



Leading Producer Responsibility.

Informal sector integration

27 September 2023



Competition Act of 1998

STATEMENT OF COMPLIANCE

We the Board of Directors, Members and Management of Petco will always conduct our business affairs in accordance with the law, taking into account principles of good corporate governance.

In particular, we are cognisant of competition law and as a company are committed, at every level, to complying with both the letter and spirit of competition laws.

Petco will not engage in or tolerate any form of conduct which fails to comply with the requirements of competition laws. Forms of anti-competitive conduct include, but are not limited to, agreements or discussions with competitors relating to pricing, allocating or dividing geographic markets, customers or tenders.

We are committed to free and fair competition. If there is any doubt about the legality of certain actions or decisions being taken at our meetings, then this will be referred to our legal counsel or advisers for further investigation or action.

This statement is intended to support our uncompromising company policy to comply in all respects with competition laws.



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A group of people, primarily women, are wearing bright green uniforms with reflective yellow and silver stripes on the sleeves. They are in an outdoor setting, possibly a town or village, with simple buildings in the background. The central figure is a woman wearing a wide-brimmed straw hat, holding two empty plastic bottles high in her right hand and shouting with her mouth open. Other people in the background are also holding bottles and some are carrying bags. The overall atmosphere suggests a protest or a demonstration.

Legislative context

Legislated Targets

- Co-operate with municipalities.
- Integrate informal waste collectors, reclaimers and pickers into the post-consumer collection value chain.
- Compensate waste collectors, reclaimers or pickers, who register on the National Registration Database, for collection services and environmental benefits, through the collection service fee.
- Prioritise the promotion of small businesses and entrepreneurs with a special focus on women, youth and persons living with disabilities.





Waste picker integration is the creation of a formally planned recycling system that values and improves the present role of waste pickers, builds on the strengths of their existing system for collecting and revaluing materials, and includes waste pickers as key partners in its design, implementation, evaluation and revision. Waste picker integration includes the integration of waste pickers' work, as well as the political, economic, social, legal and environmental integration of waste pickers.



10 principles of waste picker integration guidelines

1. Recognition, respect and redress
2. Value waste pickers' expertise
3. Meaningful engagement
4. Build on what exists
5. Increased diversion and cost effectiveness
6. Evidence-based
7. Enabling environment
8. Improved conditions and income
9. Compensation for services and savings
10. Holistic integration





The Recycling Value Chain



Contribution to transformation, Enterprise & Socio-Economic Development

- Equipment & Infrastructure Support
- Collectors Training & Development
- Waste Picker Support
- Municipality Support



A woman wearing a yellow hard hat, a light blue long-sleeved shirt with 'Savannah' written on it, a bright yellow safety vest, and yellow gloves is sorting through a large pile of waste. The waste includes cardboard boxes, plastic bags, and other debris. In the background, there are large stacks of sorted waste on pallets.

Informal sector integration



Collectors Training & Development





Collectors Basic Recycling Workshop:

Topics:

- ❑ How to start and/or grow a recycling business
- ❑ Different Types of Recyclables
- ❑ Connecting collectors with buyers
- ❑ Equipment Support





Accredited Business Training:

3-Day SAQA/SETA Accredited Basic Business Skills Training

Covers:

- ☐ Financial Management;
- ☐ Administration;
- ☐ Record Keeping;
- ☐ Marketing; and
- ☐ Legal Aspects.







Equipment & Infrastructure Support





Equipment & Infrastructure Support

- ❑ PETCO assists depending on budget and on a case by case basis as a agreed/approved by the board
- ❑ An application system is used to support recycling projects
- ❑ PETCO works on a phased-support
- ❑ Type of Equipment:
 - Bulk Bags
 - Trolleys
 - Scales
 - Cages
 - Trailers
 - Containers
 - Balers

Condition: Once PETCO has supported you it will be expected of you to submit monthly reports (including volumes & employment stats)





Application Process

1. Requirement: Collect PET
2. PETCO Support Application Form
 - Details regarding BBC operation
 - Proof of Existence (sales slips, pictures)
3. Application Assessment
 - Checking authenticity (site visits)
4. Decision and Motivation
 - Decide to grant assistance and provide the reasons
5. Approval
 - Depending on PETCO Strategic plans, the request and budget available during the period





Criteria for project support

Entry Level (0 -3 Tonnes):	Small Collector (3 – 6 Tonnes):	Level 1 Collector (6-15 Tonnes)	Large Collectors: (25 – 100+ Tonnes)
· Bulk Bags · Trolleys · Platform Scale · Signage · Protective clothing (suits) · Workshops · Training	· Trailer · Cages · Platform Scales · Fence / Walling · Shipping Container · Manual / small Baling machine · <i>And any from the previous level</i>	· Baling Machine H10 · <i>And any from the previous level</i> Level 2 Collector (15 – 25 Tonnes) · Baling Machine H15 · Volume Cubic Cages · <i>And any from the previous level</i>	· Bigger baling machines · Volume Cubic Cages · Weighbridge · <i>And any from the previous level</i>



Waste picker support



Waste picker associations





ARO: African Reclaimers Organisation

- **500** x Wheelie Bins: and bin stickers
- 2 x I.D card printing Machine; 4000 cards
- **1100** x Bulk Bags



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Waste picker service fee





Overview

Objective:

“Compensate waste pickers, who register on the National Registration Database, for collection services and environmental benefits, through a collection service fee.”

