



WELCOME

MEMBER INFORMATION SESSION

31 OCTOBER 2022, 10:00-11:00

COMPETITION STATEMENT

We the Members 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 Item	Time
Welcome	10:00-10:05
Competition Statement	10:05-10:10
PETCO updates • Overview of PETCO • Implementation of EPR schemes • Collection value chain support • Education & awareness • Member communication • Legal and regulatory	10:10-10:30
2023 Planning	10:30-10:45
Questions and answer	10:45-11:00
Adjourn	11:00



Plastic bottles
are not trash.



www.petco.co.za 1isPET

PROUD SPONSORS OF



All WASTE RECYCLING

OVERVIEW OF PETCO



MEET THE NEW PETCO TEAM MEMBERS

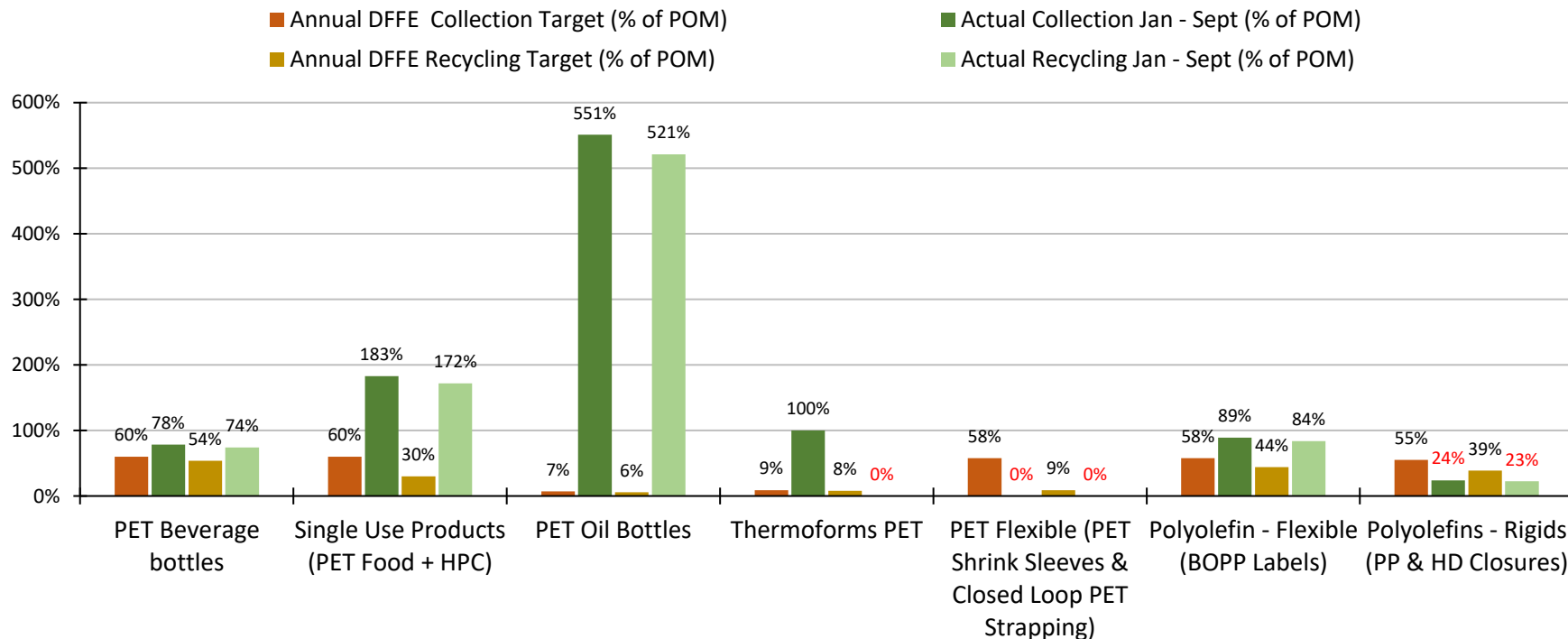




IMPLEMENTATION OF EPR SCHEMES

