Application for interim and final authorisation under s88(1) of the Competition and Consumer Act 2010 (Cth)

Lodged by:

Coles Group Limited

on behalf of itself and others

Public version

16 November 2022

Contents

1	Sum	mary	3
	1.1	Application for authorisation	3
	1.2	Background	3
	1.3	Urgent interim authorisation	4
2	Parti	es to the Proposed Conduct	4
	2.1	Applicant	4
	2.2	Email address for service of documents in Australia	4
	2.3	Other persons who propose to engage in the Proposed Conduct	4
3	Back	ground	5
	3.1	Soft plastics recycling	5
	3.2	REDcycle program	5
	3.3	Circumstances leading to the suspension of the REDcycle program	6
	3.4	Proposed Conduct	7
	3.5	Application for interim authorisation	8
	3.6	Rationale	8
	3.7	Provisions of the CCA which might apply to the Proposed Conduct	8
	3.8	Term of authorisation sought	9
4	Pers	ons who may be directly impacted by the Proposed Conduct	9
5	Cour	iterfactual	9
6	Publi	c benefit	9
7	Publi	c detriment	10
8	Cont	act details of relevant market participants	11
9	Decla	aration by applicant	12
	Anne	xure 1: Current Partners in the REDcycle program as at 14 November 2022	13
	Annexure 2: REDcycle media statement dated 7 November 2022		
	Annexure 3: Coles' media statement dated 7 November 2022		
	Annexure 4: Woolworths' media statement dated [#] November 2022		

1 Summary

1.1 Application for authorisation

This application is made to the Australian Competition and Consumer Commission (*ACCC*) by Coles Group Limited (*Coles*), on behalf of:

- (a) itself and its related bodies corporate (*Coles Group*);
- (b) Woolworths Group Limited and its related bodies corporate (Woolworths); and
- (c) ALDI Stores (A Limited Partnership) (ALDI).

(the Participants).

The Participants propose to form an industry taskforce, to be initially chaired by the Department of Climate Change, Energy, the Environment and Water, to explore solutions for managing the immediate effects of the suspension of REDcycle's return-to-store, soft plastics recovery program in Australia (the *Soft Plastics Taskforce*). Although not a party to this application, the Participants anticipate that the Australian Packaging Covenant Organisation (*APCO*)¹ and other relevant industry bodies may also provide support to the Soft Plastics Taskforce as required.

The Participants seek urgent interim and final authorisation under section 88(1) of the *Competition* and *Consumer Act 2010* (Cth) (*CCA*) to engage in the conduct described in section 3 of this application in connection with the Soft Plastics Taskforce.

The Participants request that any interim or final authorisation granted by the ACCC apply (in addition to the Participants) to any current or future partners in the REDcycle program² or any other soft plastics recovery program established by two or more of the Participants in the context of the Soft Plastics Taskforce (*Program Partners*), being a class of persons within the meaning of section 88(2)(c) of the CCA

1.2 Background

The majority of local councils in Australia cannot accept soft plastics such as food packaging and plastic bags through kerbside recycling. Since 2011, REDcycle has been the only return-to-store, soft plastics recovery program in Australia, facilitating the collection and processing of soft plastics into durable recycled plastic products.

On 8 November 2022, REDcycle announced that due to unforeseen challenges, its recycling partners were no longer in a position to accept and process soft plastics collected by REDcycle and that REDcycle had been holding stock in warehouse storage facilities temporarily until it could be processed.³ Given REDcycle's announcement, each of Coles and Woolworths subsequently suspended soft plastics collections from stores until further notice.⁴

The issues which have contributed to REDcycle's current circumstances are complex and multifaceted. However, key contributing factors include:

• the significant growth in consumer participation in the program (an estimated increase of 300% since 2019);

¹ APCO is a not for profit organisation focused on developing a circular economy for packaging in Australia. APCO works with governments, businesses and other organisations across the packaging supply chain (including REDcycle) to develop insights, resources and programs to build a more sustainable national packaging ecosystem. APCO manages and administers the Australian Packaging Covenant, a national regulatory framework under the National Environment Protection (Used Packaging Materials) Measure 2011 that sets out how governments and businesses across Australia share responsibility for managing the environmental impacts of plastic packaging.

