



Leading Producer Responsibility

# **Future Pack: Petco Updates**

**12 March 2025**

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# Local and International Markets

## EU Market

- An average increase in clear bale and clear flake prices in Europe.
- Clear flake demand is weak, putting recyclers in tough positions.
- Demand for foodgrade pellets is expected to improve in Q2 as pre-form production starts to ramp up for the summer season.

## International legislation

The EU Packaging and Packaging Waste Regulations (PPWR) remains a key piece of international legislation to follow.

## Local Market

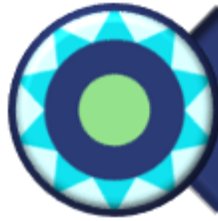
Bottle prices soared to almost R9.00/kg in Q4 2024. We have however noted a slight decrease in local baled bottle prices in January 2025, due to increased supply during the summer season.

## Global trends & forecasts

- Major global companies are retreating from their sustainability commitments.
- The Trump Presidency – Low energy costs potentially undermining existing and future investment cases.



# Our Purpose



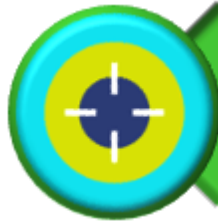
**Vision** - A true circular packaging value chain



**Mission** - To continuously lead the way



**Essence** - Member-focused PRO



**Promise** - To achieve beyond policy



# Our EPR Schemes



# Key Pillars of the Petco Model



## Design

Work with our members to ensure packaging is designed for recycling and a circular economy.



## Consumer

Educate, motivate and empower consumers.



## Municipalities

Partner with municipalities to unlock collection through infrastructure and training support.



## Waste Pickers

Support the integration of the informal sector to the formal sector and thereby improve earnings and working conditions of waste pickers.



## Collectors

Provide formal collectors with training and equipment support.



## Recyclers

Contract recyclers and thereby provide security to enable improved capacity and investment in end-use markets.

