

Authorisation AA1000627 – Condition 2, Progress Report 22 April 2024 from Participant Supermarkets

We refer to Condition 2 of the Authorisation AA1000627 granted by the ACCC on 30 June 2023 and in effect as of 22 July 2023 (**Authorisation**) and provide the following report in relation to progress made by the Soft Plastics Taskforce (the **Taskforce**) towards implementing the Instore Collection Recommencement Steps (**Recommencement Steps**) since 22 January 2024 (the **Reporting Period**).

The Taskforce comprises representatives of Coles Group Limited (**Coles**), Woolworths Group Limited (**Woolworths**), ALDI Stores (A Limited Partnership) (**Aldi**) (collectively, the **Participants**) with support from the Department of Climate Change, Energy, the Environment and Water.

This report is submitted jointly by the Participants.

1 Progress on Recommencement Steps

During the Reporting Period, and as detailed in the minutes provided to the ACCC, the Taskforce met on 2 occasions (on 23 February 2024 and 11 April 2024) and has otherwise continued to discuss and implement the Recommencement Steps agreed or arising out of previous Taskforce meetings. Details of the progress made by the Taskforce during the Relevant Period are set out below, but at a high level, this has focussed on:

- working closely with existing and emerging soft plastic processing companies to accelerate the commencement of their processing operations;
- processing of stockpiled materials;
- engaging with and finalising contract terms with potential offtake partners; and
- progressing the pilot program for the recommencement of soft plastics instore collection and processing in 12 stores in Victoria and analysing materials collected from the pilot.

[Redacted]

1.1 Processor engagement and development of contracts with third parties

During the Reporting Period, the Taskforce continued to engage with a range of soft plastics processing companies with a view to these companies servicing soft plastics collected from an in-store soft plastics program and / or from the Participants' stockpile remediation efforts.

Since the Participants' previous progress report on 22 January 2024:

- 2 processors (Close the Loop and the Centre for Regenerative Design and Collaboration (**CDRC**)) have come online in Victoria. Both processors have now commenced recycling materials from the in-store soft plastics program and are processing existing stockpile.
- 2 additional recycling facilities are expected to come online in NSW in 2024:

- [Redacted]

- [REDACTED]

Progress has also been made in securing offtake partners. [REDACTED]

1.2 Implementation of a stockpile remediation action plan

As outlined in the Participants' previous progress reports of 23 October 2023 and 22 January 2024, Coles and Woolworths have undertaken significant stockpile consolidation and relocation activities to meet safe storage requirements including:

- relocating stockpiled materials comprising approximately 11,000 tonnes of soft plastics to secure EPA & Council approved facilities in New South Wales and Victoria; and
- sending less than 4% of stockpiled materials to landfill, being heavily deteriorated and/or contaminated product where recycling was not feasible.

Processing of stockpiled materials has now commenced in Victoria by CDRC and Close the Loop. As further capacity comes back online throughout the course of 2024, the remaining stored materials are expected to be processed. It is anticipated that all materials stored in Victoria will be processed by the end of July 2024 (and therefore all materials will have been vacated from Victorian warehouses by this time). The Participants also expect that all materials stored in NSW will be processed by the end of December 2024.

The Participants have continued to oversee the safe and secure storage of the stockpiled material until processing can occur. The Participants expect that a large proportion of the stored material is in a form which will be able to be processed, however a small proportion may need to be landfilled due to excessive contamination or degradation.

1.3 Recommencement of an instore collection pilot program

During the Reporting Period, the Participants launched a pilot program for the recommencement of an instore soft plastics collection program. The pilot program began on 7 February 2024 and, having regard to the limited processing capacity available, focusses on 12 Victorian stores (including 5 Coles stores,² 5 Woolworths Stores,³ and 2 Aldi stores⁴) located in a similar area to allow for efficient logistics servicing during the pilot period. At this stage, there is no end date for the Pilot Program. The Participants' focus is on ensuring sufficient and sustainable soft plastics processing capacity in Victoria prior to any further expansion of the pilot program.

As detailed in the Participants' previous progress reports, the purpose of the pilot was to:

- test consumer engagement and behaviours;
- assess the quality, volume and brand categorisation of packaging materials returned during the trial period; and
- test the logistical and reprocessing pathway to measure capability, performance and scaling requirements before a potential expansion of the pilot to other geographic areas (subject to recycling capacity continuing to become available).

¹ [REDACTED]

² Northcote, Ivanhoe, Brunswick, Moonee Ponds and Flemington.

³ Balwyn, Box Hill, Burwood Brickworks, Carnegie North and Hawthorn East.

⁴ Prahran and St Kilda.

The Participants have developed customer communications regarding the pilot, and in-store signage for participating stores. Examples of this in-store signage is included in **Annexure 1** below. Coles is responsible for undertaking audits and classifying collected materials from the pilot to [REDACTED]

As of 28 March 2024, 3.058 tonnes of soft plastic have been collected at participating stores. Collections are increasing each week at a steady but manageable level, with collected plastics being recycled by CDRC or Close the Loop.

[REDACTED]

Annexure 1 – Examples of instore signage for pilot program



Return your soft plastics here

Plastic Bags

Bread Bags

Chip Packs

Cereal Liners

Confectionery Packaging

This bin is just for household soft plastics. Please do not place any of these items in this bin.

✗ Glass	✗ Plastic Containers	✗ Plastic Bottles	✗ Coffee Cups
✗ Cans	✗ Compostable Bags	✗ Food Waste	✗ Paper & Cardboard