Annual Report

2021-2022

The SA Plastics Pact

PLASTICS PACT

Member progress in **2021**

Contents

List of Acronyms

CBOs	Community-based Organisations
CCBSA	Coca-Cola Beverages South Africa
DFFE	Department of Forestry, Fisheries, and the Environment
EPR	Extended Producer Responsibility
GDRs	Golden design rules
HDPE	High density polyethylene – Plastic No 2
LDPE	Low density polyethylene – Plastic No 4
OPRLs	On-pack recycling labels
OZCF	Oranjezicht City Farm
PE	Polyethylene – Plastics Nos 2 and 4
PET	Polyethylene terephthalate – Plastic No 1
PP	Polypropylene – Plastic No 5
PRO	Producer Responsibility Organisation
PVC	Polyvinyl chloride – Plastic No 3
R* rPET/ rHDPE/rPP	Recycled
RVM	Reverse Vending Machine

Message from the secretariat

The South African Plastics Pact is part of a global network of 12 Pacts, spearheaded by the Ellen MacArthur Foundation. It is a collaboration of organisations, representing key role-players right across the plastic packaging value chain, that are working towards a circular economy for plastics in the country. Our members are leading the journey to optimise plastic packaging and products; circulating plastics within the economy, keeping plastics out of landfill and the environment, and creating new jobs. Solutions to drive circularity are South African-specific, and delivered in an approach that is intentionally designing South African (SA) needs into our circular economy for plastic packaging.

The SA Plastics Pact members are demonstrating strong leadership, by convening through the Pact to navigate this complicated transition towards measurable, meaningful targets that represent an economically viable pace for transition. Using collaborative action groups, members are making demonstrable progress towards the targets. This report, which builds on last year's baseline report, unpacks that progress, demonstrating that this collaboration can serve as the pacemaker for a transition to circularity through implementing proactive industry self-regulation principles.

To date, the Pact has made considerable steps towards achieving its 2025 targets

- **Towards Target 1**, an additional **34.7 million** items of problematic and unnecessary plastic packaging have been removed or substituted with more recyclable formats by end 2021.
- Furthermore, of the **96.3 million** items remaining, **79.6 million** are on track to be removed by end 2022.
- **Towards Target 2**, **81.2%** of plastic packaging placed on the market by Pact members is currently adequately recycled in South Africa.
- **Towards Target 3**, Pact members have taken initiative in projects that aim at increasing the nationwide input recycling rate. In addition, many of these projects also show collaboration among members.
- **Towards Target 4**, members have increased recycled content in their consumer/primary packaging to **11.7%** in 2021 and are looking to increase this even further by end 2022. This commitment to driving demand for recycled content is key to increasing collection and recycling of plastics in the country.

Looking forward, the SA Plastics Pact members are working collaboratively on a range of exciting projects including:

- Transitioning problematic flexible packaging to recyclable packaging;
- Design for circularity guidance including communication tailored to marketing and procurement teams;
- Developing pilots for reuse-refill models to replace barrier bags used for weighing loose fruit and vegetables;
- An action group which is working on refill stations in low-income retail settings, where products can be delivered more affordably to the customer, as the packaging is only paid for on the first purchase;
- Increasing recycled content in packaging through planned collaborative trials.

Furthermore, members are developing individual action plans with the GreenCape team, which allows identification of additional collaborative projects to address specific topics.

The SA Plastics Pact members are demonstrating strong leadership, by convening through the Pact to navigate this complicated transition towards measurable, meaningful targets that represent an economically viable pace for transition.

In light of the significant action taken through collaboration, I am grateful to the SA Plastics Pact members and the support of all its partners, collaborators and funders. The Pact could not have achieved all it has without concerted efforts by these champions. As secretariat of the Pact, GreenCape wants to congratulate all of our members for what has been achieved in its first two and half years, whilst remaining cognisant of the fact that there remains a long way to go on this journey together. GreenCape remains committed to supporting the members along this ambitious journey and I am excited to see continued progress towards 2025.

Saloshnee Naidoo
Programme Manager: Circular Economy
GreenCape, secretariat for the SA Plastics Pact

GreenCape

Driving a circular economy for plastics in South Africa through collaboration

Our members have committed to achieve 4 ambitious targets by 2025:

Target 1

Taking action on problematic or unnecessary plastic packaging through elimination, redesign, innovation or alternative (re-use) delivery models

Target 2

100% of plastic packaging to be reusable, recyclable or compostable

Target 3

70% of plastic packaging effectively recycled

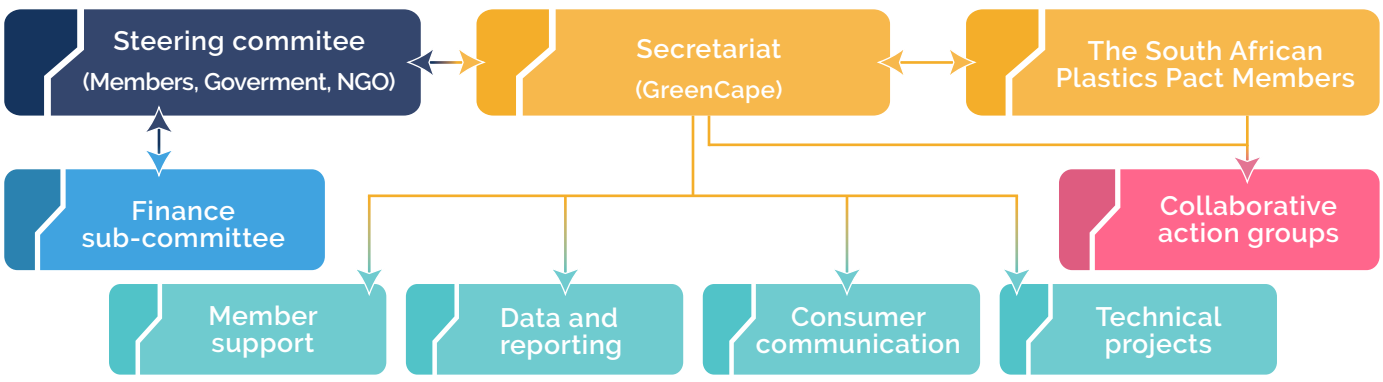
Target 4

30% average recycled content across all plastic packaging

During the 2021 reporting year, the SA Plastics Pact had 24 business members. Members are requested and required to report annually on progress towards the **4 targets mentioned above.**

20 out of the 24 business members submitted data
9 out of the 20 supporting members submitted data

Structure of the SA Plastics Pact



Business members

Our business members represent the plastic packaging value chain and place plastics on the market – as polymer, packaging, filled packaging or plastic products, or as recycled polymer for inclusion in new products. The strength of our collaboration is in the insights and expertise that members from all parts of the value chain bring to drive circularity in plastic packaging in South Africa.

Resin Producer

SAFRIPOL
shaping your world, responsibly
Let's plastic responsibly

Packaging Manufacturers

ALPLA
mpact
smarter, sustainable solutions
CCL
POLYOAK PACKAGING
UPMRAFLATAC
UPMBIOFORE BEYOND FOSSILS
Berry
tuffy
100 YEARS
NNZ
the packaging network

Brand Owners

Coca-Cola Beverages South Africa
DISTELL
CRAFTING BRANDS SINCE 1925
Unilever
TIGER BRANDS
CHEP
A Brambles Company
PEPSICO

Retailers

SPAR
CLICKS
SPUR CORP.
W
WOOLWORTHS
PnP
TFG

Recyclers

extrupet
recycling your world
Myplas
My plastic. My responsibility.
ATLANTIC PLASTIC RECYCLING
THE HOME OF QUALITY POLYETHYLENE RECYCLING

Supporting members

Our supporting members play a key role in enabling circularity for plastic packaging in South Africa through regulations and policy, industry-wide actions, research to support an evidence-based pathway to circularity, education and awareness, and lobbying activities of civil society.

Government

forestry, fisheries & the environment
Department: Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Industry Bodies

Plastics | SA

CropLife SOUTH AFRICA SUID-AFRIKA

Reclaiming The future

FRUIT South Africa

Institute of Waste Management of Southern Africa

SAN BWA
SOUTH AFRICAN NATIONAL BOTTLED WATER ASSOCIATION
Make a clear choice.

SAPRO
South African Plastics Recycling Organisation

Producer Responsibility Organisations

petco
PET plastic recycling south africa

Polyco
Making waste work

NGOs

AFRICAN CIRCULAR ECONOMY NETWORK

SST
SUSTAINABLE SEAS TRUST

AFRICAN marine waste NETWORK
A programme of Sustainable Seas Trust

IUCN

WWF

ELLEN MACARTHUR FOUNDATION
Member

wrap
GLOBAL

Academia

UNIVERSITY OF JOHANNESBURG

Property Managers

V&A WATERFRONT
CAPE TOWN

LIBERTY

two°degrees

The South African Plastics Pact is part of the Ellen MacArthur Foundation's network of Plastics Pacts globally, and is also supported by WRAP. The Plastics Pacts developed and supported by the Ellen MacArthur Foundation and by WRAP include national Plastics Pacts in:

Africa

- Kenya
- South Africa

The Americas

- Canada
- Chile
- United States of America

Asia

- India

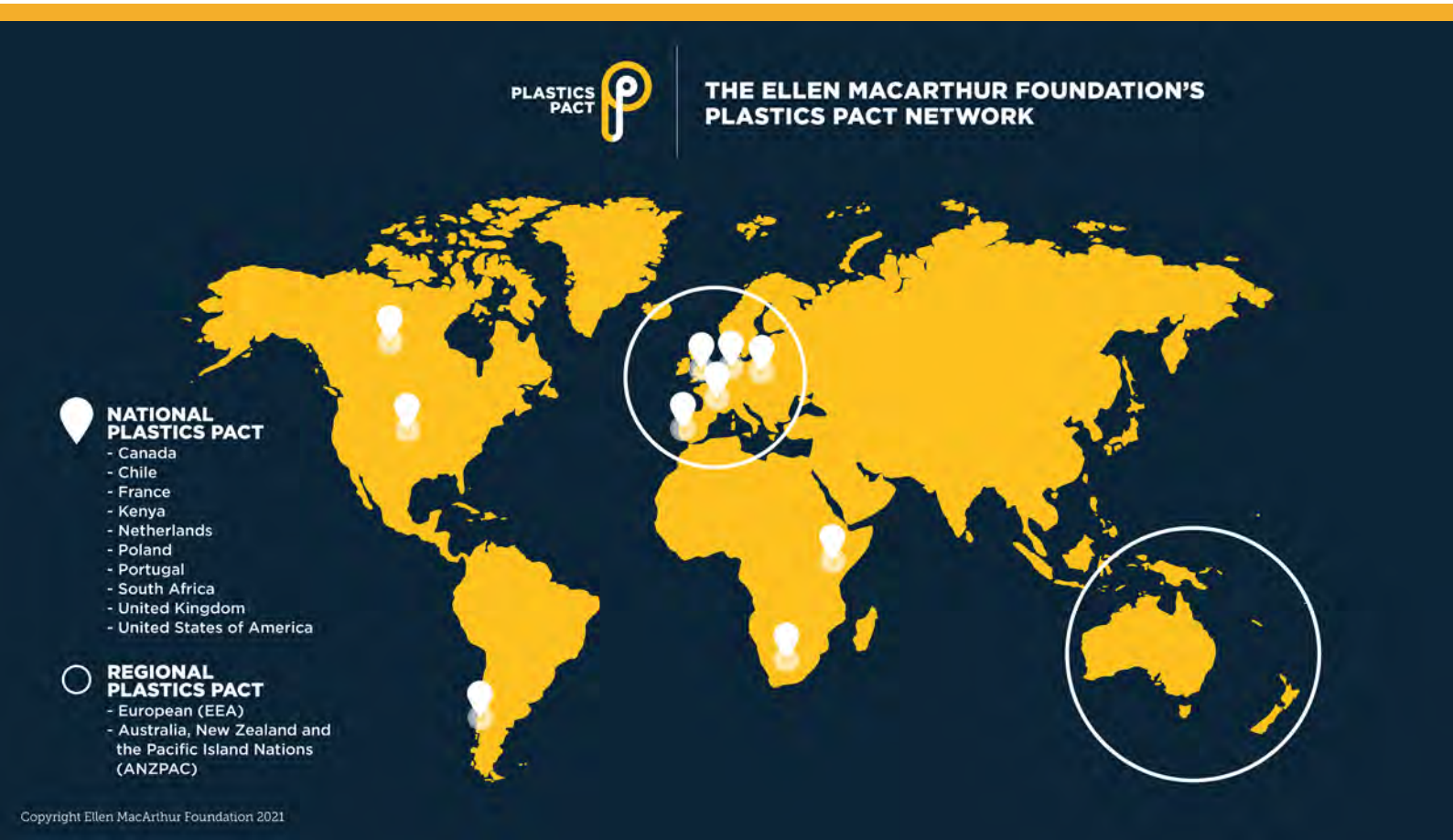
Europe

- France
- Netherlands
- Poland
- Portugal
- United Kingdom

And the regional Plastics Pacts

- European Economic Area
- Australia, New Zealand, and the Pacific Islands (ANZPAC)

The network of Plastics Pacts brings together business, governments, NGOs, innovators, universities, and thought leaders to build and scale a circular economy.



