

A NEW WAY OF THINKING

REVIEW OF PETCO ACTIVITIES 2017



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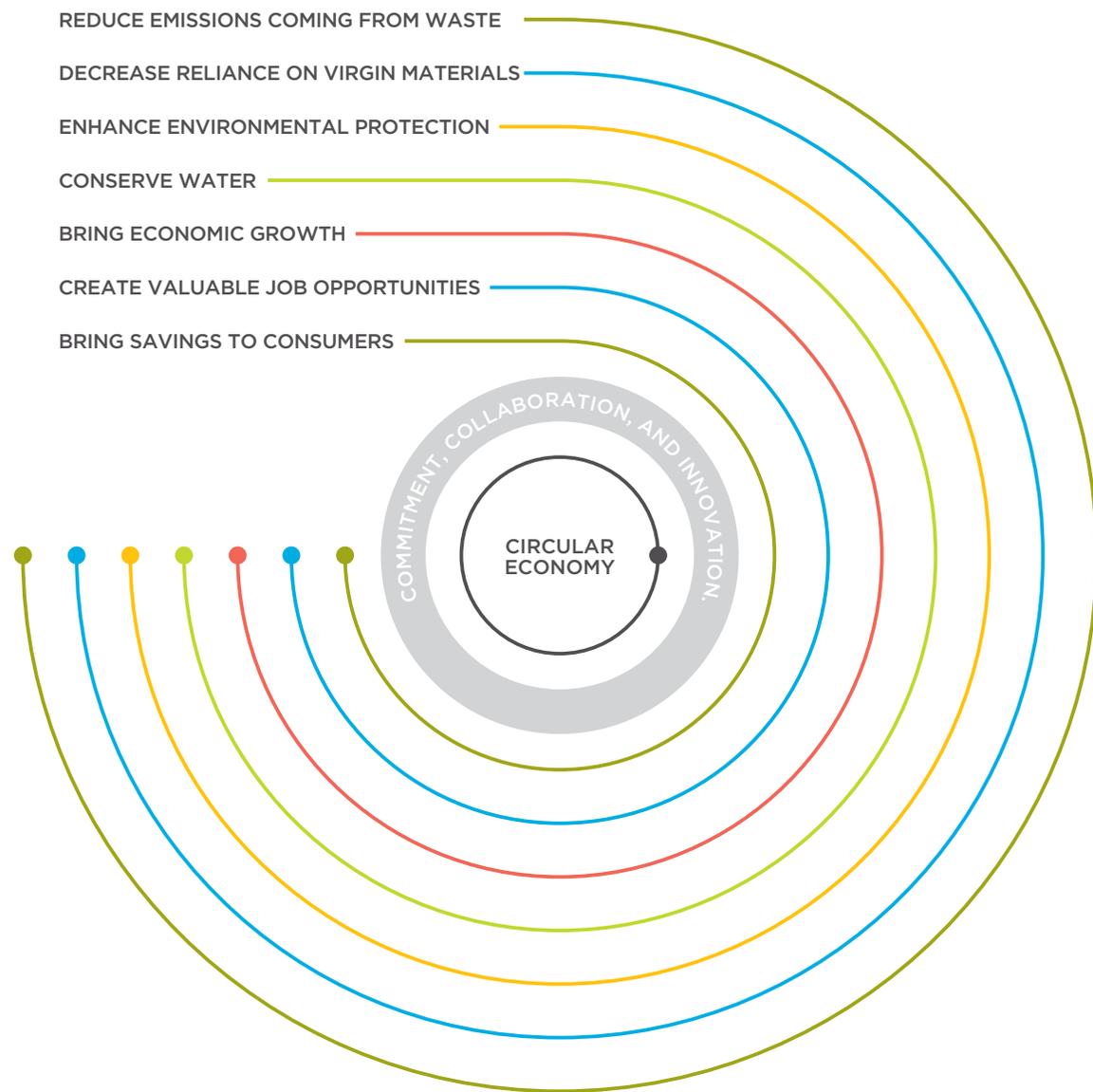
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A NEW MINDSET

To change how we manage plastic manufacturing and recycling, we must change our thinking. With such a new mindset, we have an opportunity to:



It is hard to imagine living in a world without plastics. Nearly everyone, everywhere comes into contact with them nearly all the time. This is especially true of beverages, a significant sector in the SA economy, providing employment for thousands of people around the country.

Environmental responsibility has been at the forefront of priorities for the plastics industry over the last few years and continues to be. The PET industry has long been committed to reducing the environmental impact of packaging, ensuring that bottles are 100% recyclable; that the weight of packs are reduced as much as possible; and that there is a long-standing commitment to use locally-sourced rPET in new packaging.

PETCO and its members have a vision for a system that delivers long-term benefits - a new plastics system based on the principles of a circular economy. It offers a direction on which the industry can agree and focus its efforts. In a new plastics economy, PET plastic is kept at its highest value during use and re-enters the economy after consumption, never ending up as waste. With specific emphasis on innovation towards a different system, a new plastics economy presents an opportunity to deliver substantially better economic, social and environmental outcomes.

But to change how we manage plastic manufacturing and recycling, we must change our thinking.

With a new mindset, we have an opportunity to reduce emissions coming from waste, decrease our reliance on virgin materials, enhance environmental protection, conserve water and bring new economic growth, valuable job opportunities and savings to consumers and taxpayers in South Africa.

Such an approach would rally key industry players and other stakeholders, set ambitious joint commitments, kick-start cross-value projects, and orchestrate and reinforce complementary initiatives ushering in an unprecedented degree of commitment, collaboration, and innovation.

It's easy to despair at the scale of the task, but it isn't beyond humanity to solve it. We have already shown that we can recycle over 60% of the post-consumer PET bottles in circulation, but we know that this is not enough.

If we want to free our land and oceans from plastics, we have to do more. We have to fundamentally rethink the way we make, use and re-use plastics so that they don't become waste in the first place. To do this, we need better materials, clever product designs and new, circular business models. That's why, each year, the PETCO Awards recognise leadership and future-thinking across the PET industry and beyond in addressing recycling, reuse and waste minimisation.

While the winning innovations represent the type of solutions we need to build a plastics system that works, these entrepreneurs cannot drive the transition alone. Businesses, policy makers, and investors too need to make clear commitments and collaborate towards a circular economy for plastics.

This growing recognition is triggering action across the world and in South Africa.

We need everyone to work together to bring these ideas to life.

Policy-makers continue to broaden and refine regulations for plastics; NGOs and the wider public are increasingly calling for change. It is clear that the topic of plastics is coming to a head. The key question for those of us involved in the recycling of PET is, will we carve out a future characterised by innovation, redesign and harmonisation, based on circular economy principles?

Our track record and that of our members over 13 years suggests that we are up for the challenge.

In this review, we illuminate the exciting opportunities for our sector and shine the spotlight on the people, the companies and the organisations that have made extraordinary contributions to the recycling of post-consumer PET in South Africa. More than anything, these are the people that ensure that economic and social development and transformation can happen in a way that our country and our planet can afford.

CHAIR AND CEO REVIEW

2017 will go down as one of the most challenging years we have ever experienced.

Market conditions put extreme pressure on the PET industry in what was described by some as the worst year in history.

In addition to the seasonal decline in PET consumption (due to lower consumption of water and soft drinks) that is a feature of the South African market during the winter months, the recession in the South African economy during the second quarter of 2017, together with local supply disruptions of virgin PET in the latter part of the year, resulted in a situation in which, for the first time in PETCO's 13-year history, the total volume of PET consumption in South Africa declined year on year between 2016 and 2017.

Our 2017 provisional-target for collection and recycling was 95 000 tonnes or 58% of projected consumption of post-consumer Polyethylene Terephthalate (PET) bottles. This was based on an expected market size of PET consumption of 242kt for the year, which was the same as for 2016, a bumper year with 15% YOY growth over 2015. We expected a flat year in 2017 in terms of market consumption because of the economy performing below potential and also in anticipation of the proposed sugar tax.

In spite of the tough conditions, PETCO managed to collect 93 235 tonnes of PET bottles (vs 2016's tonnage of 90 749 tonnes) or 2.15 billion bottles being recycled, out of a market consumption that only reached 211kt for the year - that is a record 65% of post-consumer bottles being recycled. In other words, despite a 13% fall in the total PET market, PET recycling tonnage still grew by 3%.

Some 94 821kt of resin was imported of which 23 831kt arrived in December 2017. Normal growth in consumption is expected to resume with some degree of re-stocking by the second quarter of 2018.

For PETCO's large-scale recycling partners, as well as for the individual collectors, co-operatives and SME's supported by PETCO, the reduced consumption of PET-packaged products resulted in a reduced bottle supply, especially during and immediately after the winter months. This has led to increases in the prices of post-consumer waste PET material, to the extent that, as of the end of

September 2017, PET bottle prices reached their highest levels in several years. This situation reversed somewhat during the summer.

For PETCO and its partners to have grown collections during this tough time is truly remarkable.

In order to maintain support for the total collection volumes in a falling market, the PETCO Board decided to raise the voluntary EPR fee from R380 to R395 per tonne from 1 May 2017. The Board kept the increase below CPI (3.9%), which they have done for a number of years. This is partly why PETCO utilised most of its retained income during the year in order to meet its goal of year on year growth in recycling tonnage.

Global prices of virgin PET generally continued on an upward trajectory - on the back of oil prices rising to above US\$50 per barrel, the prices of PET raw materials (PTA and MEG) increased, as did the price for virgin bottle-grade PET (BGPET) resin.

In the South African economy, continued political instability, exchange rate fluctuations and the downgrade of the country's sovereign debt ratings, further served to reduce economic growth forecasts for 2017. Strike action at some major players in the industry also contributed.

The recycling markets in 2017 faced mixed fortunes. In the wake of China's ban on the import of a number of waste streams, countries across the globe scrambled to deal with their waste as their traditional outlets ceased to take any more waste. The effect on the South African market is yet to be fully realised, but we have seen increased requests for the import of waste for recycling and we will monitor the situation closely. Fibre and food-grade market fundamentals weakened during the early part of 2017 but strengthened thereafter, buoyed by the weakening rand throughout the year. What is bearing fruit, is that PETCO's focus since its incorporation in 2004 on supporting and growing local beneficiation of post-consumer PET has meant that the South African PET recycling rates have been remarkably resilient.

The major end-use markets for recycled PET content in South Africa are food-grade recycled PET (rPET) resin and polyester staple fibre (PSF). Both of these markets have come under significant pressure in 2017, primarily as a result of the recession. In the case of food-grade rPET resin, demand increased slightly in the latter part of 2017 following a prolonged period of lower than usual sales. The virgin material's supply disruptions led to an unanticipated demand for rPET. Customers couldn't get any virgin material from local suppliers; imports take 6+ weeks (and inclement weather affected imports - ships couldn't dock) so demand soared. But rPET production can't be ramped up overnight especially when there are prior bottle shortages. This situation appears to have largely been resolved, and we foresee a return to normal market dynamics in 2018.

PETCO is currently engaging with several brand owners regarding the introduction of rPET into their packaging, or around significant increases in the percentage of rPET content. This bodes well for potential increases in installed rPET manufacturing capacity in South Africa in the next two to five years.

In order to feed the momentum for rPET content, the issue of Design for Recycling becomes increasingly critical, as appropriately designed bottles will result in increased levels of feedstock for PET recyclers. Government and industry mandates and incentives for the use of recycled content in packaging (and other applications) could drive further adoption.

The proliferation of PET packages that are difficult to recycle continues. Colours, barriers, additives, metal components, and certain labels, inks and adhesives can all increase processing costs and, in some cases, decrease end market material value. During strong markets, these might be tolerable contaminants, but in the very challenging conditions in 2017, they were difficult to overcome. The successful removal of the green pigment in the Schweppes tonic water PET bottle, for example, was a highlight for the year. Going forward, PETCO will be working with brand owners to add perforation strips on all heat shrink labels.

PETCO is engaging with a range of existing and potential PET recyclers, regarding the introduction of new products manufactured from post-consumer PET material, and the development of new markets for these products. A number of projects are currently under investigation, with tangible outcomes anticipated during the course of 2018.

In spite of the difficult conditions in international markets, with global prices for polyester staple fibre (PSF) remaining depressed for the majority of 2017, fibre export volumes increased significantly during the year due to favourable exchange rates and other market conditions. These exports add significant value to the South African fibre-manufacturing sector, in the form of foreign exchange earnings, employment opportunities and increased diversion of PET bottles from landfill.

From an industry perspective, the year saw the continuing consolidation of Coca-Cola Beverages South Africa.

