



REMA 1000

PACKAGING AND PLASTIC STRATEGY

Packaging and plastic strategy

At REMA 1000, we operate our corporate social responsibility under the headline 'discount with attitude'. This means, that we view it as our responsibility to provide our customers with goods and products of high quality, while we care for humans and respect the environment and animal welfare – locally as well as globally. In the coming years, we will pay specific attention to our use of packaging and the plastic issues facing society.

We believe it is part of our corporate social responsibility to find long-term solutions to the issues facing our sector. Therefore, our work and initiatives on sustainable packaging and plastic solutions are part of our long-term strategic focus area 'the happy nature' and UN Sustainable Development Goal 12, where we no longer have the commodities and raw materials available to produce the amount of goods and packaging required by the growing population inhabiting the planet.

Our planet is under tremendous pressure, and soon we will find ourselves in a situation where we no longer have the commodities and raw materials available to produce the amount of goods and packaging required by the growing population inhabiting the planet.

Therefore, we need to implement circular business models, both locally and globally, where plastic and other packaging do not end up in nature or become incinerated. Instead, we should create a business model where packaging and plastic is collected, sorted, reused, and recycled to ensure an optimal use of resources. We are aware that solving this issue requires cooperation across sectors and value chains at a strategic and systemic level to secure a holistic solution where the supply of recycled plastic, and thereby the economic incentives in the circular model, is sustainable in the long run.

VISION

At REMA 1000, we care for the environment and work to optimise our resource use across the entire value chain to ensure that plastic and packaging does not end up in nature or make unnecessary contributions to global climate change. Therefore, REMA 1000 will contribute to the development and creation of economically viable and high-quality recycled materials.

Meanwhile, we want to improve the dialogue and cooperation across our value chain when it comes to the selection of materials and design of products. Therefore, REMA 1000 actively works to develop an economic viable and well-functioning plastic economy in Denmark focused on reduction, reusability, and recyclability.

We believe that a sustainable business model for recycled plastic can solve our issues on plastic pollution in the long run. At the same time, we need to ensure that our solutions relating to packaging and plastic do not have any unintended negative consequences on food waste and other environmental impacts in our value chain.



- 74 % of Danes are worried about the accumulation of plastic in nature, and list it as the primary priority for a more sustainable food sector?¹
- The amount of plastic packaging from Danish households have increased 50 % in just two years (2014-2016)²
- Unfortunately, only 15 % of house hold plastic packaging is recycled in Denmark. In fact, Denmark has the lowest recycling rate when it comes to household plastics out of 30 European countries³

1. Danish Agriculture & Food Council (2017): "Forbrugerne går op i bæredygtighed"
2. Ministry for Environment and Food (2016): "Affaldsstatistikken 2016"
3. Plastindustrien (2017): "Fortællinger om plastgenanvendelse – i praksis"

Packaging and plastic strategy



POLICY FOR WORKING WITH PLASTIC AND PACKAGING

REMA 1000 will work on solving packaging and plastic issues in our business and stores, as well as contribute to the development of a solution for society. REMA 1000 will include elements of reduction, reusability, and recyclability throughout the design process, when it comes to designing packaging for all our own brand products.

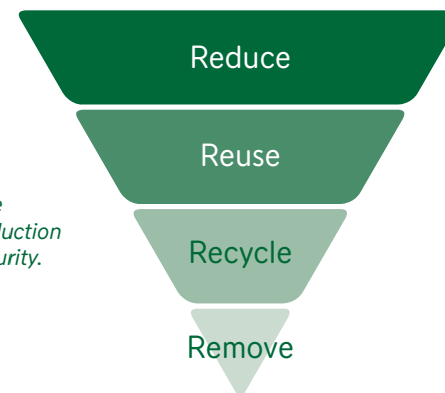
Improved and more sustainable design includes avoiding packaging, when possible, reduce our use of raw materials, reuse packaging, and more and improved recycling. We want to progress the demand for recycled materials, and thereby help mature the market, and increase the amount of materials in the circular economy to make the model work in practice.

Our goal is to increase the value of materials which can be reused or recycled repeatedly, which is crucial, if we want to avoid plastic ending up in nature, the ocean, or contribute to increased CO₂ emissions through incineration.

REMA 1000 uses the 4 Rs in our work on sustainable plastic and packaging

The pyramid to the right illustrates how REMA 1000 works with plastic and packaging and how we prioritise our efforts. First and foremost, we need to reduce the amount of packaging we use. Secondly, we focus on reusing the packaging and so forth:

- **Reduce:** At REMA 1000 we want to reduce our use of packaging as much as possible. However, the reduction should always consider food waste and food security.
- **Reuse:** At REMA 1000 we want to reuse as much of our packaging as possible.
- **Recycle:** Packaging, which cannot be reused, should be collected, recycled, and turned into new products and/or packaging.
- **Remove:** Packaging which cannot be reused or recycled should be collected and sent for incineration.



