



Dear valued PETCO members

As 2022 draws to a close, we would like to thank you for your support and participation in successfully navigating through the first year of mandatory EPR. Despite the challenges accompanying a changing landscape, a delay in EPR fee concurrence and the introduction of novel requirements as stipulated by the EPR regulations, PETCO has obtained noteworthy progress towards achieving the necessary targets on behalf of our members. Having almost completed a full year of mandatory EPR and heeded some of the lessons learnt, we are well-placed to continue succeeding in Year 2 of mandatory EPR.

In this edition of the quarterly member newsletter, you will find updates on PETCO activities for Quarter 3 of 2022. In addition, the final 2022 progress, including that from Quarter 4, and more detail on the plans and timelines for 2023, will be shared early in the new year.

We wish all our members well over the festive period and look forward to furthering collaboration in the new year.



PETCO's progress on DFFE stipulated targets

COLLECTION AND RECYCLING

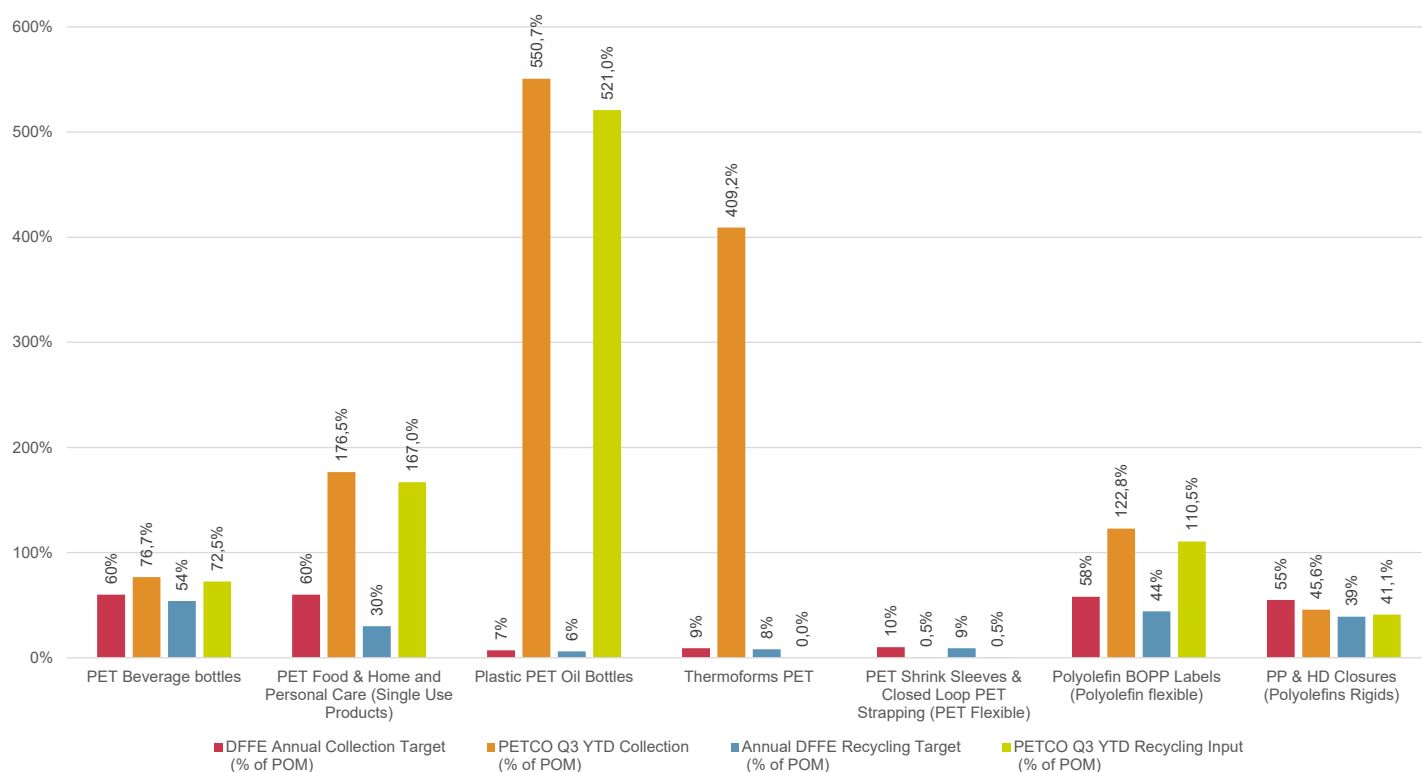
Based on the actual audited numbers and data from the bale characterisation studies completed to date (as of the end of September), collection and recycling for the identified products for which PETCO administers an EPR scheme are largely on track to meet the regulated targets for 2022.