² See Annexure 1, current partners in the REDcycle program as at 15 November 2022.

³ See Annexure 2, REDcycle media statement dated 8 November 2022.

⁴ See Annexure 3, Coles media statement dated 8 November 2022, and Annexure 4, Woolworths media statement dated 8 November 2022.

- an oversupply of recovered plastic material in Australia due to changes in export regulations;
 and
- a global downturn in market demand for recycled plastic products.

The proposed conduct will enable the Participants to form the Soft Plastics Taskforce and work together with government to explore solutions for managing the immediate effects of the suspension of the REDcycle program. In particular, the Participants wish to develop replacement interim solutions for soft plastics collection and management until a longer term solution can be developed.

1.3 Urgent interim authorisation

The Participants consider that urgent steps are required to address the immediate effects of the cessation of REDcycle's activities. To ensure steps can be taken as quickly as possible, and as discussed in section 3.5 below, the Participants request that the ACCC grant interim authorisation urgently.

2 Parties to the Proposed Conduct

2.1 Applicant

Coles is a partner in the REDcycle program, providing drop off points for soft plastics collection at its stores and contributing fees to REDcycle to cover the management and processing of materials collected. Coles was a founding member of the REDcycle program.

Name, address (registered office), telephone number and ACN	Contact person's name, position, telephone number and email address	Description of business activities
Coles Group Limited (ACN 004 089 936) and its related bodies corporate 800 Toorak Road Hawthorn East, VIC 3123	David Brewster Chief Legal Officer Coles Group Limited	Acquisition and retail supply of retail products through supermarkets, liquor and convenience outlets and online.
(03) 9829 5111	800 Toorak Road Hawthorn East, VIC 3123 (03) 9829 5111	Partner in the REDcycle program, including provision of drop off points for soft plastics collection at its stores.

2.2 Email address for service of documents in Australia

Rosannah Healy Partner Allens

2.3 Other persons who propose to engage in the Proposed Conduct

Woolworths and Aldi are also partners in the REDcycle program, contributing fees to REDcycle for the management of collected plastics. Like Coles, Woolworths and Aldi also offer drop off points for soft plastics collection by REDcycle at its stores.

Name, address (registered office), telephone number and ACN	Contact person's name, position, organisation, telephone number and email address	Description of business activities
Woolworths Group Limited (ACN 000 014 675) and its related bodies corporate 1 Woolworths Way Bella Vista, NSW 2153 (02) 8885 0000	Bill Reid Chief Legal Officer Woolworths Group Limited (02) 8885 0000	Acquisition and retail supply of retail products through supermarkets, convenience outlets and online. Partner in the REDcycle program, including provision of drop off points for soft plastics collection at its stores.
ALDI Stores (A Limited Partnership) (ABN 90 196 565 019) Locked Bag 56 St Marys Delivery Centre, NSW 2760 13 25 34	Bronwyn Gallacher Managing Director CCL Consultants Pty Ltd	Acquisition and retail supply of retail products through supermarkets outlets.

3 Background

3.1 Soft plastics recycling

It is estimated that Australians use around 70 billion pieces of soft plastics such as food packaging, plastics bags, cling wrap and bubble wrap each year, producing around 2.5 million tonnes of plastic waste annually.⁵

Recycling soft plastics means that these items do not go to landfill and instead can be processed into durable recycled products such as furniture, asphalt, bollards and signage. Approximately 13% of soft plastics used in Australia are currently recycled.⁶

Due to a lack of processing infrastructure (soft plastics can become tangled in sorting machines), the majority of local councils in Australia do not currently collect soft plastics through kerbside recycling. However, a number of trials are underway⁷ as part of the Australian Food and Grocery Council's proposed National Plastics Recycling Scheme.⁸ In addition, in September 2022, the Victorian Government announced that kerbside collection of soft plastics would be available across the state by 2030.⁹

Without kerbside recycling of soft plastics, the REDcycle program has been the primary soft plastics recovery program in Australia, recycling over 380 million pieces of soft plastic since 2011.¹⁰

3.2 REDcycle program

Until it was suspended on 9 November 2022, the REDcycle program operated as follows:

JYSB 801679772v7 121132710 16.11.2022

⁵ See estimates provided by Clean Up Australia< What's the deal with Soft Plastics? (cleanup.org.au)>.