The converter landscape is also changing with significant acquisitions of local converters by international groups:

The Austrian packaging company Alpla-Werke Alwin Lehner GmbH & Co KG continues its growth spurt with the acquisition of Boxmore Packaging. With the added Boxmore locations, ALPLA now owns 13 production facilities in Africa. ALPLA is a leading company in the field of packaging solutions, with more than 18 300 employees at 172 locations across 45 countries producing packaging for brands in the food, beverage, cosmetics and cleaning industries. Similarly, in the first quarter of 2017, the RPC Group Plc, an international design and engineering company of plastic products acquired Astrapak offering the group an exciting opportunity to develop a platform from which to serve the high growth Sub-Saharan African market. These acquisitions demonstrate investor confidence in the growth of the PET industry in Africa.

The Department of Environmental Affairs' (DEA) Section 28 Call for Industry Waste Management Plans was officially published on 6 December 2017. PETCO is in the process of drafting an Industry Waste Management plan for the PET packaging sector in response to this.

We were proud to welcome Serioplast, who convert for Unilever and Little Green Beverages, as Associate Members of PETCO.

There were challenges this year with respect to moving the needle on PET thermoform recycling, yet the goal of making these packages as easy to recycle as PET bottles remains in play. During the year, PETCO conceptualised the Thermoform Recycling Pilot Project. The aim is to demonstrate that selected PET thermoform products can be successfully recycled into a commercially-viable polyester staple fibre. However, the shortage of bottles during the year resulted in a focus by collectors on collecting bottles with a reluctance to collect specific post-consumer trays (despite high value offered) for the pilot. We have now decided to use pre-consumer trays that have labels on them and a trial is currently underway.

The PET Recycling Sector, like the whole of the recycling industry, has an important role to play in contributing to the transformation of the South African economy. There are few issues more pressing than this. We are engaging with the best Transformation Specialists available to assist us in crafting a strategy that will be central to the PET Recycling Sectors' future, and will be a key feature of our Industry Waste Management Plan.

During the year, PETCO has contributed to education through various school recycling competitions and projects undertaken with our partners, where we leveraged key relationships, partnered with government, invested in educational materials or sponsored prizes.

In the Western Cape, chronic water shortages resulted in an increase in demand of bottled water towards the latter half of the year, particularly 5L bottles. This has meant an increased focus on the most important feature of PET bottles - that they are not 'single-use' bottles and are not trash.

At the end of 2016, PETCO commissioned research to better understand the behavioural shift of PETCO's target audiences towards embracing an anti-littering, waste reduction and recycling lifestyle. The results, received at the beginning of 2017, showed that, of the South Africans interviewed (LSM 7 to 10, ages 18 to 49, nationwide), 67% claim to recycle 'some' of the time, while only 11% claim to recycle 'all' of the time. The lack of storage space at home, and the absence of 'easily accessible' recycling depots were cited as two of the biggest barriers. Encouragingly, many would be happy to take their recycling to central or neighbourhood depots if they did exist and were close enough to their homes.

The importance of engaging consumers highlights that we are all in this together. Those who are already committed to doing their bit for the environment can also sway manufacturers and brand owners to place the issue at the top of their agenda. More and more, consumers are choosing to buy and engage with ethical brands, and sustainable packaging is a powerful way to showcase that your brand is sharing in these principles.

Addressing marine waste in Africa received renewed focus and PETCO has partnered with The Sustainable Seas Trust (SST) to set up the communications hub for The African Marine Waste Network (AMWN). This involves an ambitious collaboration between the 38 coastal and island states of Africa and represents the first dedicated approach to addressing marine waste at a pan-African level. Given the pressing issue of ocean pollution worldwide, the partnership between PETCO and the SST is positioned to become a positive pathway for facilitating change and action.

During July and August, PETCO, along with Packaging SA and various other Product Responsibility Organisations (PROs), participated in the government Waste Management Phakisa - a 5-week engagement process involving all stakeholders in the sector, which aimed to develop policies and high-impact projects to reduce the levels of industrial and post-consumer waste generated in South Africa.

We also hosted the UNEP Circular Economy Mission to SA which included a conference as well as a plant tour to the Extrupet B2B facility. At the conference in Durban, we participated in a panel discussion on what is needed from the public and private sectors to accelerate South African waste management and industrial symbiosis - an association between two or more industrial facilities or companies in which the wastes or by-products of one become the raw materials for another.

The year saw PETCO recognised for its efforts. PETCO was honoured during the Conscious

Companies Awards™ for organisations that understand what it takes to operate with a sense of higher purpose; integrate the interest of all stakeholders; develop visionary leaders; build a culture of trust, accountability, governance and caring; encourage creativity and innovation; and is a responsible citizen in the communities that they operate in.

We received the best supporting company for waste recycling facilities by the Free State Department of Economic, Small Business Development Tourism and Environmental Affairs and, during the Eco-Logic Awards, PETCO was shortlisted in the category, The Recycling and Waste Management Award, which recognises a policy, programme or project that has demonstrably contributed to a greater public understanding and participation in waste reduction, re-use and recycling.

Our consumer-focused marketing campaign *Do 1 Thing. Recycle.*, initiated in November 2017, was very well received.

It is opportune to extend a very big thank you to Tom McLaughlin on his retirement for his commitment and dedication to PET recycling in South Africa - for always being available and for his dedication to the cause. We congratulate Asyia Sheik who was appointed to the position of Director on the Board of PETCO representing Brand Owners. We thank Vukani Magubane for having filled this role previously.

Vicki Retief was hired as a Financial Controller. PETCO hosted Tlou Sebola as an intern during the year.

Through the many projects documented later in this review, PETCO continues to support small recycling businesses throughout the country, creating jobs and growing skills.

Going forward PETCO and its partners will work hard at growing collection volumes, setting higher benchmarks for all stakeholders. Our organisation wishes to become the leader in "design for recycling" governance, setting up relevant marks of quality for all to adhere to.

Thanks, and credit for funding PET recycling in South Africa, must go to the organisations who pay the PET recycling fee on each and every tonne of raw material that they purchase plus the brand owners, retailers and raw materials producers who support recycling with grants-in-aid.

The PETCO Board of Directors continues to show commitment and thanks are due to them for their efforts and insight.

PETCO enjoys Associate Membership of the European Association of Plastics Recycling and Recovery Organisations (EPRO) and of the Global Product Stewardship Council.

PETCO enjoys the support and collaborative efforts of both Packaging SA (previously PACSA) and PlasticsSA.

So much already achieved, but a lot still to do - providing a vision and an implementation plan for a more effective system based on circular economy principles in which plastics never become waste and a new plastics economy begins to develop is our aim going forward. This will help us be more effective in linking the formal and informal PET plastic recycling economies through the provision of on-going development and mentorship of enterprises using comprehensive business philosophies and values.

We are honoured and excited to work alongside you.

Dr Casper Durandt
Chairman, PETCO

Cheri Scholtz
Chief Executive Officer, PETCO



TOP ACCOMPLISHMENTS FOR 2017



In celebrating these remarkable results in driving post-consumer PET recycling, we can summarise the years' highlights:

- 1** PETCO's efforts over the year led to a PET post-consumer bottle collection rate of 65%, with a total of 93 235 tonnes of Polyethylene Terephthalate (PET) or 2.15 billion bottles being recycled - some 5.9 million bottles collected each and every day. PETCO exceeded the target of 58% despite tough trading conditions. PET collections grew by approximately 2 500 tonnes or 3% from 2016 to 2017, while the total SA PET market declined by approximately 13%.
- 2** We saw record levels of demand for bottle-to-bottle rPET.
- 3** The local polyester fibre market is now almost exclusively supplied by local recycled fibre, displacing imports of recycled and virgin fibre, and recyclers are showing strong levels of exports.
- 4** In November 2017, for the first time in PETCO's history, total tonnage collected in a calendar month exceeded 8 900 tonnes.
- 5** In November 2017, PETCO's first recycling partner, Extrupet, concluded a deal to sell their PhoenixPET resin to Coca-Cola Beverages South Africa.
- 6** PETCO training and enterprise development projects included 9 workshops in four Provinces where a total of 208 collectors and municipal employees participated and gained an insight into running successful SMME and Cooperatives.
- 7** PETCO supported 57 projects in 6 provinces with equipment and other infrastructure, enabling the doubling of collection capacity in some instances. Contribution of these projects to collection is 34 697 tonnes.
- 8** An independent survey on PETCO's reputation as perceived by our members, as well as their satisfaction levels, showed that PETCO's overall Repudometer rating is 90%, which is classified very healthy and positive.
- 9** The total combined Advertising Value Equivalent (AVE) for 1 January to 31 December 2017 was R36m, up on the previous year of R19m (an increase of 187% YOY and a ROI in 2017 of 600%, with PETCO's marketing budget in 2017 equalling R6m).
- 10** The 'Do!Thing. Recycle' campaign launched in November 2017 was conceptualised through the lens of the United Nations Sustainable Development Goals. This campaign has seen a growth in PETCO's social media footprint of over 600%.
- 11** PETCO helped to organise the first African Marine Waste Network conference in July 2017 - a significant step in solving the challenges of marine pollution in Africa.
- 12** We commissioned the first comprehensive Schools Recycling research to better understand the activities in this area, and will be releasing the results in 2018.

PETCO IMPACT DASHBOARD

Circular economy-thinking leverages the economic and environmental SDG clusters, impacting them all:



SUSTAINING THE ENVIRONMENT

SD Goals: 6, 7, 13, 14 and 15

- 93 235 Tonnes of Post-Consumer Bottles Recycled (3% increase over 2016);
- 65% Post-Consumer Recycling Rate (10 percentage-point increase over 2016);
- 578 000 m3 saving of landfill space;
- 139 000 tonnes of Carbon emissions saved.



STRENGTHENING THE ECONOMY

SD Goals: 8, 9, 11 and 12

- 64 000 income opportunities in recycling;
- R3.5 million spent in support of collectors through equipment and training;
- R47 million spent in support of contracted industry recycling projects;
- R430 million paid by recyclers for baled bottles delivered to plants;
- R1 billion injected into the downstream economy.



SHAPING SOCIETAL TRANSFORMATION THROUGH EDUCATION

SDG Goals: 4

- 9 accredited training courses;
- 51 303 total website sessions (390% increase on 2016);
- 119 706 total website page views (348% increase on 2016);
- 9 391 Facebook Likes (540% increase on 2016);
- 6 019 Twitter Followers (604% increase on 2016);
- 224 Instagram Followers (220% increase on 2016);
- 100 YouTube Subscribers (96% increase on 2016);
- 5 Associate Member Workshops.



IMPROVING GOVERNANCE

SD Goal: 16

- PETCO achieved a clean financial audit;
- >80% attendance by Directors at Board meetings (54 board meetings thus far);
- Adherence to internally developed operational management & governance processes.



SEEKING PARTNERSHIPS

SD Goal: 17

- The Council for Scientific and Industrial Research (CSIR);
- International Labour Organisation (ILO);
- Department of Environmental Affairs (DEA);
- Department of Science and Technology (DST);
- Packaging SA and Member Associations:
 - Paper Recycling Association (PRASA)
 - Polyco
 - MetPak-SA
 - The Glass Recycling Company
 - SAVA
 - Polystyrene Council South Africa (PCSA)
- National Recycling Forum (NRF);
- Institute of Waste Management SA (IWMSA);
- PlasticsISA;
- SA National Bottled Water Association (SANBWA);
- GreenCape;
- SAPRO;
- The Sustainable Sea Trust (SST);
- The African Marine Waste Network (AMWN);
- Consumer Goods Council of South Africa (CGCSA).

THE GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

Adapted for us from 'Transforming our world: the 2030 Agenda for Sustainable Development' (<http://www.un.org/sustainabledevelopment/>).

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH & WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER & SANITATION
- 7 AFFORDABLE & CLEAN ENERGY
- 8 DECENT WORK & ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION & INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES & COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION & PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 16 PEACE, JUSTICE & STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

ABOUT PETCO

PETCO IS THE TRADING NAME OF THE PET RECYCLING COMPANY NPC.

The company was incorporated in 2004 and since then it has emerged as a leader in Extended Producer Responsibility (EPR). By imposing accountability over the entire life cycle of PET products and packaging, companies that manufacture, import and/or sell PET products and packaging are financially and physically responsible for such products after their useful life.

PETCO WORKS WITH MANY PARTNERS INCLUDING:

- **GOVERNMENT**
To build policy and implementation frameworks that support the concept of Extended Producer Responsibility and grow the Green Economy.
- **PET INDUSTRY**
To harness knowledge and innovation leading to increased PET recycling efforts.
- **SHAREHOLDER AND ASSOCIATE MEMBERS**
To sustain PET collection interest and support PET recycling efforts thereby reducing volumes of PET in the waste stream.
- **INTERNATIONAL INDUSTRY AND AGENCIES**
To collaborate on best practice with respect to post-consumer PET recycling.

OUR JOURNEY THUS FAR



PETCO'S WORK FOCUSES ON FIVE MAIN AREAS:

• 1 INDUSTRY PROJECTS

By taking responsibility for post-consumer PET recycling, PETCO imposes accountability over the entire life cycle of PET products and packaging. This means that companies that manufacture, import and/or sell PET products and packaging are financially and physically responsible for such products after their useful life.