PETCO is currently exploring ways to improve the collection and recycling of those identified products falling below the stipulated targets, including a trial for thermoform volumes placed on the market by our members.

Unfortunately, PET shrink sleeves are currently not recyclable, and those collected are destined for landfill. PETCO will reach out to members in the new year to explore recently developed polyolefin shrink sleeve alternatives. Keep an eye on this space.

The graph below provides a summary of PETCO's progress for collection and recycling as of the end of September 2022. Please note that these figures are unaudited and are, therefore, subject to change at a later date.

2022 Collection & Recycling Target vs Q3 (Jan - Sept) YTD Actuals



Recycled content

Although PETCO's preference is that members report directly to DFFE on the inclusion of recycled content for several reasons, we request that members maintain records of this information for potential inclusion in the first-year annual report.



Regulatory and Policy

SUBMISSION OF EPR FEES

As previously communicated to members, EPR fees for 2023 were submitted to DFFE on 31 October 2022 for concurrence and will take effect on 01 January 2023. The fee for each identified product for which PETCO will offer an EPR scheme in 2023 is presented in the table below:

	Identified Products	2023 EPR Fee (Total Cost/Tonne)
	PET Beverage bottles	R728
	PET bottles – HPC	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 (LBP)	R478

SUBMISSION OF THE 2023 ANNUAL FINANCIAL PLAN AND BUDGET

PETCO's 2023 annual financial plan and budget were submitted to DFFE on 30 November 2022 as required by section 7A of the EPR regulations.

WASTE PICKER SERVICE FEE UPDATE

As indicated by section 5.A 1) p) of the EPR regulations, PROs (or producers for individual compliance schemes) are expected to compensate waste collectors, reclaimers or pickers who register with the SA Waste Picker Registration System, for collection services and environmental benefits, through a service fee by November 2022.

In light of this regulatory requirement, PETCO, in collaboration with the PRO Alliance, and the African Reclaimers Organisation (ARO), utilised the BanQu platform to commence with a pilot project at a buy-back centre on 01 November to trial the payment of the fee to 20 registered waste pickers.

Despite several challenges, such as loadshedding and a lack of identity documentation, 20 waste pickers on the South African Waste Picker Registration System (SAWPRS) were registered on the BanQu platform to capture all transactions made between the buy-back centre and the waste pickers. Waste pickers were also presented with, and registered on, three cashless payment systems.

KEY 2023 DATES:

A summary of the key regulatory dates for 2023 is presented below:

- 1 JANUARY**
Commencement of Year 2 of mandatory EPR
- 31 MARCH**
Submission of annual external performance audit report
- 5 MAY**
Development of BBBEE transformation charter with targets, timelines and implementation measures
- JUNE/JULY**
Submission of the annual audit report and summary audit report (60 days after finalisation of audit)
- 28 JULY**
Submission of interim performance report
- 31 OCTOBER**
Submission of 2024 EPR fees
- 30 NOVEMBER**
Submission of 2024 annual financial plan and budget

Update on PETCO Activities: Quarter 3 (July – Sep)