⁶ See estimates provided by Clean Up Australia< What's the deal with Soft Plastics? (cleanup.org.au)>.

⁷ See, for example, soft plastics recycling trials currently being undertaken by the Macedon Ranges Shire Council

https://www.mrsc.vic.gov.au/Live-Work/Bins-Rubbish-Recycling/Bins-and-collection-days/Romsey-soft-plastics-recycling-trial.

⁸ See Australian Food & Grocery Council, National Plastics Recycling Scheme < National Plastics Recycling Scheme - Australian Food and Grocery Council (afgc.org.au)>.

⁹ See Premier of Victoria Media Release, dated 29 September 2022 https://www.premier.vic.gov.au/rolling-out-nation-first-recycling-reform.

¹⁰ REDcycle estimates, see REDcycle, Resources https://redcycle.net.au/resources/.

- consumers collected and dropped off their soft plastics to a REDcycle bin located in approximately 2,000 Coles, Woolworths or Aldi supermarkets nationally;
- REDcycle collected the soft plastics from the supermarkets and their distribution centres and transported them to REDcycle's facility for bailing and dispatch before delivering the recovered plastics to one of three manufacturing partners;
- manufacturing partners processed the recovered plastics into recycled plastic products for sale; and
- REDcycle program partners such as the supermarket chains, packaging companies and food and beverage companies paid fees to REDcycle in return for managing the collected plastic materials.

REDcycle's manufacturing partners include:

- Replas, based in Ballarat, Victoria, which converts soft plastics into a range of recycled products including indoor and outdoor furniture, bollards, and signage;
- Close the Loop, based in Somerton, Victoria, which uses recycled soft plastics as a component of high performance recycled asphalt additive for road infrastructure known as Tonerplas; and
- Plastic Forests, based in Albury, NSW, which uses recycled soft plastics as a component of products such as mini wheel stops and air conditioner mounting blocks for the consumer market.¹¹

In November 2021, REDcycle entered into a partnership with Australian recycler IQ Renew. A focus of the partnership is the development of a purpose-built facility called SPEC – soft plastic engineered commodity – which will create streams of locally sourced higher quality feedstock from reclaimed plastics for use in recycled plastic products. The Participants understand that the facility is expected to be operational in 18 months.

3.3 Circumstances leading to the suspension of the REDcycle program

The circumstances which led to REDcycle storing collected plastics and ultimately suspending its program on 9 November 2022 are complex and multi-faceted. The Participants understand the key contributing factors to be as follows:

- (a) Increased consumer participation. Consumer participation in the REDcycle program has increased significantly in recent years, with collection volumes increasing more than 300% since 2019. Prior to the suspension of the REDcycle program, over 5 million pieces of soft plastic were being returned to supermarket drop off points for recycling each day.
- (b) **Reduced demand / offtake for recovered plastics**. A series of events contributed to a 95% reduction in demand for REDcycle recovered plastics by recycling partners. In particular:
 - in June 2022, REDcycle's largest offtake partner, Close the Loop, had a major fire at their premises resulting in the closure of their Tonerplas facility. Close the Loop estimates that operations will not be able to recommence for 12 months;
 - Replas has experienced significant pandemic-related downturns in market demand for its recycled plastic products as well as other challenges including the delayed commercialisation of new products;¹³

¹¹ REDcycle, What to REDcycle https://redcycle.net.au/what-to-redcycle/>

¹² See <u>IQ Renew</u>, REDcycle becomes part of IQ Renew to expand recovery and create new markets for soft plastics https://www.igrenew.com/news/redcyclepartnership/.