Direct financial support is provided to PET recyclers who collect bottles and process them into recycled PET in preparation for the manufacture of new products.

Support for PET recycling efforts ensures an on-

going monetary value for post-consumer PET. This sustains collection interest and reduces the volume of post-consumer PET in the waste stream. The key is to ensure that the value chain remains viable, especially during periods of low commodity prices, influenced by the volatile economic market, the oil price, the highs and lows of virgin polymer and staple fibre prices.

As part of our strategy, we continue to focus on stimulating investment in infrastructure and innovation in the development of new end markets for rPET as well as the stimulation of existing markets.

• 2 TRAINING AND MENTORSHIP OF ENTREPRENEURS

PETCO sees the role of training and the mentorship of collectors as being critical to improving working conditions and assisting entrepreneurs to grow and sustain their businesses, thereby stimulating economic growth, job creation and development in our country

We strengthen relationships with municipalities

to encourage the establishment of kerbside collection projects and expand existing PET collection into new areas. PETCO supports projects and initiatives through the sponsorship of infrastructure and equipment that unlocks collections, helps collectors improve their efficiencies as well as the quantity and quality of PET collected.

• 3 CONSUMER AWARENESS AND EDUCATION

We encourage consumers to participate in kerbside recycling projects where these exist and support community projects and drop-off sites that actively recover post-consumer PET for recycling.

We actively encourage and contribute to the education of learners through national schools recycling competitions and school collection

projects undertaken with our partners, inspiring learners to re-think the future through the lens of the circular economy.

Print publications, broadcast, digital and social media are all used to convey PETCO's recycling message. We conduct face-to-face engagements at exhibitions, public events and host interactive workshops and conferences.

• 4 SUSTAINABILITY AND BUSINESS INNOVATION

Recognising that business innovation sits at the heart of economic transitions, PETCO is a catalyst for design for recycling innovation. We aim to stimulate dialogue and direct action in shifting the use of finite resources, preserving the value of existing resources and utilising

renewable resources. Taking action to create a supportive business environment for companies that use recovered resources will help drive additional recycling, create more jobs, reduce greenhouse gases and extend the life of existing landfills.

• 5 INSIGHT AND ANALYSIS

Our insight and analysis, reports and global best practice case studies feed into a growing body of information highlighting the rationale for a transition towards an economy where plastics never become waste.

END-USE MARKET DEVELOPMENT

During 2017, PETCO business development activities focused on the continued expansion and revision of established end-use markets, in response to changing global and local economic conditions, as well as the establishment of new and innovative end-uses for recycled PET material.

As always, the underlying objective of PETCO's efforts in these markets was the maintenance of a healthy balance between the supply of post-consumer waste, the demand for end-use products and the installed capacity to manufacture these products.

In this regard, during the year, the local and global markets for both virgin and recycled PET resin, as well as for post-consumer PET material, underwent some fundamental shifts from the status quo that has prevailed for several years, due to various unprecedented events.

• BOTTLE-2-FIBRE (B2F)

In a global context, the ban implemented by China on the importation of various categories of industrial and post-consumer waste, including all forms of plastic waste, is a significant game-changer. The implementation of this ban, with effect from September 2017, means that the global supply of baled post-consumer PET bottles is likely to significantly exceed demand for a period of at least 1-2 years.

The downstream impact of this situation is yet to be determined, particularly in terms of a potential global shortage (and accompanying price increases) of regenerated polyester staple fibre (PSF) - a situation which may lead to increased price competitiveness and profitability for South African fibre producers in export markets.

At the same time, however, the ban might well serve to promote the relocation of Chinese fibre manufacturers into various regions, including Southeast Asia and Africa, leading to increased local or regional competition for PETCO's current recycling partners in the fibre sector in South Africa.

• BOTTLE-2-BOTTLE (B2B)

The South African PET recycling sector was impacted by a number of unprecedented events.

The main challenge came in the form of a significant disruption in the domestic supply of virgin food-grade resin in the second half of 2017, following major delays in the commissioning of a capacity expansion at the country's virgin resin producer, Hosaf. This led to a situation in which, for the first time in PETCO's history, demand for food-grade RPET resin exceeded supply by a significant margin.

At the same time, however, the lack of availability of virgin food-grade PET, along with the recessionary conditions experienced in the South African economy in Q2 2017 (which led to reduced consumption of PET-bottled beverages), resulted in a severely constrained supply of bottle feedstock for PETCO's recycling partners in the final few months of the year.

Given seasonal trends observed in the PET market over the past several years, this situation is likely to continue until Q3-Q4 2018, when production and consumption of carbonated soft drinks (CSDs) and bottled water should once again increase during the South African summer.

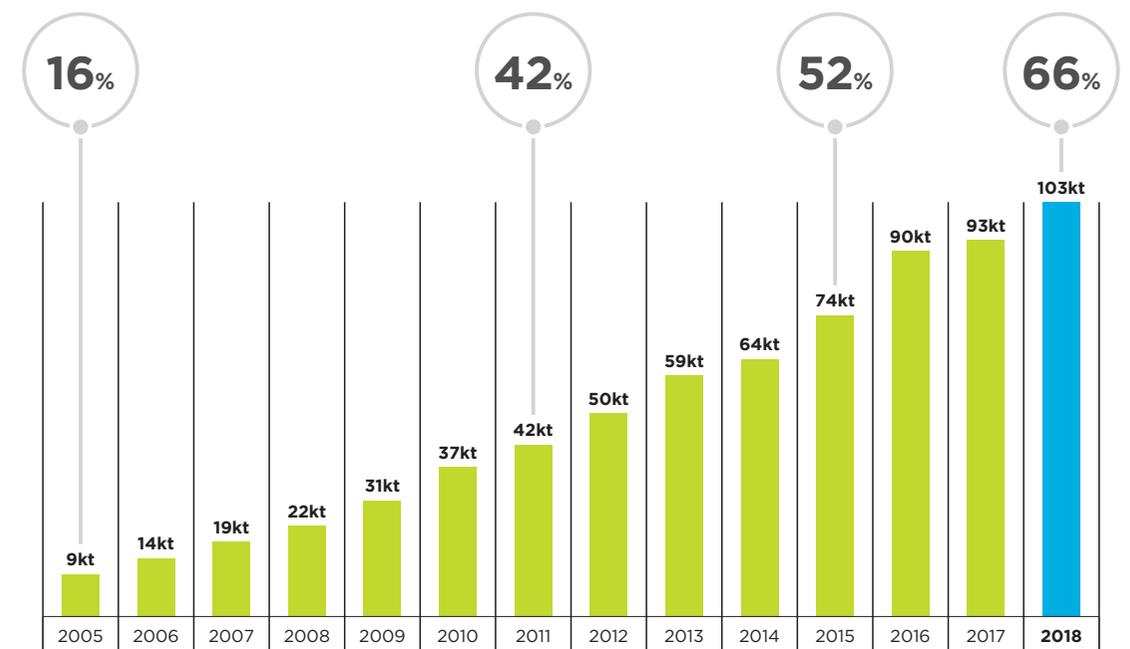
• OTHER END-USE APPLICATIONS

PETCO and its recycling partners continue to investigate new end-uses for post-consumer PET material, with a number of projects in various stages of commercial and pre-commercial development.

In this regard, PETCO would also like to acknowledge the initiative taken by Da Run Fa Chemical Fibre, who in 2016 commissioned a smaller rPET strapping line, primarily for internal use in strapping their own fibre bales. This investment provided the first concrete indication of the commercial feasibility of PET strapping manufacture, in the current economic climate in South Africa.

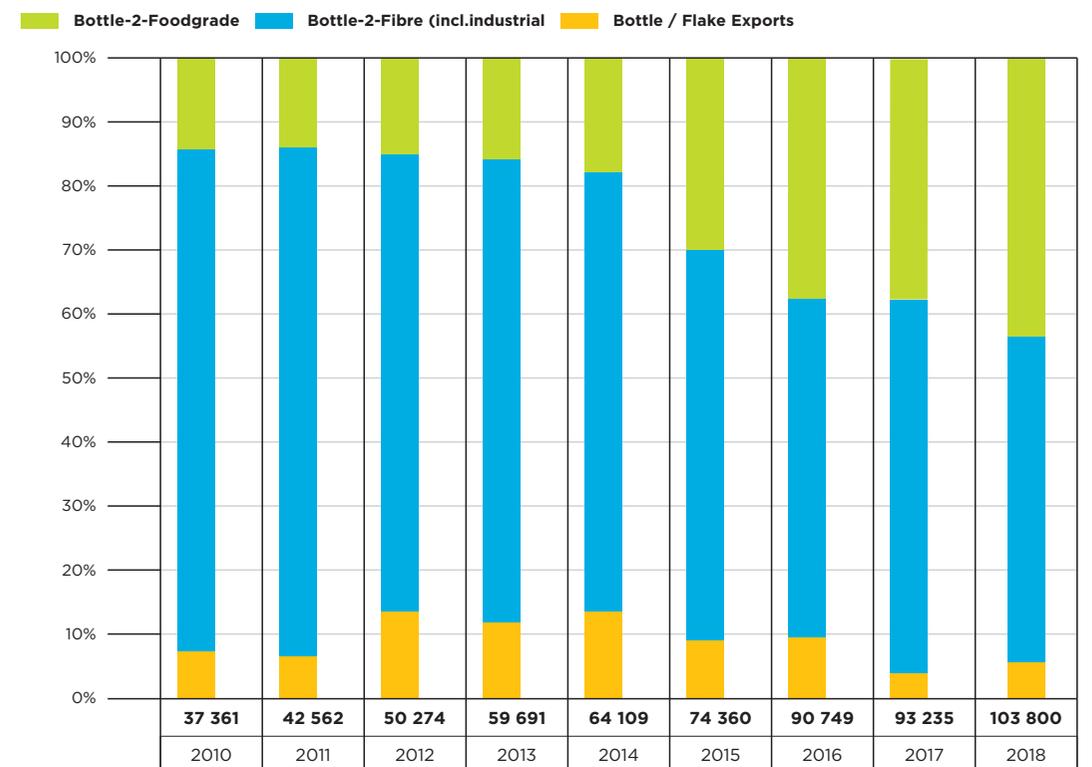
• GROWTH OF PET BOTTLE RECYCLING

Tonnes purchased by Recyclers and Recycling rate (%)



• PET BOTTLE COLLECTIONS BY END USE MARKET

Tonnages collected for recycling shows Bottle-2-Bottle / Food-grade sector proportional growth



PETCO PROJECTS

• COMMERCIAL SCALE RECYCLING PROJECTS

In 2017, as has been the trend for the past several years, PETCO's support for high-volume commercial recycling operations continued to make up more than 70% of the organisation's total expenditure. Despite the significant decline in the overall PET market size (and a commensurate decline in income), PETCO's committed levels of financial support for recycling were maintained throughout the year.

In order to maximise the positive impact derived from the financial resources available to PETCO, we closely monitor global and local market prices and cost variables and adjust our level of support on a quarterly basis.

We also continue to collaborate with our commercial partners in expanding their collection networks and unlocking new collections in historically under-serviced regions.

As in 2016, we were once again reminded of the high-risk nature of the recycling industry in South Africa, as FTE Industries, one of PETCO's

partners in the development of a new end-use market, namely corner pieces for fruit exports, ceased production during 2017.

In terms of the cost associated with PETCO membership for the PET converting sector (which are potentially passed on to the end consumer), in 2017, the indirect cost of the PETCO financial model remained at approximately 1-2 cents per bottle, and approximately 2-3% of the cost of a tonne of food-grade PET resin, depending upon global price movements.

PETCO's contracted recycling partners in 2017 were:

- Da Run Fa Chemical Fibre
- Extrupet
- Kaytech
- Mpact Polymers
- Propet SA
- Sen Li Da Chemical Fibre

Collectively, these partners
(along with some exporters of bottles and flake)

purchased
93 235 tonnes
of post-consumer PET material,

at an approximate market value of more than
R430 million.

Our partners also placed products into local and international markets end-use products worth approximately

R1 billion
to the South African economy.

During 2017, this equates to more than
2.15 billion
bottles recycled,

or
5.9 million
bottles recycled per day.

• COLLECTION, TRAINING, AND VISIBLE RECYCLING PROJECTS

PETCO spent R3.5m of its budget to support initiatives and activities that do not necessarily increase the collection volumes of recycled PET, but contribute to the visible recycling of PET.

PETCO supports visible recycling in the following ways:

PET INFRASTRUCTURE AND EQUIPMENT PROVISION

PETCO supports projects through the sponsorship of infrastructure and equipment that unlock collections, helping collectors to improve their efficiencies as well as the quantity and quality of PET collected. We also assist with the efficient transportation of baled material.

