 **Action Specific Commitments**

### **Recyclability**

- **Action commits to 100% recyclable primary packaging by the end of 2025.**  
Scope: Direct Import, Wholesalers. In order to ensure recyclability of packaging, this Policy includes a list of accepted, banned and to be avoided materials under chapter 5.3.1. We further commit to the following in 2022:
  1. Publish a full list of materials used in the packaging for products specified above.
  2. Publish the amount of packaging used for products specified above.
  3. Introduce a "Track & Trace" of packaging for products specified above.
  4. No longer use black or dark coloured plastic for Private label products by end of 2022 and White label by 2025.

## **Zero waste**

- **Action commits to responsibly handling 100% of secondary and tertiary packaging waste by 2025.** We commit to complete recycling of packaging in stores and DCs.
  1. Cardboard: We already have a well-developed system in place that allows for recycling of the vast majority of our cardboard packaging waste. Going forward, we commit to enhance the existing systems to allow for 100% cardboard packaging recycling.
  2. Plastic: We will develop adequate systems and processes to allow for comprehensive plastic packaging recycling. Thereby we prepare to be fully equipped to benefit from the recyclability of our packaging in 2025 (see previous target).

## **Reduction**

- **Action commits to an overall reduction of 25% of all primary packaging by 2025** with a focus on eliminating plastic from packaging and with the possibility to increase the reduction target in the future. Our priority to eliminate plastic, could lead to weight increase of packaging for some articles. However we feel it is important that our packaging is increasingly bio-based.

Our primary packaging baseline year is 2019. With total primary packaging of 24.789.798 million kg. The approach is based on a like-for-like number of 1552 stores in 2019.

The scope of our reduction includes: all fixed assortment and fixed seasonal products sourced through direct import and wholesalers. A-brand products are excluded, however we do encourage A-brand suppliers to take a similar approach and reduce packaging of products supplied to Action where possible.

## **Sustainable Materials**

- Action commits to 100% sustainable cardboard for all private label and white label primary packaging by 2025. Including all FSC- / PEFC-certified wood, paper & cardboard and recycled materials that are free from toxins.

## **7 Implementation Targets**

Specific targets towards implementing this policy will be set for each of the below performance areas once Action gains a full view of the current situation and the possible roadmap.

*7.1 Awareness & compliance*

*7.2 Sustainable sourcing*

*7.3 Fit for purpose sustainable packaging design*

*7.4 Recycling compatibility*

*7.5 Life cycle approach*

*7.6 Partnership & circular innovation*