Considerations:

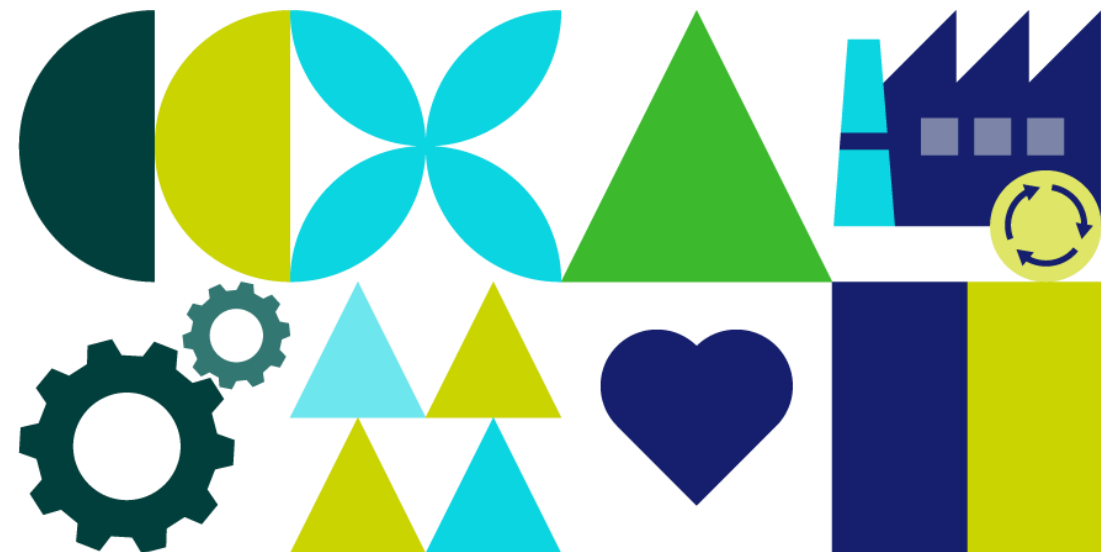
- The service fee should be cashless as PROs are not able to support cash payments.
- The service fee should be administered at the BBC level and will therefore need BBC support.
- Only waste picker registered on the South Waste Picker Reditr
- The service fee only enabled through technology-enabled systems which allow for low-cost payments at scale.
- The stipend will transaction-based support (R/kg), as opposed to a stipend.
- The service fee can only be paid on recyclables sold (and not all materials).
- The systems used must ensure that support can only be paid once in the value chain.
- A basic flat fee will be paid for all recyclables, on top of the value chain interventions by PROs.



Objectives



Value chain support





What drives street values?



- Value of virgin equivalent material
- On cost/savings from rMaterial
- End use demand for rMaterial
- Processing cost of PCR – rMaterial
- Yield losses during processing
- Logistics costs to reach customer
- Return on investment for recycler
- Demand for recycled rMaterial
- Supply of post consumer content
- Buy-back centre costs + margin
- Logistics costs to reach recycler



