Deposit Return Scheme (DRS)

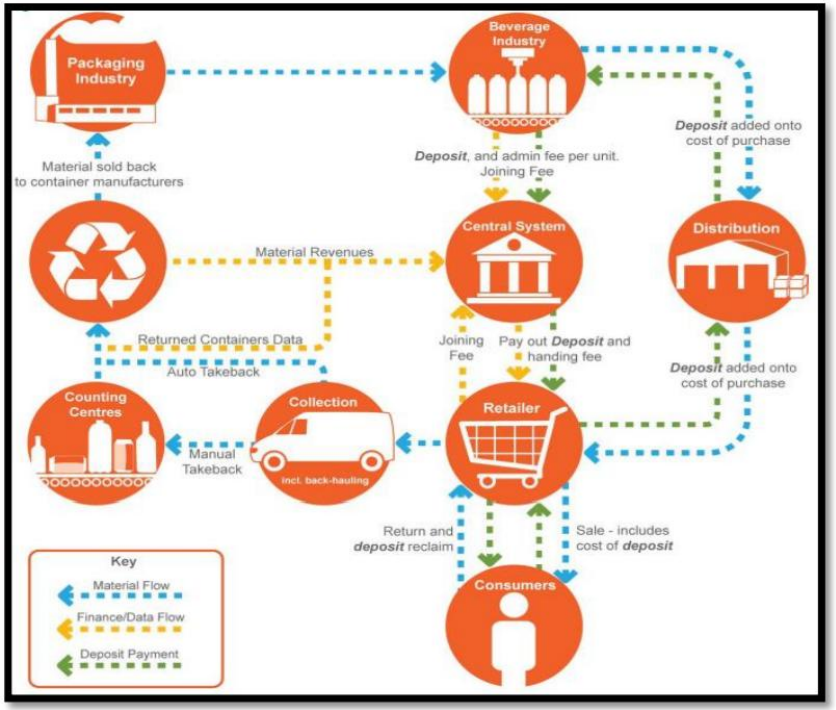
What is a Deposit Return Scheme?

A Deposit Return Scheme (DRS) is a government-led recycling initiative that places a small refundable deposit on eligible drinks containers, such as plastic bottles and cans. Consumers pay the deposit when purchasing a drink and receive it back when they return the empty container to a designated collection point or Reverse Vending Machine (RVM).

The DRS in England, Scotland, Wales & Northen Ireland aims to deliver upon four key principles:

- Increase the quantity of target materials captured for recycling
- Improve the quality of materials captured, to allow for higher value recycling
- Encourage wider behaviour change around materials
- Deliver maximum economic and societal benefits

An Example of a Deposit Return Scheme

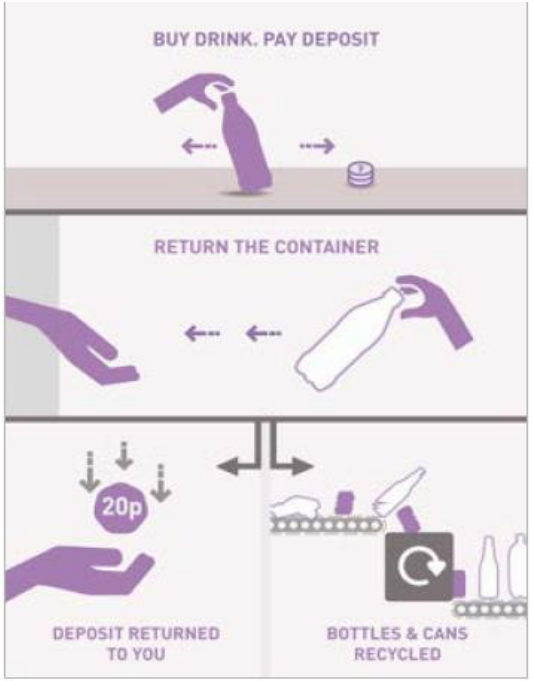


General Principles of the Deposit Return Scheme

The government has announced the design of a deposit return scheme for England, Scotland, Wales & Northern Ireland with the goal of ensuring more containers will be recycled into high-quality items. Deposit return schemes encourage behaviour change and present a further step to developing a more circular economy.

