

Petco diversifies into multi-materials

South African PET plastic producer responsibility organisation (PRO), Petco, is diversifying into multi-materials to ensure that its members remain compliant under new packaging sustainability laws.



Petco board chair Tshidi Ramogase. Source: Supplied

The move comes as South Africa's legislation moves from voluntary to mandatory Extended Producer Responsibility (EPR) amid increasing consumer and governmental pressure on brands to ensure end-of-life solutions for their products beyond consumer use.

According to section 18 of the National Environmental Management Waste Act, producers must assume responsibility for their products up to and including the end-of-life stage of their product cycle. The deadline for compliance is 5 November 2021.

Petco's view, which it says is aligned with international best practice, is that the producer for packaging is either the brand owner of products using the packaging, the retailer in the case of house brands, or the importer of goods contained in packaging.

"As participation in EPR is no longer voluntary, we anticipate that participation in PROs will increase significantly," said Petco CEO Cheri Scholtz. "Added to this, most plastic producers are multi-material users. These producers can no longer choose only to focus their EPR activities on their largest or most visible pack format.

“Producers require a mechanism by which to meet their EPR compliance obligations – for all the component packaging materials of their identified products – in a cost-effective, efficient and non-onerous manner. They can be expected to join as few PROs as possible to meet their compliance requirements.”



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Garyn Rapson, Paula-Ann Novotny and Emma Bleeker 29 Apr 2021



Collective action more efficient

While the regulations allow producers to comply by establishing their own schemes, Scholtz said that there is no doubt that collective action – through multi-member PROs such as Petco – will be more effective and cost-efficient than standalone schemes for most materials.

Founded on the principle of voluntary EPR in 2004, Petco is already largely compliant with the new regulations and "better placed than many other organisations to become fully compliant", according to Scholtz.

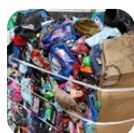
“To remain relevant and competitive in this space, and to assist our members in achieving the more onerous targets set by section 18, we must diversify,” she said.

The move has been welcomed by green economy advocates. “The move by Petco to include packaging components not only speaks to the existing collection systems where the packaging components of closures and labels are generally collected along with the base packaging format, but also places a needed focus on these components,” said Dr Kirsten Barnes, a circular economy analyst at GreenCape – the secretariat for the South African Plastics Pact, a collaborative initiative to create a circular economy for plastics packaging.

Design for recycling

Petco had already done extensive work in the design for recycling space, Barnes said. “Packaging components may even render the whole base format non-recyclable, and this expanded scope will allow further work to address this. Furthermore, packaging components may be discarded by recyclers whose systems are designed to handle the base format.

“By including packaging components, the focus of the whole value chain must expand to consider design for recycling and the effective recycling of these packaging components. It is our view that SA’s developing mandatory EPR system should increasingly see such inclusion of packaging components in other EPR schemes,” Barnes said.



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According to Petco board chair, Tshidi Ramogase, the organisation is already involved in multi-material collections through collecting closures and labels as a necessary condition for achieving existing PET beverage bottle targets and is, therefore, best placed to establish EPR schemes for these products.

“This is also aligned to global best practice where complementary packaging items such as closures and labels are generally included with the substrate that makes up over 80% of the product mass,” said Ramogase, who is also head of public affairs, communications and sustainability for Coca-Cola Beverages Africa.

Further diversification to be evaluated

While Petco is starting with labels and closures, Ramogase said that further diversification will be evaluated carefully based on the strategic fit and the needs of Petco members. It is clear that ultimately larger multi-material PROs will evolve to better serve South African producers but how this will develop is not entirely clear.

As required under the section 18 notice, potential and existing brand owner-, retailer- and importer members will need to submit formal confirmation that they will be joining Petco's new-look EPR scheme for 2022. The EPR scope of work or priority products covered by Petco is set to be finalised by 31 July, with the finalisation of membership to follow by 31 August.

Petco vice-chair David Drew, who is also the head of sustainability for Coca-Cola, Africa, said the implications of section 18 were significant to brand-owners and retailers.

"Ultimately, the success of EPR relies on the commitment of brand owners and retailers and their contributions, both financial and non-financial, to the PROs they will entrust to ensure they remain compliant. PROs and the EPR schemes they implement require the buy-in of these key stakeholders to be successful," he said.

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