Summary of progress

SA Plastics Pact members are required to report on progress for the full calendar year of 2021 as well as highlight priority actions in 2022. Brand owner and retailer members account for **27.9%**[1] of plastic packaging placed on the market in South Africa.

Converter members account for **30.1%**[1] of plastic packaging placed on the market in South Africa.

Targets

1. Eliminate

Problematic or unnecessary packaging through redesign, innovation or alternative (reuse) delivery models.

2. 100%

Of plastic packaging to be reusable, recyclable or compostable

3. 70%

Of plastic packaging effectively recycled or composted

4. 30%

Average recycled content across all plastic packaging

Data

2020	2021
TARGET 1	
108 million problematic or unnecessary items were sold by members in 2020; PET/PVC shrink sleeves on PET bottles contributed most at **516 tonnes**	**11.7 million** fewer problematic or unnecessary items were sold by SA Plastics Pact members in 2021 from the 2020 baseline year, with a further **23.0 million** items discontinued by the end of 2021. Of the **96.3 million** problematic or unneceszsary items sold by members, PET/PVC shrink sleeves on PET bottles contribute most at **475 tonnes.**
TARGET 2	
80.7% of plastic packaging placed on the market by members was recyclable in South Africa.	**81.2%** of plastic packaging placed on the market by members is currently recyclable[2] in South Africa.
TARGET 3	
The amount of plastic recycled in South Africa in 2019[3] was **45.7 %** of the total plastics placed on the market in 2019, with a **40.2%** recycling rate for plastic packaging[3]	The amount of plastic recycled in South Africa in 2020[4] was **43.2%** of the total plastics placed on the market in 2020, with a **35.4%** recycling rate for plastic packaging[5]
TARGET 4	
19.0% Average recycled content across consumer/primary packaging was **7.63%.** Average recycled content across retailer/secondary and logistics/tertiary packaging was **37.0%.**	**20.8%** Average recycled content across consumer/primary packaging is **11.7%**. With retailer/secondary and logistics/tertiary packaging remaining largely the same at **37.1%**.

[1] Data on plastic packaging placed on the market in South Africa, excludes the nett import of filled plastic packaging placed on the market. The total market size for 2020 (Plastics SA, 2021) was used in the calculations, as the 2021 figure was not available for this report.

[2] "The packaging achieves at least a 30% post-consumer recycling rate in the Pact market" The Ellen MacArthur Foundation (2021) The New Plastics Economy: Plastics Pact Network, Vision and Definitions. Packaging that is recyclable in practice and at scale.

[3] The South African Recycling Survey for 2020 was not released before publication of the report.

[4] The South African Recycling Survey for 2021 was not released before publication of this report. Reductions can in part be accounted for due to COVID-19 restrictions and lockdowns.

[5] These are input recycling rates – ie the recycling rate is calculated as the amount of plastic entering recycling plants over the amount of plastic placed in the market in SA.

Perspective on progress

We celebrate the sustained commitment of SA Plastics Pact members during the global pandemic, which dramatically constrained our economy. Businesses in the fast moving consumer goods sector, although less severely affected than other industries, also faced barriers to supply, especially on imports, and reduced consumer buying power. In 2020, SA's plastics recycling rate declined by **2.5%** from 2019 across all plastics, and a greater decline in the plastic packaging recycling rate of **4.8%**, linked to disruptions in the supply of goods and reduced consumer activity. It is expected that the recycling rate for 2021 will show some recovery, due to increased demand for recycled content in some plastic products driven by high oil prices and therefore elevated virgin plastic prices.

In this context, SA Plastics Pact members showed sustained commitment to the ambitious 2025 targets by:

- Reducing problematic plastics placed on the market by **34.7 million** plastic products by the end of 2021;
- Increasing the percentage of their portfolios that are recyclable from **80.7%** to **81.2%**, with some members improving recyclability by more than **5%** of their portfolios;
- Increasing the average percentage post-consumer recycled content in primary packaging from **7.63** to **11.7%**, which translates into an additional **6 800 tonnes** of recycled material included in member packaging in 2021 relative to 2020.

Specifying recycled content in products is key to achieving EPR targets in collection and recycling rates

The inclusion of recycled content in PET beverage bottles is driven by the legislated recycled content targets for this format in the mandatory EPR regulations, and inclusion of recycled content in PET thermoform is a well-established practice with PET thermoforms achieving the highest recycled content at about **35%**.

Leaders in the Pact membership have been verifying and increasing their ambition on recycled content in HDPE, LDPE and PP. This encouraging move, if sustained, will play a role in increasing collection and recycling rates for these materials.

It must be noted that producers including recycled content in their packaging and products should maintain records in support of their recycled content claims. There have reports that some producers claim factory scrap or pre-consumer material as recycled content. The addition of factory scrap back into the recycling process is simply manufacturing efficiency.

Accessing value in a circular economy for plastic packaging – supporting EPR performance through reducing unnecessary and problematic plastics, and design of recyclable packaging

Removing plastic packaging that cannot be feasibly recycled in the SA market is a key action that will reduce the strain on our waste management systems, reduce plastic pollution in the environment, and if some is substituted with recyclable packaging, increase the supply of material to our recycling economy.

Two products on our phase 1 list for members to eliminate are delayed in phase out:

- PET/PVC shrink sleeves on PET bottles and jars – PET and PVC shrink sleeves on a PET pack sink with the clear PET flakes of the bottle or jar in the recycling process. This contaminates the clear PET – and renders the whole batch unrecyclable.

Old Lucozade PET bottle with shrink sleeve rendering the whole pack unrecyclable

The new Lucozade PET bottle with a new PP label that does not hinder recycling.

- Barrier bags are the thin LDPE bags used to weigh loose fruit and vegetables, or used at tills to separate different categories of goods, such as cleaning chemicals from dairy products. **These very thin, light bags are not recycled in South Africa,** as they don't have any value for collectors to collect, and even if they do enter the recycling stream, they normally get wrapped around equipment and don't enter the recycling process.

Barrier bags have proven to be very difficult to phase out, with most progress being made through elimination at tills, by encouraging shoppers to use other recyclable or reusable bags to separate their products. The SA Plastics Pact retailers are working on a reuse solution that will be acceptable to shoppers, with pilots of such solutions planned to commence by the end of 2022 or early 2023. Concerted efforts to facilitate **behaviour change across all retailers** is needed to phase out this plastic packaging which is often leaked into the environment.

The PVC market size in packaging is about **12 000 tonnes**, with **1 900 tonnes** of this in PVC bottles. This is in contrast to the much larger markets for PET bottles (market size of **150 000 tonnes** (2019)), as well as HDPE, LDPE and PP rigid and flexible packaging (combined market size of **517 000 tonnes** (2019)). Even a limited amount of PVC contamination in the recycling of these polymers is highly disruptive. For example, 2 or 3 PVC bottles in a bale of PET rendering the whole **500 kg** of PET unrecyclable. **9.5 tonnes** of rigid PVC packaging still remained in the membership portfolio in 2021, which was phased out by the end of the year. PVC cling film is under discussion for substitution in the phase 2 list of problematic and unnecessary plastics for members to address.

Barriers to achieving full recyclability – Multi-polymer packaging, PP flexibles and PVC film

Members have achieved an increase in recyclability in 2021, but there has been limited movement on the more difficult streams, including multi-polymer packaging, some PP flexibles and PVC flexibles. Addressing these materials will require a multi-pronged approach. Members are reconsidering their portfolios through the following actions;

- Elimination where packaging is unnecessary;
- Reuse models where possible;
- Collaborative sourcing of alternatives with a view to stimulating local production of alternatives as far as possible.

External funding is being sourced by the Pact secretariat (GreenCape) to drive this innovative collaboration to address the problematic flexibles.

Introduction

1.1. The Targets to 2025

The SA Plastics Pact was launched in 2020, and published its baseline report in 2021. The baseline report focused the efforts of Pact members on Target 4, particularly increasing the recycled content in consumer/primary packaging, on collaborative discussions to phase out problematic plastics on the phase 1 list, as well as additional efforts on design for circularity guidance to our members. Concerted action to address flexibles with limited recyclability has also commenced, as guided by the 2020 report.

1.2. The 2021/22 annual report

As the first comparative report to the baseline report, this document serves to showcase efforts made by Pact members in the calendar year of 2021 (packaging data is reported for the 2021 calendar year) and ongoing efforts made in 2022.

SA Plastics Pact members report specific qualitative and quantitative information to the secretariat to track progress against our baseline report. As a Pact, we commit to transparent reporting towards our targets. Insights gained from this report will once again focus the efforts of Pact members on key actions to work towards our 2025 targets.

Furthermore, 2022 is also the first year Extender Producer Responsibility (EPR) has come into full, mandatory effect and this requires all business members to report on their packaging outputs. Consequently, the quality of data reported by Pact members has improved, and will continue to improve as companies in South Africa develop systems to access and collate specific data on their packaging portfolios. Pact member composition has altered slightly from the baseline report and as a result, exact values are not comparable but do offer a useful indication of progress toward Pact targets.

1.3. Breakdown of reporting members for 2021

For the reporting year of 2021, 44 members formed part of the South African Plastics Pact which comprises 24 business members and 22 supporting members. Business members include 10 brand owners/retailers, 1 food service provider, 9 converters, 3 recyclers and 1 resin producer.

The data used in the 2021/22 annual report included data submitted from:

- 90% of Brand Owners/Retailer members.
- 78% of Converter members.
- Our resin producer and recyclers provided market insights and developments.


The SA
Pla cs
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2. TARGET 1

Eliminate problematic or unnecessary packaging through phasing out, redesign, innovation or alternative (reuse) delivery models by 2025

SA Plastics Pact members have pledged to address problematic and unnecessary items by 2025

Members collaborated to identify 12 plastic items that were placed on the Target 1 phase 1 list of items to be eliminated by the end of 2022. Further details regarding this list can be seen in the publication named: 'Addressing problematic and unnecessary plastics'.

The twelve problematic or unnecessary items on the phase 1 list to be eliminated by the end of 2021, with 2 items to be eliminated by the end of 2022:

1. Oxo-degradable plastics
2. PVC bottles, pallet wrap and labels
3. PET and PVC shrink sleeves on PET beverage bottles (end of 2022)
4. Plastic stickers on fruit and vegetables
5. Thin filmed barrier bags for fruit and vegetables (50% reduction) (end of 2022)
6. Thin (barrier) bags at tills
7. Plastic straws
8. Plastic stirrers
9. Single-use plastic picnic cutlery and plastic plates and bowls
10. Cotton buds with plastic stems
11. Plastic lollipop sticks
12. Plastic microbeads in cosmetics

Many members have substituted plastic elements, for example, cotton earbuds and lollipop sticks changed to paper stems. There has been no substitution for barrier bags and members have either removed these or are still working on pragmatic solutions. Plastic stirrers, plastic straws as well as plastic stickers have been removed by Pact members with negligible tonnages recorded for 2021.

2.1. Progress on addressing problematic and unnecessary plastics on the phase 1 list

Since the SA Plastics Pact 2020 baseline report, members have taken action through elimination by direct removal or substitution with more recyclable polymers or paper. Continued progress has been made in 2021 through the elimination of barrier bags at tills and substitution of shrink PET and PVC shrink sleeves on PET bottles.

In addition, members are aware that substitutions should not have further negative environmental impacts or increase food wastage. Substitutions are done considering best recyclability practices in South Africa.

Of the plastic items found on the list, **96.3 million** individual units were sold in 2021.

2.1.1. Plastics items removed and in progress

Throughout 2022, **19.3 million** barrier bag at till items have been removed. An additional 0.5 million items of single use plastic picnic plates and cutlery, and PVC rigid packaging, and 3.2 million PET/PVC shrinks sleeves on PET bottles.

A further **54.6 million** barrier bags were reported as being on track to hit the deadline of 2022.
Cumulatively, this accounts for **79.6 million** of the **96.3 million** problematic or unnecessary items placed on the market in 2021 by members.

2.1.2. Plastic items that are in progress but will not be eliminated by the end of 2022

Due to remaining stock, and time to procure substitutes, **750 000 items** (cotton buds with plastic stems and plastic lollipop sticks) will not be substituted by the end of 2022, although the change is in progress.

