

20 January 2022

Dear PETCO brand owner members,

With Year 1 of mandatory EPR already in full swing, we would like to provide you with a few key updates on matters relevant to your PETCO membership:

- **PETCO membership agreement:** As a matter of urgency, please sign and return your PETCO membership agreement if you have not already done so. We would like to finalise our membership as soon as possible and therefore require all outstanding signed agreements.
- **Approval of EPR fees for 2022:** We submitted our EPR fees to DFFE for approval on 01 November 2021. Based on feedback received, final approval sits with Treasury, and we await further feedback. Although formal approval has not yet been received, PETCO will progress with the submitted rates as no objection has been provided by DFFE, which can be taken as tacit approval. Members will be notified as soon as further feedback is received.
- **EPR fees for 2022:** Understanding that PETCO's 2022 EPR schemes are already in progress, we will be invoicing 2022 EPR fees as follows:

Identified Products	EPR Fee (Rand)
PET	
PET Bottles – Beverages	R620
PET Bottles – HPC	R620
PET Bottles – Edible Oil	R620
PET Bottles and jars – Food	R620
Thermoform PET	R620
PET Flexibles	R1000
PET Strapping – Closed loop	R350
Labels and closures	
BOPP Labels	R620
HDPE Closures	R620
PP Closures	R620

- **Member declaration:**
 - A reminder for members to prepare their declaration forms for submission based on the agreed frequency of payments. Annette will be following up on this shortly. Feel free to contact Annette for a declaration template if you have not already received one.

Non-Executive Directors: Deon Moodley, *Safripol*; Tshidi Ramogase, *CCBSA*; Greg Morse, *Coca-Cola Peninsula Beverages*; David Drew, *TCCC*; Ken Clark, *Twizza*; Cavinnyen Dorasamy, *Unilever*; Elroy Goliath, *PEPSICO*; Andre Nel, *Pick 'n Pay*; Mike Resnicek, *ALPLA*; Quinton Swart, *Nampak*.

PET Recycling Company NPC, Registration Number: 2004/032347/08
EPR Registration Number: 19/7/5/P/PRO/20210517/001



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- Development of the online declaration application is currently underway and will be ready for members in the near future. In the interim, the excel templates (on which the application is designed) will be used.
- Pending final feedback from DFFE/Treasury on EPR fees, any reconciliations will be done at a later stage should the fee need to be changed.
- PETCO anticipates that DFFE may want PROs to verify payments made by members for November and December 2021 to ensure that all members are compliant for this period. As the method of declaration and payment is likely to change for January and onward, we may need to work with members to reconcile volumes and ensure that both PETCO and our members are comfortable that we are fully compliant.
- **PETCO plans for 2022:**
 - Through extensive support and collaboration across PETCO members, the PETCO team and our valued partners within the value chain will be championing a support plan to collect and recycle the volume of Identified Products as per the targets stipulated in the EPR regulations for Year 1. These targets are as follows:

Product	Collection Target	Recycling Target
PET Bottles – Beverage	60%	54%
PET Bottles – HPC	60%	30%
PET Bottles – Edible Oil	7%	6%
PET Bottles and jars - Food	60%	30%
Thermoformed PET	9%	8%
PET Flexibles	10%	9%
PET Strapping – Closed loop	10%	9%

- Exact target volumes for each Identified Product will be based on the volumes placed on the market by our members, which in turn must be contracted to our recycling partners. It is therefore CRITICAL for members to send their signed membership agreements to support the required contracted volumes with PETCO's recyclers. With Quarter 1 of 2022 already on the go, this is a matter of urgency.
- Additionally, it is vital that members send through a forecast of 2022 volumes for Identified Products. This will assist PETCO in adequately preparing collection and recycling of these products, especially in the case of new materials where EPR schemes may have to be developed anew.
- An Interim Performance Report is due to DFFE within four weeks from the end of June 2022. PETCO will be submitting this report on behalf of its members. This report will reflect on the performance of the organisation and its members in the period 05 November 2021 until 30 June 2022.



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- **Introduction of interim board members:**

- PETCO currently has in place an interim board that will serve until mid-2023. The board members and constituents they represent are as follows:

Name	Sector	Company
Tshidi Ramogase (Chair)	Beverage	Coca-Cola Beverages South Africa
David Drew (Deputy Chair)	Beverage	The Coca-Cola Company
Andre Nel	Retailer	Pick n Pay
Cavinyen Dorasamy	Non-Beverage	Unilever
Deon Moodley	Raw Material	SafriPol
Elroy Goliath	Non-Beverage	PepsiCo/Pioneer
Greg Morse	Beverage	Peninsula Beverages
Ken Clark	Beverage	Twizza
Mike Resnicek	Packaging	ALPLA
Quinton Swart	Packaging	Nampak

- Meetings have been scheduled for the interim board for 2022, and these dates are: 24th February, 2nd June, 18th August and 17th November. Feel free to also reach out to your board representatives at any stage for updates on PETCO matters.

- **Introduction of your PETCO team:** The team at PETCO is dedicated to ensuring that all your legal obligations are met and that we can add real value to your organisation as we collectively embark on this mandatory EPR journey. Below are the details of PETCO staff with whom you can engage should you have any queries relating to PETCO operations:

- Cheri Scholtz, Chief Executive Officer, oversees all things PETCO (cheri.scholtz@petco.co.za);
- Annette Schell, EPR Fee Manager, responsible for the management of member declarations and payments (annette.schell@petco.co.za);
- Belinda Booker, Collections and Training Project Manager, oversees PETCO's support and training with municipalities and the informal collection value chain (belinda.booker@petco.co.za);
- Junaid Francis, Stakeholder Relations Manager, responsible for engagement with all key stakeholders and addressing the needs of PETCO members (junaid.francis@petco.co.za);
- Kara Levy, Marketing Officer, supports all communications and branding related to members and member achievements as well as consumer education and awareness;
- Pearl Molepo, Recycling Programme Manager, oversees all engagement with PETCO's recycling partners and design for recycling of member packaging (pearl.molepo@petco.co.za); and



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- Sanjeev Maharaj, EPR Support, supporting the registration of all members and ensuring that all members are compliant with the EPR regulations (EPR@petco.co.za).
- **Comments submitted on DFFE EPR proposed amendments:** On the 2nd of December 2021, DFFE published a new set of proposed amendments to the EPR regulations and invited comment thereto. A high-level summary of the comments put forward by PETCO is as follows:
 - *Reporting:* With the introduction of the summary audit report, there are now 8 reports currently stipulated. PETCO recommends a review and standardisation of reporting requirements.
 - *“Percentage of recycled content”:* Recommended amendment to this definition which currently limits the scope to product locally produced and sold. It is also suggested that Producers report on this as it is beyond the control and ambit of PROs.
 - *Target for PET flexibles:* It is recommended that this target only apply to PET strapping and that the remaining PET flexibles have similar targets to that of polyolefin flexibles.
 - *“Recycled content”:* Recommended amendment to this definition to ensure it makes allowance to include both post and pre-consumer materials as per the ISO and EMF definitions.
 - *“Sorted”:* Clarity sought on the definition of sorted and how it is measured.
- **Next steps:** We will be setting up individual meetings with all members in order to elaborate further on the PETCO model and the plans for 2022. It will also be an ideal opportunity to hear more about the needs of our members and how best we can fulfil these. Please be on the lookout for correspondence in this regard.

Feel free to reach out if you have any comments about any of the above.

Kind regards,

Junaid
Stakeholder Relations Manager



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