



The 2022 PETCO AGM

8 June 2023



A year of Change



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.

Agenda

9h00-9h05	Welcome, Apologies, Minutes of AGM	Cheri Scholtz PETCO CEO
9h05-9h30	CEO Review	Cheri Scholtz PETCO CEO
9h30-9h45	Chairperson Review	Tshidi Ramogase PETCO Chair
9h45-9h50	Financial and Statutory Requirements	Tshidi Ramogase PETCO Chair
9h50-10h00	Any other matters/Q&A	Tshidi Ramogase PETCO Chair
10h00-10h30	A look at European Packaging Trends	Dr Karl Hagspiel Alpla
10h30-11h00	Round Table Discussion	Kara Levy PETCO Marketing Manager
11h00	Closing	Tshidi Ramogase PETCO Chair





CEO Review

Embracing the first year of mandatory Extended Producer Responsibility

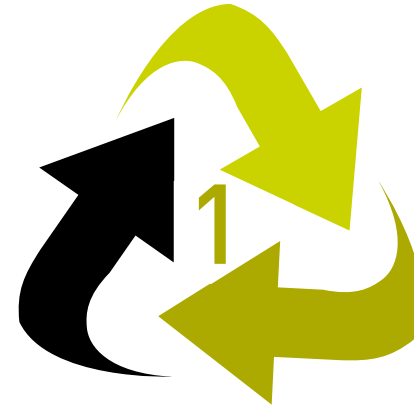


Our year one mandatory EPR journey

- **20 Jan 2022** – Submission of comments on 02 December 2021 proposed amendments
- **31 Jun 2022** – All brand owner members registered with PETCO
- **31 Aug 2022** – Submission of Interim Performance Report
- **Sep/Oct 2022** – Receipt of member 2023 forecasts for Identified Products registered with PETCO
- **31 Oct 2022** – Submission of 2023 EPR fees
- **08 Nov 2022** – Commencement of waste-picker service fee pilot
- **30 Nov 2022** – Submission of 2023 Annual Financial Plan

petco

PET plastic recycling south africa





Leading Producer Responsibility.





Evolving our corporate identity

Vision

- Our vision is of a true circular packaging value chain that is born out of focussing on our members and achieving more than their legislated producer responsibility, which drives us all to a circular economy.

Mission

- To continuously lead the way for the packaging industry, other PROs, government, the collection industry and consumers by representing our members' producer responsibility obligations and adding the value to their membership that creates true change in making our economy circular.

Essence

- PETCO is a trusted, member-focussed producer responsibility organisation that drives change across the packaging value chain, towards circularity.

Promise

- As custodians of the packaging value chain, we are the PRO that achieves beyond policy, to true circular economy.