MARKET PRICE
OF rMATERIAL



RECYCLER
GATE PRICE
FOR PCR



COLLECTOR
STREET PRICE



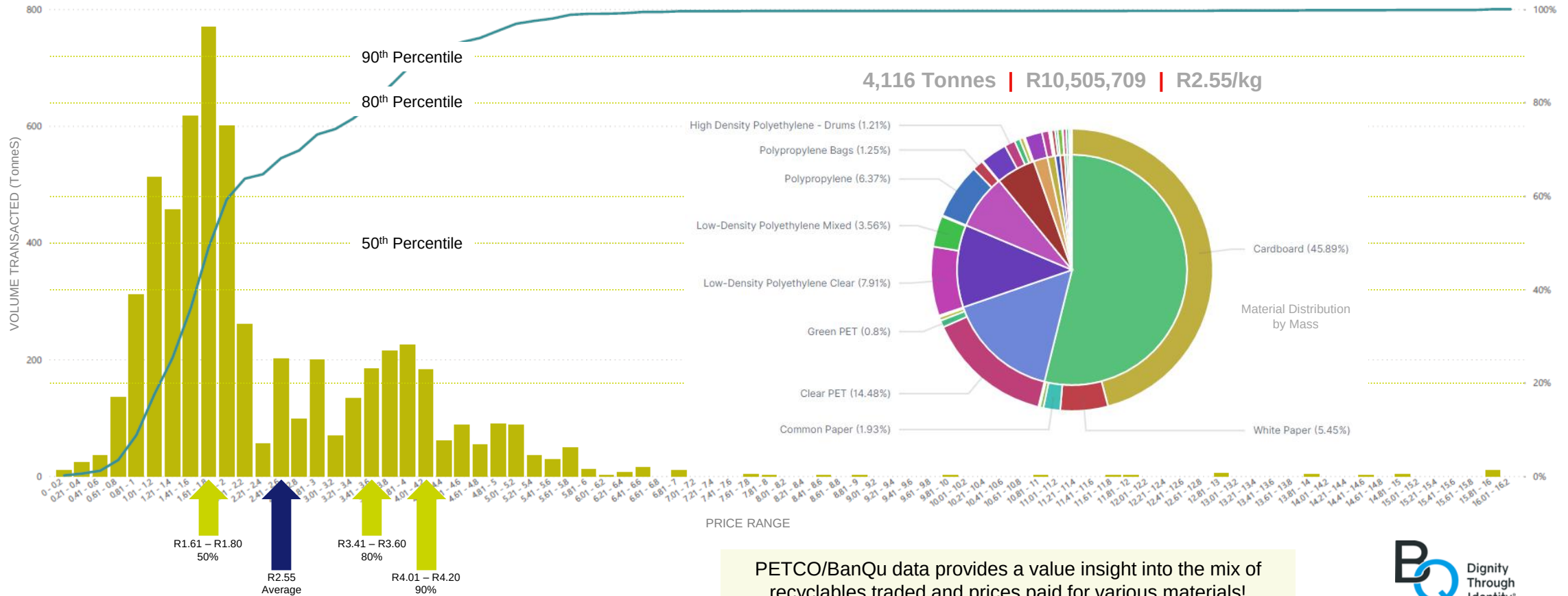
To increase street value & grow collection PROs need to understand price drivers and work across the value chain to intervene where they can have the maximum impact



Learning from data

Price Collection Distribution

● Total Tonnes per Price Range ● S Curve





Municipal engagement and corporate partnerships





Municipality Engagements

PETCO conducts municipal engagements :

Objective:

- Encourage and assist in S@S Projects.
- Assist municipalities with information.
- Education and Awareness by conducting workshops for municipality officials, SMMEs and waste pickers in partnership with the municipality.
- Encourage municipality waste picker projects as per the Waste Picker Integration Guidelines.
- Assist municipalities with implementation of their IWMP actions.
- Share List of Waste Pickers and of BBCs.
- Establish and/or support BBCs within those municipalities.





Municipality Partnerships: 2023 Plans

In the process of Partnering with:

- City of Tshwane: S@S Projects in some of their Resorts, recycling workshop for their collectors and EPWP beneficiaries as well as supporting their three BBCs with Equipment.
- Mogale City: Supporting their projects with equipment and conduct recycling workshops
- City of Johannesburg: Accredited Business Training for their SMME owners and Co-op members
- City of Ekurhuleni: Recycling Workshops & Clean-up Campaign Equipment



JOINT-VENTURE PROJECTS:



ALPLA



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Thank you





PETCO is committed to working with communities through the following:

Skills development: Together with key partners, PETCO hosts a basic collectors training workshop and an accredited training course. These are aimed at sharing best collection and recycling practices as well supporting business and finance skills development.

Equipment provision: Through collaborative partnerships, PETCO oversees the distribution of much needed resources and equipment to support collection.

Project Up: Project Up seeks to use innovative blockchain technology to provide the informal sector with a real-time business management tool and digital record of all transactions. This will assist in providing them with access to financial services.



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POTENTIAL CHALLENGES WITH WP SERVICE FEE

- Service fee can only be paid based on transactions within the system.
 - The “system” will need to be built on multiple platforms to maximise reach
 - The “system” must be integrated with & connected to National WP register
 - Registration of and inclusion of BBCs is as important
 - Unfortunately, it will never reach everyone or record EVERY transaction
 - Some transactions outside of the “system” will not be seen
- Service fee can only be paid electronically to WP with bank account or equivalent (e.g. BanQu).
 - System must calculate & pay the WP automatically at agreed frequency
 - Cash out fee must be minimized to protect value
- Service fee can only be paid at 1 level of the value chain – no duplication
 - Service fee calculated and paid when trading with “registered” BBCs or aggregators.
 - These transactors MUST be using “system” aligned trading platform
 - Transactions between registered “buyers” will not receive support.
- Service fee should also be paid to unregistered “aggregators” trading between WPs & BBCs
 - WP selling to these aggregators should see indirect benefit in pricing.
- System will not be perfect to begin with, we must learn & grow as we go.