¹³ REDcycle, FAQs https://redcycle.net.au/faqs/.

more generally, recent changes in federal government regulations limit the extent to
which recovered plastics can be exported for processing overseas. This change has
disrupted the supply – demand balance for recovered soft plastics in Australia,
leading to an oversupply in the market. In this environment, manufacturing partners
have switched to higher quality recovered plastics that were available in the
marketplace, leading to reduced demand for REDcycle recovered plastics.

Together, these key factors contributed to REDcycle's manufacturing partners deciding that they were no longer able to accept REDcycle recovered plastics for processing, leading to REDcycle's decision to store recovered soft plastics in warehouses until they could be processed.

3.4 Proposed Conduct

In this application, an **Interim Solution** is a solution for the storage, transportation, processing, recycling and/or management of soft plastics collected from the sites of two or more of the Participants that is intended to be implemented in the period of 12 months from the date of a final determination by the ACCC and which relates to the following:

- (a) (responsible management of collected soft plastics) responsible management of any soft plastics materials collected from the sites of two or more of the Participants in the REDcycle program or any other soft plastics recovery program established with or by two or more of the Participants in the context of the Soft Plastics Taskforce;
- (b) (customer communications) planning or agreeing on communications to customers or to the public in relation to soft plastics which have been collected or how they can handle soft plastics going forward;
- (c) (joint engagement of third party recycling, logistics providers) joint procurement of recycling, manufacturing, processing or logistics services by two or more Participants for the purposes of facilitating the continuation of the REDcycle program (or the implementation of an alternative soft plastics recovery program established with or by two or more Participants in the context of the Soft Plastics Taskforce); or
- (d) (joint acquisition of facilities etc to self-process soft plastics) joint acquisition or leasing of facilities or other goods or services by two or more Participants for the purposes of recycling, manufacturing, processing or transporting soft plastics in order to facilitate the continuation of the REDcycle program (or the implementation of an alternative soft plastics recovery program established with or by two or more of the Participants in the context of the Soft Plastics Taskforce).

In light of the suspension of the REDcycle program, the Participants seek authorisation on behalf of themselves and any Program Partners to propose, discuss, enter into or give effect to any contract, arrangement or understanding between them, or engage in any conduct that:

- (a) occurs at, in preparation for, or arises out of, a meeting of the Soft Plastics Taskforce; and
- (b) has the purpose of considering, developing or implementing an Interim Solution

(the **Proposed Conduct**).

The Proposed Conduct:

- does not involve any agreements on the price or supply of retail products or services sold by the Participants;
- does not prevent any individual Participant or Program Partner from exploring or developing soft plastics recycling capabilities in their own right;

- is not compulsory, and any Participant or Program Partner can opt out of any proposed collaboration the subject of this application; and
- involves short term arrangements only. Any contract, arrangement or understanding entered
 into in reliance on any interim or final authorisation granted by the ACCC will provide for its
 immediate termination upon the expiry or revocation of such authorisation (unless the
 Participants apply for and are granted a further ACCC authorisation which permits those
 contracts, arrangements or understandings to continue for a further period, or the ACCC
 consents or does not otherwise object to the continuation any of those contracts,
 arrangements or understandings).

The Participants also propose to submit minutes to the ACCC within 3 business days of any meeting of the Soft Plastics Taskforce which summarises the topics discussed at the meeting. Where appropriate, a non-confidential version of the minutes will be provided to the ACCC for publication on the public register.

3.5 Application for interim authorisation

The Participants seek interim authorisation on an urgent basis.

Kerbside soft plastics recycling is at an early stage in Australia. The suspension of the REDcycle return-to-store soft plastics recovery program means that there is currently no alternative program for consumers wishing to recycle their soft plastics. As noted above, it is estimated that Australians use around 1.35 billion pieces of soft plastics per week¹⁴ and that, prior to the suspension of the REDcycle program, over 5 million pieces of household soft plastic from a range of sources were being returned to supermarket drop off points for recycling each day. Without urgent solutions being developed, it is likely that the vast majority of these soft plastics will go to landfill. Given the environmental imperative, the Participants submit that discussions of the Soft Plastics Taskforce should commence as soon as possible with a view to identifying Interim Solutions for collecting and managing soft plastics on an urgent basis. If, while interim authorisation is in place, the ACCC is concerned about the effectiveness of the Proposed Conduct, it will be open to the ACCC to revoke that authorisation at any time.