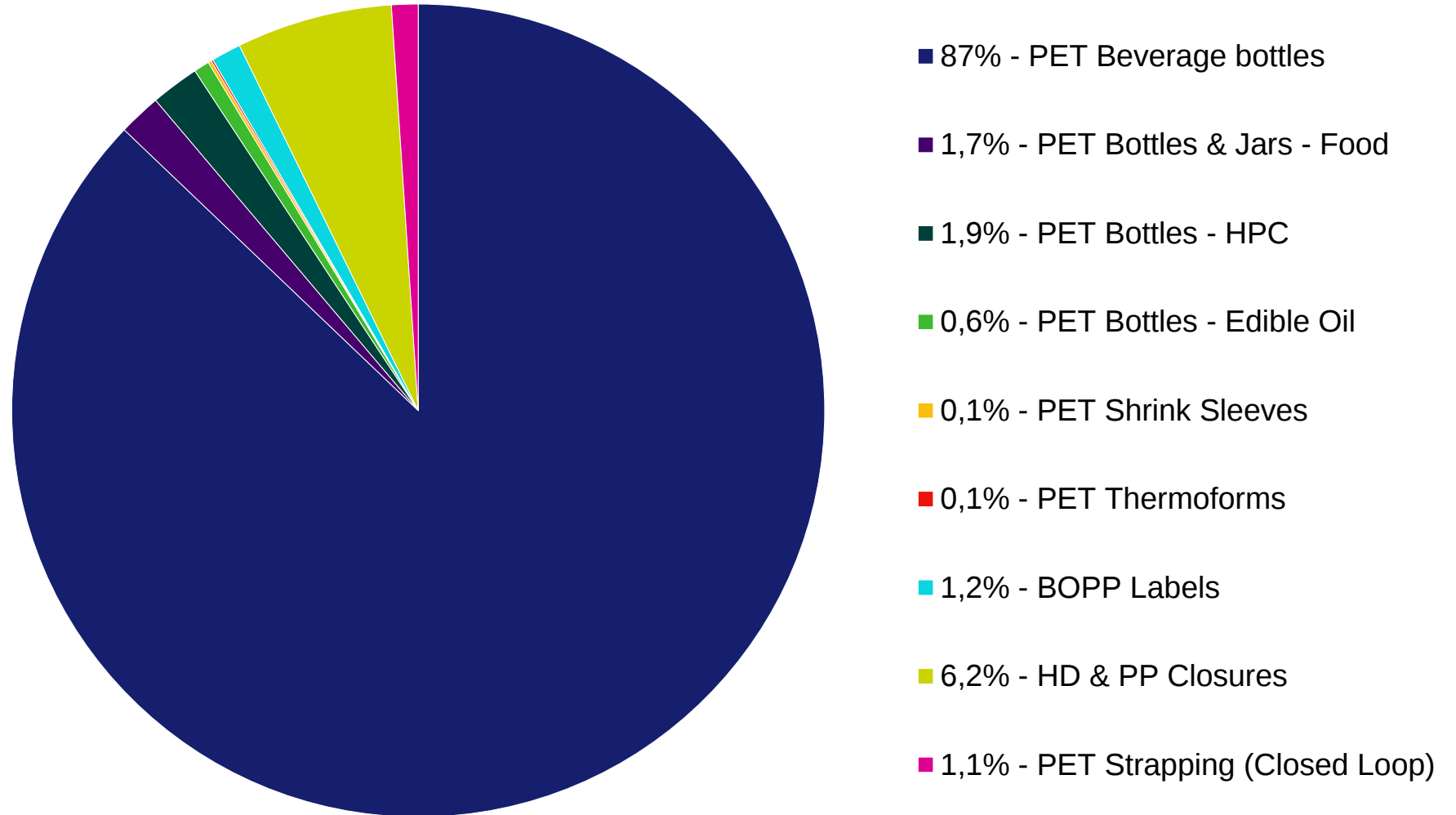


The state of PETCO-enabled recycling





121 369 tonnes of plastic packaging placed on the market





Determining our 2022 targets

Met legislated collection and recycling targets for > 99% volume

- 69% Collection rate (~84 mill kgs)
- 66% Recycling rate (~ 80 mill kgs)
- Enabled availability of > 25 000 tonnes of food-grade rPET
- Completed pilot for PET thermoforms
- Work needed for collection of closures



Completed bale characterisation study

- **Aim:** to better understand the composition of a typical PET bale purchased by our recycling partners and to inform our reporting on the products registered with us.
- **Results:** bales purchased by our recyclers comprise mostly PET beverage bottles