2.1.3. Tonnage of problematic and unnecessary plastic items

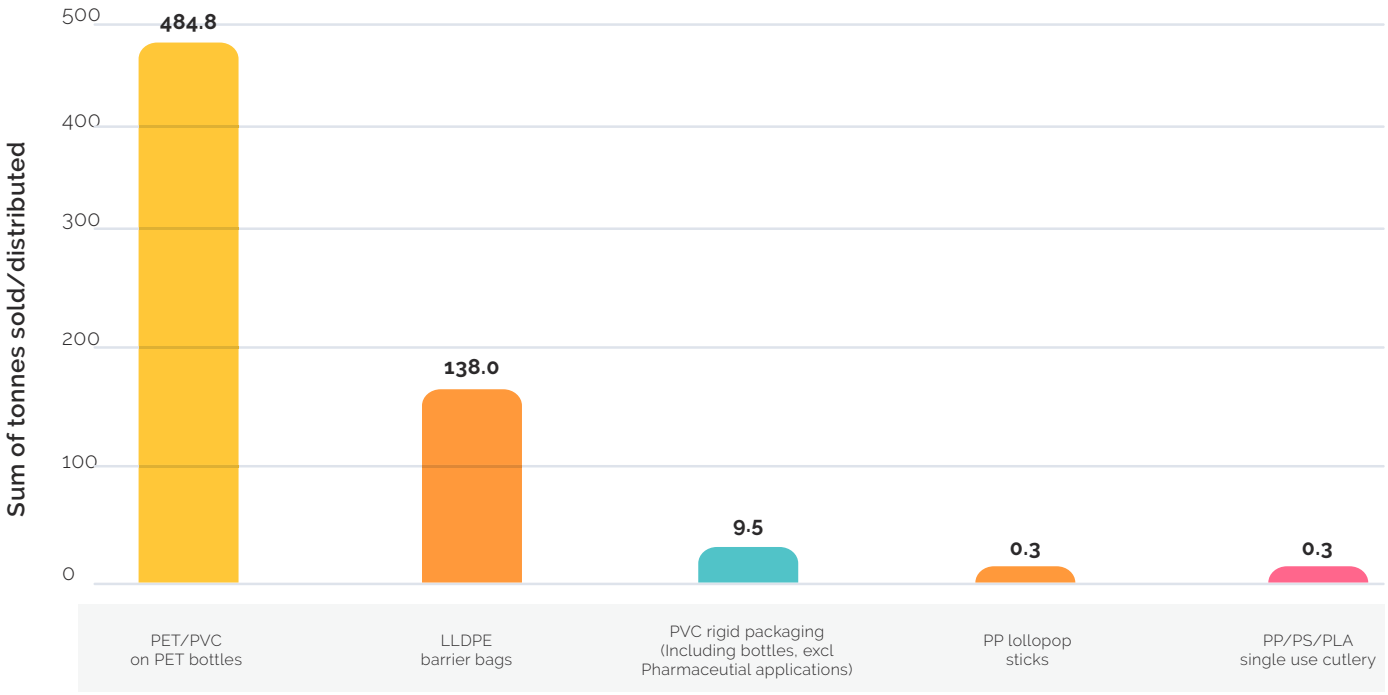
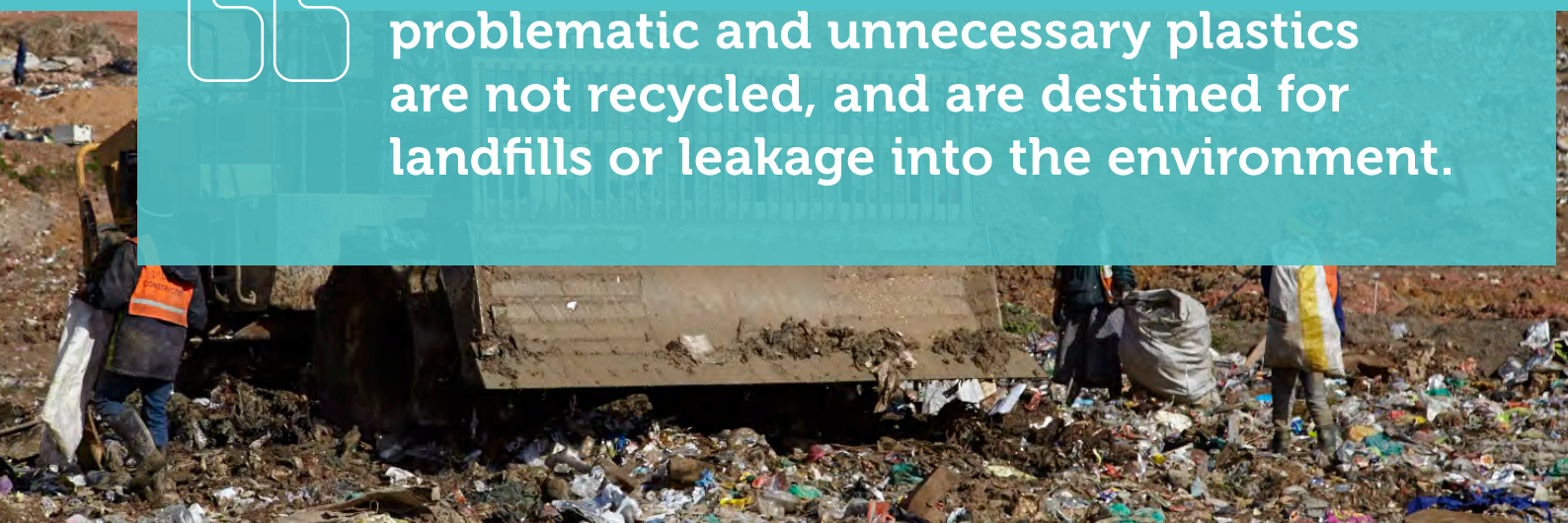


Figure 1: Sum of tonnes sold/distributed by item

Although not directly comparable to the baseline report's 1 029 tonnes, the total tonnage of problematic and unnecessary items sold/distributed in 2021 was **785 tonnes**. The largest contributor **remains PET or PVC shrink sleeves on PET containers** although this has decreased to **485 tonnes** compared to the **516 tonnes** sold/distributed in 2020 although this may be market related. With the recent **3.2-million-unit decrease**, this tonnage will be lower by the end 2022.

Although there are only **9.5 tonnes** of rigid PVC packaging remaining in the Pact membership, this is concerning as PVC is highly disruptive to PET recycling with just a few bottles in a bale of PET rendering the whole bale unrecyclable.

> **Items listed in the phase 1 list of problematic and unnecessary plastics are not recycled, and are destined for landfills or leakage into the environment.**



2.2. Current actions and next steps

2.2.1. Barrier bags

Plastic barrier bags used for weighing and purchase of loose fruit and vegetables were identified by our members as a key opportunity for reducing plastic that is not recycled in South Africa. Although technically recyclable, these thin bags have limited value at end of life and are therefore not collected for recycling. Furthermore, even if the bags reach recycling plants, they usually get wrapped around equipment and do not enter the recycling process.

The bags are used in very large quantities by all retailers in South Africa, and may disproportionately end up in the environment due to their light weight and lack of collection for recycling. The SA Plastics Pact retail members are working collaboratively to identify and implement pilot projects aimed at replacing the barrier bags with reusable alternatives. The idea is not to replace the bags with alternative material types, but rather to implement reuse solutions that will result in the elimination of the bags entirely, thereby resulting in a significant reduction in the number of items of single use packaging in retail environments.

2.2.2. Target 1 phase 2 list

In 2023, Members will finalise the phase 2 list of problematic and unnecessary plastic items to be addressed. The draft phase 2 list includes the items listed below:

ITEM	WHY IS IT CONSIDERED PROBLEMATIC
MATERIAL TYPES	
Other biodegradable plastics (non-compostable)	Prodegradant additives in plastics, which won't biodegrade to natural compounds, resulting in the release of microplastics. Some of these materials disrupt mechanical recycling.
PACKAGING ITEMS OR ELEMENTS	
Problematic labels	Disrupts recycling.
PVC Film - food contact (cling film)	Alternatives are available - some retailers have successfully moved away from PVC food contact film.
Grocery net bags	Not recycled and have relatively high leakage.
Marketing single portion/ dispense packs	Not recycled, high likelihood of being disposed on the go and of being littered.
Mini tubs (portion packs)	Mini tubs, e.g. mini stock tubs/milk (with foil lid).
Coffee pods (plastic)	The coffee pods are not recycled or recyclable.
Pet food bags	Not recycled. Do provide functional product benefits.
Plastic and metal dispensing pumps on bottles	Not recyclable, even if components are recyclable (recyclers will not dismantle the pack element).
Polystyrene takeaway packaging	Limited recycling rate, high likelihood of being disposed on the go and of being littered.
Teabags - reinforcing mesh	Can lead to micro plastics.
Plastic coffee cup lids	Often littered as this packaging is used on the go, generally not recycled.
Cable ties	High potential leakage into the environment (small product) and not recycled.
Wipes (plastic containing)	High potential leakage into the environment (small product and often used on the go) and not recycled.

2.3. Target 1 Highlights of member actions

Members have taken the initiative and identified plastic packaging that has a high leakage rate into the environment, cannot be recycled into recycled products, and are actively working on addressing the items on Pact's phase 1 list as well as additional items identified in their portfolios.

Member progress on phase 1 List

CCL Label in South Africa can now offer a sustainable substitute for PVC and PET sleeves after launching South Africa's shrink sleeve that has been approved for recycling by Extrupet in South Africa: EcoFloat. Tests showed that the low density polyolefin sleeves detach automatically from the bottle during the sorting and recycling process. The lighter polyolefin shrink film flakes then float on the top of the recycling basin while the higher density PET flakes from the bottle sink to the bottom of the basin which allows for clean and easy separation. The label solution has been approved as supporting PET bottle recycling by the Association of Plastic Recyclers (APR) in the USA, CITEO in France and the European PET Bottle Platform (EPBP) and the same result was achieved in South Africa, making it the first-ever approved shrink film material in the country.

Clicks has reduced tonnages of PET/PVC labels on PET bottles and have only sold **0,13 tonnes** in 2021 compared to the **1,44 tonnes** in 2020. This generally refers to the Clicks Christmas and gifting lines. Clicks will phase these out too by 2025 in line with Pact's targets

Spur group has reduced balloons and plastic straws at all of their restaurants by **72%** in 2021 with the intention to be fully phased out by end 2022. In addition, single use takeaway cutlery packs are mostly phased out with the exception of Nikos and Casa Bella, two of the group's speciality brands. Low volumes of cutlery are provided on customers' request

Pick n Pay has removed barrier bags at tills which constitutes **21%** of barrier bags in stores.

Additional items identified

LIBERTY two°degrees

As a responsible business partner, Liberty Two Degrees (L2D) aims to champion sustainable environments to benefit future generations. Through Good Spaces, which aims to make an impactful contribution to the environmental pillar of L2D's ESG framework, L2D remains focused on implementing solutions that minimise its impact on the environment.

L2D has conducted a study to identify the challenges their tenants are experiencing with regards to eliminating plastic shopping carrier bags. One of the key findings of the study is that most tenants are still using plastic made purely from virgin material and the awareness of recycled plastic content is still very low.

L2D aims to ban the use of "problematic plastics" which include;

- single-use, virgin plastic carrier bags
- straws
- balloons for celebrations
- plastic cutlery in food and beverage outlets
- polystyrene take away packaging

This will be backed up by a clause in all new leases requiring tenants to phase out the items and an update in the operating rules that tenants need to comply with in a retail and/ or office environment relevant to each of its malls.

CropLife SOUTH AFRICA SUID-AFRIKA

Croplife SA has taken a decision to phase out all Polyethylene Terephthalate (PET) and multi-plastic (code 7) packaging for pesticides and use only High Density Polyethylene (HDPE) or Polypropylene (PP). CropLife SA has set the target end date of 2023 to terminate all use of PET (which for pesticide packaging must be white PET, which is not recyclable in SA) and code 7 packaging for pesticides.

The target may not be totally achievable by that date due to products already packed and shipped from overseas, but it is CropLife SA's endeavour to reach an end point for these plastics for pesticide packaging. CropLife SA will also investigate phasing out labels with non-removable glue.

EcoFloat is a low density polyolefin material that separates automatically from the PET flakes in the sorting and recycling process. The ink remains on the label and reduces contamination of the washing bath

enlabeling SUSTAINABILITY

3. TARGET 2

100% of plastic packaging to be reusable, recyclable or compostable

Target 2 focuses on the improved design of plastic packaging which increases the value of the packaging at end of life, thereby increasing the collection of packaging for recycling. Members have made conscious efforts towards the redesign for greater recyclability. However, several packaging formats are still used which do not have sufficient collection for recycling due to a lack of demand for recycled materials in limited to negligible end markets.

3.1. Definition of recyclable

Members agreed upon the definition of recyclable packaging as: "A packaging or packaging component is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale." In order to prove recycling "in practice and at scale", a threshold of **30% output** recycling rate must be achieved on average across the country.