2022 COLLECTION AND RECYCLING PROGRESS

2022 Collection and Recycling Progress vs DFFE targets



2022 COLLECTION AND RECYCLING PROGRESS

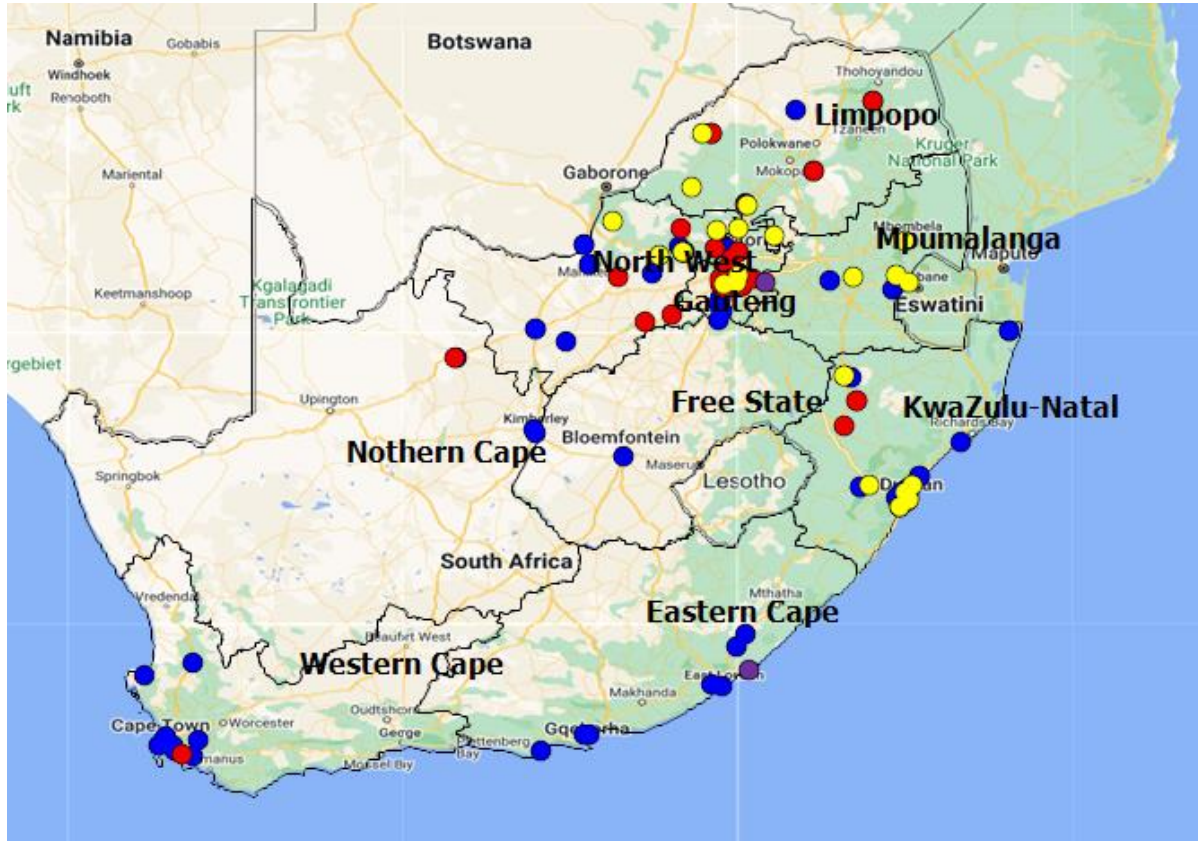
Identified Products	Annual DFFE Collection Target (% of POM)	Actual Collection Jan - Sept (% of POM)	Annual DFFE Recycling Target (% of POM)	Actual Recycling Jan - June (% of POM)
PET Beverage bottles	60%	78%	54%	74%
Single Use Products (PET Food + HPC)	60%	183%	30%	172%
PET Oil Bottles	7%	551%	6%	521%
Thermoforms PET	9%	100%	8%	0%
PET Flexible (PET Shrink Sleeves & Closed Loop PET Strapping)	58%	0%	9%	0%
Polyolefin - Flexible (BOPP Labels)	58%	89%	44%	84%
Polyolefins - Rigids (PP & HD Closures)	55%	24%	39%	23%