**Nett import of
5 000 tonnes
of PET waste**

**Only 35% of
import permits
recommended
for approval**

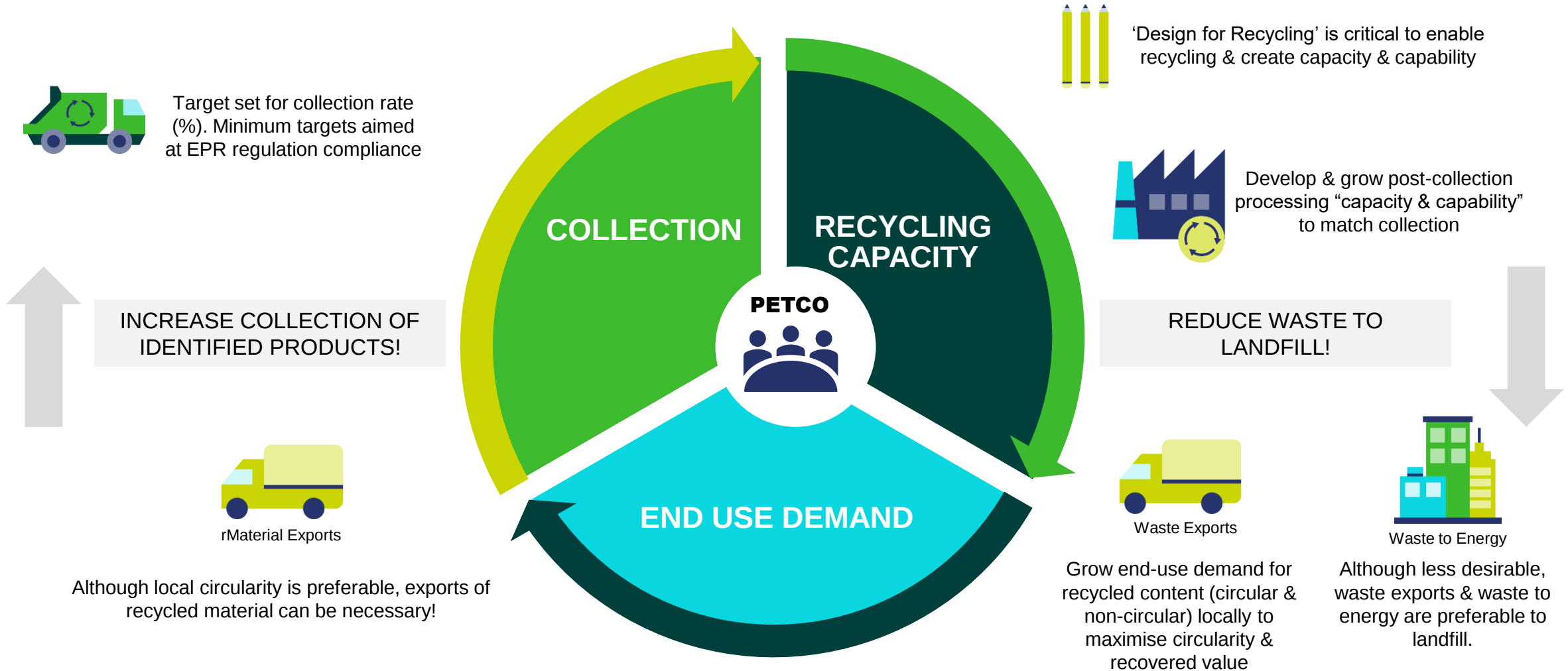


Sustained Value chain support





Balancing the value chain critical to EPR success





Growing capacity and capability

- **2005** – Extrupet (Pty) Ltd
- **2006** – Hosaf Recycling (Pty) Ltd
- **2007** – Kaytech Engineered Fabrics
- **2010** – Sen Li Da Chemical Fibre
- **2016** – Da Run Fa Chemical Fibre (Pty) Ltd
- **2017-2019** – Mpact Polymers (Pty) Ltd
- **2021** – Afri-PET (Pty) Ltd
- **2022** – Atlantic Plastic Recycling CC
- **2022** – Myplas (Pty) Ltd
- **2022** – Kubili Recyclers (Pty) Ltd
- **2022** – Gayatri Paper Mills (Pty) Ltd

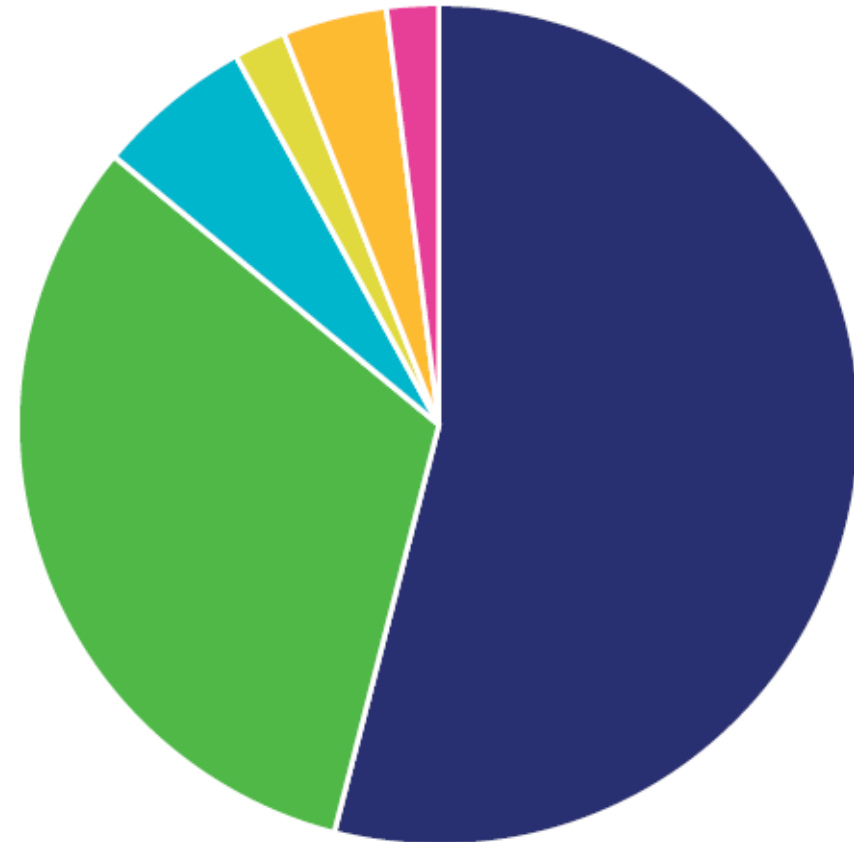
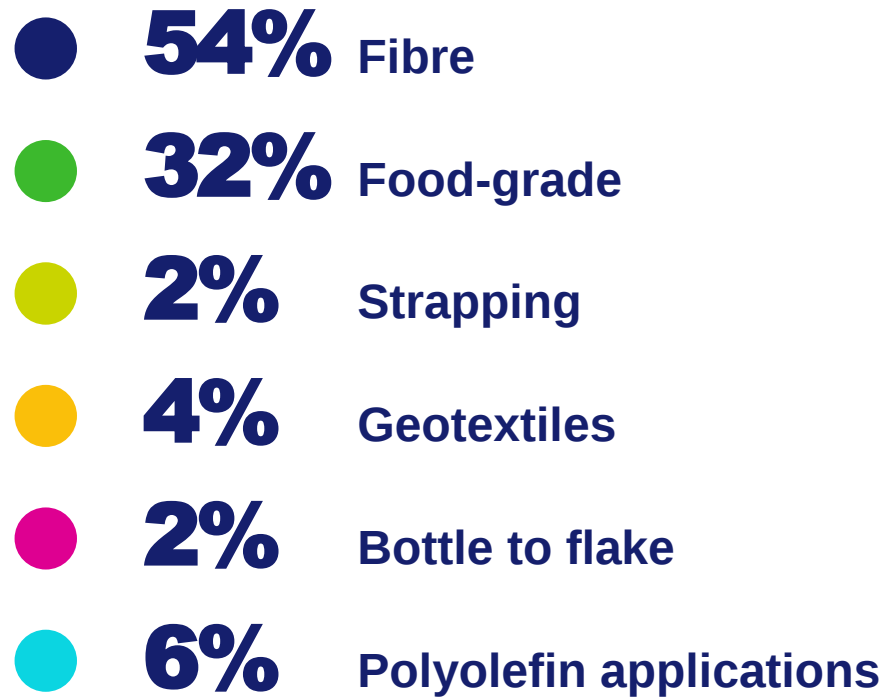