- Packaging can be considered recyclable if its main components (together representing **>95%** of the entire packaging weight) are recyclable according to the above definition, and if the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components.
- Otherwise, only the recyclable components of a package can be counted towards achieving this commitment, and only when other components do not hinder or contaminate their recyclability." (The Ellen MacArthur Foundation, 2021).[6]

As a measure of recyclability within a South African context, a range of recyclability was developed in order to measure how recyclable each packaging category is locally. The following was agreed upon:

The range of recyclability in South Africa for Target 2	
Adequate recyclability in SA	> 30% is recycled nationally
Poor recyclability in SA	15-30% is recycled nationally
Limited recyclability in SA	< 15% is recycled nationally
Not recyclable	Not recycled in South Africa
Note: recycling rates are calculated on the material leaving a recycling facility (output)	

Formats classified as having an adequate recyclability and are relatively well recycled within a South African context are:

- **PET beverage bottles**
- **HDPE bottles and other rigids (for example, jars, closures, crates and drums etc).**
- **Greater than A4-sized mono-material LDPE and HDPE flexibles in a business-to-business context**
- **Greater than A4-sized mono-material LDPE and HDPE flexibles in a business-to-consumer context**

The recyclability of packaging on the market in SA was re-assessed in 2022. This assessment is completed annually, as the recycling industry is fast-paced, dynamic and influenced by many factors.

[6] The Ellen MacArthur Foundation, 2021. The New Plastics Economy Plastics Pact Network, Vision & Definitions

These recyclability ranges have the potential to change in the future across all formats and this will be monitored as their end markets develop and technology allows for improved recycling rates.

Taking the definition of recyclability into account, the total proportion of recyclable plastic packaging placed on the South African market by members was calculated as the total proportion of packaging placed on the market that has a recyclability in practice classified as 'adequate recyclability'.

In addition, a red list was compiled that specified components that render the entire packaging format not recyclable in the South African collection, sorting and recycling systems. An example of such a red list entry, is PET/PVC shrink sleeves on PET bottles. Although PET beverage bottles are well recycled in South Africa, the shrink sleeve renders the whole pack unrecyclable, and is highly disruptive to PET recycling.

3.2. Progress on Target 2

81.2% of all plastic packaging placed on the market by members is recyclable

70.0% of consumer/primary plastic packaging placed on the market by members is recyclable

99.1% of retailer/secondary and logistics/tertiary plastic packaging placed on the market by members is recyclable

Members report their annual plastic packaging portfolio by polymer type and format, as well as their recyclability or give an overall indication of recyclability across formats and polymers due to the lack of detailed data available. **84%** of brand owner and retailer members were able to report on the polymer type and format of their packaging with a mostly medium data confidence. It is expected the data confidence will increase as compliance with the mandatory extended producer responsibility (EPR) regulations in terms of data and reporting requirements improves. With 2021 being the first year of EPR reporting, members and the greater South African market are still getting acclimatised to EPR reporting.

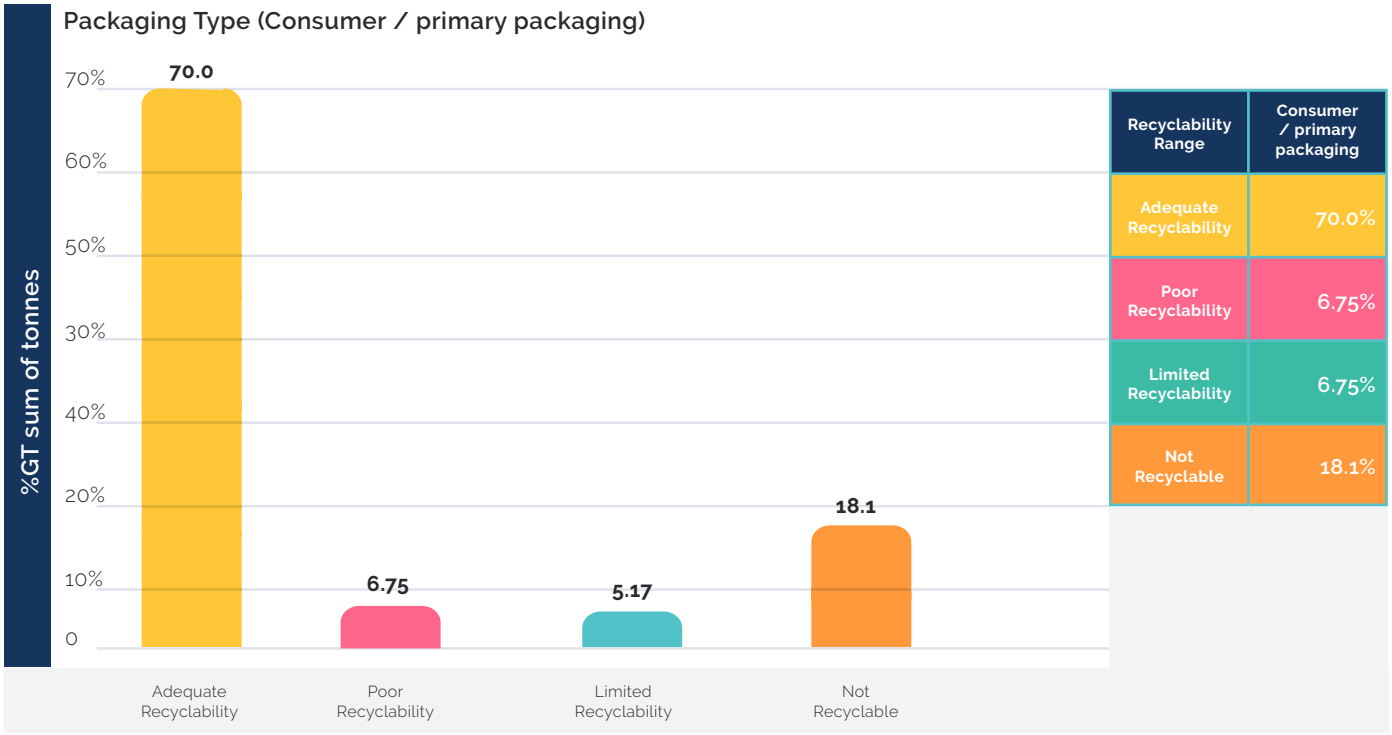


Figure 2a: Recyclability range percentage for consumer / primary packaging

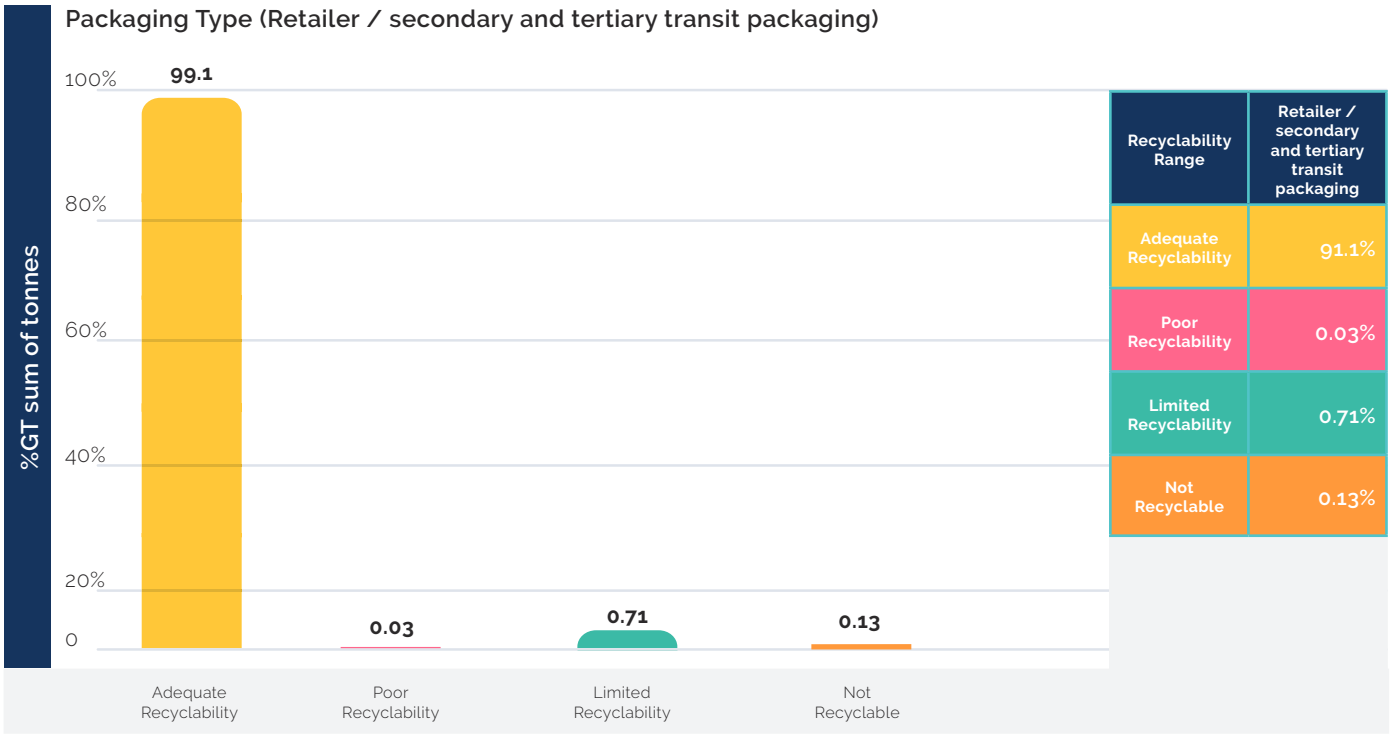


Figure 2b: Recyclability in practice for retailer/secondary and logistics/tertiary packaging.

Much like in the 2020 baseline report, the retailer/secondary and logistics/tertiary packaging indicates a greater recyclability due to crates and LLDPE film which are adequately recycled. These packaging items are often not contaminated and collected by on-site waste management companies for recycling. Important to note, is that logistics/tertiary packaging is often designed to be reused or made from one polymer allowing for feasible recycling.

In contrast, the packaging end-of-life is unfortunately less of a consideration when designing consumer or primary packaging, and it is often primarily designed according to packaging performance or fit-for-purpose to package the product in mind, as well as cost. Fit-for-purpose design includes packaging designed to extend the shelf-life of food products, protect packaging contents with specific barrier properties required for the product, and be easily transportable.

From the figure 3 on the next page, it is evident that the majority of recyclable consumer or primary plastic packaging placed on the market by members is still made from the polymer PET and is in a bottle format.

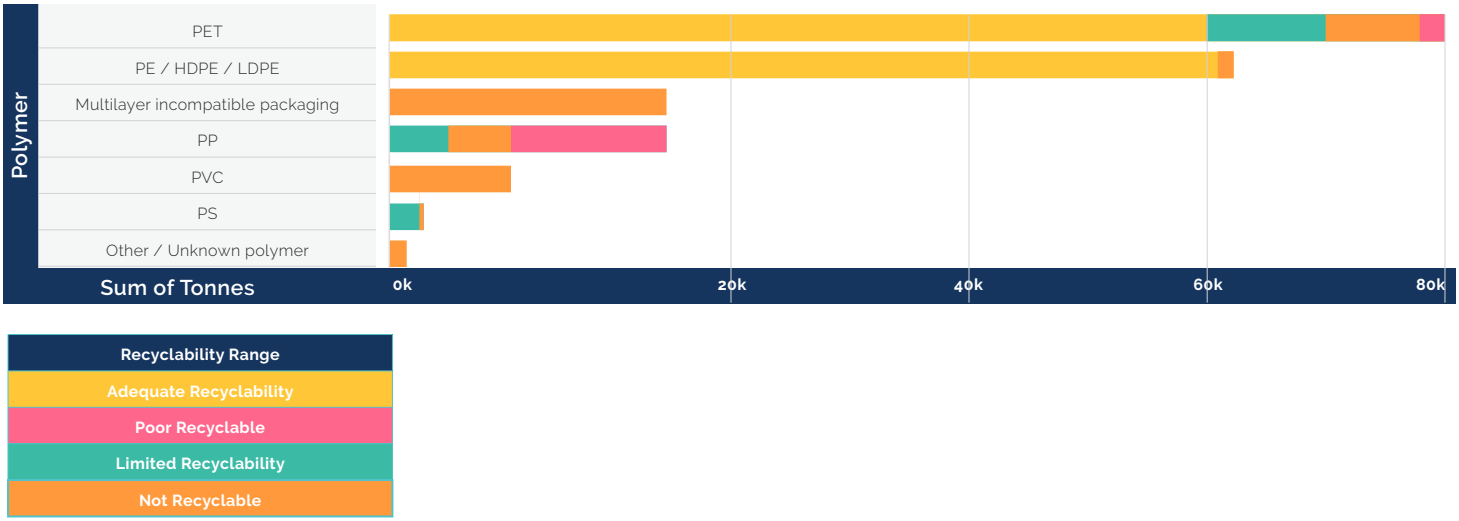


Figure 3: Consumer/primary packaging placed on the market by SA Plastics Pact members

In Figure 3 above, the recyclability of the range of packaging formats is presented by polymer type. The largest contributors in each recyclability range is as follows:

- Adequate recyclability: PET with **69 400 tonnes (59 300 tonnes recorded in 2020 baseline report)**
- Poor recyclability: PP with **10 600 tonnes (9 110 tonnes recorded in 2020 baseline report)**
- Limited recyclability: PET with **4 800 tonnes (was PP with 6 300 tonnes recorded in 2020 baseline report)** – largely due to PET non-beverage bottle formats in edible oils, home and personal care
- Not recyclable: Multilayer incompatible packaging with **16 500 tonnes (6 900 tonnes recorded in 2020 baseline report)**