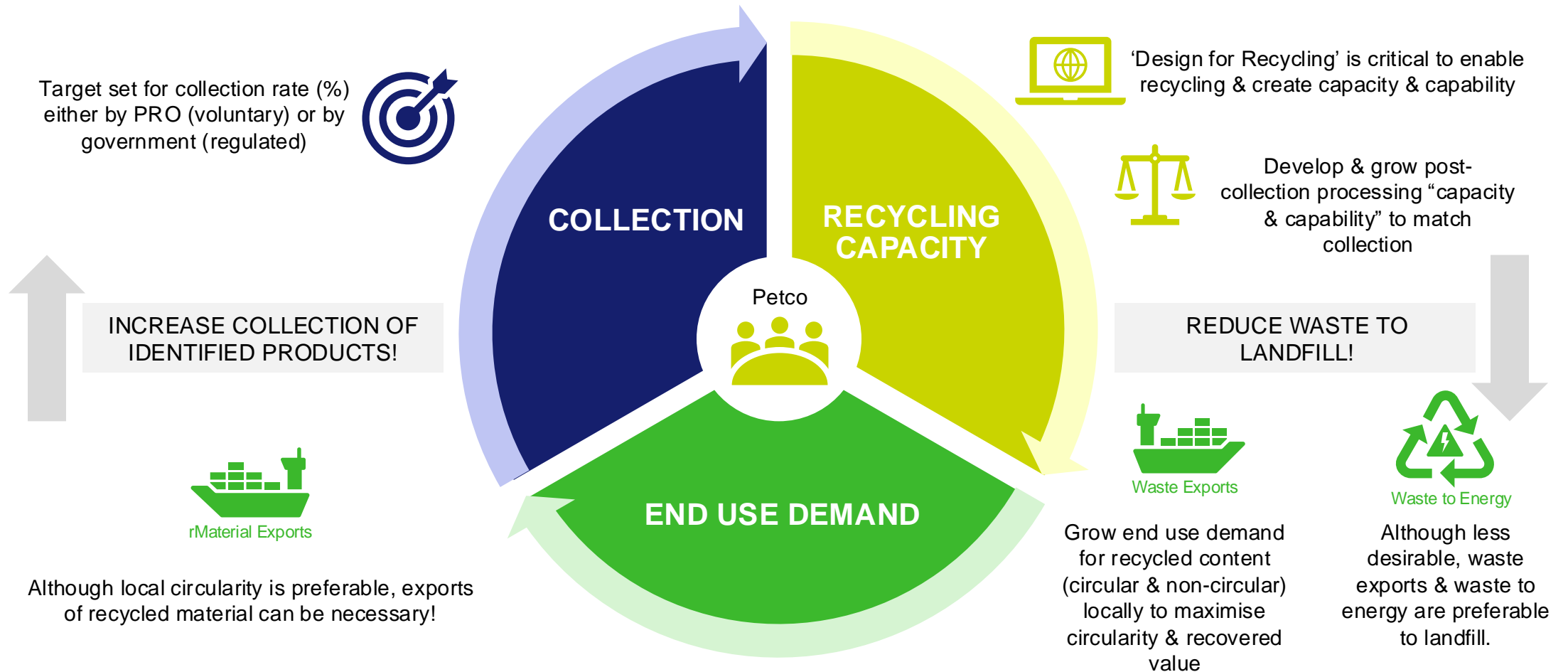


## End Use

Support the development of high value end-use markets such as recycled materials which can go back into packaging.