When consumers go into a shop or hospitality business to buy a drink, they will pay a small deposit (20p) on top of the retail price. Consumers get their deposit back when they return their empty plastic (PET) bottles and/or metal (steel/aluminium) cans. All types of drinks in these containers from 150ml to 3l in size will be included.

There are two ways to return their empty containers. These can be returned manually over the counter or by using an automated reverse vending machine that scans the container barcode when they are deposited.



The Role that Retailers will Play

The Deposit Return Scheme relies on retailers to act as the main point of contact between the scheme and consumers. When selling an in-scope drink, retailers must charge the deposit to the customer and provide a mechanism for returning eligible containers. They are responsible for accepting returned containers, either through a reverse vending machine or a manual take-back process, and ensuring customers receive their deposit refund.

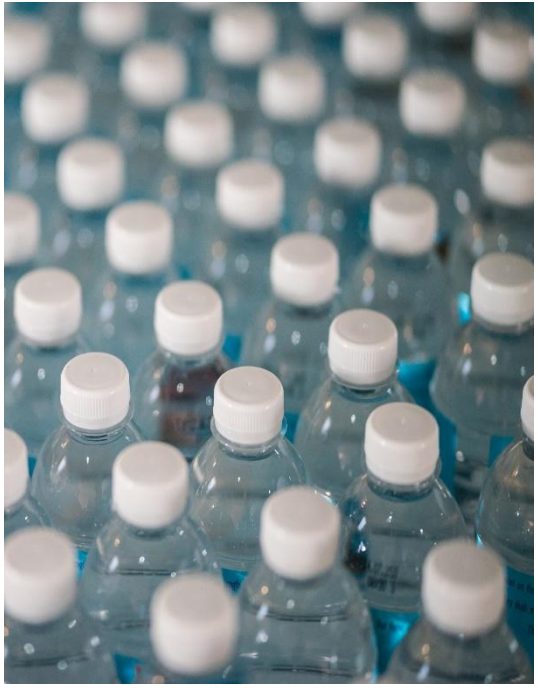
In addition to facilitating returns, retailers play an important operational role by storing collected containers, supporting collections by the Deposit Management Organisation (DMO), and helping customers understand how the scheme works. In effect, retailers serve both as sellers of in-scope beverages and as collection points that help drive high return rates and high-quality recycling.



ALDI's Proposed Method of Delivery

ALDI are currently working alongside the leading industry manufacturers to ensure our DRS will be amongst the worlds top performing schemes for drinks container returns. This utilises our experience of similar schemes in many locations across Europe, Ireland and Australia. It is anticipated that each Aldi store will receive c. 38,000 returns each week, and therefore an appropriately sized DRS unit will be required.

Each unit will be located in the car park at the most convenient location for customer throughput in order to maximise consumer uptake in support of the scheme. A location close to the proximity of the entrance doors will in most cases be optimum, however, each site has been holistically assessed for the best overall solution. Due to the limited space within our retail sites, most automated reverse vending machine units will occupy several of the existing parking spaces.