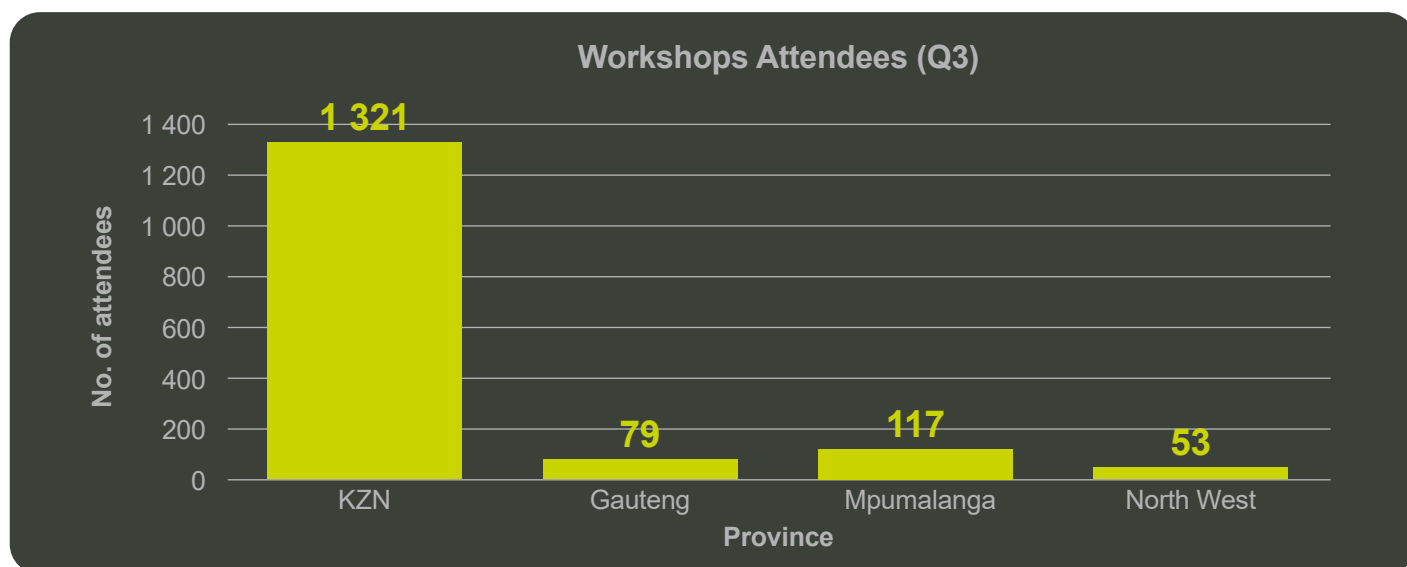
VALUE CHAIN SUPPORT AND TRAINING

Learnerships

PETCO enrolled three disabled learners on a 12-month National Production Technology programme with NQF level 2. As part of this programme, learners will receive a monthly stipend.

Recycling training workshops

In partnership with municipalities and provincial governments, PETCO co-hosted and presented at eight Recycling Training Workshops in four provinces with 1,570 attendees. A breakdown of attendance per province is provided in the graph below:



Partnerships

In partnership with Safripol, AECI and The Coca-Cola Foundation (TCCF), PETCO supported 19 projects (including SMMEs and co-operatives) in three provinces with 2,989 bulk bags for sorting and storing PET. In addition to the above, four projects were provided with equipment such as roofing, branded cattle rails, a generator and a 6m branded trailer. Moreover, four clean-up campaigns were sponsored with 500 food vouchers and a pre-primary school with gardening materials.

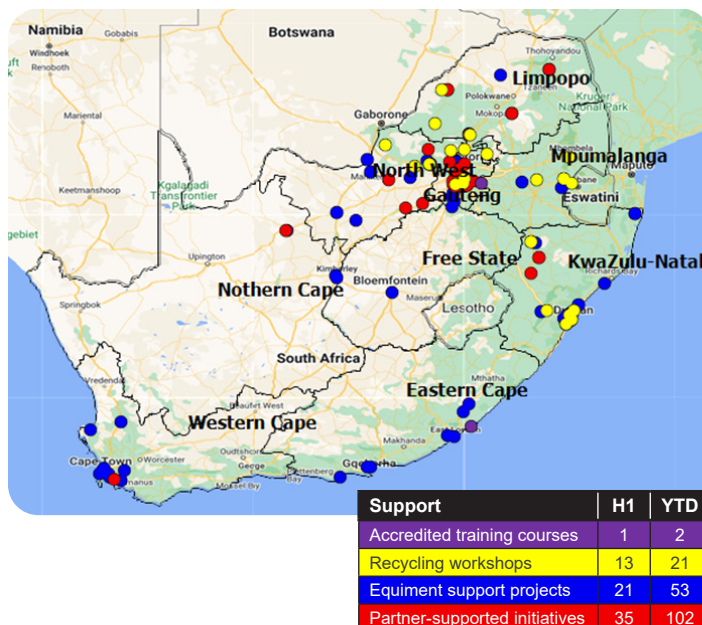
Recipients of the above include SMMEs and co-operatives across all nine provinces.

Equipment provision

PETCO supported 15 projects (including SMMEs and co-operatives) in eight provinces with equipment to improve the quantity and quality of their post-consumer PET collections. This equipment includes PPE gear, scales, trailers and vehicle repairs.

To the right is a map capturing all the equipment support provided for the year to date.