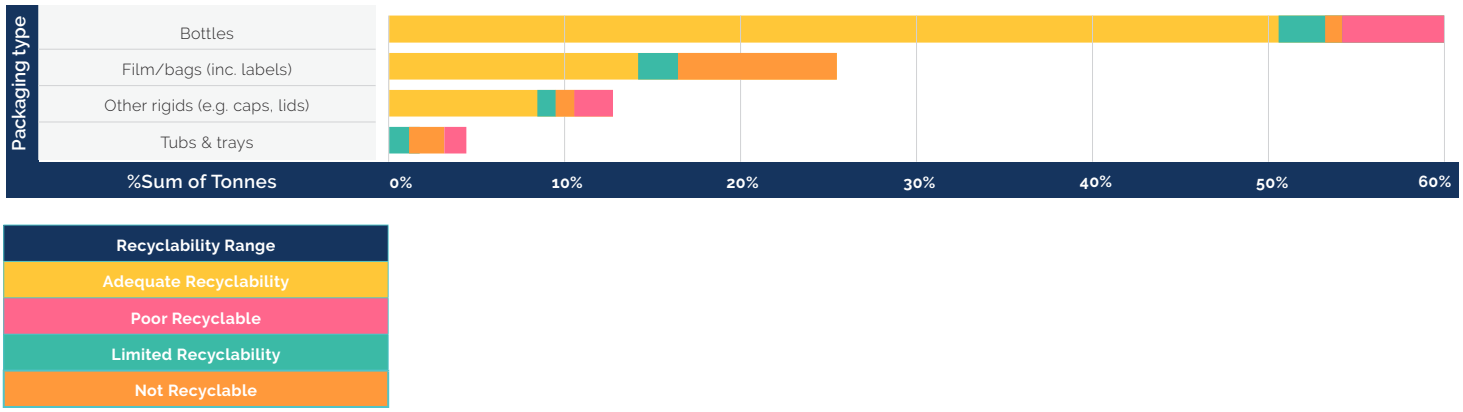


Figure 4: Cumulative tonnage placed on the market by members for consumer/primary packaging

Bottle formats dominate the packaging portfolios of Pact members, with the largest proportion of bottles being PET, followed by HDPE (Figures 4 and 5). In comparison to other polymer types, PET has the most developed recycling system in the South African market, Although the average recyclability across the packaging portfolio of SA Plastics Pact members is relatively high at 81%, as the membership grows, this figure will likely decrease due to new members having more limited PET beverage bottles in their portfolios. Bold member action is required to prevent regression on Target 2.

- 93 700 tonnes in bottle formats (69 300 tonnes recorded in 2020 baseline report)
- 40 600 tonnes in film/bag formats (36 300 tonnes recorded in 2020 baseline report)
- 18 700 tonnes in other rigid (e.g caps, lids, closures) formats (8 900 tonnes recorded in 2020 baseline report)
- 5 400 in tubs and trays (7 600 tonnes recorded in 2020 baseline report)

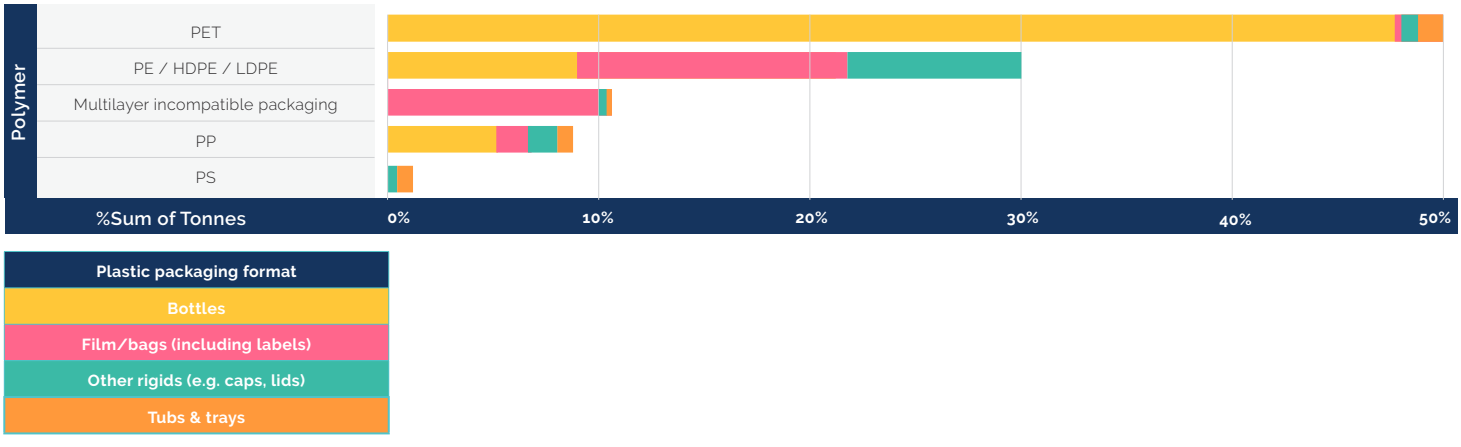


Figure 5: Type of packaging by polymer placed on the market by members

Figure 5 above indicates that PET bottles placed on the South African market make up the largest tonnage of consumer/primary packaging which was also seen in the 2020 baseline report. While PE/HDPE/LDPE films and bags make up the second largest contributor followed by PE/HDPE/LDPE bottles which are all adequately recycled. The multi-polymer incompatible packaging includes a mix of polymers (labelled no 7), and is not recycled in South Africa.

3.3. Current actions and next steps

3.3.1. Design for Circularity

Currently a design for circularity action group is run by the Pact, which aims at optimizing plastic design to improve circularity. The Golden Design Rules (GDRs) were developed by the Consumer Goods Forum's Plastic Waste Coalition of Action, and are endorsed by the Ellen MacArthur Foundation as Design for Recycling guidelines for their Global Commitment members to follow.

The GDRs are specific to polymer and format. SA Plastics Pact members have given their inputs on the adaption of the GDRs for the SA context, and further discussions are being held regarding applying these specific GDRs in South Africa to meet Pact targets. These GDRs include:

- Increase value in PET recycling
- Remove problematic elements from packaging
- Eliminate excess headspace
- Reduce plastic overwraps
- Increase recycling value for PET thermoformed trays and other PET thermoformed packaging
- Increase recycling value in flexible consumer packaging
- Increase recycling value in rigid HDPE and PP
- Reduce virgin plastic use in business-to-business plastic packaging
- Use on-pack recycling instructions

3.3.2. Addressing problematic flexibles

The baseline report highlights that flexible PP and multi-polymer packaging are two of the biggest barriers to SA Plastics Pact achieving Target 2.

- The PP flexibles are currently recycled at a less than **15% output** recycling rate, with metalised PP flexibles (largely snack packaging) at a less than **5% output** recycling rate.
- The multi-polymer incompatible packaging that includes a mix of polymers (labelled no 7).

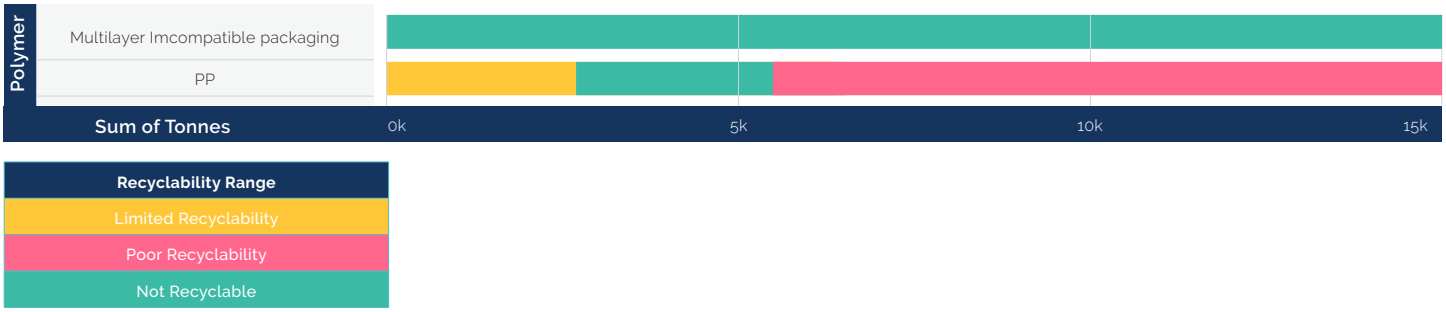


Figure 6: Tonnages in the membership in 2021 in PP flexibles (limited recyclability) and in multi-polymer incompatible packaging (largely flexible packaging).

An action group was constituted in 2022 to address these flexible formats through a number of actions:

- Members are scanning their portfolios for possible elimination of unnecessary flexibles in these polymers, as well as packaging that could be moved into reuse models.
- Substitution of clear PP flexibles with well recycled LDPE in suitable products (including non-food products, and long shelf life foods with a low fat content).
- Sharing member learnings and best practice in moving PET-PE packaging for a range of food (including pet food) items into recyclable polyethyelene packaging; and developing the business case to locally produce the polyethylene substitutes with the aim to maximise the collaborative demand of Pact members for recyclable alternatives on the SA market.
- Developing external funding applications to support further work, and seed needed innovation in the multi-polymer packaging.

3.3.3. Reuse

A Plastics Pact research submission to the World Bank in 2022 on opportunities for reusable packaging to boost progress towards 2025 targets, identified certain categories of packaging and locations in SA to focus on regarding reuse-refill models. The first is on-the-go packaging as it is highly leaked and therefore problematic, and secondly, a focus on locations far from recycling markets. where packaging is landfilled in the best scenario, and the community and environment would benefit from reduced packaging going to landfill or leaking into the environment.

In line with Target 2, the Pact sought to increase the application of reusable packaging among our members. After the Reuse Innovation Challenge of 2021 there was interest from brand owners and retailers in some of the solutions pitched. From the initial engagements there has been progress in at least one instance where the refill dispensing solution from Sonke is being trialed in 3 Spar stores with products from Unilever. The outcomes from this pilot are yet to be determined. Uptake of reusable packaging in primary and secondary formats has been slow otherwise.

3.3.3.1 On-the-go packaging

The Pact received funding from the MAVA Foundation in 2020 to increase the application of reusable items in the South African market. One area identified as low hanging fruit for reuse was the food service industry, particularly for on-the-go items. The Pact partnered with one of its supporting members, the **V&A Waterfront** to boost the budget and to provide a test site for the project. The project narrowed its focus to implementing reusable cups in a deposit-return system for beverages at the Oranjezicht City Farm (OZCF) Market in Granger Bay. Cups were procured for hot drinks and beer and a kiosk stall has been installed for customers to "rent" a cup while at the market. The reusable cup will be able to replace up to 3 000 single use cups over a weekend. Over the first month of operation, an average of 738 single-use cups were replaced by the reusable cups, with a maximum of 1,400 single-use cups avoided on one market day.

3.3.3.2. Areas with limited access to recycling markets

The Pact launched a reuse action group in March 2022 to formulate an approach that would enable members to increase uptake of reuse solutions. Refill stations in large retailers would make reusable options accessible to more consumers, and well-designed refill models can deliver product cheaper to consumers, as on subsequent purchases the consumer does not pay for the packaging.

In many remote and rural areas, logistics is a significant cost consideration. So much so that the economics of recycling becomes unfeasible and thus even if a product is designed for recycling, these items will not be collected for recycling. The cost of transporting many prepackaged small items to these areas would also be higher than transporting in bulk containers for sale in refill stations. Therefore, refill stations have a good chance of making financial sense and increasing circularity in low income rural areas.

Some examples of low income refill already exist such as the Triple Shine and Gcwalisa initiatives with developing partnerships with Unilever (see stories below). Further exploration is under way in the action group for possible collaboration and shared learnings.

3.4. Target 2 Highlights of member actions

Impactful efforts have been made towards Target 2 by members. A few notable mentions are as follows:

3.4.1. Improving circularity through reuse

This year, the **Unilever** Sunlight team partnered with Sonke to test the refill concept for dishwashing liquid at 3 **Spar** stores. Sonke designs and manufactures automated refill stations and partners with FMCG brands to execute the refill model across stores.

The objective of the 3-month trial was to gauge the consumer appetite for refills, along with testing quality and operational aspects. The product was sold at a discounted rate. Consumers were given a 750ml bottle to start off with and encouraged to return with the bottles to replenish the dishwashing liquid. The repeat rate was found to be high, i.e. the consumers brought the bottles back to refill as they saw value in the model.

The Triple Shine refill initiative at spazas (informal convenience stores) was selected as a partner for **Unilever** out of the group of entrepreneurs who presented their business ideas at the KTN-iX Retail Challenge centred around the "Re-use Refill Re-imagine" concept this year. Unilever aims to partner with Triple Shine to pilot the refill concept for Home Care products for spazas in Limpopo.

