PRESS RELEASE

Expansion of MEG Übach-Palenberg Recycling Plant Begins

Schwarz Produktion expanding capacities for PET recycling loop

Übach-Palenberg, 7 April 2022

Today the start of the expanding MEG's plastics and recycling plant in Übach-Palenberg (Heinsberg district, North Rhine-Westphalia) was marked with a first break ground. Übach-Palenberg's mayor Oliver Walter was in attendance for the kick-off of this ambitious project, with which Schwarz Produktion will further increase its capacities for recycling disposable PET deposit bottles.

In connection with a new extrusion line, the plant's annual capacity will rise by 12,000 tonnes of PET regranulate, an increase of more than 50 percent. The expansion includes additional storage spaces and silos, as well as unloading and sorting capacity for the recycling process. The project includes appropriate emissions protection measures, such as noise barriers.

The social wing and parking capacity for employees will also be expanded, since more than 30 new jobs will be created. The corresponding job postings, primarily in the Engineering and Quality departments, have been published on <u>www.jobs.schwarz-produktion.com</u>.

"We are confident that our recycling loop will provide important impetus for sustainable beverage packaging. Our ultra-light disposable PET bottles, which are made of 100 per cent recycled materials, are now an equal ecological alternative to other types of packaging. That's why we will continue to invest in research and development and in the expansion of our infrastructure," said René Witter, Senior Managing Director Plastics at Schwarz Produktion.

About MEG Übach-Palenberg

MEG Übach-Palenberg is a key element of Schwarz Produktion's recycling network. It is the first plant to combine the recycling of PET bottles and the production of new PET preforms under one roof. Over 100 employees currently recycle around one billion PET bottles each year, producing 22,000 tonnes of recycled raw materials (regranulate). In turn, this regranulate is used to make around one billion new preforms, which will later be heated, inflated and filled with beverages at MEG's beverage plants.

About the recycling loop

Control over all parts of the recycling loop (collection, recycling, making new bottles, filling, sales). Soft drink and mineral water bottles that are returned at Lidl and Kaufland stores are turned into new PET bottles at MEG's three plastics and recycling plants. As a result, all disposable PET deposit bottles produced by Schwarz Produktion for Lidl and Kaufland own-brand products in Germany have been made from 100 percent recycled plastic (rPET), excluding the cap and label, since June 2021.

Schwarz Produktion achieved this significant step forward in PET recycling thanks to significant investments in the recycling loop, solutions partially developed in-house and years of established expertise. Every one of these new bottles is produced completely from old bottles. With their low weight, they are especially resource-friendly.

The recycling loop makes a significant contribution towards achieving the goals of REset Plastic, the Group-wide plastics strategy (visit <u>www.reset-plastic.com</u> for more information).

About Schwarz Produktion

Schwarz Produktion is the umbrella brand of the production facilities of Schwarz Group. In total, over 4,000 employees in companies of Schwarz Produktion produce high-quality food for the retail chains Lidl and Kaufland.

Click here to find out more about Schwarz Produktion.

About Schwarz Group

Schwarz Group is a leading international retailer with around 12,900 stores and 500,000 employees in 33 countries. With divisions for production, retail and environmental issues, Schwarz Group covers the entire value cycle.

Click <u>here</u> to find out more about Schwarz Group.

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