COLLECTION VALUE CHAIN SUPPORT

2022 TRAINING & EQUIPMENT SUPPORT



Support	H1	YTD
Accredited training	1	2
Recycling Workshops	13	21
Equipment support projects	21	53
Partner-supported initiatives	35	102

PROJECT UP: WASTE PICKER SERVICE FEE



Taking recycling to the next level.

- According to the regulations, PROs and producers are required to pay a waste picker service fee in November 2022.
- The service fee is to expected to be based on volume traded, flat fee for all materials and paid to waste pickers registered on the National Waste Picker Database.
- Through Project Up, PETCO is working with the PRO Alliance to set up a pilot to trial and commence with the payment of this fee, starting in November.
- The BanQu platform will be used to track transactions and 5 cashless payment methods will be made available to waste pickers.
- Each PRO will cover the fee for their respective materials.
- A quantum for the fee is still currently being discussed.

ENTERPRISE DEVELOPMENT

- In partnership with various stakeholders, PETCO is seeking to invest in the informal sector infrastructure in KZN to increase availability of rPET.
- Enterprise Room has been appointed as the project manager.
- A call was issued on October 19th to solicit applications from buy-back centres and SMMEs. Applications are currently being reviewed by a panel of experts.
- Support entails an 8-month programme of mentorship, training, back-office services, infrastructure and equipment support (as necessary).
- Members and their customers who have available enterprise development spend and are looking for opportunities to exercise this spend are encouraged to look at investing in this initiative.

Enterprise Room



EDUCATION & AWARENESS

SOCIAL MEDIA ACTIVITY



Engagement: 246 000
Increase: 94%



Engagement: 4 987
Increase: 1,94%



Views: 773 366 views

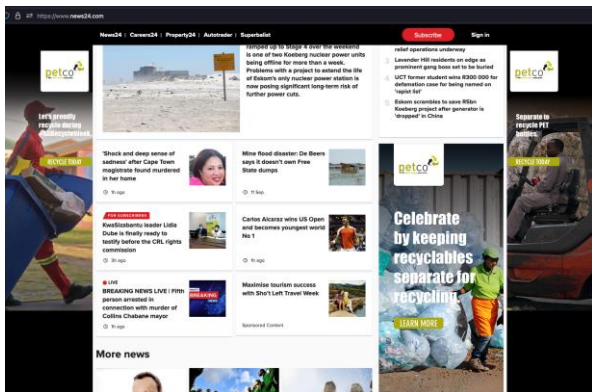


Interactions: 24 149
Users: 9 605



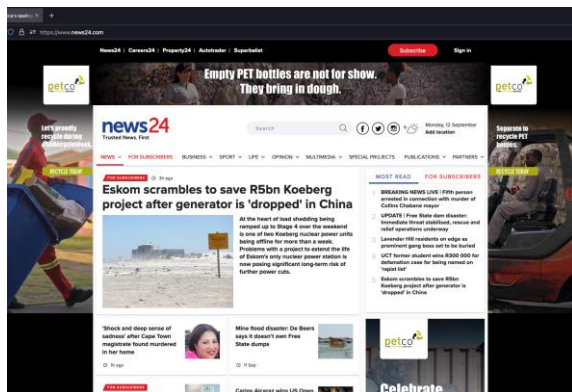
DIGITAL MARKETING

BusinessTech



Impressions: 267 180

NEWS24



Impressions: 777 428

DSTV Pause Screen



Views: 447 897



EVENTS & PROJECTS

- 3 webinars hosted with total of 221 in attendance
- 12 events including project launches, equipment provision, training, sponsored clean-ups and exhibitions.