Furthermore, Knorr & Knorrox brand teams have partnered with Gcwalisa to test the weigh & pay concept for dry foods in the township of Alexandra. Gcwalisa uses existing **Unilever** products currently sold to catering customers, i.e. larger sizes that are sold in retail, and allows their customers to buy the exact quantities they need at a fixed price per kilogram. Gcwalisa currently has only one store and dispenses products manually. The team is monitoring the pilot and reviewing learnings.

The Spur Group is modelling a re-use model for product portioning with the aim to move away from portioning bags. Selected Panarottis and Spur restaurants are participating in the trial.

Key considerations around food waste and operational criteria are being addressed to ensure the viability of the solution. Since the pilot roll out in October 2021 the participating restaurants were able to eliminate **173 800** portioning bags.

3.4.2. Increasing the value of recyclable packaging to improve recycling rates

Pick n Pay has changed all their milk bottle tops to white. This increases the value of recycled milk bottles (HDPE) as the caps no longer colour the material. The recycled material from coloured milk bottles and caps has a lower value than recycled material from white bottles and caps. The coloured milk bottles and caps are therefore less likely to be recycled in South Africa. This follows Pact member **Spar** changing to white caps in the preceding year.

3.4.3. Packaging material substitution to improve recyclability

Woolworths continually considers more recyclable packaging alternatives at viable prices and have introduced recyclable packaging, or packaging that has higher recyclability rates than others. An example of this would be the elimination of low collection expanded polystyrene trays for avocados and replacing them with paper board trays. Other Woolworths highlights include:

- Woolworths continues to engage with the industry on beverage bottle sleeves to improve recyclability. Woolworths drives their food suppliers to shift from the PETG non-recyclable shrink sleeves to the new all PP floatable shrink sleeve. Woolworths works with MCC Label, the supplier of this new technology and have commenced with a number of trials to shift away from the disruptive PETG shrink sleeve.
- For ground coffee, the packaging has shifted from a 3 ply multilayer non-recyclable PET / Alu Foil / PE structure to a recyclable mono-polymer, PP structure on the full range of 36 SKUs in the Woolworths ground coffee range. Further work is needed on improving the recyclability of this ready-to-recycle format, through engaging with collectors and growing the end market for PP flexibles.
- For their dog treats, soup range and all 14 SKUs in their sauce range, the packaging has been changed from a 2 ply multilayer non-recyclable PET / PE structure to all PE recycle ready mono polymer PE structure on the full range. Further work is needed on the collection of these formats within the South African context, as although they can be included in a well-recycled stream, collectors will not yet distinguish these are recyclable from similar non recyclable packs.

In 2021, Mpact Plastics converted 30% of PVC bottles for the food industry to PET. In 2022, Mpact Plastics aims to convert an additional 200 tonnes of pharmaceutical PVC bottles to PET.

3.4.4. Actions of packaging manufacturers

With an estimated 13 million tonnes of plastic entering our oceans every year, **UPM Raflatac** has started producing packaging labels from ocean-bound plastics. Ocean-bound plastic refers to abandoned plastic waste recovered in Malaysia from areas up to 50km inland from waterways and have a high probability of ending up in the ocean. At first stage HHI, a Malaysian-based plastic recycling company collects and sorts the ocean-bound plastic waste with its partners. HHI has Ocean Bound Plastics certification under Zero Plastic Oceans program that ensures the responsible sourcing, proper collection and management of the ocean-bound plastic waste. After collecting and sorting the ocean-bound plastic waste, HHI converts the waste into pyrolysis oil. The pyrolysis oil is then used by SABIC to create high-quality PP plastic granulates. After SABIC, the plastic granulates are used in the process in which the film manufacturer Taghleef Industries produces the label film that is used by UPM Raflatac to produce the final label material.

Manufactured by **Polyoak**, Polypet launched an easy-squeeze PET honey bottle range as a more sustainable alternative to PVC. Historically PVC has been widely used for honey bottles, despite the filling temperature being suitable for PET. Unfortunately, PVC honey bottles look similar to PET which raises the risk of PVC contaminating the PET recycling stream, with potential health risks and equipment damage during recycling. PVC bottles are also not recycled in South Africa which is why the SA Plastics Pact has added PVC bottles and shrink sleeves to its list of problematic and unnecessary packaging for elimination by the end of 2021 and 2022, respectively.

4. TARGET 3:

70% of plastic packaging effectively recycled by 2025

Cooperation throughout the value chain is needed in order for a circular economy for plastic packaging to become a reality. Collaboration is needed to design packaging for circularity through all sectors of the value chain, to improve collecting and sorting of plastic packaging, and to grow demand for recycled content in packaging and in other products.

Members strive to increase the national input recycling rate by:

- Sharing best practices in design for circularity, thereby increasing the proportion of recyclable plastic packaging on the market in South Africa;
- Paying EPR fees and supporting Producer Responsibility Organisations in improved collection, and
- Growing end markets specifically through increasing recycled content in their own packaging and products.

Further collaboration across members and the broader industry is needed to meet the target of a 70% input recycling rate for plastic packaging placed on the South African market.

4.1. Progress on Target 3

461 500 tonnes of plastic waste was collected for recycling in 2020, of which **320 300 tonnes** was packaging. This gives South Africa an input recycling rate of **43.2% for 2020**. This shows a decrease from the previous year (2019) which showed an input recycling rate for total plastics at **45.7%**[7]. Decreases can partly be accounted for by COVID-19 regulations and lockdowns and a decrease in collection as a result, as well as very low oil prices which incentivised the use of virgin plastics, decreasing demand for recycled plastic.

1 739 500 tonnes of polymer was converted to plastic products in 2020, of which plastic packaging made **up 52%** (up from 49% in 2019) of South Africa's total plastics market. This results in a total of **904 540 tonnes** of plastic packaging placed on the South African market, of which **320 300 tonnes** are collected for recycling. Overall, **35.4%**[8] of plastic packaging placed on the market is recycled. For an input recycling rate of **70%** to be attained based on the figures reported above, an additional **312 878 tonnes** of plastic packaging must be unlocked and collected for recycling.

The specific barriers to increasing the recycling rate vary by polymer, although the primary barrier is design, with only **48%** of the packaging on the market in SA in 2019, designed to be included in streams recycled at a **30%** or greater output recycling rate. In the streams that are recycled just below or greater than **30%** output recycling rate, PET bottles and to some degree LDPE flexible packaging is currently supply-constrained, while HDPE and PP are on average demand-constrained, meaning that more producers need to specify recycled content in their products to grow the recycling rates.

[7] Values sourced from Plastics SA Annual Report 2020/21 as well as the Plastics SA recycling survey for the same reporting year. The input recycling rate is calculated using the total plastics recycled, only a portion of the plastics collected for recycling are packaging.

[8] This is an input recycling rate, calculated as the percentage of material entering recycling plants (in tonnes) over the tonnage of plastics placed on the market in South Africa.

4.2. Current actions and next steps

The key enabler of circularity in packaging is currently SA's new mandatory EPR system in paper and packaging, which addresses and incentivises design for recyclability through requiring that EPR fees are modulated based on **"ease of recyclability"**, institutes collection and recycling targets, and incudes recycled content targets in PET packaging, and single-use plastic products[9] in PET, HDPE and PP currently. Although reuse targets are included in the packaging notice, there are no reuse targets yet for plastics.

The Department of Forestry, Fisheries, and the Environment (DFFE) published the National EPR Regulations and associated notices, including a notice regarding an EPR scheme for paper and packaging, on the 5th November 2020, which were amended on the 5th May 2021. The first year of reporting under the new mandatory EPR regime is 2022. However, progress has been hampered by delayed concurrence bedtween the Ministers of Forestry, Fisheries, and the Environment, and Finance on the EPR fees submitted by PROs by 5 November 2021. Concurrence on the fees was delayed from January to June 2022. The concurrence letters require that producers pay EPR fees or effect their own EPR schemes effective January 2022, and producers remain bound to comply with the legislated targets for the 1st year (2022). The payment of EPR fees has been delayed by some producers, and as a result most PROs have not recovered the funds needed to fulfil their EPR obligations.

4.2.1. Support to members on EPR

The SA Plastics Pact secretariat provides support to members on request to assist suppliers in understanding the mandatory EPR system, their role in the system and specific points of compliance.

Other areas of Pact activity in support of business members includes:

- Design for circularity assistance that will prepare members to benefit from reduced EPR fees once PROs define their fees based on ease of recyclability.
- Giving guidance regarding On Pack Recycling Labels, thereby enabling compliance with the EPR regulations (section 5 (1g)) on environmental labelling.

Synergising with our PROs, PETCO and Polyco, as supporting members is a key activity in our developing EPR system. In a new EPR regime there are many complexities to address to achieve a high-performing EPR system.

The SA Plastics Pact secretariat and membership is able to leverage additional funding and provide resources to support the work of the PROs to increase the recycling rate for plastics in South Africa, through

- Design for circularity guidance as mentioned above
- Increasing collection, sorting and aggregation through facilitating co-design models with municipalities, and the informal sector;
    - The above aids PROs with compliance of section 5A (l) of the EPR regulations, which requires PROs to co-operate with municipalities to increase recovery of plastics from landfill
    - In addition, this activity assists producers, PROs, and municipalities to integrate the informal collection sector (waste pickers and reclaimers) as required by the EPR regulations, and the National Waste Management Strategy under the National Environmental Management: Waste Act.
- Growing demand for recycled plastics in South Africa through business case development and targeted investment to support end market growth.

[9] As per the EPR regulations, single-use products include i. Films/Flexibles: agricultural mulch films, garbage bags, pallet wrap; ii. Injection moulded products: cups, tubs, cutlery (knives, forks, and spoons), stirrers; iii. Blow moulded products: bottles, containers, jars; iv. Extruded products: straws, sheets; and v. Thermoformed products: trays, punnets, cups, various packaging.

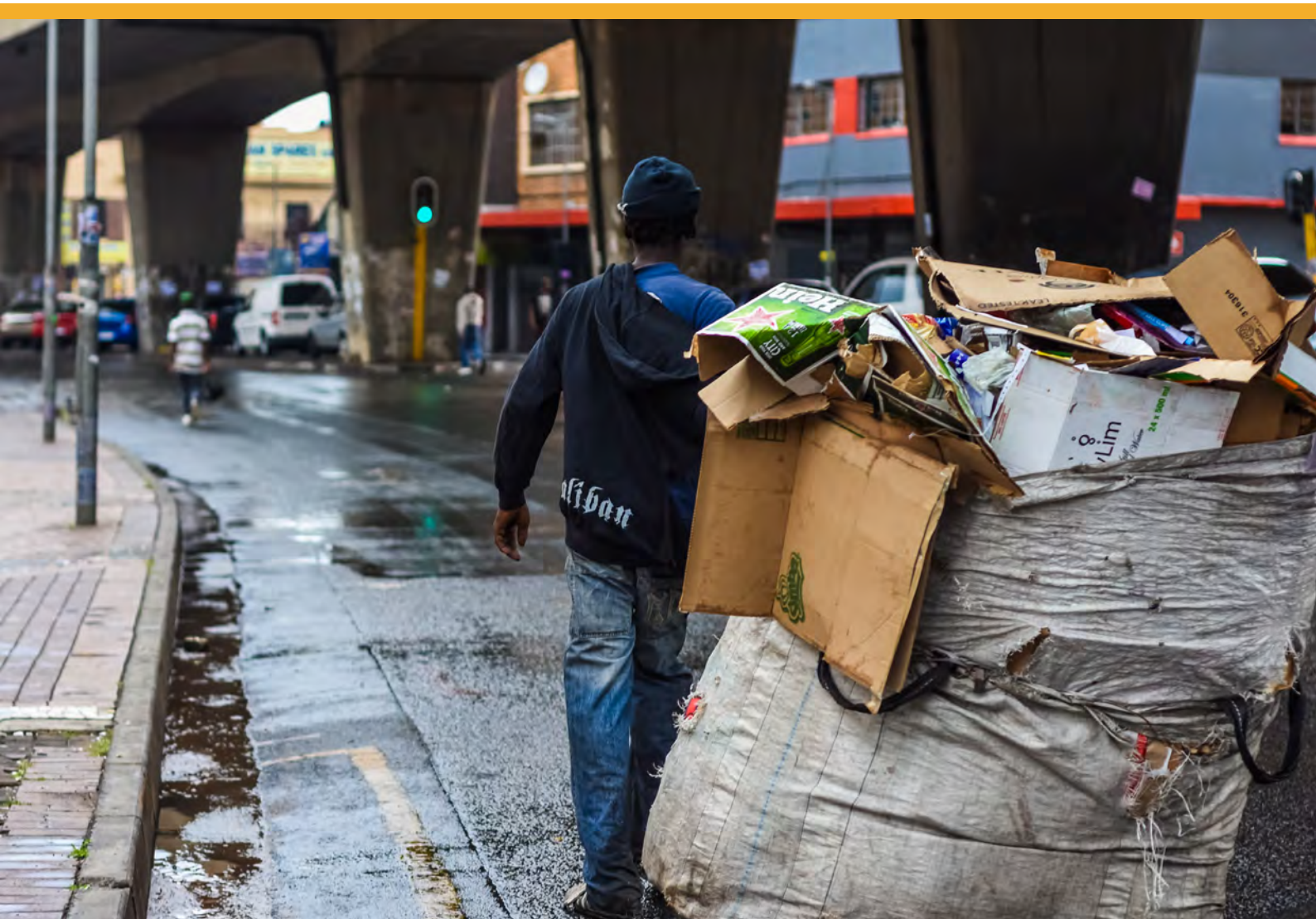
4.2.1.1. Leveraging SA Plastics Pact to support EPR performance in South Africa

The SA Plastics Pact secretariat (GreenCape) is partnering with the City of Johannesburg – Environment and Infrastructure Services Department, Pikitup, the African Reclaimers' Organisation (ARO), JG Afrika – Engineering and Environmental Consultants, the South African Plastic Recyclers' Organisation (SAPRO), the University of Johannesburg – Process, Energy, and Environmental Technology Station (UJ-PEETS), and WRAP on a feasibility project funded by the Alliance to End Plastic Waste in north-eastern Johannesburg.