# Balancing the Value Chain



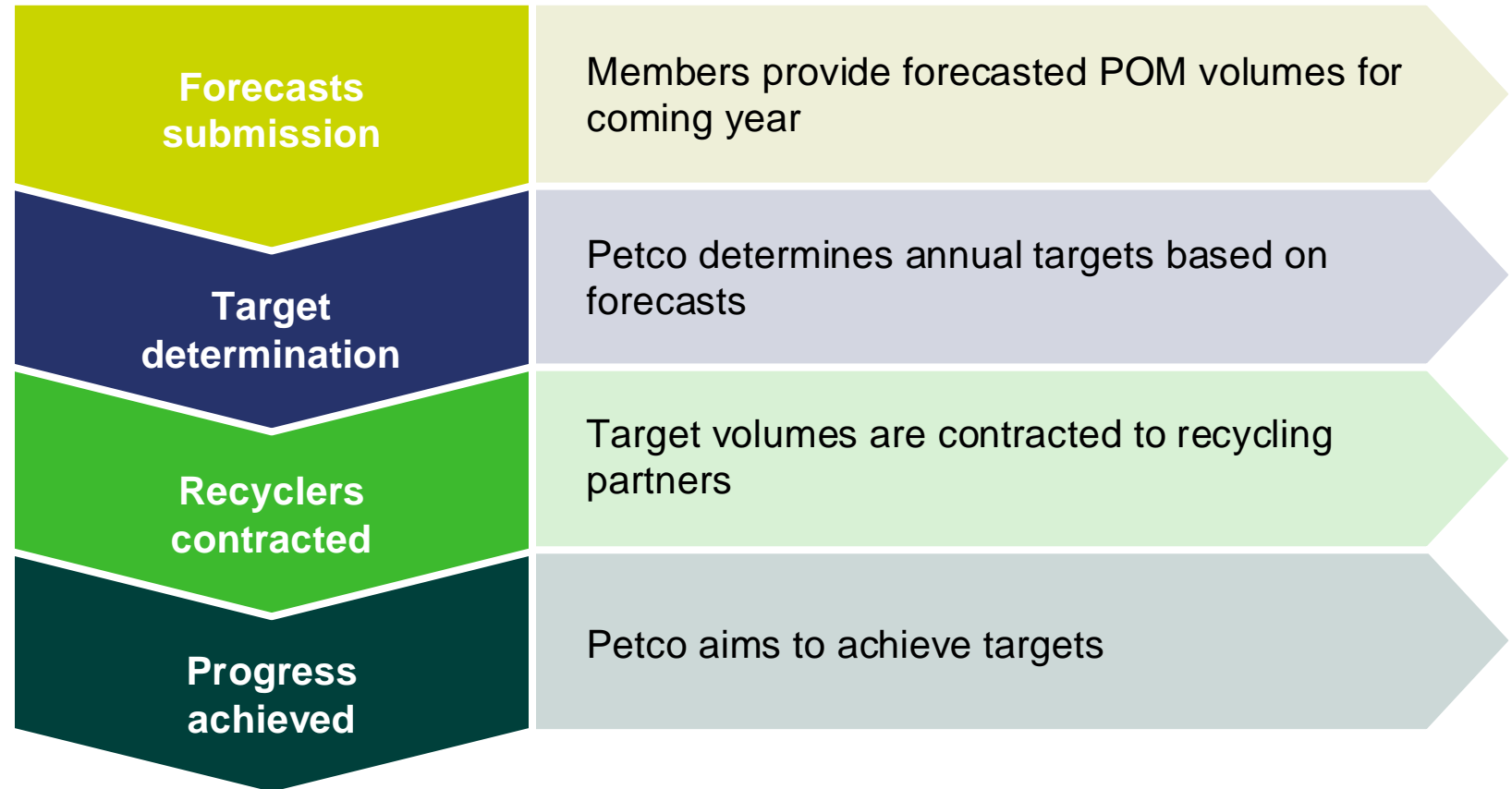


# Our Model

Petco relies on timeous and accurate information on forecasts and declarations.

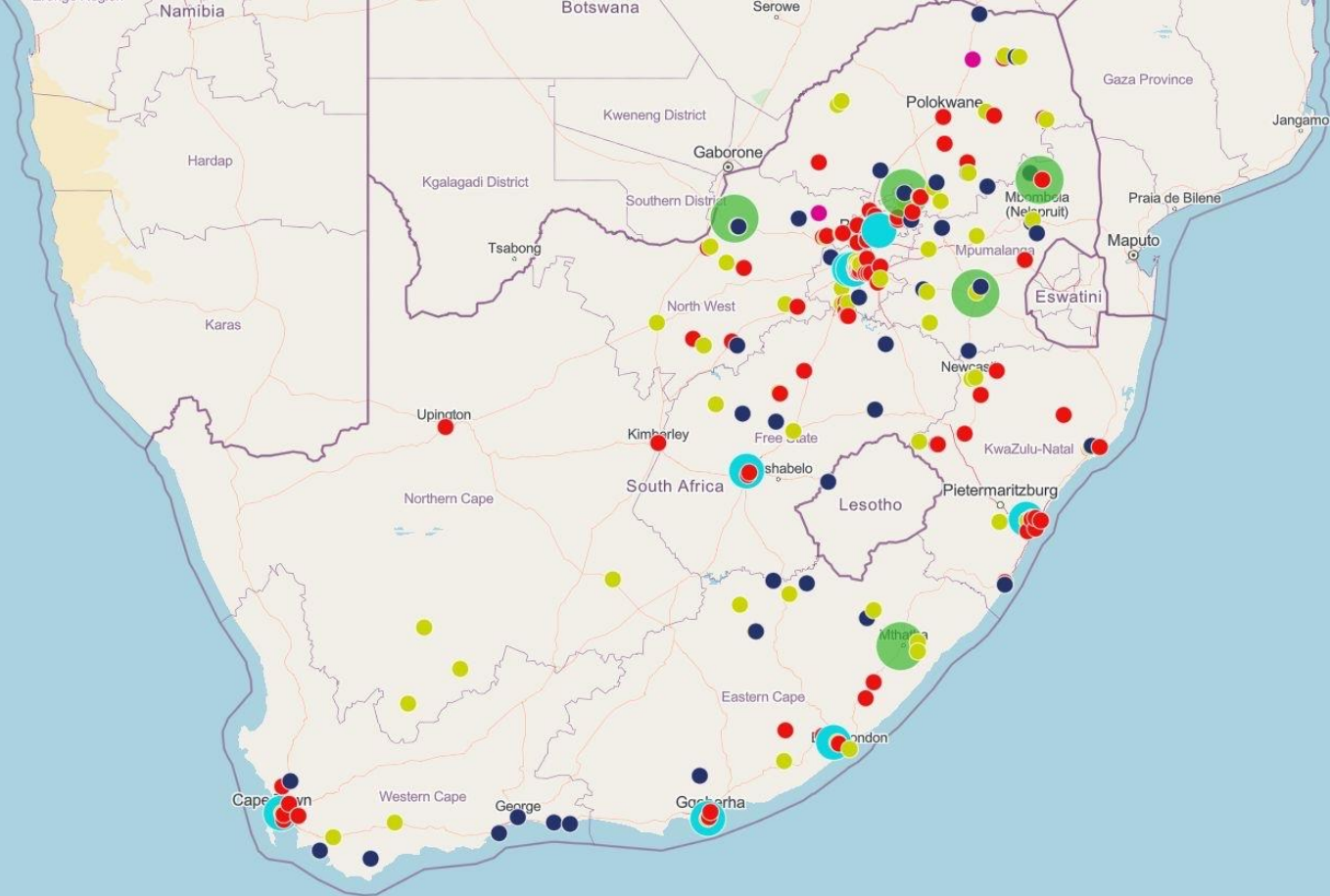
Target volumes are contracted with recyclers on behalf of members in preceding years.