In 2017, PETCO supported a total of 57 SMME's and Co-operatives with equipment, 16 projects in 6 provinces with bulk bags & 10 projects in 7 provinces with protective clothing, to improve the quantity and quality of their post-consumer PET collections.

- Cannibal Recycling: 1 baling machine and 2 mesh bins;
- T-Shad: 1 baling machine and 5 trolleys;
- PlasticsSA: 1 trailer;
- CleanC: 1 trailer & 3 bicycle trollies donated to waste pickers ;
- Litter4Tokens: 1 platform scale and Lifesaver water filters for schools;
- Street Mission: 1 platform scale and 1 trailer;
- Green Spot Recycling: 1 platform scale;
- TWK Recycling: 1 platform scale;
- Ithembe: banners and signage;
- Susan Kone: signage for Buy Back Centre;
- Lindithando: branding for 8 cages;
- Pick n Pay: Fair Trade shopping bags made from recycled PET plastic bottles;
- IB Waste Solutions: 1 trailer, protective clothing and 1 signage board;
- Christy Hauliers t/a Redeemed Recycling: 1 platform scale and 1 signage board;
- Thandeka Natal: 1 platform scale;
- Laerskool Monument: recycling bins and 4 blazers;
- Blue Sky Recycling: 10 trolleys;
- Waste Want Management: 1 trailer;
- Boeties Recycling: 1 platform scale;
- Call 2 Recycle: 1 trailer and 1 signage board;
- Retrolex: 1 trailer and 1 platform scale;
- Phahama Reclaim Centre: 1 platform scale;
- Meqheleng Waste Management: 5 trolleys, 1 signage board and trailer branding;
- Tshwane Empowerment for Disabled: 1 platform scale;
- Volition Holdings: 1 platform scale;
- Suzan Khubeka Recycling: 1 platform scale;
- Okuhle Waste Management: 1 platform scale;
- Power Rush Trading: 1 H2O baler ;
- Eyakho Mvoti: 5 trolleys and 1 platform scale;
- Kragbron Primary School, with Bonke Abantu: recycling bins;
- InWaste Green: 1 6m container and 1 signage board;
- Seabatt Trading: 3 mesh bins;
- EnviroServe Sandton School: 1 recycling station;
- Timele Green Project Cooperative: 1 platform scale, 5 trolleys and 1 signage board;
- Nomshado Recycling: 1 platform scale;
- Ndlazi Recycling and Energy Solutions: 1 platform scale;
- Manquabuild t/a Man Recycling: 1 platform scale and 1 mobile scale;
- Ekuliza Primary Cooperative: 1 platform scale and 1 baling machine (in partnership: Serioplast);
- WTCEWR Recycling: 1 platform scale;
- CJU Environmental Management: 2 platform scales and 1 baling machine (in partnership: Serioplast);
- DETEA Meneene Recycling: 1 platform scale;
- DETEA 5 Active Ideas Recycling: 1 platform scale;
- DETEA Excelsior Recycling: 1 platform scale;

- DETEA Nothing to Waste: 1 platform scale;
- DETEA Shokoma Trading: 1 platform scale;
- DETEA Olerato Recycling: 1 platform scale;
- Green Guardian: organised and paid for baler repair;
- Training Support Tzaneen: 1 platform scale and 5 trolleys;
- Training Support Tzaneen Group 2: 5 trolleys and 25 bulk bags;
- Training Support Sterkspruit: 5 trolleys and 25 bulk bags;
- Training Support Bloemfontein: 5 trolleys and 25 bulk bags;
- Training Support Lady Frere: 5 trolleys and 25 bulk bags;
- CCBSA-Uthando Solutions: office equipment;
- CCBSA- SNT Recycling: office equipment;
- CCBSA-Simply Bazoo Recycling: office equipment;
- Bophelo Recycling: 5 trolleys;
- Lakhwisha: 1 baling machine (in partnership with Serioplast);

COLLECTOR TRAINING AND DEVELOPMENT

During 2017, in partnership with government, PETCO invested R428 000 in providing ILO Accredited training to Co-Operative Members and SMME'S. 4 256 hours of training were offered to 208 people. Employees of municipalities, economic development departments and provincial departments of environmental affairs attended.

PETCO sees the role of training and the mentorship of collectors as being critical to improving working conditions and the health of collectors and waste pickers as well as assisting entrepreneurs to grow and sustain their businesses. We also identify with the need to raise awareness in communities and strengthen relationships with municipalities to encourage the establishment of kerbside collection projects and expand existing PET collection into new areas.

Training courses supported by PETCO and implemented by the International Labour Organisation (ILO) social enterprise accreditation programme, were conducted in Sterkspruit, Tzaneen, Fort Beaufort and Port Elizabeth, among others.

Accredited Training Courses:

9 completed in 4 provinces and 208 delegates trained.

- Free State: 1 course, 61 Co-op members;
- Eastern Cape: 5 courses, 89 Co-op Members;
- Limpopo: 1 course, 47 Co-op Members;
- Kwa Zulu Natal: 2 courses, 20 SMME, and Co-op Members.

Workshops and Awareness-raising:

- SAWPA and Groundworks - International Waste Pickers Workshop;
- Ekurhuleni - Project presentations - Serioplast Sponsorship;
- WIMRIG - Recycling Workshop;
- Cape Town SMME Roadshow;
- DEA Waste Pickers Guidelines workshop;
- Zululand University Recycling Workshop;
- Propak;
- SMME Roadshow - Durban;
- Packaging SA Workshop: Mpumalanga Councillors Training;
- PRASA Vizual Recycling Workshop;
- PRASA Entrepreneur's training Course;
- DEA - Clarens How to Grow your Recycling Business;
- IWMSA - How to Grow your Recycling Business - Germiston;
- Durban-Blue Lagoon Beach: Clean-Up Campaign;

EDUCATION AND AWARENESS

PETCO partnered in the following school programmes:

- **Coca-Cola Beverages South Africa:**
PETCO focused on sponsoring the Enterprise Development Category of the programme where we award the collectors who do the collections at the schools for the PET collection programme. We awarded 4 prizes, the 2nd, 3rd, and 4th prizes each received R 20 000 for office equipment and the Grand Prize Winner received R50 000 for a trailer.
- **EnviroServe Sandton School:**
PETCO partnered with Enviroserve in a school recycling programme, PETCO sponsored Recycling Station for the programme.
- **Monument Laerskool:**
The school implemented a recycling programme. PETCO sponsored large bins for the school grounds, small bins for the class rooms.
- **Kragbron Primary School:**
PETCO partnered with Bonke Abantu sponsored Bins and infrastructure.

SPECIAL PROJECTS AND JOINT VENTURES

PETCO partnered with Voting Member Serioplast to support Enterprise Development Projects. Serioplast contributed a significant amount of money, which contributed towards baling machines for 3 Projects.



• FOSTERING GOVERNMENT PARTNERSHIPS

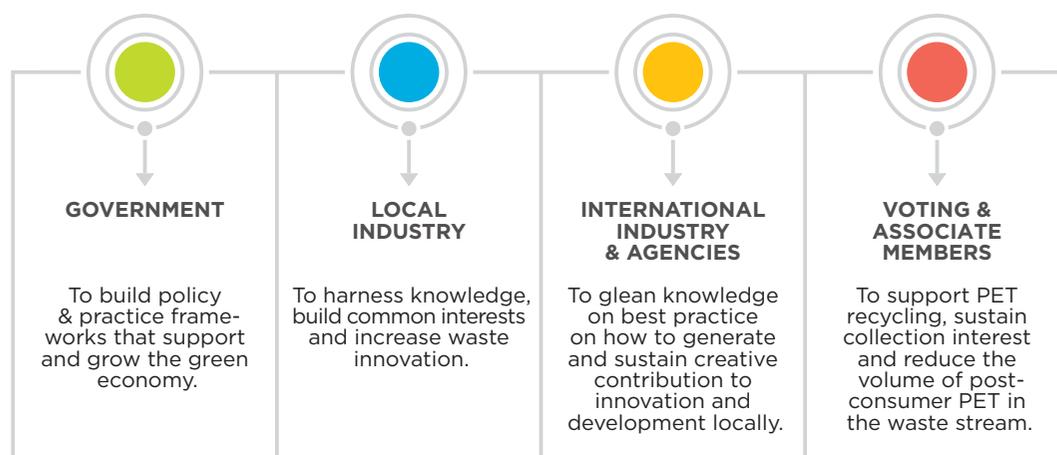
We recognise the high value of fostering and maintaining good partnerships with local, provincial and national government.

Beyond the immediate necessities for engagement regarding regulations and legislation, we drafted an agreement with the Department of Environmental Affairs to collaborate more formally on school programmes and work with collectors.

PETCO has been visiting Provincial and Metropolitan departments to align ourselves with interventions they are planning to implement as per their IWMP'S.

- **Western Cape Integrated Waste Management Plan**
DEADP: In Quarter 3 PETCO went on site visits with DEADP to visit the entrepreneurs they want to support as per their IWMP. In Quarter 4, PETCO supported four of their entrepreneurs with equipment.
- **Free State Department: Economic, Small Business Development, Tourism and Environmental Affairs**
Support and training for 150 Waste Pickers. In Quarter 4, PETCO supported six entrepreneurs and 11 projects, and trained 61 Waste Pickers during a 3-day Entrepreneur Training Course.
- **Ekurhuleni Metropolitan Municipality**
Ekurhuleni identified co-operatives that they want to support with equipment to assist the municipality with awareness and waste management. PETCO went on site visits to seven of the co-operatives and we supported five projects with equipment.
- **KZN Province**
PETCO sponsored collection projects with equipment and will assist with training in 2018.
- **City of Johannesburg Metropolitan Municipality**
Mayoral Pledge: A Re Sebetse. PETCO pledged R 150 000 towards trolleys, reflective vests and training.

PETCO PARTNERSHIPS



• BUILDING THE RECYCLING NETWORK

As a measure towards achieving an inclusive approach amongst stakeholders of PET recycling, PETCO implements a membership scheme for stakeholders.

There are two broad categories of PETCO Membership:

VOTING MEMBERSHIP

Voting Membership is reserved for companies who pay levies and grants, and for whom shareholding and voting is reserved. Percentage of shareholding in PETCO is allocated according to annual continuous membership contributions, which is calculated every 3 years.

ASSOCIATE MEMBERSHIP

Our Associate Membership programme involves a diverse group of individuals and companies. It enables anyone from a not-for-profit organisation to a school, from a collector to a manufacturer, to become a member of PETCO. What all of our members have in common is a strong belief in supporting recycling. During 2017, PETCO signed up 35 Associate Members.

Categories of Associate Members

- Reciprocal Members: Industry Associations, Recycling Associations etc.
- PETCO Collections and Training Project Recipients: Collectors, etc.
- Special Members: Schools, Students, Municipalities, etc.
- Friends of PETCO: Consultants and small companies, Suppliers to PETCO and the recycling industry.
- Industry importers: Importers of products packaged in PET.
- Corporate Members: Recyclers, Waste Management Companies, Small Retailers, Medium-to-Large companies, etc.

MEMBER WORKSHOPS

PETCO hosts nationwide member workshops, specifically designed to be useful to members' businesses and of benefit to their employees. These workshops help to ensure that members are up to date with the latest offerings from government and the private sector.

PETCO hosted the following workshops over the course of 2017:

- 1 March:** Workshop: Economics of Recycling: Is Recycling Worth It? (Johannesburg)
- 2 May:** Workshop, in partnership with GreenCape and Expra: Accelerating the transition to the circular economy. (Cape Town)
- 3 June:** PETCO Annual General Meeting and 2017 PETCO Awards ceremony. (Johannesburg)
- 4 July:** PETCO & Friends Networking Session: Update on the Waste Roadmap. (Pretoria)
- 5 November:** PETCO & Friends Networking Session: An evening with the experts - ISWA World Congress debrief. (Johannesburg)

All presentations from workshops and events can be found on the PETCO website: www.petco.co.za/resources

PETCO AGM

PETCO's Annual General Meeting (AGM), the premier event in the PETCO calendar, represents the most significant platform for communicating with key stakeholders.

The main purpose of the AGM is to comply with legal requirements, such as the presentation and approval of the audited accounts, election of directors, and appointment of auditors for the new accounting term. The PETCO AGM is always very well attended by a range of shareholder members who use the time to reflect on the progress made over the preceding year and to grapple with the opportunities and challenges looking into the future and beyond.

PETCO's 13th AGM was held on Wednesday 7 June 2017 at The Radisson Blu Hotel in Sandton.

• PETCO AWARDS

As part of the Annual General Meeting (AGM) proceedings, PETCO hosts the PETCO Awards designed to recognise leadership and future-thinking across the PET industry and beyond in addressing recycling, reuse and waste minimisation. Winners are recognised by their peers for contributing to advancing PET recycling and reflecting the principles of Extended Producer Responsibility, the circular economy, SMME development, and the advancement of women in their practices.