The Participants note that federal and state governments wish to work with industry to develop solutions for soft plastics recycling. The Minister for the Environment and Water, Tanya Plibersek, has referred publicly to discussions with Coles and Woolworths about the need to deal with stockpiles of waste and generate solutions for recycling options in the "near term" and stated that the federal government "stands ready to assist [Coles and Woolworths] in taking that action". ¹⁵ Minister Plibersek has committed representatives from the Department of Climate Change, Energy, the Environment and Water to work in partnership with the Participants as part of the Soft Plastics Taskforce.

3.6 Rationale

The Proposed Conduct will enable the Participants to form a taskforce and work together with government to explore solutions for managing the immediate effects of the suspension of the REDcycle program.

3.7 Provisions of the CCA which might apply to the Proposed Conduct

In the absence of authorisation, the Proposed Conduct risks giving rise to contraventions of the CCA, including by provisions of the CCA relating to:

¹⁴ See estimates provided by Clean Up Australia < What's the deal with Soft Plastics? (cleanup.org.au)>

¹⁵ See <u>The Guardian,</u> Tanya Plibersek says Coles and Woolworths must 'step up' to fix plastic recycling crisis

https://www.theguardian.com/environment/2022/nov/09/coles-woolworths-plastic-recycling-scheme-crisis.

- (a) cartel conduct (Division 1 of Part IV), in that it may involve contracts, arrangements or understandings containing provisions which have the purpose or effect of fixing, controlling or maintaining, or providing for the fixing, controlling or maintaining of, the price or a discount, allowance, rebate or credit in relation to goods or services supplied, acquired or likely to be supplied or acquired by the parties, or have the purpose of preventing, restricting or limiting the acquisition or supply or likely acquisition or supply of goods or services by the parties (ss45AD(2), 45AD(3), 45AF, 45AG, 45AJ, and 45AK of the CCA); or
- (b) contracts, arrangements or understandings, concerted practices, exclusive dealing and other conduct that have the purpose, effect or likely effect of substantially lessening competition (ss 45(1), 46(1) and 47(1) of the CCA).

3.8 Term of authorisation sought

The Participants seek authorisation to engage in the Proposed Conduct for a period of 12 months from the date of a final determination by the ACCC.

4 Persons who may be directly impacted by the Proposed Conduct

The persons who would be directly impacted by the Proposed Conduct include:

- consumers wishing to recycle their soft plastics;
- retailers whose customers wish to recycle their soft plastics;
- entities which collect, process and recycle soft plastic packaging (contact details are provided in **Section 8** below); and
- industry groups which may contribute to the Soft Plastics Taskforce from time to time (contact details for these entities are provided in **Section 8** below).

5 Counterfactual

In the absence of the Proposed Conduct, there would be material restrictions on the ability of the Participants to work together and with government as part of the Soft Plastics Taskforce. Some discussions could still take place but the Participants would likely be prevented from exploring and implementing collaborative Interim Solutions for soft plastics recycling in a fulsome way. In particular, concerns about competition law risks would impede Participants from exploring Interim Solutions in as open, timely and frank a manner than if ACCC authorisation were granted. This may discourage some Participants from participating in the Soft Plastics Taskforce at all or alternatively, if the Soft Plastics Taskforce proceeded, it would work in a substantially less effective and timely manner than if Participants were permitted to engage in certain limited coordination as outlined in this application.

6 Public benefit

Notwithstanding the efforts of the community, government and industry to reduce use of soft plastics, there is still a significant amount of soft plastics used in Australia, all of which will go to landfill if not recycled.