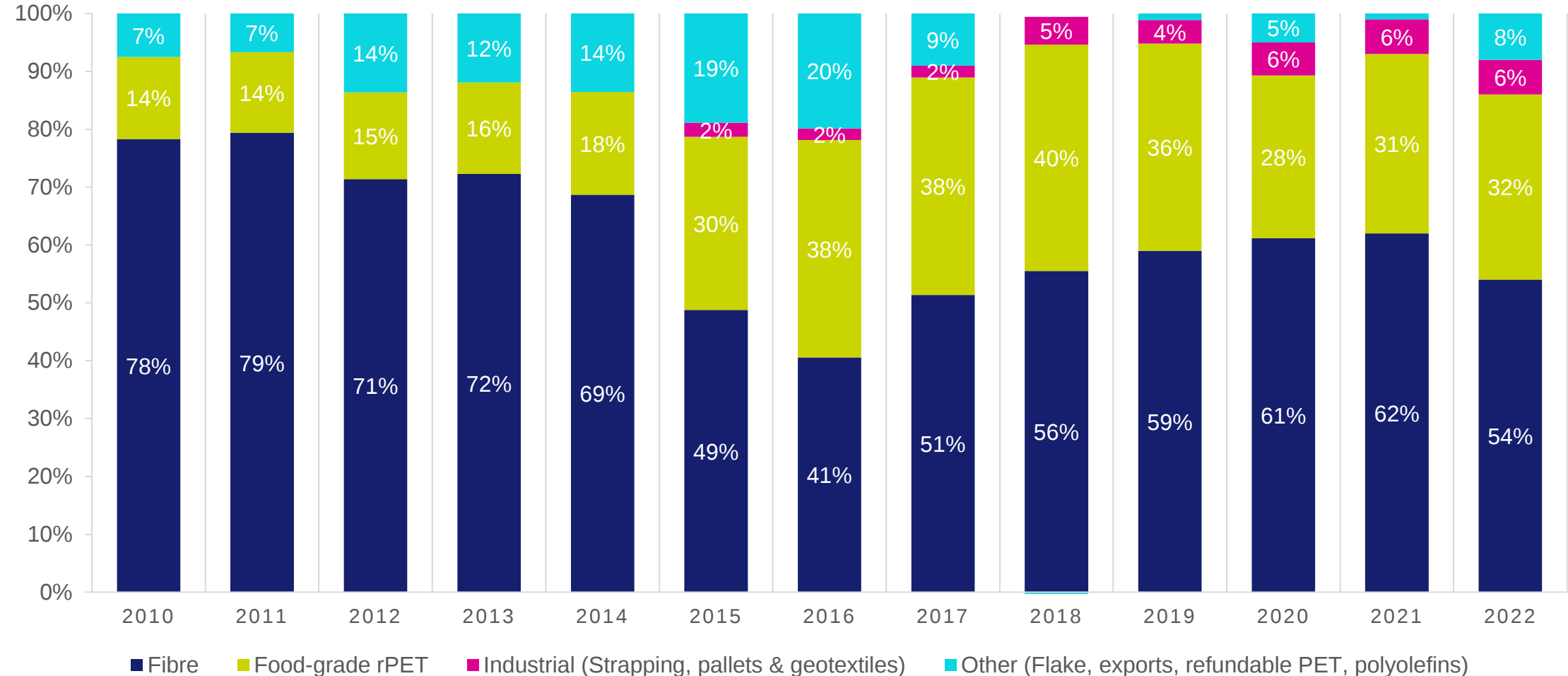
Food-grade rPET resin made up 32% of all recycled output enabled by PETCO



Proportion of recycled outputs per end-use market



Annual increase in the proportion of recycled material going toward food-grade rPET