REMA 1000
Discount with an attitude!

Packaging and plastic strategy

TARGETS

REMA 1000 will provide our customers with packaging on our own brand products, where content is easily removed and at the same time include guides on how to handle and sort the packaging after use. This is part of our efforts to support the work of Danish municipalities to make it easy for citizens to sort their waste. By implementing specific plastic initiatives, REMA 1000 wishes to optimise the use and value of plastic entering the market.

Our goal is to design the packaging on our own brand products in a way that complies with recommendations and developments in recycled and sustainable packaging through partnerships in the industry.

As part of our work with plastic and packaging, REMA 1000 will:

Action plan for packaging

- Design all packaging on our own brand products so they can be sorted and reused by 2023.
- Recycle or reuse all packaging used for transport by 2020.
- Ensure that all trays for fresh meat products are made from rPET plastic by the end of 2020.
- Phase out plastic swabs by the end of 2019.
- Replace straws and disposable tableware made from plastic with alternatives by the end 2020.
- Ensure that all trays and buckets for flowers are collected in all REMA 1000 stores and recycled or reused.
- Ensure alternative solutions to REMA 1000's plastic bags, that are currently made from recycled plastic. We are working on making customers buy fewer plastic bags and instead use reusable shopping bags.
- Ensure that our plastic bags in recycled plastic are designed for reuse and that they can enter into a circular production model.
- Remove added microplastics from REMA 1000's own brand products wherever possible.
- Engage in partnerships and initiatives that aim at removing plastic from the nature and increase the focus of sorting and recycling plastics.

Action plan for plastic

- Reduce the amount of plastic used in the packaging on our own brand products by 25 % before 2023.
- Ensure that all plastic packaging on our own brand products is made from recycled plastic whenever possible according to food safety rules by 2023:
 - By the end of 2019 we have examined all of our own brand products and uncovered where it is possible to use recycled materials, as well as initiated the implementation.
- Ensure that all packaging on our own brand products within cleaning and personal care products are made from recycled plastic by the end of 2020.

- Engage in pilot projects with relevant partners in order to develop the market for reusing plastic and circular economy solutions.
- Find alternative materials for selected products when it makes sense. These products are defined in collaboration with Plastic Change and Copenhagen Municipality, both are REMA 1000's strategic partners within the area of sustainable packaging and plastic solutions.
- Strengthen our new partnership with the environmental organisation Plastic Change. The purpose of the partnership is to reduce plastic pollution by focusing on strategies, systemic changes, reduction, recycling and reusing of plastic packaging and products. Furthermore, we wish to develop shared messages to consumers about the plastic issues and the possible solutions. The collaboration is set to last for several years.

REMA 1000
Discount with an attitude!

We collaborate with



plastic change

Packaging and plastic strategy

THE ELEMENTS OF THE PLASTIC AND PACKAGING STRATEGY

REMA 1000's plastic and packaging strategy is based on the principle of 'design for recyclability' and consists of two sub-elements, both aiming at supporting the transition to a circular economy in practice:

1) A packaging guide

that lists several recommendations and guidelines for the reduction and design of primary and secondary packaging. The guide is primarily for internal use.

2) A plastic action plan

containing specific initiatives and targets reaching beyond REMA 1000's own business, stores, and supply chain.

1. PACKAGING GUIDE

At REMA 100, we have developed a packaging guide for internal use in the organisation. The guide is aimed at optimising logistic processes and help employees responsible for packaging and procurement to make sustainable choices in the design and procurement decision process.

External/secondary packaging

We want to reduce the amount of packaging without increasing waste and leakage. At the same time, we want to make it as easy as possible to handle goods and products across the entire value chain, with special focus on the stores. Our work and methods are based on the '5 Easies' developed by DS Smith:

- 1) Easy to identify
- 2) Easy to open
- 3) Easy to shelve
- 4) Easy to shop
- 5) Easy to recycle

With these five principles in mind, we have developed a packaging guide on secondary packaging (the packaging that the goods are delivered in), which should guide the work of all our suppliers. The result is better packaging, and less waste and leakage across the value chain.

Primary packaging

We want to reduce the amount of packaging without increasing waste and leakage, and without lessen the usability for our consumers. As we work from a holistic perspective when it comes to our environmental initiatives, we want to use packaging that minimises negative environmental impacts and at the same time secures the durability of goods and products whenever possible.