Any errors in forecasts and/or declarations will have material impacts on meeting targets on behalf of all our members.





# 100 Collection Projects Supported with Infrastructure and Equipment in 2023



Initiative	Number	Key
Projects Supported	100	Red
Recycling Workshops	77	Yellow
Accredited Business Training Courses	3	Magenta
Municipal Engagement: Local	45	Dark Blue
Municipal Engagement: District	5	Green
Municipal Engagement: Metro	8	Cyan

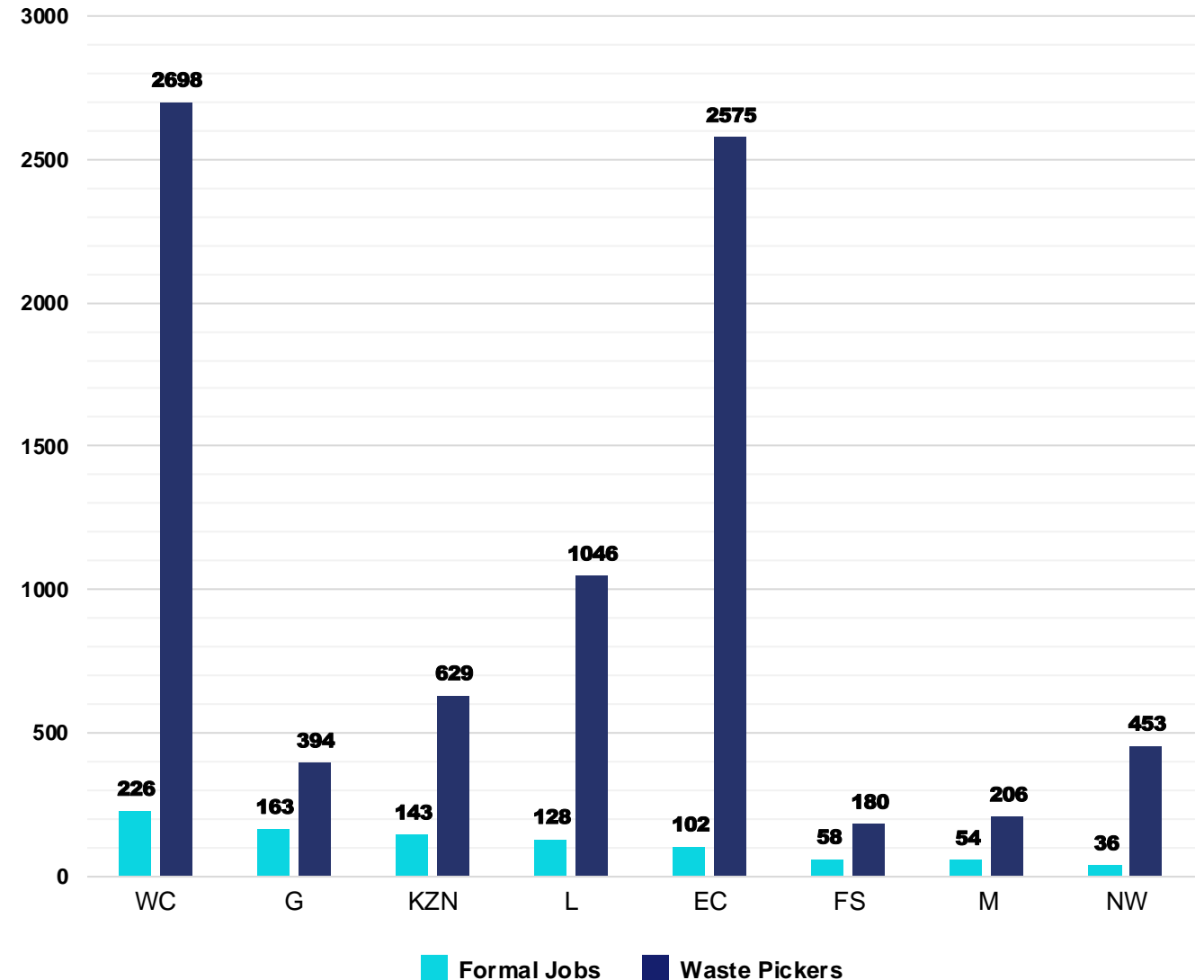








## Employment Opportunities and Livelihoods Sustained Per Province (Collections)



## Creating Jobs and Livelihoods

Support provided by Petco to buy-back centres has contributed to sustaining 910 employment opportunities at these centres and the livelihoods of 8,181 waste pickers who sell their recyclables to them.