With kerbside recycling of soft plastics still at an early stage, REDcycle is currently the primary recycling program for soft plastics in Australia and is embedded and supported by local communities across nearly 2,000 supermarkets nationally. The suspension of the REDcycle program in recent days has removed this established recycling pathway for local communities and created significant community concern about existing stockpiles and how they can recycle soft plastics going forward. In these circumstances, the Participants submit that the Proposed Conduct will give rise to significant public benefits as follows:

- (a) The challenges in relation to soft plastics recycling are complex and multi-faceted, involving a global downturn in market demand for soft plastic products and an oversupply of reclaimed plastics in Australia. These are not challenges that any of the Participants or REDcycle can solve alone. The Proposed Conduct will enable government and industry experts to workshop and innovate Interim Solutions to the current soft packaging crisis in an open, frank and collaborative manner that would not be possible without the protection of ACCC authorisation.
- (b) If the Participants are permitted to work together on Interim Solutions to the soft plastic crisis, they are likely to develop Interim Solutions in a more timely and effective manner than if they were required to act independently. In particular, the continuation of the REDcycle program, or the implementation of an alternative soft plastics recovery program established by two or more Participants in the context of the Soft Plastics Taskforce, would have the significant environmental benefit of diverting those household soft plastics from landfill.
- (c) By facilitating the urgent establishment and effective operation of the Soft Plastics Taskforce, the Proposed Conduct will assist in alleviating community concern about the stockpiles and the suspension of the REDcycle program. In particular, by facilitating collaboration by government and industry experts across the packaging supply chain, the Proposed Conduct will instil greater confidence in the community that the soft plastics recycling crisis is being managed appropriately and that Interim Solutions are being explored in detail by parties who know and understand the recycled plastics supply chain. Collaboration by the Participants will also facilitate clear and consistent messaging to the public and other stakeholders such as local councils and environmental organisations about the steps being taken to address the immediate effects of the suspension of REDcycle's program.

7 Public detriment

The Participants submit that the Proposed Conduct will result in a significant net public benefit and is unlikely to result in any public detriments for the following reasons:

- (a) The Proposed Conduct is limited to the exploration and development of immediate solutions to the suspension of the REDcycle program pending development of a longer term solution. As noted above, the authorised conduct is limited to "Interim Solutions", being solutions for soft plastics collections, processing or management that are intended to be implemented in a period of 12 months from the date of a final determination by the ACCC. The Proposed Conduct will not detract from, or adversely impact in any way, the development of any longer term solutions, such as increased kerbside recycling by local councils or the development of additional soft plastics recycling capacity. No Participant is prevented from exploring or developing their own soft plastics recycling capacity. It is also proposed that authorisation be granted on condition that any contracts, arrangements or understanding entered into in reliance on any interim or final authorisation granted by the ACCC will terminate upon the expiry or revocation of such authorisation (unless a further authorisation is granted).
- (b) The Proposed Conduct will be subject to a high level of supervision and oversight in light of the following:
 - it is restricted to conduct occurring at, in preparation for or arising out of, a meeting of the Soft Plastics Taskforce;
 - meetings of the Soft Plastics Taskforce will be attended and chaired by federal government representatives; and
 - the Participants will provide minutes of the Soft Plastics Taskforce meetings to the ACCC within 3 business days of a Soft Plastics Taskforce meeting.

- In these circumstances, the Participants submit that there is little room (if any) for detriment to arise.
- (c) The Proposed Conduct is not compulsory, and any Participant can opt out of any proposed collaboration the subject of this application.
- (d) The Proposed Conduct does not change the Participants' incentives to compete during or after the period of authorisation. The authorised conduct does not relate in any way to the price or supply of products supplied by any of the Participants in competition with one another.

8 Contact details of relevant market participants

See section 2 above for contact details of each of the Participants.

Contact details for the entities which process and recycle soft plastic packaging are provided below.