This project seeks to build an inclusive system to address plastic waste in Johannesburg by tackling 3 aspects that are key to building the momentum needed to accelerate the elimination of plastic waste in the rapidly developing north-eastern region of Johannesburg:

1. Increasing collection and sorting of plastics from low to high-income residential areas, through a co-design model building on the strengths of the municipality, and industry, including the formal and informal sectors, as well as the Producer Responsibility Organisations (PROs).
2. Incentivizing and mobilising demand for recycled plastics through the private and public sector.
3. Increasing citizen and business engagement in the responsible use of plastics through awareness and behaviour change campaigns.

The first phase has begun with an Alliance-funded feasibility study to better understand the current plastic waste situation for the project area. The results of the feasibility study will help guide the design of appropriate interventions to meet the overall objectives of the project.



4.2.1.2. Informal sector integration in the recycling value chain

"Waste picker integration is the creation of a formally planned recycling system that values and improves the present role of waste pickers, builds on the strengths of their existing system for collecting and revaluing materials, and includes waste pickers as key partners in its design, implementation, evaluation and revision. Waste picker integration includes the integration of waste pickers' work, as well as the political, economic, social, legal and environmental integration of waste pickers" (DEFF & DSI, 2020).

Waste pickers (also called reclaimers) play a valuable role in the recycling value chain, recovering recyclables from mostly mixed waste sources from kerbside or landfill. It is estimated that anywhere between 60,000 and 90,000 reclaimers earn their livelihoods from recyclables. The largest proportion of plastics entering our recycling plants is from mixed waste sources, including landfill and other post-consumer wastes, which are recovered mostly by reclaimers (there are a small number of dirty Material Recovery Facilities, where mixed general waste is sorted to recover recyclables).

The founding members of the SA Plastics Pact highlighted that informal sector integration is a key metric for the SA Plastics Pact in driving progress towards Target 3. It was decided not to include informal sector integration as a target specific to the SA Plastics Pact, as the informal sector is embedded in the value delivered by our current recycling value chain.

Funded by the MAVA Foundation, the SA Plastics Pact secretariat partnered with the African Reclaimers' Organisation to

- Develop video training material to guide reclaimers in safe practice to avoid infection, with particular reference to the COVID-19 pandemic (complete in 2021);
- Deliver organisation training for reclaimers to facilitate integration of reclaimers with both municipalities and PROs – reclaimers from Buffalo City, Cape Town, Mpumalanga and Johannesburg were trained in-person and video material was developed for further training and dissemination (complete in September 2022).

A further workstream funded by the MAVA Foundation was designed to assist PROs to be compliant with the EPR legislation requirement to pay reclaimers a collection service fee by November 2022. The Pact Secretariat convened and facilitated meetings with PROs, the informal sector, and DFFE to develop an Integration Governance Steering Committee, and associated working groups on payment systems, and on reclaimer registration on the National Waste Picker Registration System.

Furthermore, in collaboration with a UNIDO-funded workstream led by Professor Melanie Samson of the University of Johannesburg, the Pact secretariat co-leads a Community of Practice on informal sector integration, sharing learnings on best practice and developments with implications for integration. All Plastics Pact members and key external stakeholders, including all PROs, DFFE, and informal sector groups are offered membership of the group.

[10]Department of Environment, Forestry and Fisheries, and Department of Science and Innovation (2020) Waste picker integration guideline for South Africa: Building the Recycling Economy and Improving Livelihoods through Integration of the Informal Sector. DEFF and DST: Pretoria.

4.2.1.3. On-Pack Recycling Labels

On-Pack Recycling Labels (OPRLs) are clear and accurate communication to consumers on what to do with their packaging at end of life. As such, OPRLs are a useful tool to facilitate collection of packaging at end of life.

The Pact hosted action group discussions in 2020 and 2021 to negotiate the terms of a standardized OPRL guideline. The insights were converted into the SA Plastics Pact OPRL Visual Guide document at the end of 2021.

The Pact made the OPRL Visual Guide available to Plastics Pact members from June 2022 on condition that the members signed a Non-Disclosure Agreement to ensure that the stipulated rules of the visual guide would be followed and that the visual guide document is not shared outside of Pact membership.

Further development of the OPRL system is under discussion, through an online tool that not only provides design for recycling guidance with the specification of each packaging component, but also automatically generates an OPRL for the complete pack.

4.3. Target 3 Highlights of member actions

4.3.1. Education and awareness

A nationwide recycling campaign called the Million+ Plastic Recycling Revolution by **Polyco**, has welcomed a collaboration with **Pick n Pay** School Club that will help educate over **1.7 million** primary school learners and over **80 000 teachers** about the importance of plastic recycling. Launched by Polyco, The Million+ campaign aims to mobilise South Africans to commit to using plastic responsibly by keeping used packaging out of the environment, out of landfill, and putting it back into the recycling value chain.

The **Sustainable Seas Trust** has educated **11 090 children** on a recycling deposit system as well as the economic departments work to support SMEs through the Munch-on-the-move programme. This is an initiative in South African schools to help collect and sort waste at source before it ends up in the ocean.

4.3.2. Increasing collection

Coca-Cola Beverages South Africa (CCBSA) has partnered with Matongoni Recycling Group to provide a much-needed boost to the collection of PET plastic bottles in rural communities in Limpopo Province. This collection ran from September until end of year 2021, and included the communities of Polokwane/ Seshego, Makhado, Bochum, Mankweng, Mokopane, Moletjie, Sekhukhune, Lebowakgomo, and Lephalale. This initiative formed part of CCBSA's ongoing World Without Waste Vision 2030, to collect a bottle for each one that it sells by 2030.

CropLife SA has trained **>350 state officials** of the Departments of Agriculture, Environment and Health on triple rinsing and recycling of empty containers and equipped them with training materials to train more farmers at provincial level. In addition, CropLifeSA hopes to improve recovery rates of plastics such as High Density Polyethylene (HDPE) and hopes to push for a recovery rate of **85%+** by the end of 2022. By 2022, a recovery of **6 000 tonnes** of HDPE should be achieved (minimum) which is between 85% and 90% of HDPE for agricultural chemicals entering the market.

In partnership with Imagined Earth, members **Pick n Pay**, **Spar** and **Woolworths** have rolled out reverse vending machines (RVMs) which aims at improving sorting and collection at selected stores around the Western Cape, Gauteng and Kwa-Zulu Natal. Interest in RVMs has picked up in 2021/22 with PET and HDPE two of the largest plastic inputs into these RVMs. The aim of these initiatives is to divert waste from landfill.

Reverse vending machines (RVMs) are an innovative solution for collecting waste at the source and a way for shoppers to tangibly contribute towards recycling and diversion from landfill while creating public awareness of and providing incentives for waste management practices. **L2D's** Sandton City installed five RVMs in 2019 for shoppers to drop off recyclables and earn rewards. Since installation, **13 tonnes** of waste have been recycled through the RVMs and almost 11 tonnes in this past year alone. That is the equivalent of nearly 11 Nissan Micras and speaks to the convenient recycling solution the RVMs offer shoppers. The RVMs enable packaging-focused identification through barcodes and shape recognition. The technology can provide quantified packaging statistics through cross-referencing to a packaging database. These remote management platforms provide the foundation for unassisted user interaction and are a clean, efficient method of allowing the public to deposit packaging waste.

Polyco launched a municipal-focused recycling strategy in 2021 in Buffalo City Municipality in collaboration with the Border-Kei Chamber of Business, the Buffalo City Metropolitan Municipality and the Buffalo City Metropolitan Development Agency, with two static buy-back centres currently in operation. To ensure the success of this initiative, Polyco funded private businesses in East London to facilitate the collection and recycling of plastic packaging materials to meet local market demand for recyclate. Concurrently, community-based static Packa-Ching buy-back centres were constructed to service the recycling needs of the public and to create a cleaner city. A marketing campaign was then launched to educate the public about recycling and encouraged them to use the buy-back centres.

In 2021, **Safripol** funded a project by the Green Corridors NPC to collect plastic waste destined for the oceans. This included installing river booms along the Umgeni River, and setting up waste collection and sorting facilities. In 2021, 4 new litter booms were installed and 12 litter booms in total were maintained through the project. For this project a total of **2.17 tons** of waste plastics was recycled.

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4.3.3. Informal sector integration

Distell has expanded their GreenUp initiative,a post-consumer waste recycling programme, to two other provinces expanding their footprint in the diversion of waste from landfill sites.

Furthermore, Distell has invested in increasing post-consumer recycled content in packaging. This investment is in support of their circular economy initiatives by working with waste reclaimers and buy back centres.

Unilever and **CCBSA** have worked with the **African Reclaimers' Organisation** (ARO) to launch phase two of the pilot programme that is intended to increase collection rates of recyclable material from households by recognising reclaimers, compensating them for their work and driving community behaviour change.

120 reclaimers have been actively participating since July 2022. Collections in 3 of 4 suburbs started in July and gained momentum in August and September.

Moreover, **Unilever** has continued its partnership with Oxfam to support skills training and capacity building for recycling community-based organisations (CBOs). The training involves basic business management and site operational procedures, as well as soft skills such as negotiation and collaboration. Through Unilever's partnership with TRANSFORM (a collaboration with Unilever, Ernst and Young, the FCDO and UK Aid), grant funding has been awarded to scale up collection and validate a mechanism to aggregate collection volumes to enable higher earnings for the CBOs.

5. TARGET 4

30% average recycled content across all plastic packaging

Target 4 is an average target across all business members given that most food and beverage primary packaging (apart from PET packaging) cannot currently include post-consumer recycled content.

5.1. Progress on Target 4

Members have the option to report their usage of recycled content by polymer type, format and recyclability, or give an overall figure of total recycled content across formats and polymers. Pact members have improved on the data reporting, with all reporting data by polymer type, format and recyclability. However, **91%** of members report a medium confidence in the data so further action is needed, which is also stimulated by the reporting requirement to comply with Extended Producer Responsibility legislation.

20.8% average recycled content inclusion across primary, secondary and tertiary packaging, Average recycled content across consumer/primary packaging is **11.7%** With retailer/secondary and logistics/tertiary packaging remaining largely the same at **37.1%**.

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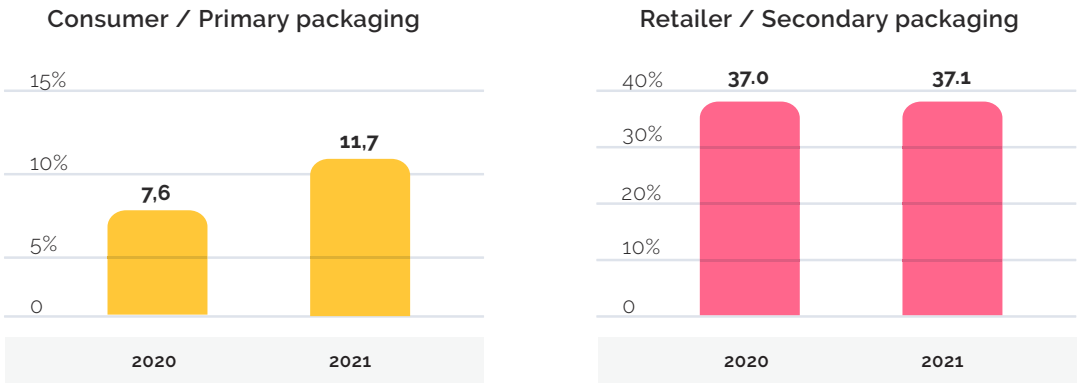


Figure 7: Comparison of progress on the inclusion of recycled content in members' packaging between the 2020 and 2021 reporting years

Although retailer/secondary and logistics/tertiary packaging remained a fairly consistent **37.1%** more notably the SA Plastics Pact members have increased their recycled content in consumer/primary packaging by **4% to 11.7%** in 2021, up from **7.6%** in 2020. This promising increase is largely due to increased recycled content in PET (beverage) bottles from 9.01 to **27.7%** from 3 members in particular, with an increase in recycled content from **9.26 to 12.5%** in HDPE home and personal care bottles from 5 members (Figure 8 below).