**910**  
EMPLOYMENT OPPORTUNITIES

**8181**  
WASTE PICKERS

# Waste Picker Service Fee



## Challenges

- To date, Petco has manually paid using a **cellphone voucher** system.
- Due to the historical nature of these transactions, a large majority of waste picker contact information on record is outdated making it a challenge to easily pay using cellphone vouchers.
- Next phase of broader **card payment system** will roll out from 17 March 2025 and will:
  - negate the challenge of maintaining up-to-date cellphone numbers.
  - speed up payment to waste pickers.
  - more clearly show waste pickers what the service fee is per transaction.
  - provide waste pickers with a unified 'wallet'.

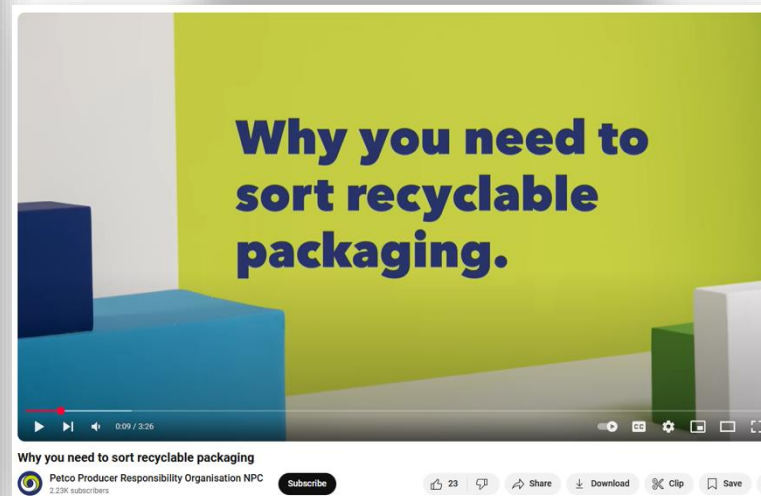


# Educational Resources and Consumer Awareness



School content to >500 schools

Newsletter to < 40,000 subscribers



YouTube video series (>3m views)



> 4 800 shoppers engaged with the mall activation



## Expanding Recycling Infrastructure

- More than R63 million provided to the value chain, representing large majority of Petco's total annual expenditure.
- Contracted recycling partners contributed approximately R310 million to the value chain by purchasing recyclable material.
- A recycler contracted for the collection and recycling of LBP, taking the total number of recycling partners to 10.
- Enabled the availability of ~28,000 tonnes of rPET resin.