We want to contribute to the circular economy. This means, that we want to ensure that all our own brand products have been designed in a way, where the packaging can be sorted and recycled after use.

Our packaging guide has two primary focus areas, which are described in the following:

Focus 1: *We want to reduce the amount of packaging versions and subcomponents*

Packaging is easier to sort and recycle if it contains only one or few types of materials. At the same time, a standardisation of the materials we use in our packaging, will increase the amount of certain types of plastic in our packaging, which will make it easier to establish a circular economy for those materials through economies of scale. We will therefore standardise the types of materials we use in our design, by using inputs such as bottles and containers for REMA 1000's own brand products.

Lids and corks will increase in size (larger diameter), so they are convenient to handle for the customers. This will also make it easy to empty the content of the bottles and containers and clean them, which makes them suitable for recycling. We want this focus to be considered and implemented in all the materials and packaging we use for REMA 1000's own brand products.

Focus 2: *Guidance, communication, and functionality*

If possible, the packaging will include information on how it should be handled and sorted after use. If the packaging is made from recycled materials, this should be stated on the packaging.

The product label should preferably be made from the same material as the rest of the packaging or be printed directly on the packaging. This will ensure, that the entire packaging can be recycled without any further initiatives or processes. Alternatively, the label should be easy to remove for the customers, so the packaging is 'clean' without any stickers or glue residue. If such an 'easy slip' solution is not possible, the label should dissolve in water at 60 degrees Celsius.

Packaging and plastic strategy

Plastic packaging

Besides the overall guidelines in the packaging guide, we have established several recommendations for REMA 1000's own brand products when it comes to plastic packaging.

Recommendation 1: *Designing recyclable plastic packaging*

At REMA 1000, we want to make a difference, when it comes to advancing the circular plastic economy. Going forward, we will therefore ensure that we ask for plastic packaging made from PET, PE, and PP as these plastic types comprise over 75 % of plastic waste generated in Danish households.

Consequently, REMA 1000 will use rPET/ PET for our own food packaging whenever possible, as long as it is in line with food safety standards and does not contribute to the accumulation of food waste. For the rest of REMA 1000's own brand products, we will use rPE/PE and rPP/PP for plastic packaging. By requesting these plastic types, we will help strengthen the market demand, and thereby the economic incentive for recycled plastic. REMA 1000 will furthermore focus our efforts on:

- 1) *Transparent plastic*
REMA 1000 will use transparent plastic whenever possible, as it is better to recycle and has more value compared to coloured plastic.
- 2) *Plastic packaging with high usability*
The packaging should be easy to open and empty for content. This makes it easy to rinse, and thereby prepares the packaging for recycling.

- 3) *Use the same plastic type for all packaging parts*

The entire packaging should be made from the same plastic type, and all parts of the packaging should be easy to separate. Alternatively, sub-parts should be made from the same material as the main component or be attached on the packaging.

- 4) *Labels should be made from the same material as the plastic packaging or the main component.*

Alternatively, the information should be printed directly on the packaging. If this is not possible, the label should be easy to remove or easy to dissolve and be made from foil/plastic or paper with glue, which are easily removed or is dissolved at 60 degrees washing.

Recommendation 2: *Food packaging in a circular model*

In the coming years, REMA 1000 will introduce trays for e.g., meat designed in rPET. This is due to rPET's material qualities that makes this plastic type suitable for entering a circular production cycle and becoming new food packaging. In 2018, REMA 1000 tested this in practice with the participation of eg. Færch Plast, Aage Vestergaard Larsen (AVL) and the City of Copenhagen.

PET is a suitable plastic type for food packaging, both due to its technical properties and its ability to re-enter into a circular production cycle. Also coloured PET shows promising perspectives, when it comes to turning these plastic types into new rPET food packaging. Therefore, we have established several specific targets when it comes to food packaging.

2. PLASTIC ACTION PLAN

With our plastic action plan, it is REMA 1000's ambition to comply with EU's plastic strategy and to contribute to the fulfilment of UN Sustainable Development Goal 12 on responsible production and consumption, including sustainable resource use, as well as delivering on the targets and visions stated at the beginning of this strategy.

REMA 1000 wants 'design for recyclability' to be the foundation of our plastic strategy, but we also wish to strengthen our ambitions and help develop the field. We have focused our efforts on defining the types of materials and components we should use to make our packaging more recyclable. We consider the potential of the plastic already present in the market, including the waste collected by municipalities, as well as how Danish and foreign sorting technologies currently function.

Our initiatives are expected to contribute to:

- increasing the quality and value of recycled plastic as a resource.
- maturing the market for recycled plastic in a circular economy.

REMA 1000
Discount with an attitude!

