

Document: Sustainable Packaging Development Guideline**OUR COMMITMENT**

Pick n Pay is a founding member of the South African Plastic Pact and is a signatory to the Ellen MacArthur New Plastics Economy Global Commitment. It is Pick n Pay's objective to reduce and mitigate the environmental and social impact of the packaging that we use, while simultaneously ensuring that our ability to deliver quality products to customers is not compromised. We are committed to more sustainable packaging and our targets for 2025 are as follows:

- To have an average of 30% recycled content in our packaging
- To have packaging weight reduced by 30% from our 2018 baseline
- To increase reusable bag sales by 30%
- To have 100% of our packaging being reusable or recyclable
- To have 100% of paper and cardboard packaging being responsibly sourced
- To ensure that 100% of our packaging features the on-pack recycling logo by 2023

1. INTRODUCTION

Packaging plays an important role in the protection of our products and ensures the quality, guaranteed safety and nutritional value of the food we sell. The primary role of packaging is to protect the product and help eliminate product waste. Globally, however, there is increasing concern about the resources used in the production of packaging as well as the impact that packaging has on the environment if it is not recycled or disposed of properly.

The more our packaging can be designed in a circular way, the more value we can create for our company, for our customers and for the communities within which we operate. Recycling is a critical part of a circular economy, ensuring that resources are valued, not wasted, and don't end up in the natural environment. The Circular Economy model promotes the move from a linear take-make-waste model, to one which focuses on reducing consumption of finite resources, eliminating waste in its design, and keeping materials such as plastic, in high value use for as long as possible through recycling.

Good design means eliminating unnecessary excess packaging, having lighter weight packaging, and incorporating recycled plastic in the production of new packaging where possible.

2. STRATEGIC PRINCIPLES

The development of sustainable packaging has many facets and is not a straightforward process. The following 5 principles constitute a framework for guiding decision-making in the journey toward more sustainable packaging solutions.

1. Reduce

- a. Minimise weight of materials used, while ensuring that the integrity of the product is maintained.
- b. Ensure that every packaging component is carefully considered and plays a role in maintaining and protecting the product.
- c. Remove any unnecessary packaging components.

2. Reuse

- a. Reuse presents an innovation opportunity to change the way packaging is used and to shift the way in which we offer our products to customers.
- b. Investigate reuse alternatives where feasible and viable from cost perspective.

3. Recycle

- a. Ensure that Packaging is designed with recycling in mind and that the Packaging SA Design for Recycling Guidelines are used in this regard.

4. Recycled content

- a. Maximise recycled content where technically achievable, financially viable and safe from a food safety perspective.

5. Responsible sourcing

- a. Where paper/cardboard is used, ensure that it is sourced from certified responsibly managed forests and carries the FSC logo (Forest Stewardship Council).
- b. Bio-based materials from renewable sources can be used under the condition that these materials have been produced from agricultural by-products and that the final packaging component is recyclable in the traditional recycling streams.