# Targets Met for >98% of Plastics in 2023

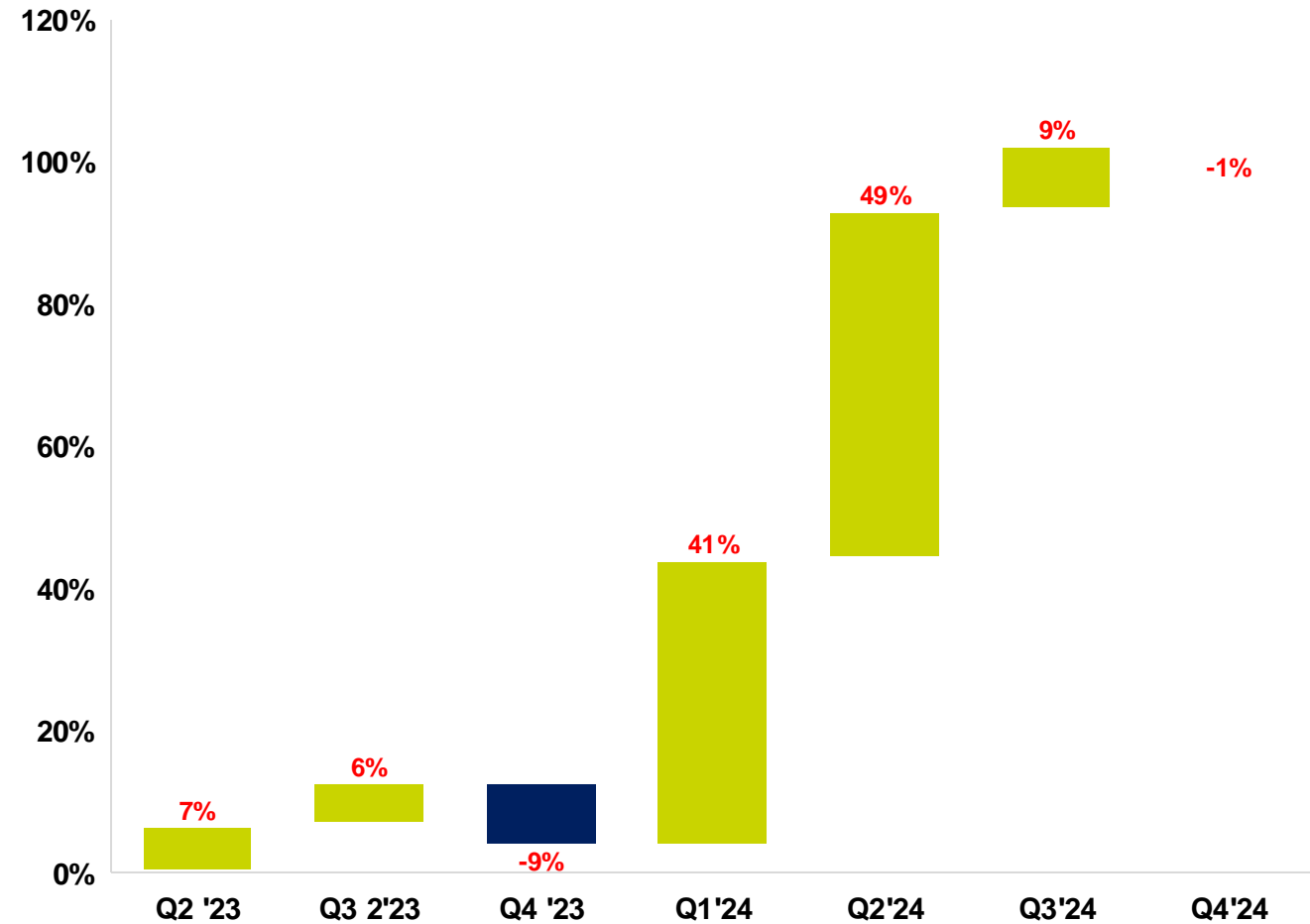
Legislated Categories (Identified Products)	Industry Product Names	COLLECTION		RECYCLING	
		DFFE Target	Petco Achieved	DFFE Target	Petco Achieved
Plastic PET Beverage Bottles	PET Beverage bottles	64%	<b>64%</b>	58%	<b>60%</b>
Single Use Products (HDPE, PET & PP)	PET Food and HPC bottles and jars	65%	<b>185%*</b>	35%	<b>174%*</b>
Plastic PET Oil Bottles	PET Edible Oil Bottles	13%	<b>531%*</b>	12%	<b>498%*</b>
Plastic Thermoformed PET	PET Thermoforms	13%	<b>26%</b>	12%	<b>13%</b>
Polyolefins Rigid Polyolefin Packaging	PP and HD Closures	57%	<b>59%</b>	42%	<b>53%</b>
Polyolefin (Flexible)	BOPP Labels	60%	<b>62%</b>	46%	<b>55%</b>
Plastic PET (Flexible)	PET Shrink Sleeves and Closed Loop PET Strapping	20%	<b>14%</b>	18%	<b>14%</b>



# Building a sustainable LBP value chain



% Increase of LBP Collections Per Quarter



DDFE targets met for 2024



# Packaging Design Challenges Remain

- Slow uptake of rPET globally with decreased price of virgin PET.
- Problematic packaging design, such as bio-degradable, PVC and opaque PET bottles.
- Legislated targets do not encourage investment in solutions for some problematic packaging.
- Competitive landscape hinders collaboration and rollout of eco-modulation.

PAPER & PACKAGING	YEAR 4 LEGISLATED TARGETS			
	Product or class of Products	PET Beverage Bottles	PVC	Biodegradable
	Product Design (Recycled content %)	15,0%		
	Reuse %			
	Collection Target %	68,0%	7,5%	65,0%
	Recycling Target %	61,0%	6,5%	55,0%

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# Thank you

