

Countdown and CHEP collaborating in the circular economy





Countdown, and its growers, are saving over 10,100 tonnes of carbon emissions, the equivalent to planting over 5,050 trees, per year.

In 2020, Countdown released its ambitious 2025 Sustainability Plan, Kia pai ake te āpōpō - A better tomorrow." The plan features 14 goals and more than 40 commitments across 'People', 'Planet', and 'Product'. These include commitments to zero food waste, science-based carbon emissions targets for Scopes 1-3, responsible stewardship of natural resources, and to "work with our trading partners, government and industry to influence packaging sustainability across the value chain." Underpinning the plan are five guiding principles, that include 'we apply circular thinking in everything we do' and 'we embrace the power of partnerships to create change'. By its very nature, Countdown cannot apply circular thinking in isolation

These principles have guided Countdown and CHEP in their work together to achieve major reductions in supply chain environmental impacts. This quiet revolution now sees more than 11 million reusable CHEP crates in circulation, transporting fresh produce from farms to Countdown stores across Aotearoa, and removing the equivalent in single use cardboard boxes from use.

An inaugural assessment has been developed* by Arete Sustainability and has quantified that by adopting reusable crates in their supply chain, Countdown, and its growers, are saving over 10,100 tonnes of carbon emissions, the equivalent to planting over 5,050 trees, per year.

^{*} This study was requested by CHEP New Zealand and peer reviewed by the Institute for Sustainable Futures, UTS, Sydney.



Kia pai ake A better te apopo tomorrow

01

We act like a leader and speak up on issues that matter 02

We care for, and unlock the potential of, our people

03

We have a positive impact on the planet

04

We apply circular thinking in everything we do

05

We embrace the power of partnerships to create change

The Opportunity

In Countdown's work to build a 'Better Tomorrow', it embraces sustainable changes right across the business, including in the supply chain.

With 185 supermarkets across New Zealand supported by 19,000+ team members, Countdown gives its customers a choice of more than 20,000 different products in each of their stores.

Behind the scenes, Countdown in-store teams are supported by four dry grocery distribution centres, three fresh produce distribution centres, three chilled and frozen distribution centres, two meat and seafood processing plants and a central support office.

Countdown's Director Corporate Affairs, Safety and Sustainability, Kiri Hannifin says Countdown is strongly committed to achieving our sustainability goals, but it knows it can't do it alone. "Aotearoa is at a pivotal moment when many of our businesses are stepping up to the

long-term challenge of creating an equitable, zero carbon and circular economy. We see our relationship with CHEP as an excellent example of two businesses working together to help shape this brighter future."

Over the years Countdown, markets, growers and CHEP have built strong relationships, working together to find ways to develop more efficient and sustainable supply chains through integrating the CHEP Reusabale Plastic Crate (RPC).

Ryan Metcalf - Produce Regional Manager South Island - says the RPC provides a number of operational benefits compared to a single use cardboard box: "The sturdy and stackable RPC protects the quality of produce and streamlines seamlessly from field to store. This additionally enables us to maintain high levels of loose produce for sale, reducing the need for pre-packed bags of fruit and veg."



Quantifying the benefits

To help quantify the sustainability impacts, CHEP New Zealand engaged with Arete Sustainability to develop a Life Cycle Assessment (LCA).

CHEP's LCAs are independently peer-reviewed to ISO 14044 standards and CHEP's sustainability data and calculation methods are independently assured by KPMG.

CHEP's Life Cycle Assessment, evaluates and compares potential environmental impacts of RPCs with a single cardboard box.

The LCA analysis reviews the RPC and is defined by:

- Raw materials inputs
- Energy and fuel inputs
- Transport
- The subsequent end-of-life processes

The results are compelling. The Sustainability Certificate allows customers to understand the amount of carbon emissions, water and solid waste they save simply by using CHEP RPCs compared with single-use cardboard alternatives.

Collaborating together in the circular economy shows positive results



The Countdown team receives the CHEP Sustainability Certificate, January 2022. From Left: Ryan McMullen, *Head of Produce and Bakery*, Grant Robinson, *Merchandise Manager Produce*, Mike Lewis, *CHEP NZ Country Manager*, Ryan Metcalf, *Produce Regional Manager South Island*, Catherine Langabeer, *Head of Sustainability*.

Working together to achieve results

The Sustainability Certificate recognises the contribution Countdown, together with growers and markets, have made to the environment by using CHEP RPCs throughout their supply chain.

Highlights include the following savings per year:

- Over 10,100 tonnes of carbon emissions, equivalent to planting more than 5,050 trees
- Over 1,700 tonnes of waste, equivalent to more than 43,600 wheelie bins (240L)
- Over 332, 000 Kilolitres of water, equivalent to more than 3,300 residential swimming pools

Countdown has increased the use of CHEP RPC by 44% since FY18, significantly scaling these environmental benefits year on year.

Working with CHEP's inherently sustainable, share and reuse business model, and together with growers and fresh food markets, Countdown has been able to achieve these strong results.

By using CHEP RPCs instead of singleuse cardboard boxes to transport fresh food through the supply chain, the collaboration has achieved significant reductions in carbon emissions, water usage, and waste to landfill.

These initiatives also contribute to the United Nations Sustainable Development Goals (UN SDGs), specifically, Goal 12 Promoting sustainable production and circular business models, Goal 6 Clean water and sanitisation, and Goal 15 Sustainable use of the world's forests.

Mike Lewis, Country General Manager at CHEP New Zealand, said "Collaboration is key to finding solutions to reduce environmental impacts and work towards the UN SDGs. It's exciting to see these positive outcomes in the supply chain simply by participating in the circular economy."