For noteworthy achievements and successes during the course of 2017, PETCO gave awards to 13 recipients in the following 10 categories:

• 1 PUBLIC CAMPAIGN OF THE YEAR

This category recognises a public-facing campaign that has successfully addressed a challenge around waste and the waste hierarchy, reducing reliance on landfill, increasing PET recycling, boosting reuse, or reducing waste-generating behaviour, specifically amongst South African consumers.

WINNERS:

The Uitenhage Recycling Mula Swop-Shop Project (Uitenhage, Eastern Cape)

The Uitenhage Recycling Mula Swop-Shop Project has two main aims: 1) to clean up the environment and 2) to alleviate poverty. The project serves the communities of Kabah, Joe Slovo, Blikkiesdorp, Gerald Smith, Mandelaville, Rosedale. Children can come into the hall to exchange recyclable items for food, toiletries, stationery, clothes or toys, once a week and get a light meal before going home. Between 250-300 households benefit from the Mula project each week. Since the project was started in June 2015, more than 45 tonnes of PET plastic, more than 25 tonnes of cardboard, and more than 8 tonnes of non-recyclable items have been removed from the communities, which are also visibly cleaner.



Since the Uitenhage Recycling Mula Swop-Shop Project was started, more than 45 tonnes of PET plastic have been removed from the surrounding communities.

EcoBrick Exchange (Cape Town, Western Cape)

The EcoBrick Exchange (EBE) is an environment awareness enterprise that facilitates the construction of preschools in underprivileged communities using unrecyclable plastic waste. They do this by using EcoBricks - unrecyclable plastic waste compressed into PET-bottles - a highly insulating building material that is water- and fire-proof. They have formalised training programmes for micro-builders, which they sell to government, NGO and corporate clients to empower local entrepreneurs and design high quality buildings using EcoBricks and other 'waste' materials. The campaign has reached 88 821 people thus far.



The EcoBrick Exchange programme uses EcoBricks - unrecyclable plastic waste compressed into PET-bottles - to facilitate the construction of preschools in underprivileged communities.

• 2 RECYCLED PRODUCT OF THE YEAR

This category recognises a product that exemplifies the best of sustainability. It will have been designed with careful consideration of resources and should incorporate a minimum of 10% recycled PET (rPET) content.

WINNER:

Shoprite Checkers for using 25% PhoenixPET rPET in their Zip Cola bottles (Brackenfell, Western Cape)

Shoprite Checkers uses food-grade PhoenixPET rPET in their Zip Cola bottles, which has replaced 25% of the virgin material and has several benefits: it helps divert waste from landfill, it creates jobs in waste collection, and it lowers the amount of energy used during the polymer manufacturing process. Shoprite Checkers has used 72 tonnes of rPET in 6.1 million 2L Zip Cola bottles to date, with a goal of increasing this to 198 tonnes (in 16.8 million bottles) within the next financial year.



Shoprite Checkers includes 25% food-grade PhoenixPET rPET in the manufacture of their Zip Cola bottles, which has resulted in the diversion of 72 tonnes of PET plastic from landfill to date.

• 3 LOCAL AUTHORITY RECYCLING INNOVATION

This category recognises the importance of partnerships with municipalities and local authorities in addressing waste reduction behaviour in South Africa. Critically, as South Africa is running out of landfill space, strong partnerships with municipalities are required to decrease current illegal dumping behaviour and increase constituents' access to recycling infrastructure.

WINNER:

Masupatsela Cooperative, in partnership with Ekurhuleni Municipality (Ekurhuleni, Gauteng)

Masupatsela Cooperative is a community-based recycling project which has been operating since 2011 in Tembisa. The co-operative is the brainchild of a few women in the township who had poverty alleviation in mind. They started operating in a rented building at Kopanong section until they caught the attention of the Municipality, who then decided to build them a recycling structure in partnership with Oxfam. They currently collect recyclables from over 600 households, schools and shopping complexes. PETCO has since supported them by providing them with trolleys. Masupatsela is now one of the most profitable cooperatives in the city, with exceptionally good book-keeping.



Masupatsela Cooperative is a community-based recycling project in Tembisa. Operating since 2011, they are now one of the most profitable cooperatives in the city.

• 4 PET-TREPRENEUR

This category recognises an individual whose entrepreneurial insight, ingenuity and perseverance has created and sustained a successful, growing business venture in the PET collection or recycling industry.

WINNERS:

Sibonile Mvambo from Abelusi Nabavuni Ngemvelo Cooperative (Indwe, Eastern Cape)

The Abelusi Nabavuni Ngemvelo Cooperative specialises in recycling plastic and cardboard. Since starting operations in 2016, the company has employed three contract workers who assist with collection of waste in town, residential areas, locations and landfill site within Indwe. The main objective of Abelusi Ngemvelo when started was to encourage other collectors in the community; now Sibonile buys from these collectors, provides them with their main source of income, enabling them to provide for their families. The presence of the Coop in the community has drastically reduced the waste burnt in the landfill as they collect most of their material from there.



The Abelusi Nabavuni Ngemvelo Cooperative specialises in recycling plastic and cardboard. Their presence in the community has drastically reduced the waste burnt in the landfill.

Nick Pienaar from Bonke Abantu (Witbank, Mpumalanga)

Established in 2005, Bonke Abantu now has a network of over 350 clients from whom they collect PET, cardboard, paper and glass daily. Nick Pienaar provides the transport that enables the recycling to take place. The 'Mammas' await the truck every week as recycling is their only means of income. Nick provides his clients with 1 tonne bags and boxes to assist them in the collection of recyclables. He has also placed skip bins in various areas of Witbank, including shopping centres. Each bin is manned by a staff member who collects recyclables in that specific area. This initiative has created another 10 permanent jobs in recycling. Most of the volumes collected comes from informal clients from whom they collect daily. They currently collect around 20 tonnes of PET every month, 180 tonnes of glass and 80 tonnes of paper.



Established in 2005, Bonke Abantu currently collect around 20 tonnes of PET, 180 tonnes of glass and 80 tonnes of paper every month.

• 5 RECYCLING PARTNERSHIP GAMECHANGER

This category recognises partnerships, including government (municipal, provincial or national), regulatory agencies, community organisations and private industry, that have successfully implemented game-changing initiatives, policies or programs that advance recycling and sustainability in South Africa.

WINNER:

Tembisa Self-Help Association of the Disabled (T-SHAD), in partnership with PETCO (Tembisa, Gauteng)

T-SHAD situated in Tembisa started in 1990 and works to uplift disabled people in their community. Their employed beneficiaries are 65 disabled people, comprising 19 male and 18 female youth, and 17 male and 11 female adults. They run several self-help programmes, including poultry food gardens, and their main source of income is their recycling centre. Additionally, they provide their beneficiaries with two meals daily.



T-SHAD works to uplift disabled people in their community, with their main source of income being their recycling centre.

• 6 RECYCLING INNOVATOR OF THE YEAR

This category recognises the recycling facility that leads all other facilities in one or more key measurements, such as innovation, volumes of PET collected and/or processed, site improvements, or sustainability measures adopted.

WINNER:

Kaytech Engineered Fabrics (Atlantis, Western Cape)

Kaytech, as the leading geotextile manufacturer in southern Africa, is well known for producing a quality needle-punched nonwoven continuous filament geotextile from rPET. This in itself is not new but the recent investment in a second, larger and more sophisticated line (that will more than double the consumption of rPET at capacity) has developed the processing of the rPET into an improved geotextile. Chris Els and his highly competent management team have been instrumental in ensuring the new line delivers on this. Many innovations and modifications have been made to the process. In addition to the ameliorated 'green' economies of scale with the increased rPET consumption leading to greater competitiveness, another significant investment at the Atlantis production facility was the installation of 1 947 (315W) PV panels on all the roofs to optimise sunlight hours. This combination of improved processing of larger volumes of rPET and greater efficiencies using solar energy to supplement power consumption and the resultant reduction in the process footprint, clearly marks Kaytech as the leader in recycling innovation.



Kaytech, the leading geotextile manufacturer in southern Africa, produces a quality needle-punched nonwoven continuous filament geotextile from recycled PET (rPET).

• 7 TOP WOMEN IN RECYCLING

This category recognises the importance of women in leadership, specifically within the recycling sector in South Africa, and aims to grow the number of female role models in the sector for future leaders.

WINNER:

Frieda Willemse, owner and manager of D+F Sales & Services (Nigel, Gauteng)

Frieda lost her job in 2009 due to retrenchment and started basic reclaiming and recycling of plastic just to create an income for herself. Since then, she has bought a second-hand baling machine to receive better prices for her baled goods, bought a second-hand forklift and gained a special license to drive it, and now employs eight people full-time and more on a part-time basis. Currently, she services Leandra, Greylingstad, Devon, Balfour, Meyerton, Heidelberg and Nigel, and has fixed sellers that she visits on a weekly basis. With hard work and tenacity, she has built a small business of which she is very proud.



In 2009, Frieda started a recycling company and now employs eight people full-time and more on a part-time basis.

• 8 BEST DIGITAL TECHNOLOGY SUPPORTING RECYCLING

Consumers are generally willing to recycle, but only when it is made easy for them to do so. This category recognises the contribution of mobile phone or web-based technologies in facilitating and driving recycling behaviour amongst South Africa consumers.

WINNER:

Reginize Recycling Collections (Cape Town, Western Cape)

Reginize is a recycle-tech company that focuses on creating a recycling culture in South Africa. They do this through rewarding people for recycling with their own virtual currency, Remali [which stands for Recycling Imali (money)]. Their recyclers earn their Remali based on the weight of their recyclables. In exchange, they can shop on Regenize's online voucher platform to purchase vouchers ranging from small electronics, grocery, clothing and airtime or data vouchers. Besides the virtual currency, Regenize has also ensured the provide a 21st century service to their customers. They have a user-friendly website where customers can sign up for a service. Once signed up, they receive access to the required educational material, the login details and an invoice which can be paid using Bitcoin, Credit/Cheque card, Masterpass or Instant EFT. Customers also receive a reminder SMS before collection. See more at www.regenize.co.za.



Reginize is a recycle-tech company that focuses on creating a recycling culture in South Africa through rewarding people for recycling with a virtual currency.

• 9 RECYCLING & WASTE REDUCTION WARRIOR

PETCO's vision is that capacitated, empowered consumers know about PET and know that it is recyclable and safe to use; they understand the potential and value of PET and recycled PET (rPET); they use their influence and buying power to drive positive recycling behaviour through demanding products containing recycled content. This category recognises passionate individuals that work tirelessly to help us achieve this vision in South Africa.

WINNERS:

Abram Tlhoriso Tumaletsji of Ikageng-Ditamating, Vaalpark Recycling Project (Sasolburg, Free State)

In 2011, SAWPA members registered the co-operative Ikageng-Ditamating consisting of 22 members. In 2013, they won the 1st prize in the ILO Free State Enterprize competition worth R225 000 and purchased a bakkie to collect recyclables from households in the Vaalpark area. The Separation-at-Source buyback centre, launched in November 2014, is supported by four tiers of Government, the Packaging and Paper Industry, and Business, as well as 86% of households in the area, on a voluntary basis. They have helped other waste-pickers in the area to establish several cooperatives and assist them to sort recyclables on-site and collectively sell them to ensure better prices. They have established a waste-pickers forum where waste-pickers as far as Parys have regular meetings and work together. In 3 years, they have successfully migrated from the informal to the formal sector.



In 3 years, the Vaalpark Recycling Project has successfully migrated from the informal to the formal sector, and now enjoys the support from National Government, the Paper & Packaging Industry, as well as businesses and households in the area, all on a voluntary basis.

Jack Magongo of Timele Greening Project (Luphisi, Mpumalanga)

Timele Greening Project is based in the rural village of Luphisi. The project, led by Jack Magongo, has the mission to enhance the living conditions of the community members with clean-up campaigns in the schools and the streets. They have partnered with Greens Recycling in Mbombela, DEA, EWT and PETCO. Not only do they concentrate on cleaning up the environment, but they also invest in creating awareness in the communities by conducting training sessions.



Timele Greening Project, led by Jack Magongo, has the mission to enhance the living conditions of the community members with clean-up campaigns in the schools and the streets.

• 10 MEDIA SPOTLIGHT

This category recognises a journalist or media personality that has made an outstanding contribution to the awareness and understanding amongst South African consumers of issues pertaining to waste reduction, reuse and recycling.

WINNER:

Marli Meyer, Features Writer with FAIRLADY Magazine & Digital Editor (LOSE IT Magazine), Women's Interest Division at Media24 (Pty) Ltd. (Cape Town, Western Cape)

Marli is a dynamic writer and digital all-rounder, specialising in features writing and digital editing. Her writing focus areas include people profiles, travel, health and lifestyle journalism. Her entry into the PETCO Media Spotlight awards stood out as the one with the most information and helpful suggestions, while still making challenging scientific facts digestible.



