

Responsible Packaging

Policy

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1. INTRODUCTION

Packaging plays an important role in protecting and delivering products to our customers. In some cases it also enables the use of the product (e.g. spray cans, mascara tubes). 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, society, 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 to which Action has a legal title
- Product packaging and transport packaging at the Distribution Centre (DC) and on store level
- For food packaging additional requirements based on Food Contact Materials legislation apply.

4. LEGAL COMPLIANCE

EU 94/62/EG – Packaging and Packaging Waste Directive

EU Plastic Strategy

EU Single Use Plastic Directive¹

5. POLICY COMMITMENTS

Action’s policy commitments are set out below. We are aware of the complexity of these commitments

and therefore, recognize that a step-by-step approach is needed.

5.1 Awareness & compliance

- The baseline compliance requirements: total content of heavy metals must not exceed 100ppm;
- packaging material must be recyclable;
- recovery by composting, only if home-compostable and proven to have additional benefit.

Accepted materials	Materials to be avoided	
	Materials to be banned immediately	Materials to be phased out
<i>Paper</i>	Polyvinylchloride (PVC and PVdC)	Polystyrene (PS)
<i>Cardboard / corrugated board</i>	Polylactic acid (PLA) and other industrially compostable non-recyclable materials	Complex laminates / multi-layered materials
<i>Aluminium</i>	Oxo-degradable materials	Multi-component, multi-material packs that cannot easily be separated for recycling
<i>Steel</i>	Black and dark plastics (see specific commitment for details)	
<i>Glass</i>	Bisphenol A (BPA)	
<i>Polypropylene (PP)</i>	Certain phthalates (e.g., DEHP, DBP, BBP)	
<i>Polyethylene terephthalate (PET)</i>		
<i>High-density polyethylene (HDPE)</i>		
<i>Low-density polyethylene (LDPE)</i>		
<i>Wood</i>		

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

Materials that are not listed shall be subject to evaluation before their use is authorized by Action.

5.2 Fit for purpose sustainable packaging design

All packaging used within Action's supply chain must be fit for purpose. If the product protection and the occupational safety are the main priority, material reduction must 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 must be conducted in the context of the total packed product – packaging system to avoid unintended trade-offs.

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 by Supplier:

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.

5.3.2 Recycled content

Increasing the recycling rates of packaging means that new market application for recycled content must be developed. Action recognizes 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.

The use of recycled materials in food packaging is regulated by EU legislation. (EC No 1935/2004 and 282/2008 and DIRECTIVE (EU) 2019/904 which is known as Single-use plastic (SUP) and complementary regulations).

We are constantly increasing the use of packaging made from recycled plastic.

5.3.3 Additional requirements for Secondary and Tertiary Packaging

No PVC tape / no staples. Labels that cannot easily be separated during recycling must be avoided.

5.3.4 Waste management in shops and DC's

Action is committed to zero packaging waste in stores 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 eliminate the sale of plastic bags and solely sell

bags that are intended for multiple usage by the end of 2019. Action further commits to publishing a clear plan on the reduction of overall plastic usage by the end of 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 alternative packaging must lead to an overall environmental benefit,

quantified by a LCA (life cycle assessment). Such LCA study must 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 its selected recycling partners and Suppliers to further optimize packaging for recycling and reuse.

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

6. ACTION SPECIFIC COMMITMENTS

- Action commits to 100% recyclable Packaging by the end of 2025 for products sourced through Direct Import, wholesalers, and its Private Label products. To ensure recyclability of packaging, this policy includes a list of accepted and non-accepted materials to be used in packaging, to be followed starting at the time of publication of this policy.

We further commit to the following by the end of 2021:

1. Action will publish a full list of materials used in the packaging for products specified above.
2. Action will publish the amount of packaging used for products specified above.
3. Action will introduce a "Track & Trace" of packaging for products specified above.
4. Action will commit to a clear level of packaging reduction for products specified above.

- Action commits to responsibly handling 100% of all packaging waste by 2025. We have already made significant progress in this area and will build on our lessons learned to enable complete recycling of all Packaging in stores and DCs.

1. **Cardboard:** We already have a well-developed system in place that allows for recycling of

most 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 (please see previous target).

- Action commits to contain at least 25 % recycled plastic, in beverage PET bottles by end of 2025.

A minimum of 25% recycled content plastic is required in any beverage bottles. Both post-consumer and post-industrial recycled material may be used. Suppliers must provide Action with suitable evidence of any recycled content claims.

Suppliers can prove recycled content material usage in their packaging by utilizing various tools available within industry that meet the applicable standards or an EFSA opinion for recycled material used in food packaging. Some example from industry are EuCertPlast, CRS, SGS, Recyclclass, LNE, TUV, CT-IPC etc. Any other certificate can be debated with Action.

7. IMPLEMENTATION TARGETS

- Awareness & compliance
- Sustainable sourcing
- Fit for purpose sustainable Packaging design
- Recycling compatibility
- Life cycle approach
- Partnership & circular innovation