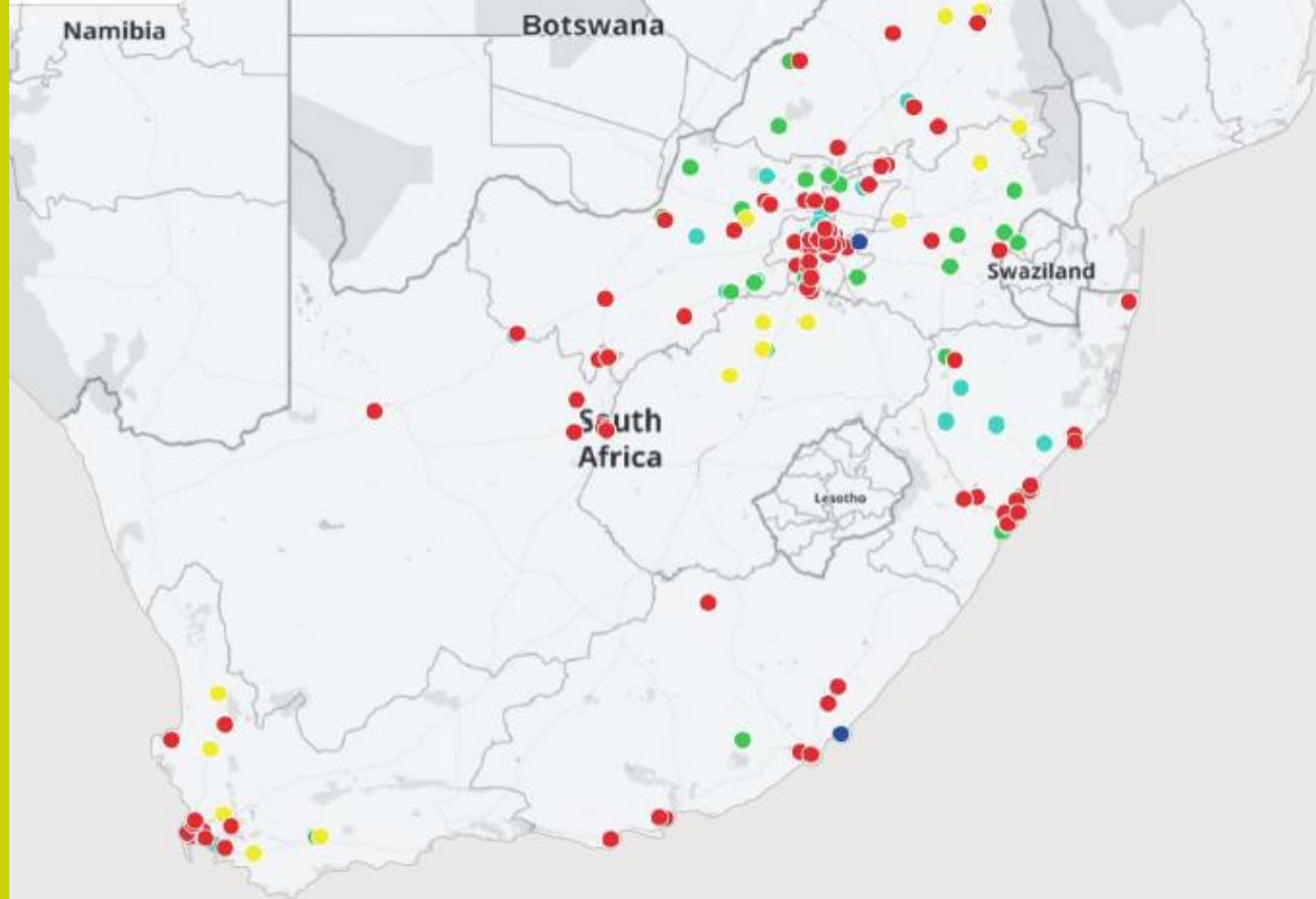




Enterprise Development



**104 projects
in all
9 provinces
supported
with
equipment**



Accredited training		3 courses	89 participants
Bulk bags		57 projects	20 309 bulk bags
Equipment support		104 projects	2 baling machines, 30 trailers, 4 containers, 31 trolleys, 39 scales, 14 JoJo tanks
Government/Municipal engagements		25 engagements	National, provincial and local government
Workshops conducted		40	3 475 participants



Launched Enterprise Development Fund



The Up Project

- 104 buy-back centres onboarded
- 8 898 waste collectors registered
- 78 293 unique transactions recorded
- 8 909 tonnes of recyclable materials captured.
- R 22,99 million worth of recyclable materials traded.
- Largest volume of material: Cardboard, clear PET and boxes
- Drivers of highest spend: Clear PET, cardboard and boxes

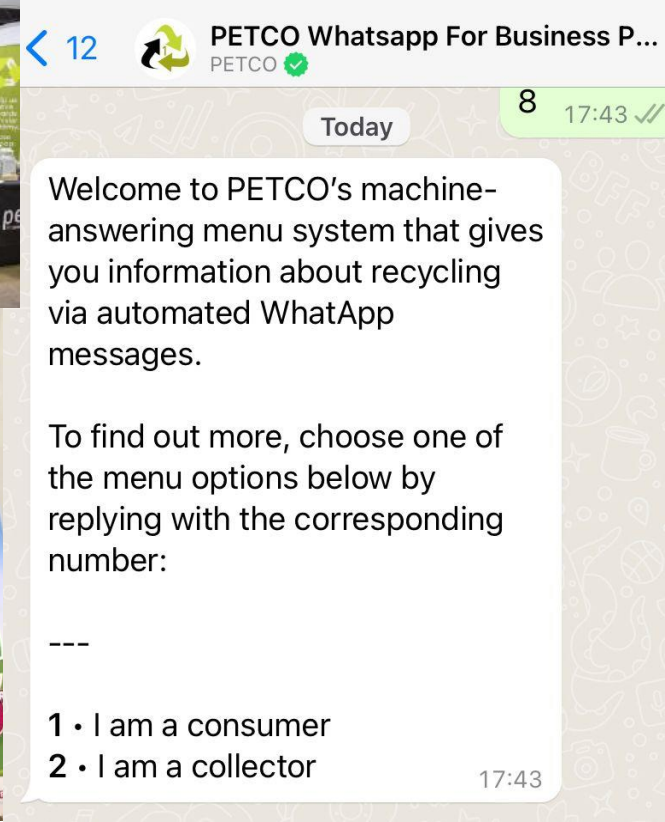
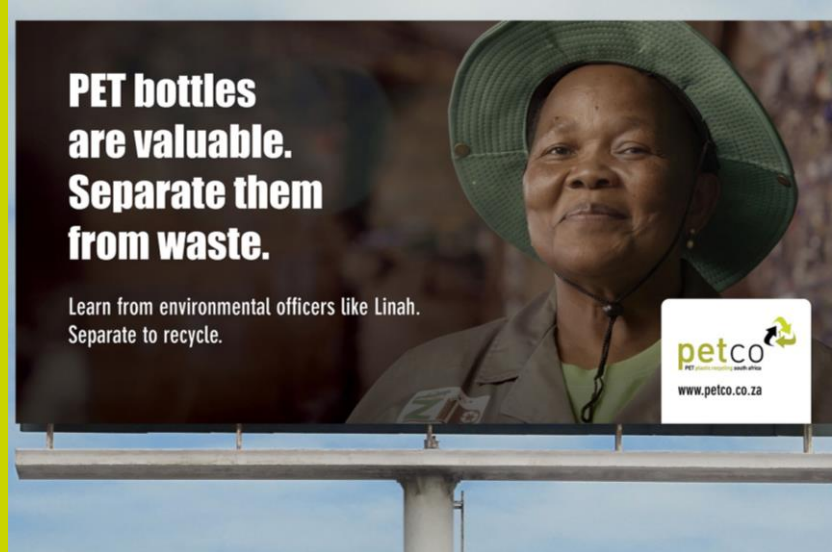