Marli, a dynamic writer, focusses on people profiles, travel, health and lifestyle journalism.

• CEO SPECIAL AWARDS:

Although these categories were not a part of the original call for nominations, we believe the following individuals have made a significant impact on waste management and minimisation in South Africa through their work and are worthy of being recognised and celebrated.

ENVIRONMENTAL CHAMPION:

This special award pays tribute to those exceptional individuals that have tirelessly been driving waste minimisation and reduction campaigns for many years and have never lost their passion and their drive despite the sometimes-challenging partnerships and economic climates they must navigate.

Douw Steyn, Sustainability Manager at Plastics|SA (Johannesburg, Gauteng)

Douw Steyn is a veteran of the South African environmental sector. His tireless work over 20+ years, especially with organising beach and river clean-ups is inspiring. Few people in South Africa have put as much of their time and personal energy into the environment and leveraging the time and enthusiasm of thousands of others who get involved each year.

SCHOOL WASTE WARRIOR:

This special award recognises the importance of school interventions in minimising the environmental impact of post-consumer PET and other material streams on the South African landscape.

Dr Cathy Dzerefos, WESSA (Geelhoutpark Ext 6, North-West Province)

Cathy has been instrumental in raising awareness in rural and peri-urban areas in the North-West Province. Her work centres around the fact that burning plastic, polystyrene, Tetrapak or tyres cause asthma and cancer while there are creative and fun alternatives to re-use waste to beautify school grounds or possibly to sell. The schools which she supports have participated in 10 community clean ups this year, an e-waste collection and for Earth Day EnviroServ was asked for 20 barrels which children painted as litter bins. Thirteen earthworm farms have been set up at schools in tyres or towers gardens to re-use organic waste from the school feeding schemes.

• CONSUMER EDUCATION AND AWARENESS

PETCO's primary objectives in working with consumers are to increase their access to accurate information about PET recycling within the South African context, and to increase their knowledge of recycling and the mechanisms by which they can participate in the recycling process. By increasing their access to knowledge and information, PETCO aims to motivate increasing numbers of consumers to participate in collection and recycling behaviour.

Despite a comparatively small overall budget, the

total combined Advertising Value Equivalent (AVE) for 1 January to 31 December 2017 was R36 129 521, up on the previous year of R19 360 387 (an increase of 187% YOY and a ROI in 2017 of 600%, with PETCO's marketing budget in 2017 equalling R6 027 300).

Overall, the media clip count for PETCO (the number of times PETCO or related PET recycling phrases were mentioned in the media, across all platforms) increased in 2017 from 2016 by 324 units, or 54%.

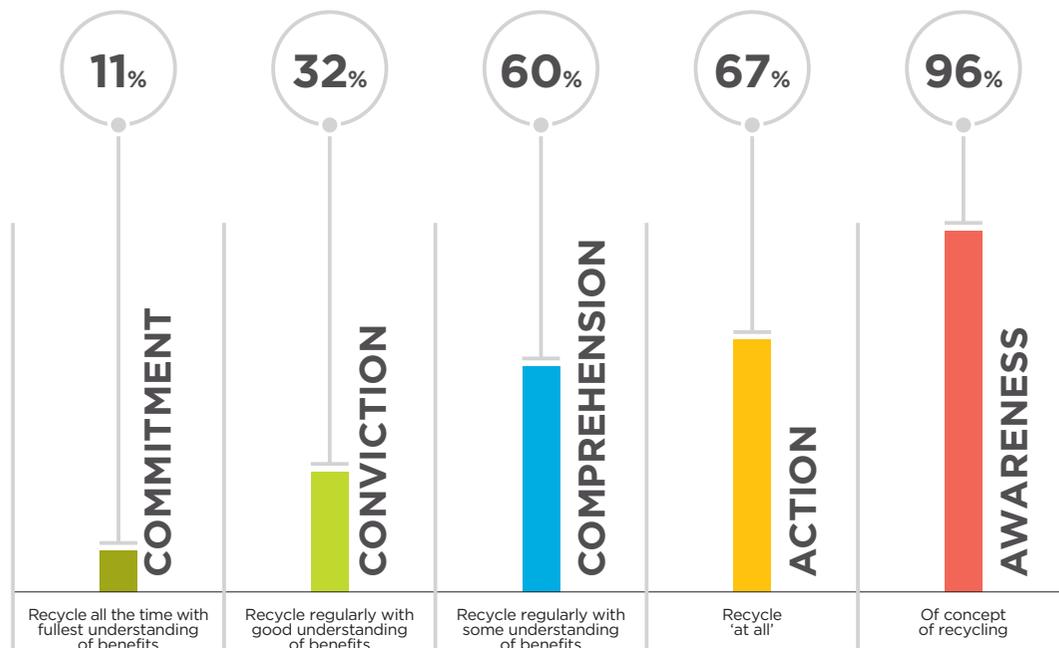
CONSUMER AWARENESS

At the end of 2016, PETCO commissioned research to better understand the behavioural shift of PETCO's target audiences towards embracing an anti-littering, reducing and recycling lifestyle. The results, received at the beginning of 2017, showed that, of the South Africans interviewed (LSM 7 to 10, ages 18 to 49, nationwide), 67% claim to recycle 'some' of the time, while only 11% claim to recycle 'all' of the time. The lack of storage space at home, and the absence of 'easily accessible' recycling depots were cited as two of the biggest barriers. Encouragingly, many would be happy to take their recycling to central depots if they did exist and were close enough to their homes.

The full research results are available on request.

CONSUMER IMPACT DASHBOARD

LSM 7 - 10, 665 Respondents



MEMBERSHIP SATISFACTION SURVEY

We recommissioned an update to the research conducted by Reputation Matters into the reputation of PETCO as perceived by associate members, as well as their satisfaction levels, which indicated the following:

- PETCO's overall Repudometer rating is 90%, which is classified as a very healthy and positive overall reputation.
- In 2016, the element that scored the lowest was Value Offering with 78%. This year, the Value Offering score is 86%, which indicates an 8% increase. This means that actions implemented during the year to address the Value Offering element has been successful.
- The element that scored the highest compared to the previous studies is CSI (+19%), which indicates that, compared to other organisations or industries, PETCO is perceived to be involved with sustainable projects that are truly making a difference in the community.
- The top five benefits that respondents indicated they get out of their PETCO membership include: the PETCO e-newsletter and receiving information on PET both in first place (61%) followed by exposure on the PETCO website (56%), PETCO newflashes (49%), visibility and credibility of their companies (44%) and access to the PETCO staff as needed (41%).
- The membership benefit that respondents deem as the most beneficial is receiving PETCO' newsletter (93%).

#Do1Thing: THE PETCO CONSUMER CAMPAIGN

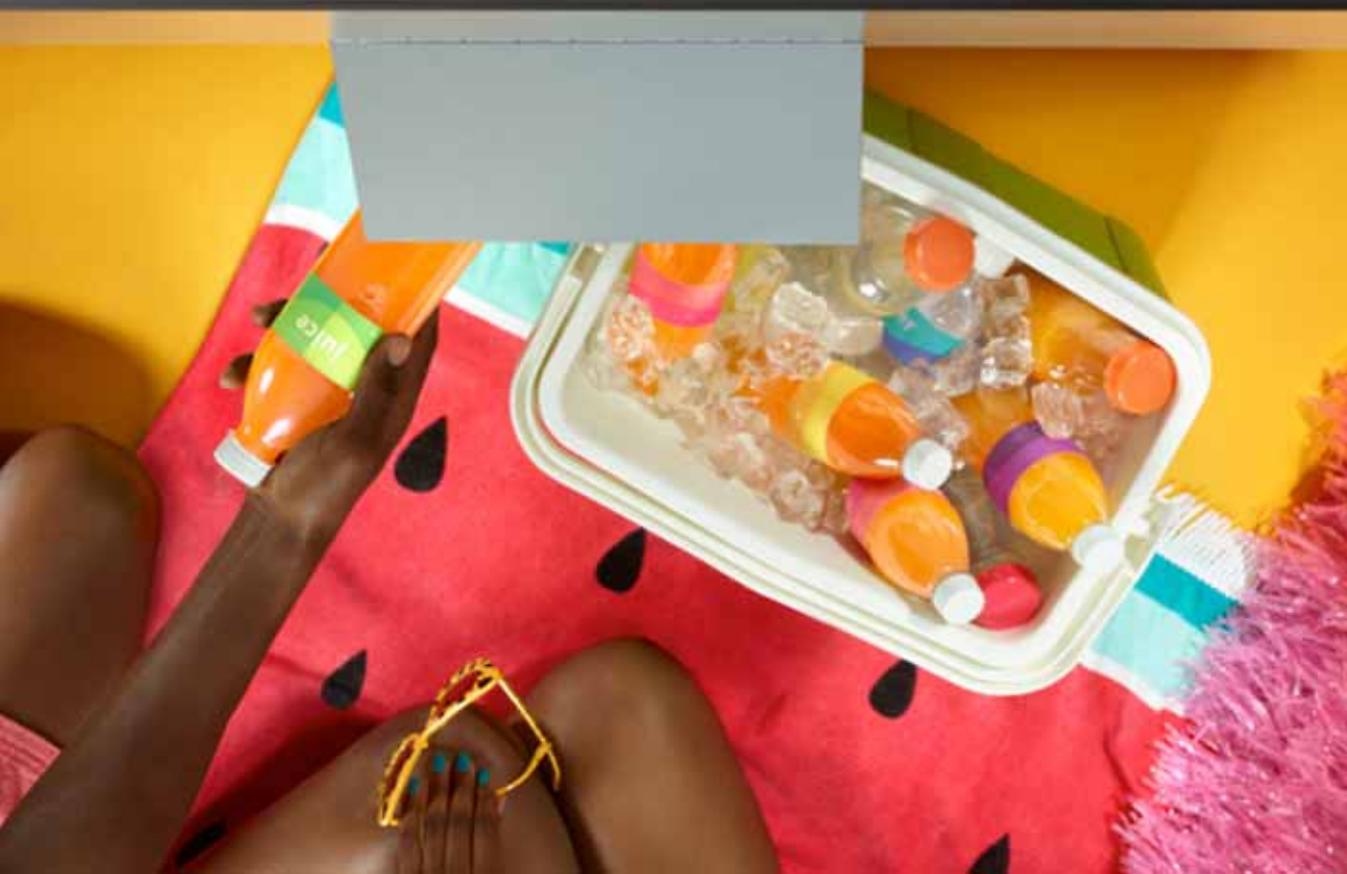
At the end of 2017, we launched our consumer-focussed campaign, which is conceptualised through the lens of the United Nations Sustainable Development Goals, specifically Goal 12: Ensure sustainable consumption and production patterns and focusses on how one person can make a vital contribution to the gravest challenge of our time - through recycling.

The campaign is multi-faceted, with print, social media, radio and billboard components, and was planned for an 18-month run (until end-2018). The campaign is supported with intensive media buying and PR support.

An example of the print component of the PETCO #Do1Thing campaign, which ran in Sunday Times, Fairlady, Sarie and Black Business Quarterly.

Recycle PET plastic bottles. They are turned into new PET bottles.

From stuffing for duvets and pillows to roof insulation and clothing, recycled PET plastic bottles are turned into new and useful products, and importantly, new bottles. Do 1 thing. Recycle.



As part of the #Do1Thing campaign, we asked many of our partners to participate in bespoke radio inserts with 4 stations in South Africa with the highest reach: uKhozi Fm (Durban and Gauteng), iKwekwezi FM (Gauteng), uMhlobo Wenene (Port Elizabeth, Western Cape and Gauteng) and Lesedi FM (Gauteng).

This is the feedback we received from some of them:

Pinky Modisang

Owner: Lindithando Construction and Projects (Gauteng).

"Everything went well. I'm receiving calls as far as Lesotho. People are really interested in recycling. I wish I had wings to fly all over to promote recycling. From my side also, it was a great pleasure working with PETCO. I really feel honoured."

Maxwell Ndlovu

Owner: Okuhle Waste Management (Gauteng).

"I want to thank the PETCO team and Lesedi FM team for their tireless effort they put in making sure that my interview take place. I appreciate each and every opportunity they gave me in showing and sharing my skills with listeners in Recycling Industry. The office phone and my cell phone rings non-stop from people from all nine Provinces requesting our assistance in opening Recycling Buyback Centres and training in identifying different kinds of materials. I can see that our people are dying to get more information about recycling. Thanks so much."

Emmy Nxayeka

Schools Project Co-ordinator, The Waste Trade Company (Eastern Cape).

"Thank you so much for arranging everything, the radio interview went well. I received phone calls from people that know me to say I spoke well and they received the message loud and clear about recycling and PETCO. One of the people that called our company yesterday after the interview on Wednesday was a lady called Nombulelo from Port St Johns; she said she heard me on radio and wanted to sign up in our school recycling project to recycle plastic bottles and other recyclables. I definitely hope that we going to have more people, and schools getting involved."