The recycling training workshops, coupled with the infrastructure support, have increased PET and closures collection volumes. It has also supported an improvement in the quality of recyclables collected. These socioeconomic development initiatives assist the informal sector in integrating into the post-consumer collection value chain.



ENTERPRISE DEVELOPMENT

As part of PETCO's enterprise development project, aimed at developing the recycling value chain in remote areas starting with KZN, the following progress has been achieved:

Round 1

A call for applications was distributed on 19 October to 75 SMMEs and co-operatives. Sixteen businesses were shortlisted using strict pre-qualifying criteria.

Round 2

These 16 businesses were invited to pitch with instructions and guidelines provided. Some candidates requested to support their pitch with a short video. The closing date for these pitch submissions is 14 November.

Round 3

Round 3 (still to be implemented) entails the final selection of projects to be supported. Support will entail an eight-month programme of mentorship, training, back-office services, infrastructure and equipment support (as necessary).

PETCO members and their customers who have available enterprise development spend, and are looking for opportunities to exercise this spend, are encouraged to enquire about investing in this initiative.

This enterprise development initiative is a value-add to all members. It contributes towards PETCO and members meeting legal requirements like empowering previously disadvantaged communities, supporting SMMEs to integrate into the formal sector, unlocking further collection, and increasing the availability of recycled materials. As a PETCO member, it is a sensible investment due to the double benefit of receiving recognition points while supporting the recycling value chain.





PETCO support for 'Give Dignity' campaign

Every month, millions of women across the globe suffer the indignity of not having access to or are not by the means to afford safe and hygienic sanitary products during their menstruation cycle. Women waste pickers fall into this category, often working long hours at waste disposal facilities or travelling great distances to salvage recyclables from households to put food on the table.

Gregg Adams (DEA&DP) with the female waste pickers at Swellendam landfill that received dignity bags.



This year the Waste Policy and Minimisation Sub-Directorate of the Western Cape Government initiated the 'Give Dignity' Campaign, together with the Western Cape Recycling Action Group (WCRAAG), to bring relief and dignity to female waste pickers in the recycling fraternity. This initiative aims to provide them with access to sanitary products and promote environmentally sustainable products such as reusable menstrual cups and washable sanitary pads.

This initiative, supported by PETCO and some other sponsors, donated 6000 items to 300 waste pickers. Since September, 310 'Give Dignity' bags have been distributed to female waste pickers, including reusable sanitary wear, facecloths, deodorant, soap, toothpaste, and toothbrushes. These dignity bags were distributed to female waste entrepreneurs in the Swellendam, Matzikama, Kannaland, Oudtshoorn, Mossel Bay, Berg River, Breede Valley, Cederberg, Theewaterskloof, Bitou, Langeberg, Stellenbosch and Overstrand municipalities.

PETCO Membership

As previously communicated, PETCO is pleased to welcome Tetra Pak South Africa as a member of the Liquid Board Packaging (LBP) EPR scheme that PETCO will administer from 01 January 2023.

With most PET packaging belonging to the beverage sector and LBP being a packaging type also predominantly used by the beverage sector, we see immediate synergies for many of our members who already sell products in both PET and LBP. We also know that the waste streams within which we work are not exclusive to PET, and as such, expanding our focus to include LBP is relatively simple for our teams in the field.

Utilising these larger economies of scale, PETCO is hopeful of advancing collection and recycling in both the beverage sector and the broader PET sector more cost-effectively. As with our other EPR schemes, each scheme will remain self-funding, and all value chain support will be funded directly by the producers of that specific material.

In addition to Tetra Pak, PETCO also extends a warm welcome to Crickley Dairy.



Member Engagement

Issuing this last newsletter for 2022 concludes our member engagement for the year. The table below summarises the member engagement that took place in the previous quarter and the plans for engagement in the first quarter of 2023.

Item	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Member survey									
Collective member info sessions									
Individual reporting on 2022 YTD POM vs Forecasted									
Webinars									
Member newsletters									
Member site visits									



Thank you for a successful 2022!



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And just like that, we're
wrapping up a great 2022
and we would like to
thank YOU.



Our first year of operating in the mandatory
Extended Producer Responsibility (EPR)
landscape has been exciting but challenging.

Together we have crafted new systems,
gained insights, and adapted and grown, to
enable us to meet our goals.

Our big-picture thinking and best efforts have
made a tangible and valuable contribution to
your EPR obligations.

Thank you for joining us on this journey, and
we look forward to what 2023 will bring!