MEMBER COMMUNICATION



MEMBER ENGAGEMENTS

Member engagements undertaken:

- Collective member information session (11 August)
- Individual member communication collaboration sessions (August/September)
- Member communications preference survey (August/September)
- First quarterly newsletter issued (16 September)
- Webinars (broader than only members):
 - Informal sector integration (22 September)
 - D4C local best practice (13 October)
 - D4C international landscape (18 October)



MEMBER ENGAGEMENTS

Member participation:

Activity	Engagement
Collective info session	58% attendance
Individual collaborative communication sessions	Met with 63% of members
Survey completion	50% completion
Webinar attendance	38% of members represented
2023 forecasts received	All members but with various follow ups and delays



SURVEY FEEDBACK

Urgent notifications

- Communications means: Email (1st), WhatsApp (2nd) and telephone calls (3rd)

General updates

- Content:
 - PET and rPET market trends (1st);
 - PETCO progress against collection and recycling targets (2nd)
 - DFFE EPR policy and regulatory updates; Updates on PETCO enterprise development initiatives; international news on EPR and waste management (joint 3rd)
- Communication means: Emails (1st), newsletter (2nd) and collective member info sessions (3rd)
- Frequency: Quarterly (overwhelmingly 1st) and monthly (2nd)
- Own reporting: Policy and regulatory changes (1st)

Updates on PETCO reporting to DFFE

- Communication means: Emails (1st); collective member info sessions (2nd) and newsletters (3rd)

SURVEY FEEDBACK

For those wishing to still complete the survey, you can do so by clicking on the link below:

<https://www.surveymonkey.com/r/97PRDSY>



LEGAL AND REGULATORY

LEGAL AND REGULATORY UPDATE

Product or class of Products	Plastic PET Beverage bottles					Single Use Products - PET					Plastic PET Flexibles				
Year	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Product Design (Recycled content %)	10%	12,5 %	13%	15%	20%	8%	12%	14%	17%	20%	50%	55%	60%	70%	80%
Collection Target %	60%	64%	66%	68%	70%	60%	65%	70%	75%	80%	10%	20%	30%	40%	50%
Recycling Target %	54%	58%	59%	61%	65%	30%	35%	40%	45%	50%	9%	18%	27%	36%	45%

Product or class of Products	Polyolefins Rigid					Polyolefins Flexibles					Plastic PET Oil bottles					Plastic PET Thermoformed				
Year	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Product Design (Recycled content %)																				
Collection Target %	55%	57%	60%	61%	64%	58%	60%	62%	64%	66%	7%	13%	25%	32%	39%	9%	13%	19%	27%	35%
Recycling Target %	39%	42%	45%	48%	52%	44%	46%	48%	50%	52%	6%	12%	23%	29%	35%	8%	12%	17%	24%	30%

LEGAL AND REGULATORY UPDATE

- **Submission of 2023 EPR fee – 31 October:** 2023 EPR fee to be submitted by 31 October and will come into effect on 01 January 2023.
- **Implementation of waste picker service fee – 01 November:** A waste picker service fee is to be implemented in November
- **Submission of 2023 Annual Financial Plan and Budget – 30 November:** Financial documents to be submitted to DFFE by 30 November.
- **Submission of Annual External Audit Report – 31 March:** Annual performance audit reports must be submitted to the Department within 3 months of the conclusion of the year end.

EPR SCHEME TIMELINES

[illegible]



PETCO 2023 PLANNING

EPR FEE CALCULATION

- EPR funding is largely determined by collection target
- Higher collection increases quantum of funding req.
- Collection target is expressed as % of members vol.
- Higher membership = higher targets = more funding
- Funding is thus dependent on final membership



Understanding what members place on the market is critical to determining the job to be done, i.e. **the collection target and the cost!**



**Collection Target = EPR Target %
* Members Volume**



2023 PLANNING

The EPR fee is calculated as the difference between our income (EPR fees & grants) and our expenditure, divided by the forecasted tonnage of product placed on the market.