Name	Address, Telephone Number (ACN)	Contact Person, Position, Telephone and Email
Replas	Repeat Plastics Australia Pty Ltd (trading as Replas) ACN: 096 146 342 27 Titan Drive, Carrum Downs, VIC 3201 Phone: 03 9770 8390	Paul Hone General Manager
Close the Loop	Close the Loop Operations Pty Ltd ACN: 095 718 317 208 Hume Highway, Somerton, Victoria, 3062 Phone: (03) 9994 1301	Kesh Nair General Manager
Plastic Forests	PLASTIC FORESTS PTY LTD ACN: 147 913 559 21 Union Road, North Albury NSW 2640 Phone: (02) 6048 0532	David Hodge Managing Director

Contact details are also provided for APCO and REDcycle:

Name, address (registered office), telephone number and ACN	Contact person's name, position, organisation, telephone number and email address	Description of business activities
Australian Packaging Covenant Organisation (ABN 99 056 538 480) Suite 1101 Level 11, 55 Clarence Street, Sydney NSW 2000	Chris Foley Chief Executive Officer Australian Packaging Covenant Organisation	Not for profit organisation focused on developing a circular economy for packaging in Australia.

(02) 8381 3700		
RG Programs and Services Pty Ltd (REDcycle) (ACN:159 894 069) PO Box 506, Williamstown, VIC 3016	Elizabeth Kasell Director	Recycling company who developed the REDcycle return-to-store, soft plastics recovery program.
03 9001 0628		

9 Declaration by applicant

The undersigned declare that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned undertake(s) to advise the ACCC immediately of any material change in circumstances relating to the application.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the Criminal Code (Cth).

David Brewster

Chief Legal & Safety Officer, Coles Group Limited

16 November 2022

Abbott's Village Bakery

Annexure 1: Current Partners in the REDcycle program as at 16 November 2022

Able Foods	
ACCO Brands	
Adelia Fine Foods	
Allround Packaging	
Amcor	
Andrew Kohn	
Arnott's	
Asaleo Care	
AusPouch	
Australia Post	
Australian Food and Grocery Council	
Australian Packaging Covenant Organisation	
Bailey's Fertiliser	
Beak & Johnston	
Bega Cheese	
Bellarine Brownie	
Billabong	
BioFlex (Bulk Nutrients)	
Biogone	
Biozet Attack	
Birch and Waite	
Bird's Eye	
Blackmores	
Blu Print	
Blue Scope	
Bonds	
Brownes Dairy	
Bulla Dairy	
BWX	
Canningvale	
Carmans Kitchen	
Caspak	
Changing Habits	
Chobani	
Cleavers Organic	

Close the Loop Cobram Estate Olives Cobs Coffee Hit Coffee Supreme Continental Cove Cleaning Cripps Cyclone **David Jones** DC Shoes **D&D** Mailing **DHUWA Coffee** Diego's Double D Eco Barista Ecolean Eggzi EGO Pharm Emporia Endota Evergreen Garden Care Fantastic Furniture Farm Foods Feed for Tought Fenn Foods Flexopack Fonterra **FPS Pack** Huhtamaki Lenswood Apples Naturale Officeworks Packaging Lab Padre Coffee Paleo Pure

Pataks

Coles Group Limited	Allens > < Linklaters
Perfection Fresh	
Peters	
Plastic Forests	
Popcorn Man	
Propak Industries	
Proper Crisps	
Pure Harvest	
Quiksilver	
Quilton	
Quorn	
Tassal	
Tasti	
Tata Global Beverages	
The Bag Broker	
The Bare Bird	
The Better Brand	
The Packaging People	
Гір Тор	
Tobys Estate	
Trentham Estate	
Tropeaka	
Tuckers Natural	
General Mills	
Get Wag	
GFA	
Glad	
Globe International	
GMD Packaging	
Good Morning Cereals	
Goodman Fielder	
Gourmet Delight	
Green Skin Wine	
Greenigo	
Griffiths Bros Coffee Roasters	
Grinders Coffee	
Нарру Way	