Education & awareness



A year of creating awareness and educating differently



PETCO CEO invited to participate in Intergovernmental Negotiating Committee on Plastic Pollution webinar on EPR



Subject: Invitation to participate in INC2 webinar: EPR
Importance: High

Dear Cheri

The preparations for INC2 has reference.

South Africa ZA has received communication today from the Executive Secretary, Secretariat for INC on plastic pollution. The Executive Secretary has requested that you to share South Africa's PETCO's experiences relating to the practical design and operation of EPR schemes and associated measures.

The theme that your specific invitation relates to is linked to the webinar on, "Promoting a circular economy to reduce the size of the problem: a focus on Extended Producer Responsibility (EPR) and addressing plastic waste (Tuesday 16 May 2023). This session is intended to provide an opportunity to present experiences in developing and administering Extended Producer Responsibility (EPR) schemes, and address specific considerations associated with plastic waste management that might inform the development of solutions in the context of the INC. This is scheduled to take place on Tuesday 16 May 2023, from 12 noon to 1:30 pm, Paris time.

Kindly let me know of your decision by 28 April 2023 on this request such that South Africa can confirm your availability.

Regards

Sent from my iPhone

Ms Mamogala J. Musekene
Deputy Director-General: Chemicals and Waste Management Department of Forestry, Fisheries and the Environment



Thanks to the PETCO team

Cheri Scholtz: Chief Executive Officer

Bhavesh Patel: Chief Operations Officer

Junaid Francis: Stakeholder Relations Manager

Belinda Booker: Collections & Training Manager

Vicki Retief: Financial Controller/Office Administrator

Kara Levy: Marketing Manager

Boipelo Madonsela: Value Chain Officer

Rico Wasserman: BanQu Business Analyst

Lindelwe Mahlalela: Intern Procurement/Administrative Assistant

Tlou Sebola: Regional Recycling Manager (Gauteng)

Jodie Parker: Intern Marketing Manager

Masentle Tlou: Regional Office Administrator

Philani Xulu: Recycling Projects Coordinator

Andile Mndaba: Intern Regional Recycling Officer (KZN & FS)

Yuvay Govender: Intern Regional Recycling Officer (WC & NC)

Lehlogonolo Mohale: Intern Regional Recycling Officer (NW & EC)

Kamogelo Hamisi: Intern Regional Recycling Officer (M & L)

Contracted staff:

Martin Niebuhr: Accountant | **Annette Schell:** EPR Manager | **Sanjeev Maharaj:** EPR Support

| **Terine Lott-Cupido:** Human Resources | **Vaughan van Dyk:** Office 365



Chairperson's Review





Dealing with change head on...



- ❑ Transitioning from voluntary to regulated EPR
- ❑ From collaborative to a competitive EPR environment
- ❑ Amplifying PETCO's value proposition
- ❑ Building internal capacity & capability
- ❑ Journeying with & delivering for our members
- ❑ Lessons learned & targets satisfactorily met



Financial highlights





Statement of financial position

	2022	2021
Non-Current Assets: Property, plant and equipment	R 320,615	R 224,451
Current Assets		
Trade and other receivables	R 24,417,850	R 18,635,873
Other financial assets	R 14,331,206	R 19,617,174
Cash and cash equivalents	R 17,653,863	R 29,637,334
Total Assets	R 56,723,534	R 68,114,832
Equity: Retained income	R 40,784,407	R 27,333,844
Current Liabilities: Trade and other payables	R 15,939,127	R 40,780,988
Total Equity and Liabilities	R 56,723,534	R 68,114,832