Tshepo Mazibuko

Managing Director: K1 Recycling (Gauteng).

"Firstly, thank you so much for the opportunity given me on Ukhosi fm; the interview went so well that our phone didn't stop ringing, emails and our Facebook page received a lot of messages of congratulations, info request and job seekers. People are really interested in recycling, they just need information and support, I directed most of calls to PETCO for further assistance. Thank you so much to PETCO. May God continue blessing you."

Gcina Makhoba

Owner: Mpilenhle Recycling (Gauteng).

"Thank you for considering our business to do this interview, it is already having a positive impact in our Newcastle operation."



PINKY MODISANG



MAXWELL NDLOVU



EMMY NXAYEKA



TSHEPO MAZIBUKO



GCINA MAKHOBA

FINANCIAL INFORMATION HIGHLIGHTS

In order to sustain and grow PET bottle collection, consistent demand for post-consumer PET is required. Recycling is a commodity business and, as such, is prone to significant cycles.

Unlike plastics, the steel, paper, glass and cardboard used in packaging are helped enormously by the ability of the original manufacturers to recycle their own material recovered from the waste stream. Polymer manufacturers are unable to offer such a low-cost route because of the multiple variations in grades of the different types of polymer produced. Companies specifically set up for this purpose therefore carry out the recycling.

In most cases, this leads to recyclate being produced, which then has to compete with the highs and lows of virgin polymer prices and other end-uses (specifically textiles with recycled polyester content that compete with virgin polyester staple fibre). It is great when these prices are high, but when they are low, recyclate often struggles to survive. Hence the PETCO financial model.

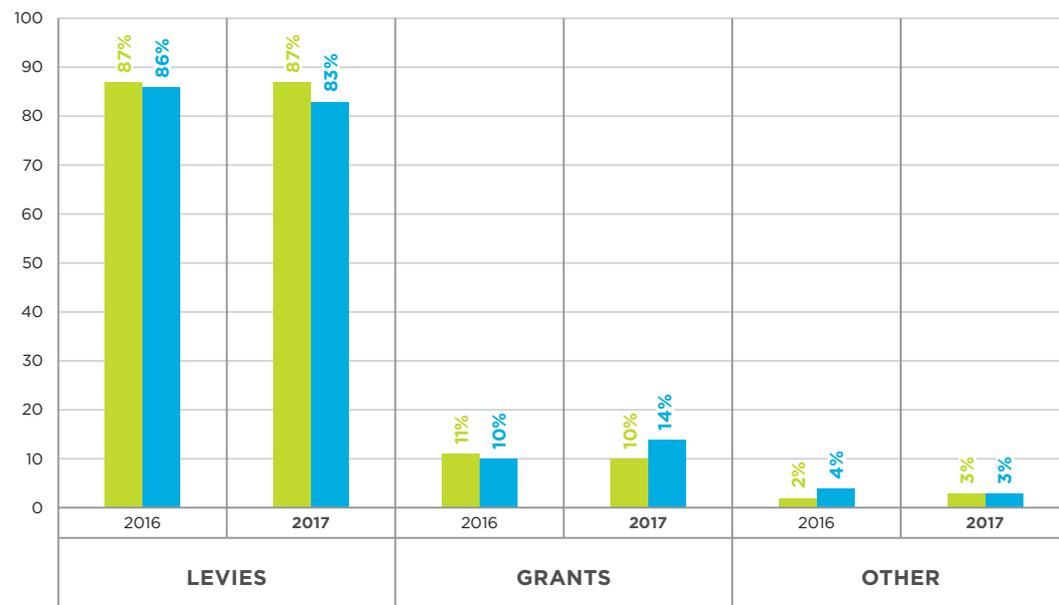
HOW WE UTILISED OUR FUNDS YEAR ON YEAR

Financial statistics as percentages of Budget vs Actual, with previous year comparison:

INCOME

(% OF INCOME)

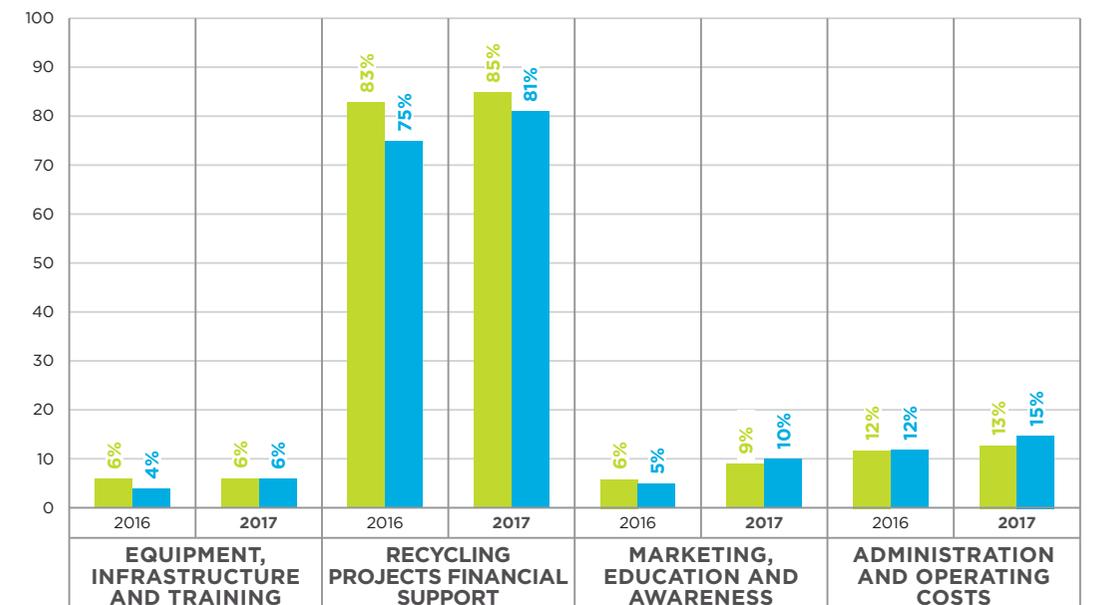
■ BUDGET ■ ACTUAL



EXPENSES

(% OF INCOME)*

■ BUDGET ■ ACTUAL



*117% of income i.e. 17% funded from Retained Funds.

WHERE TO FROM HERE?

THE OUTLOOK FOR 2018 AND BEYOND

LOOKING FORWARD

The outlook for 2018 is more positive, if only that we are coming off a low base that was 2017. There is still a great deal of uncertainty with the recent implementation of the ban in China for all recycled plastics which could have a significant impact on PET recyclers in SA and globally; however, we are hopeful that the Chinese ban will stimulate the development of local solutions. The strengthening Rand will have a negative impact on local margins and with financing becoming more difficult to come by, many future projects may take longer to see reality.

In 2018, based on indications received from PETCO's shareholders and partners in the PET value chain, we anticipate that the total market size will remain at approximately 224 000 - 230 000 tonnes i.e. that market growth will be close to zero from what it would have been had no resin shortfall occurred in 2017. This can be ascribed to a number of factors, including the overall lack of growth in the South African economy and reduction in levels of disposable income, along with the high rate of market growth experienced in 2016 (15%). Nonetheless PETCO is well placed to facilitate the collection and recycling of approximately 100 000 tonnes of post-consumer PET bottles in South Africa in 2018.

There can be no doubt that the implementation of Industry Waste Management Plans in the Paper and Packaging sector, will be one of the most impactful pieces of legislation to affect the recycling industry, since the publishing of the Waste Act in 2008. Opportunities may arise from the National Environmental Management: Waste Act, 2008 Section 28 Notice. The call for industry waste management plans was made by DEA on 6th December 2017, with a submission deadline of 6th September 2018. This has been long awaited and presents both challenges and opportunities for the recycling sector in South Africa.

Some of the challenges include measures regarding financing of industry plans via National Treasury, and the collection of a tax. We are optimistic that we are going to maintain our collection and recycling percentage in the high 60's.

The opportunities however, are far more exciting. If implemented with vision and insight, industry waste plans have the potential to significantly improve the recycling economy, and result in well-

run, cost-effective programmes, increased recycling and environmental benefits, coupled with skills development and job creation.

We will continue to engage with DEA and other stakeholders over the next few months, as we develop our plan for the PET sector.

In many cities in South Africa, recycling activities provide income-generating opportunities for the urban poor. However, the employment potential of recycling seems to be under-utilised. The main constraints of the collectors and small-scale manufacturers are inadequate capital, lack of market information and business acumen, lack of equipment and tools, inadequate business premises, transport problems and poor working conditions.

One of PETCO's key programmes going forward is sustainable Enterprise Development (ED) that seeks to uplift the quality of life of marginalised and disadvantaged emerging entrepreneurs helping to alleviate poverty and unemployment and enhance skills levels and quality of life. Through our ED initiatives and programmes, PETCO aims to contribute to the achievement of the UN Millennium Development Goals and enable South African PET Plastic Recycling SMME's to provide for themselves whilst aspiring to advance their lives and communities. To achieve this, we need to be more effective in linking the formal and informal PET plastic recycling economies through the provision of on-going development and mentorship of enterprises using comprehensive business philosophies and values.

South Africans will be paying more for sugary drinks from April 1 this year. Officially called the "health promotion levy", the tax on sugar-

sweetened beverages aims to reduce South Africans' sugar consumption to control the high obesity rate. It amounts to a tax of 2.1c per gram of sugar per 100ml, above 4 grams per 100ml. The new tax is expected to contribute R1.9bn in additional revenue, according to the budget, broadly in line with economists' expectations. This is significantly less than some initial estimates, which said the tax could bring in as much as R10bn. As PwC previously argued in a pre-budget briefing document, the beverage industry has already reacted to the tax. The SA soft drinks sector has been working hard year-on-year to respond to changing consumer needs. Not least in the last few years where industry's efforts have stepped up considerably in their commitment towards calorie reduction. This change in pace has led to an 18.7% reduction in sugar intake from soft drinks in the last five years.

South Africa is expected to pass its long-awaited Carbon Tax Bill this year and implement the tax in January 2019. The bill, which was released in draft form in December 2017, will be the subject of parliamentary hearings this year. PETCO will keep members informed.

In the Western Cape, serious water shortages will result in an increase in demand of bottled, particularly 5l bottles. This has meant an increased focus on the most important feature of PET bottles - that they are not 'single-use' bottles and are not trash. However, recycling bottles uses water and transporting used bottles to JHB for recycling is costly.

We are in the early stages of developing a model to accredit or recognise brand owner products that carry the PET EPR fee, as a way of making brand owners self-aware that free riders exist. A letter has been drafted and will be issued to converters asking them for their customer/product lists that carry the PETCO EPR fee.

In 2017 the Coca-Cola Company launched their "World Without Waste" Campaign and pledged to collect and recycle the equivalent of 100% of its packaging worldwide, and manufacture its bottles using at least 50% recycled plastic

by 2030. Their goal is to work with local and national partners to ensure all of their packaging is recovered and recycled. To achieve this ambitious goal, the company will need to set up collection and recycling facilities and invest in increasing customer awareness. The efforts of a company, an industry or even one country will struggle to take on the enormity of a problem as vast as ocean plastic. However, if such big players are moving in the right direction, more will follow suit. This bodes well for the PET recycling industry in SA.

PETCO has partnered with Let's Do It! World, a civic-led mass movement that began in Estonia in 2008 when 50,000 people united to clean up the entire country in just five hours. On September 15, 2018, World Clean-up Day, people in 150 countries will stand up and clean up waste, making it the biggest positive civic action the world has seen.

Challenges with respect to the recycling of tubs, trays and edible oils remain. Tubs, tray and edible oil bottles are currently not recycled in South Africa. There is potential for other forms of recovery for these pack forms, depending on buy-in from the sector to fund the investment in collection and technology as well as the generation of volumes adequate enough to keep the lines running efficiently. We continue to encourage these producers to engage with us, as there is now a pressing need for PETCO to represent the entire PET sector as a vehicle for fulfilling their EPR obligations.

Plans to expand PETCO into Africa are being finalised.



CASPER DURANDT

WHAT DO OUR STAKEHOLDERS THINK ABOUT THE FUTURE?

Casper Durandt

PETCO Chairman; Brand Owner perspective:

“With a new mindset, we have an opportunity to reduce emissions coming from waste, decrease our reliance on virgin materials, enhance environmental protection, conserve water and bring new economic growth, valuable job opportunities and savings to consumers and taxpayers in South Africa.”



GREG MORSE

Greg Morse

Bottler perspective:

“As Bottlers, we are pursuing new business models that move away from the take, make, and waste linear models of the past. Our success depends not only on the work within our own value chain, but on disruptive partnerships across the production and manufacturing ecosystem. Closing the loop is an important step in signalling the type of systemic innovation and collaboration required to unlock a future that protects the planet while also powering sustainable business growth.”