HelloFresh Hive & Wellness Huggies **Huon Aquaculture** Integrated Packaging Jalna JB Hi-Fi Jeans West JMP Holdings Johnson & Johnson Jordans Cereals **Jtech Systems** Kaboodle Kao Kathmandu Kellogg's Kimberly-Clark **KM Packaging** Kmart Koko Coffee Roasters Krehalon Lactalis Australia (Parmalat) Laucke Flour Mills LHF Lion LONGDA China Group Marley Spoon Mars McCORMICK Foods McPherson's Method Mrs Trans Kitchen Nestle Nylex Only Organic Outback Spirit

Pope Packaging

Primo

Rafferty's Garden Real Foods Real Pet Food **RED Group** Replas ResMed Richgro Rivalea Robern Menz Rolls Pack Roxy Australia **RVCA** Ryvita Schur Sealed Air 7 Eleven Sancell Sanitarium Saputo Dairy Sensis Sheridan Signet Smiths Pepsico Snackbrands Australia Soft Plastic Recycling in New Zealand Staughton Group Sugar Australia Sunbeam SunRice **Sweet Nutrients** T2 Target Thermogard Ultimates Indulge Unicharm (Baby Love) Vege Chips

Veneziano Coffee

Vexel

Vitality Brands

Vivo Packaging

VPA Australia

Yumi's

ZamiPet

Ziploc

Annexure 2: REDcycle media statement dated 8 November 2022

REDcycle program to temporarily pause.

REDcycle regrets to announce that it will temporarily pause its soft plastics collection program from 9 November 2022. REDcycle and its partners are committed to having the program back up and running as soon as possible.

Why is the program pausing?

Consumer recycling of soft plastic has grown exponentially in recent years, with a 350% increase in plastic returned since 2019. However, due to several unforeseen challenges exacerbated by the pandemic, REDcycle's recycling partners have temporarily stopped accepting and processing soft plastics. This combination has put untenable pressure on the REDcycle business model.

What should I do with my soft plastic now?

For the short term, consumers are encouraged to put their soft plastics in their home rubbish bin Please do not put it in your home kerbside recycling bin (unless the Curby program is available in your area) as it is not recyclable in that system.

How long is the program paused for?

We can't confirm at this stage the length of the pause, but we can assure you that all stakeholders are working on solutions for the short-term pipeline imbalance. REDcycle and retail partners are committed to having the program back up and running as soon as possible.

Since REDcycle launched 10 years ago, Founder Liz Kasell wanted to do the right thing for the community and for the planet. She started this program, as a mum from her kitchen table as when looking at a bag of peas and she asked why on earth can't this be recycled? Through this program her goal has been to enable and empower people in the community, just like her, to make a positive impact on the environment. Since we started, with your support we have diverted 5.4 billion pieces of soft plastic entering landfill and our natural environments.

Please see our FAQS page for more information about this announcement.

Thank you for your patience and commitment to REDcycle during this time.

Annexure 3: Coles' media statement dated 8 November 2022

REDcycle soft plastics recycling paused

Due to industry-wide challenges with soft plastics recycling, REDcycle has advised that all REDcycle soft plastic collections will stop from today until further notice. This means Coles will not be able to accept soft plastics recycling until an alternative arrangement can be put in place.

Coles is committed to our Together to Zero waste ambition and we are working with government, industry and our sustainability partners to find a long term solution and recommence soft plastics recycling as soon as possible.

Annexure 4: Woolworths' media statement dated 8 November 2022

STATEMENT FROM WOOLWORTHS:

"Redcycle has only recently informed us of a number of challenges in their recycling network and a delay in new recycling capacity becoming available.

"Redcycle has advised that it will no longer be able to collect the soft plastic returned by customers from our stores, effective immediately.

"Regrettably, this means customers will not be able to recycle their household soft plastic at our stores until collections are able to recommence or an alternative solution can be found.

"We are disappointed by this situation. We sincerely apologise to our customers and we're working to return access to soft plastic recycling as soon as possible.

"We are currently working through a range of options with the Australian Food and Grocery Council, the Australian Packaging Covenant Organisation, and the recycling industry to support the future of soft plastic recycling."