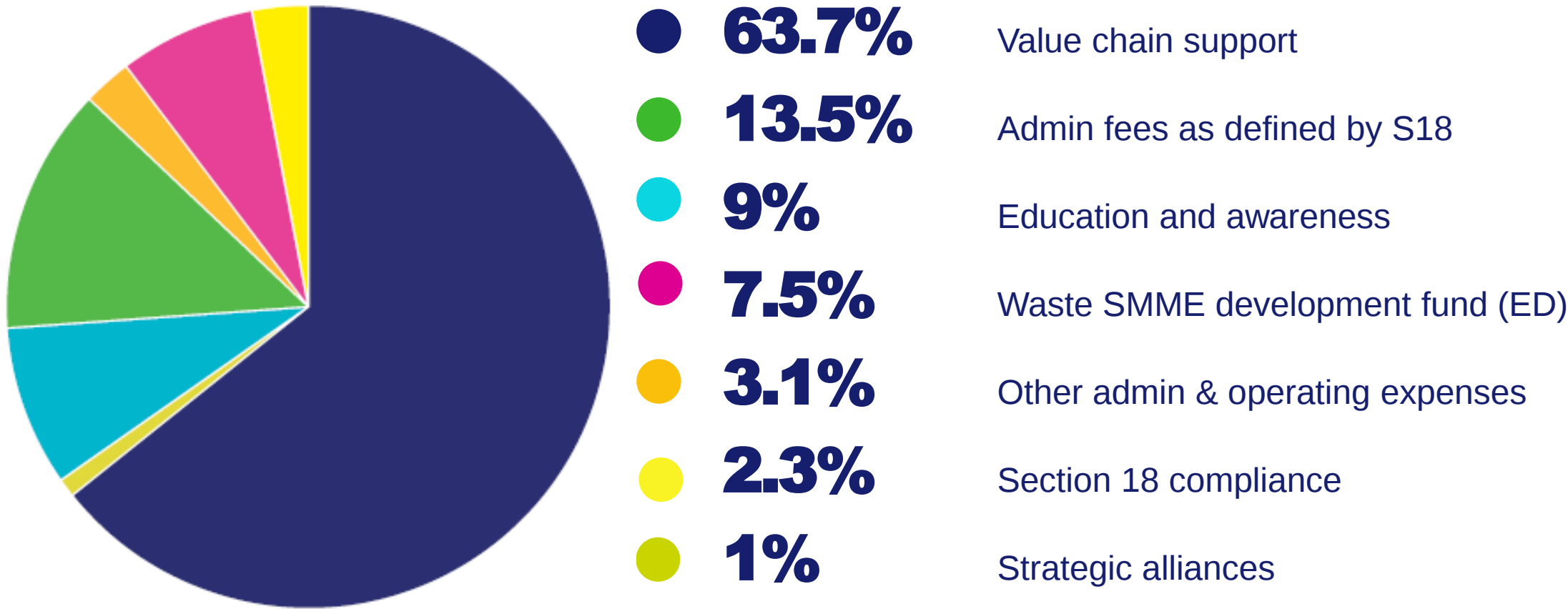


Statement of comprehensive income

	2022	2021
Revenue	R 87,268,036	R 91,095,103
Other Income	R 605,516	R 723,261
¹ Operating Expenses	- R 76,119,359	- R 92,748,549
Operating profit/(loss)	R 11,754,193	- R 930,185
Investment revenue	R 1,697,295	R 1,421,014
Finance cost	- R 925	- R 920
Profit/(loss) before taxation	R 13,450,563	R 489,909
Taxation	-	- R 250,281
Profit/(loss) for the year	R 13,450,563	R 239,628
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	R 13,450,563	R 239,628