Example Modular Housing Designs

Centre Entrance



Slim Unit



Internal RVM Equipment



Left Entrance



Right Entrance

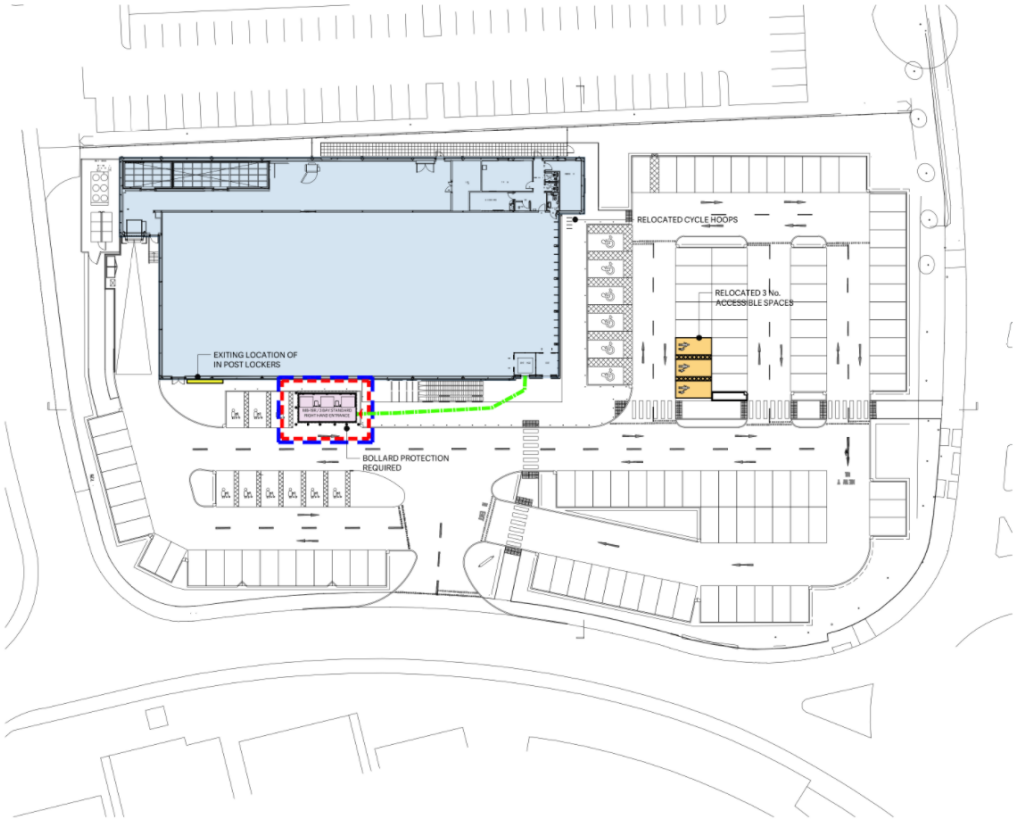


DRS Facility & Operational Characteristics

- Standard units will have 2 to 3 customer facing RVMs for plastic (PET) bottles and metal (steel/aluminium) cans.
- Each customer facing unit is capable of collecting up to 60 containers per minute with some larger interfaces collecting up to 100 containers per minute.
- At the end of each deposit a voucher will be provided to the customer to redeem against their shopping in store, redeem as cash or donate directly on the RVM to charity. In the case of ALDI, the chosen charity will be Teenage Cancer Trust.



ALDI Example Store Plan





VISUAL

DRS Design & Operation

- The unit is a purpose-built structure made from aluminium, high pressure laminate (HPL) cladding and an insulated roof.
- The machine will only accept waste types approved by the deposit return scheme.
- All deposited materials will be stored in the locked bin cabinets of each RVM.
- The unit will operate within the existing store operating hours only, and will be secured with locked roller shutters when the store is closed.
- Noise levels will not exceed 39.2 LAeq at a distance of 4m from the unit in any event.



Servicing & Returns

- All returned goods will be manually transferred from the DRS unit to the warehouse for logistics collection by store staff, using bins that have integrated wheels or can be pulled using a pallet truck
- Collections will then either be backhauled through the existing service arrangement using the empty ALDI delivery vehicles on their return leg to the distribution centre or collected from the store by the scheme administrators appointed wastage contractor.
- These will then be organised for centralised collection by the scheme administrator or transported by ALDI to the final counting location depending which is the most efficient.
- There will be no unit side collections carried out as part of the scheme or collection vehicles operating in the main body of the car parks.