DAVID DREW

David Drew

Converter perspective:

“We need to break down the silos both across the packaging industry and even those within the PET industry. Without unity we are unlikely to convince government to accept our IndWMP.”

Chandru Wadhvani

Collector / Recycler perspective:

“Even though recycling volumes grew in 2017, the trading environment was one of the most challenging experienced this decade. It remains a priority that the inclusion of rPET in more products be a driving factor in the activities of the PET industry in 2018, while simultaneously improving packaging design to lead to more actual recycling of post-consumer PET. The adoption of the principles of the “circular economy” will need wider inclusion by brand owners if we are to meet government’s and consumers call for action on growing recycling targets.”



CHANDRU WADHWANI

Tom McLaughlin

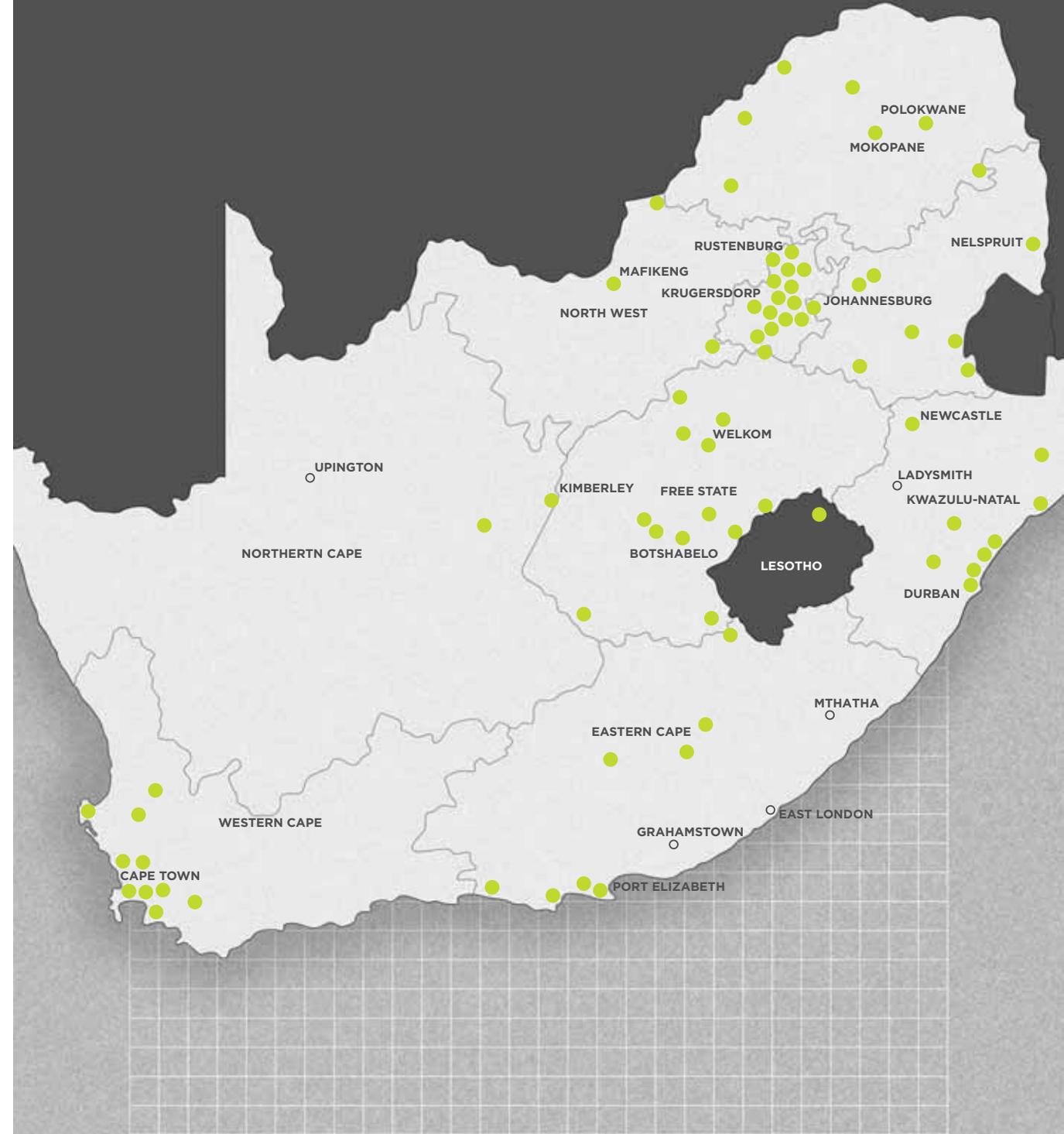
Retailer perspective:

“The IndWMP provides an unprecedented opportunity to build restorative and fair approaches in the PET recycling industry. The fact that PETCO with the support of its members have set up a circular system for used PET bottles that creates jobs, saves foreign exchange, prevents waste to landfill and produces quality PET material for re-use is simply amazing. That’s good for retail.”



TOM MCLAUGHLIN

SEE BELOW FOR THE MANY LOCATIONS AROUND SOUTH AFRICA WHERE PETCO SUPPORTS INITIATIVES AND ACTIVITIES THAT CONTRIBUTE TO THE VISIBLE RECYCLING OF PET:



CELEBRATING THE PETCO PEOPLE

It's time, once again, to acknowledge and celebrate the incredible people behind this year's many accomplishments. You will find them all listed on the following pages, but that hardly suffices to show our appreciation for the efforts, the creativity and, most of all, the heart they all put into sustaining and expanding our presence. May the coming year bring new recycling partnerships, a more stable economic environment, recovery and further growth.

PETCO STAFF

- **Cheri Scholtz**
Chief Executive Officer
- **Alistair Schorn**
Business Development Manager
- **Belinda Booker**
Collections and Training Manager
- **Tlou Sebola**
Intern: Collections and Training Projects
- **Janine Basson**
Stakeholder Relations Manager
- **Vicki Retief**
Financial Controller
- **Vainah Mbulo**
Johannesburg Office Administrator

PETCO CONTRACTED RESOURCES

- **Martin Niebuhr**
Accounting and Financial Consultant
- **Annette Schell**
Levy Manager
- **Oscar Baruffa**
Data and Strategic Projects
- **Deloitte SA**
Auditors



CHERI SCHOLTZ



ALISTAIR SCHORN



BELINDA BOOKER



TLOU SEBOLA



JANINE BASSON



VICKI RETIEF



VAINAH MBULO



MARTIN NIEBUHR



ANNETTE SCHELL



OSCAR BARUFFA



CASPER DURANDT



GREG MORSE



DANIEL SCHOEMAN

PETCO BOARD OF DIRECTORS

- **Casper Durandt,**
Chairman
*Head of Technical SAF:
Coca-Cola Africa (Pty) Ltd.*
Representing: Brand Owners
- **Tshidi Ramogase,**
Vice Chairman
*Public Affairs and Communications Director:
Coca-Cola Beverages SA*
Representing: Bottlers
- **Greg Morse,**
*Manufacturing Director:
Coca-Cola Peninsula Beverages*
Representing: Bottlers
- **Daniel Schoeman,**
General Manager: Hosaf
Representing: Resin Producers
- **Chandru Wadhvani,**
Joint Managing Director: Extrupet (Pty) Ltd.
Representing: Collectors / Recyclers
- **Tom McLaughlin,**
Responsible Sourcing: Woolworths Food
Representing: Retailers
- **Andre Nel,**
Sustainability General Manager: Pick 'n Pay
Representing: Retailers
- **David Drew,**
Chief Commercial Officer: Boxmore Packaging
Representing: Converters
- **Wessel Oelofse,**
Executive: Polyoak Packaging (Pty) Ltd.
Representing Converters
- **Vukani Magubane,**
*Director of Public Affairs and Communications:
Coca-Cola South East Africa*
Representing: Brand Owners (first to third quarter)
- **Asyia Sheik-Ojwang,**
*Head of Public Affairs, Communications &
Sustainability for Southern Africa, Coca-Cola
Africa (Pty) Ltd.*
Representing: Brand Owners (fourth quarter)

Our directors serve a three-year term and are elected after being nominated by the industry sectors they represent. They may avail themselves for re-election.

Our board are not remunerated and pay their own expenses to attend annual meetings.



ANDRE NEL



TSHIDI RAMOGASE



CHANDRU WADHWANI



ASYIA SHEIK-OJWANG



DAVID DREW



TOM MCLAUGHLIN



VUKANI MAGUBANE



WESSEL OELOFSE



OUR 21 VOTING MEMBERS ARE THOSE WHO PAY LEVIES AND GRANTS, AND FOR WHOM SHAREHOLDING AND VOTING IS RESERVED.

PARTNERS AND MEMBERS

PETCO acknowledges our partners who share an ambitious vision to shape waste management practices in South Africa.

- Department of Environmental Affairs (DEA)
- Department of Science and Technology (DST)
- Packaging SA and its member Associations and Product Responsibility Organisations:
 - Paper Recycling Association (PRASA)
 - Polyco
 - Polystyrene Association of South Africa
 - Metpac-SA
 - South African Vinyls Association (SAVA)
 - The Glass Recycling Company
- PlasticsSA
- National Recycling Forum (NRF)
- Institute of Waste Management SA (IWMSA)
- The Waste Minimisation and Recycling Interest Group (WMRIG)
- SA National Bottled Water Association (SANBWA)
- Sustainable Seas Trust and The African Marine Waste Network
- Let's Do It! World

VOTING MEMBERS

Voting Membership is reserved for companies who pay levies and grants, and for whom shareholding and voting is reserved.

At end-December 2017, there were 21 Voting Members of PETCO, following a number of mergers:

- 1 Astrapak RPC
- 2 Bizee Corporation t/a ATA Agencies
- 3 Bowler Plastics (Pty) Ltd.
- 4 Boxmore Packaging (Pty) Ltd.
- 5 Coca-Cola Beverages South Africa (CCBSA)
- 6 Coca-Cola Africa (Pty) Ltd.
- 7 Coca-Cola Peninsula Beverages
- 8 Hosaf (a Division of KAP Manufacturing)
- 9 Little Green Beverages
- 10 Mpack Plastics
- 11 Nampak Liquid Packaging
- 12 New Age Plastics cc
- 13 Nioro Plastics cc
- 14 Pick 'n Pay
- 15 Polyoak Packaging
- 16 Purpleline Plastics (Pty) Ltd.
- 17 Serioplast
- 18 Split Line Manufacturers cc
- 19 Tsitsikamma Crystal Spring Water (Pty) Ltd.
- 20 Twizza (Azores Manufacturers)
- 21 Woolworths Holdings (Pty) Ltd.

ASSOCIATE MEMBERS

PETCO Associate Members are companies, organisations and individuals who do not pay a recycling fee and, as part of the PETCO family, prescribe to our values. The Membership is valid for a year and must be renewed on a yearly basis.

As at 31 December 2017, there were 35 Associate Members:

- 1 Absolutely Pure Water (Pty) Ltd.
- 2 aQuelle [Ekhamanzi Spring t/a aQuelle]
- 3 Averda South Africa
- 4 Bonke Abantu
- 5 Bophelo Recycling
- 6 Checkers
- 7 ColorMatrix, PolyOne
- 8 Da Run Fa Chemical Fibre (Pty) Ltd.
- 9 Extrupet (Pty) Ltd.
- 10 Green Cycle
- 11 Green Edge Communications
- 12 Greener Pastures Recycling Company
- 13 Greenvolution
- 14 Henque Waste
- 15 HL Distributors
- 16 Kaytech
- 17 Kronos Southern Africa
- 18 Milliqa
- 19 Mpack Polymers (Pty) Ltd.
- 20 National Zoological Gardens of South Africa
- 21 Oasis Association
- 22 Oasis Water (Pty) Ltd.
- 23 Packaging SA
- 24 PL Recycling and Multi Purpose
- 25 Polyco NPC
- 26 Postwink
- 27 Propet SA
- 28 Regenize
- 29 Remade Recycling (Pty) Ltd.
- 30 SANBWA (South African National Bottled Water Association)
- 31 Sen Li Da Chemical Fibre (Pty) Ltd.
- 32 Sustainable Seas Trust
- 33 Tacoma Foods
- 34 The Joinery
- 35 The Waste Trade Company

GLOBAL MEMBERSHIPS

- 1 Global Alliance for Recycling and Sustainable Development (GARSD)
- 2 European Plastic Recycling and Recovery Organisation (EPRO)
- 3 Global Product Stewardship Council (GPSC)

INTERNATIONAL PARTNERSHIPS

- 1 The International Labour Organization (ILO) - United Nations
- 2 Operation Smile
- 3 The PEACE Foundation
- 4 Oxfam Italia
- 5 Flemish International Cooperation Agency (FICA)



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