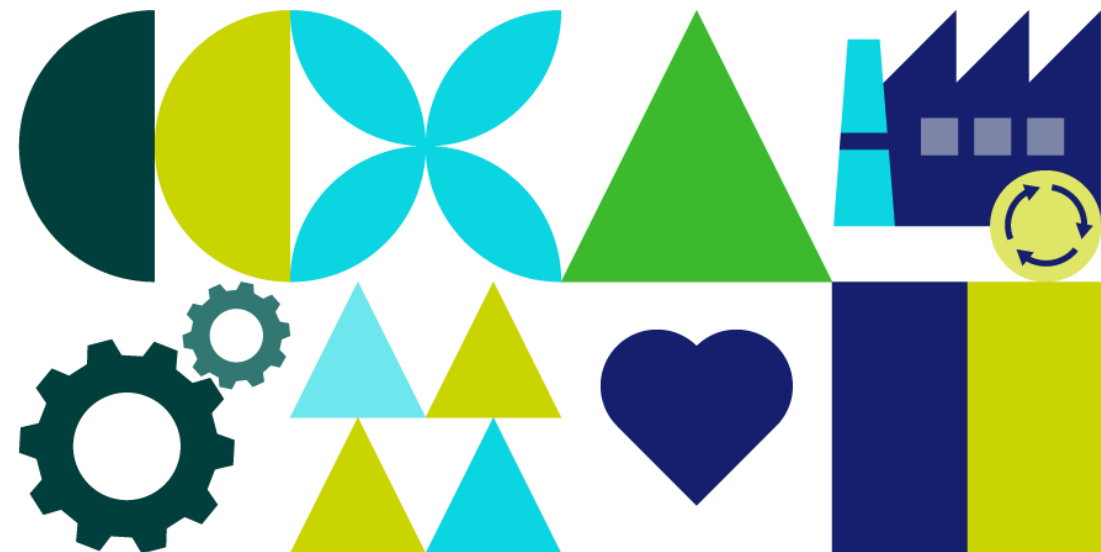


Utilisation of funds





Looking ahead

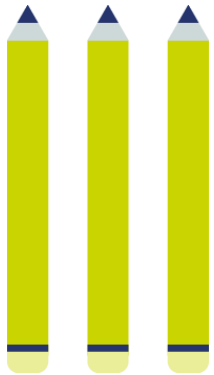




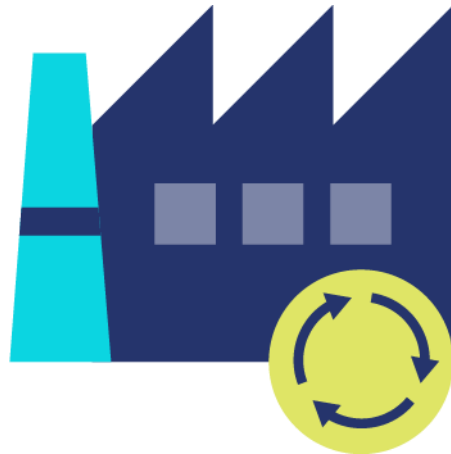


Looking ahead

**Committed to
innovation and design**



**Working towards facilitating a
Circular Economy**



Board transition



Partnerships





Onwards & upwards





Acknowledging our members





Thanks to our 2022 Interim Board of Directors



Tshidi Ramogase

Chairperson:

CCBA: Chief Public Affairs,
Communications and Sustainability Officer
- (Rep. Beverage)



David Drew

Vice Chairperson:

Sustainability Director, The
Coca-Cola Company (Rep.
Beverage)



Andre Nel

General Manager
Sustainability, Pick n Pay
(Rep. Retailer/Importer)



Cavinyen Dorasamy

Procurement Manager – Rigid
Plastics Africa, Unilever
(Representing Non-Beverage)



Deon Moodley

National Sales Manager,
Safripol (Representing Raw
Materials Manufacturer)



Elroy Goliath

Senior Director Global
Procurement, PepsiCo
(Representing Non-Beverage)



Greg Morse

Manufacturing & Supply Chain
Director, Peninsula Beverages
(Representing Beverage)



Ken Clark

Chief Executive Officer,
Twizza
(Representing Beverage)



Mike Resnicek

Managing Director Sub-
Saharan Africa, Alpla
(Representing Packaging)



Quinton Swart

Group Executive Paper and
Plastics, Nampak
(Representing Packaging)



Ratification of our 2023 Board of Directors



Cavinyen Dorasamy
Procurement Manager –
Rigid Plastics Africa
(Unilever)



Cindy Jenks
Head of
Technical Division
(Pick n Pay)



Gareth Elcox
Managing Director:
Sub-Saharan Africa
(ALPLA)



Greg Morse
Manufacturing & Supply
Chain Director
(Coca-Cola Peninsula
Beverages)



John Conway
Chief Manufacturing
Officer (Twizza)



Klaus Plenge
Managing Director
(Tetra Pak)



Liezl Erasmus
Packaging
Sustainability
Manager (PepsiCo)



Michelle Penlington
National Executive:
Marketing and
Sustainability
(Polyoak Packaging)



Nozicelo Ngcobo
Director: Public
Affairs,
Communications and
Sustainability
(Coca-Cola
Beverages SA)



Preola Adam
Senior Sustainability
Director
(Coca-Cola Africa)



Quinton Swart
Group Executive:
Paper and Plastics
(Nampak Packaging)



Ralph Jewson
Project Manager
(Woolworths)



Shaun Christian
National Sales
Manager – PET
(Safripol)



Re-appointment of auditors

**Any other
matters?**



A row of clear plastic bottles, likely PET, moving along a production line. The bottles are filled with a clear liquid and are being processed by a machine with multiple nozzles or sensors positioned above them. The background is dark and industrial.

A Look at European packaging trends

Dr. Karl Hagspiel, Alpla



Roundtable discussion





Topics for discussion

- 01 OBJECTIVE:**
Prevent and reduce packaging waste, by encouraging more reuse and refill, minimising packaging and banning avoidable packaging.
- 02 KEY ISSUE:**
Certain **single-use packaging formats will be banned**, including hotel miniature toiletries and sugar sachets
- 03 KEY MEASURE:**
EU-wide standards for "over-packaging". This includes a maximum allowable empty space in e-commerce packaging and a ban on certain forms of unnecessary packaging.



Topics for discussion

04 KEY MEASURE

Labels on all packaging to facilitate correct waste sorting by consumers, and the same labels will appear on recycling bins to make it clear where to put each type of packaging.

05 According to the Commission, a policy framework is required to **ensure biobased, biodegradable and compostable plastics** have positive environmental impacts, rather than exacerbating plastic pollution.

06 Eco-modulation



Thank you