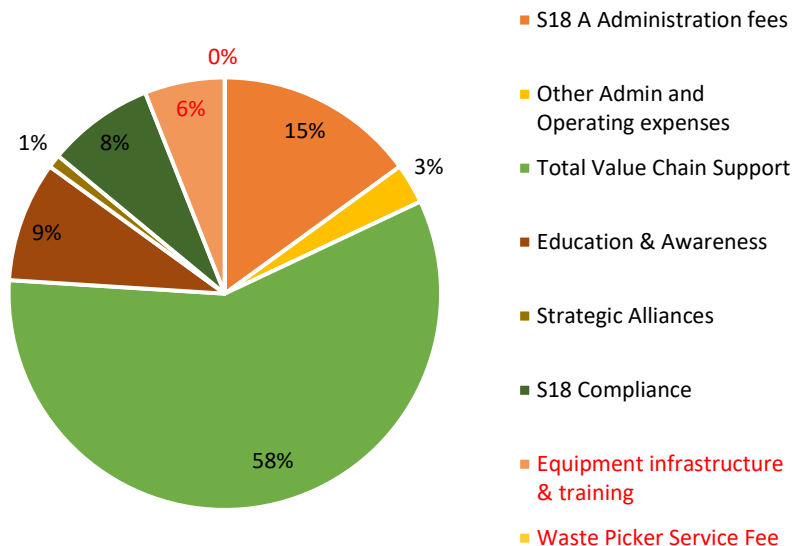
Expenditure comprises the following:

- Section 18 and other admin fees
- Value chain support
- Education and awareness
- PRO Alliance projects and initiatives
- Section 18 compliance
- Infrastructure and training for informal sector
- Payment of waste picker service fee

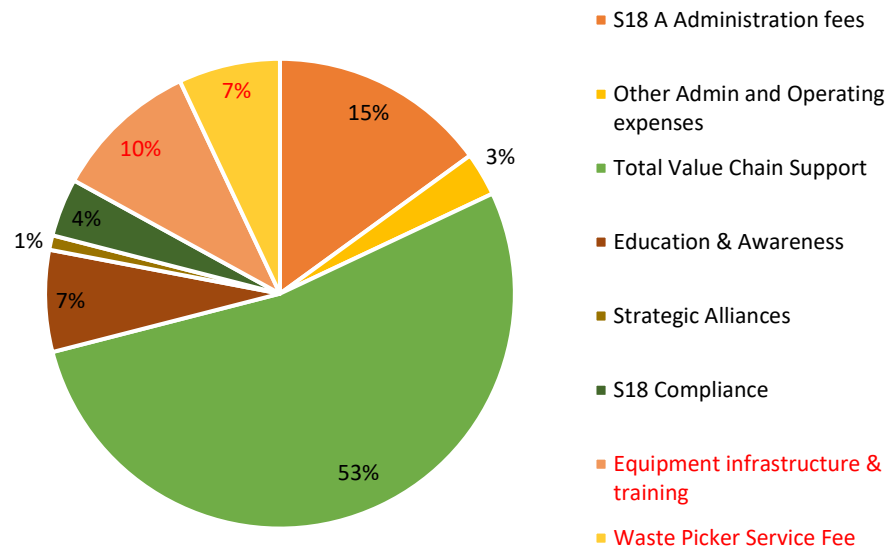


2023 PLANNING

2022 Financial Update



2023 Financial budget



2023 EPR FEE

Identified product	2023 EPR Fee (Total Cost/Tonne)
PET Beverage bottles	R728
PET Bottles – Home & Personal Care	R728
PET Bottles - Edible Oil	R728
PET bottles & Jars – Food	R728
Thermoform PET	R789
PET Shrink Sleeves	R1 160
PET Strapping (Closed Loop)	R350
BOPP Labels	R790
HD & PP Closures	R790
Liquid Board Packaging	R478

HOW TO REACH AND FOLLOW US



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@PETPlasticRecyclingSA



PETCO South Africa