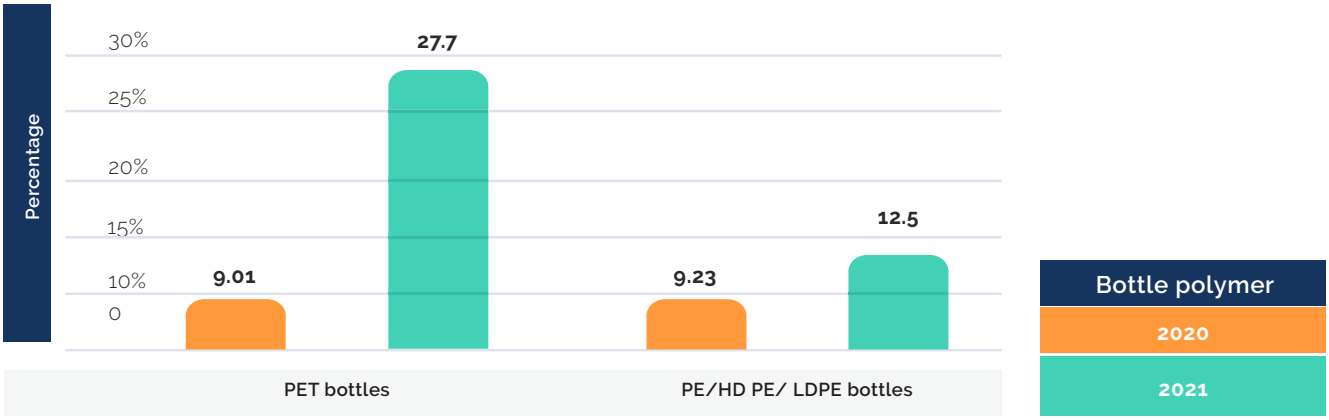
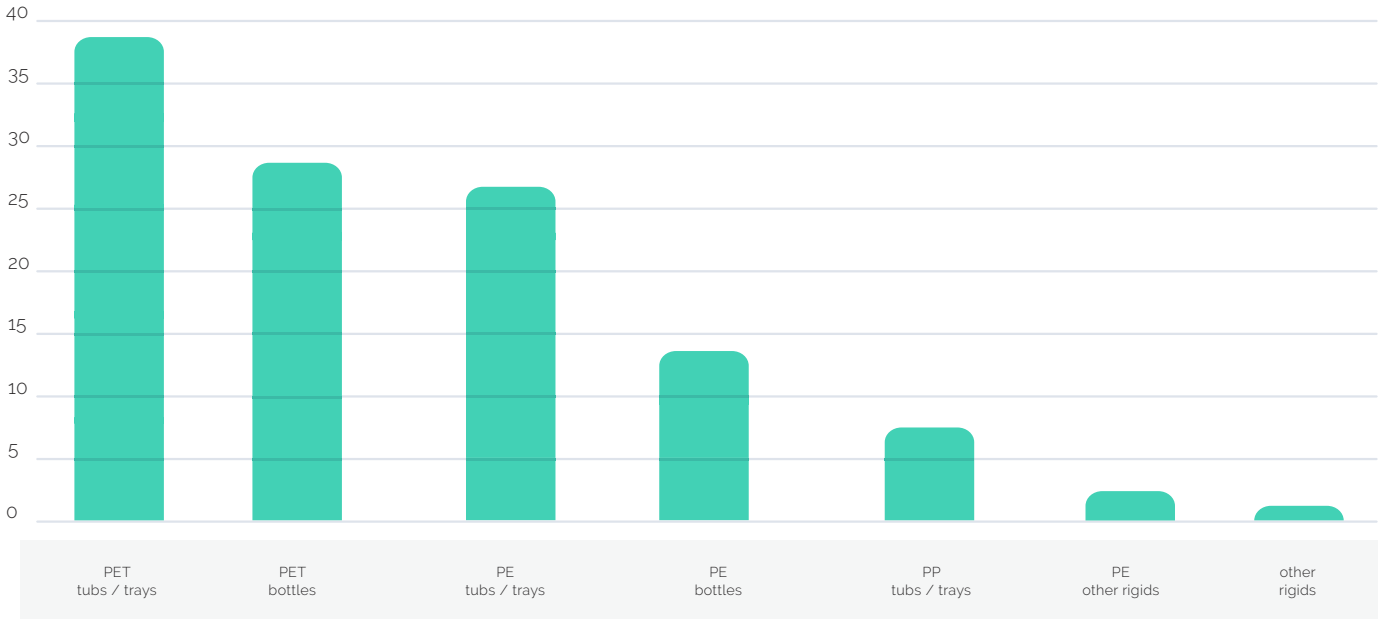


Figure 8: Percentage increase in recycled content by bottle format

Converter members generally, also show signs of manufacturing using more recycled content in 2021 compared to 2020. The recycled content polymers LDPE, HDPE and PP all show increases in 2021 with a collective increase of **1 462 tonnes**. Converter members Berry Astrapak, Mpact, and Polyoak show the largest purchases of recycled plastics.

The figure below shows the largest percentages of recycled content in the various polymer formats. Although PET tubs/trays show the highest percentage of recycled content; this is overshadowed by the actual tonnage of PET and HDPE bottles (see Figure 9).



Polymer format	Percentage
PET tubs/trays	35,2
PET bottles	28,7
PE tubs/trays*	26,9
PE bottles	12,5
PP tubs/trays	6,85
PE other rigids	1,32
PP other rigids	0,66

**two members contributed to PE tubs and trays and as a result, volumes are small but improved from the 2020 baseline report*

Figure 9: Formats showing the largest percentage PCR content in 2021

Figure 10 below presents the tonnage of recycled content across the seven polymer formats with the largest percentage of recycled content. By far, PET bottles show the largest tonnage of recycled content followed by HDPE bottles. These formats constitute the percentage recycled content increases from last year's baseline report presenting 2020 data. Although PET tubs and trays show the highest percentage recycled content, the weight of packaging in PET and HDPE bottles means that a lower recycled content percentage translates into higher recycled content tonnage. There are limited tonnages of recycled material in PE and PP other rigids (caps and closures).

PET bottles	21 200
PE bottles	1 560
PET tubs/trays	1 240
PE other rigids	183
PP tubs/trays	120
PP other rigids	16.9
PE tubs/trays*	8

**two members contributed to PE tubs and trays and as a result, volumes are small but improved from the 2020 baseline report*

Figure 10: Largest tonnage recycled content per polymer format

The use of recycled content in packaging is higher in retailer/secondary and logistics/tertiary packaging than in the consumer/primary packaging. It has been widely noted across members that in the retailer/secondary and logistics/tertiary packaging category, crates contain the highest recycled content (largely HDPE). Bolder action is needed for film across all polymers in logistics/tertiary packaging to increase the tonnage recycled content.

With respect to consumer/primary packaging, PET shows the largest recycled content through percentage as well as tonnage. The ability to include food grade PET into consumer/primary packaging and the systems in place for collection are influential factors in PET being the most widely included polymer as recycled content in new packaging.

5.2. Current actions and next steps

There is potential to rapidly increase the inclusion of recycled content in retailer/secondary and logistics/tertiary packaging due to the lack of product contact for these formats. An additional focus in the consumer/primary packaging is the home care, and personal care packaging, with personal care having higher performance requirements for recycled content.

By increasing demand, the value of plastic packaging at the end of its first life will also increase, stimulating higher collection rates and an increased recycling rate in the country. In general, over the last few years, a lack of demand for recycled HDPE and PP limits the growth in recycling rates for these polymers, with the recycling rate for PET and LDPE largely limited by supply.

Addressing these supply- and demand- constraints, which are polymer-specific, is needed to achieve the collection and recycling rate targets legislated in our EPR regulations which came into full effect in 2021.

There are market fluctuations linked to the oil price, as well as constraints on imports, with the COVID pandemic and the war in Ukraine having significant impact on both these factors. Oil prices in 2022 have remained generally higher than the COVID-induced slump in 2020 and 2021, into the third quarter of 2022, which has sustained demand for recycled content. Historically such demand driven by price is not sustained, and will decrease if the oil price drops.

Sustained demand for recycled content is needed to drive growth in our recycling rates, therefore continued brand owner commitment to recycled content in their packaging as well as other plastic products is required to dampen market fluctuations and to achieve the EPR targets in collection and recycling rates. Although there are no recycled content targets for HDPE, LDPE and PP packaging, increasing and sustained demand is needed to grow the collection and recycling rates for these polymers.

- The Design for Circularity action group is including guidance on the inclusion of recycled content into packaging, moving beyond Design for Recycling guidance which is often focused on one additional lifetime for the packaging material, to Design for Circularity guidance, which will include some recommendations for elimination of excess packaging, designing packaging for multiple lifetimes in our economy, and recycled content inclusion, with future guidance to include guidance on design for reuse.
- The flexibles action group is collecting information for a collaborative trial on inclusion of recycled content in mono-layer pallet wrap.
- The development of specific business cases for end market development in HDPE, LDPE, and PP is under way funded by the Alliance to End Plastic Waste. This study includes closed loop recycling, with recycled content included in packaging. Open loop end markets, with packaging recycled into other products, are included in this feasibility study.

5.3. Target 4 Highlights of member actions

Below is a list of highlights and achievements accomplished by members:

5.3.1. Recycled content in consumer/ primary packaging

Converter members have increased tonnages of locally purchased recycled polymers. Collectively, rHDPE, rLDPE and rPP purchases increased by **1 462 tonnes** in 2021.

There is an increasing demand for recycled content for packaging overall. This can also be seen with Pact members including more recycled content in their consumer/primary packaging. Coca Cola Beverages South Africa increased their recycled content by **5.4%** when compared to 2020 while Pick n Pay increased their recycled content in consumer/primary packaging by **5.8%.** Members continue efforts toward circularity.

5.3.1.1. PET and HDPE

Clicks have increased the tonnages of recycled content in their primary packaging by **4%** in 2021. Many personal care Clicks products in the MyEarth, Revive and Payless ranges used recycled PET or recycled HDPE bottles. In 2021, Clicks sold over half a million units of products packaged in rPET or rHDPE.

5.3.1.2. PET

Mpact Plastics thermoform products have between 30% - 100% recycled content and now use 100% rPET in their fruit punnets.

Furthermore, Mpact Plastics increased rPET usage from 10 to 15% for most Carbonated Soft Drink preforms and all oil bottles use 20% rPET. Over the past few years, 85% of green pre-forms were converted to clear. Customers still using green pre-forms are still testing and will give feedback in the next year.

5 tonnes of printed PET bottles within the cosmetics market are in the process of being moved from virgin PET to 100% rPET.

Mpact Plastics has also made the move from multilayer to mono Modified Atmosphere Packaging (MAP) PET trays for the meat market that are technically recyclable. These mono MAP trays extend the shelf life of meat products. PET trays are not yet recycled in South Africa, but are required to be recycled under the new mandatory EPR system with a target of a 30% output recycling rate by the end of 2026.

PepsiCo has committed to including rPET in all PET beverage bottles within the PepsiCo business. Trials have kicked off in 2021 and PepsiCo went commercial with the inclusion of **20%** rPET in all two-litre Pepsi Carbonated Soft Drink bottles (CSD; rPET provision by PETCO, a contracted & funded recycling partner). Moreover, PepsiCo added further inclusion of **20%** rPET in their Carbonated Soft Drink bottles in 2021/2022 and hope to increase rPET in their CSD bottles to **50%** during 2023.

Spur group in collaboration with supplier partner Polyoak, has increased their recycled content in the manufacture of PET bottles used for table sauces and condiments. The recycled PET content increased from 30% in 2020 to 50% in 2021. Ongoing success is dependent on availability of recycled content.

5.3.1.3. HDPE

CroplifeSA members are using pesticide containers containing recycled content. A pesticide container manufacturer, iPackchem, tested post-consumer recycled material supplied by **MyPlas**. HDPE containers containing **30%** PCR content were sent to Europe for testing and attained full approval. iPackchem announced their inclusion of recycled content in chemical drums in July 2022, being the first chemical drum manufacturer in South Africa to do so. **CropLifeSA** commits to alert their members to the availability of pesticide packaging with rHDPE content.

Spar is launching Spar Pro Wash Auto Washing Liquid with packaging made up of **50%** rHDPE with the balance of Spar's homecare range launching soon.

Mpact is conducting trials with rHDPE for the South African chemical and cosmetic market. All their cosmetic customers have expressed an interest in rHDPE. Customer approval has been received on two cosmetic products and five chemical products. However, none have been supplied yet. Some of the challenges experienced are variations in batch-to-batch quality and maintaining colour consistency.

5.3.1.4. PP

In 2021, **Mpact Plastics** manufactured 50% of their personal care closures used in the hospitality industry with 100% rPP.

MyPlas in partnership with Mpact Plastics has successfully designed a MypolenTM rPP resin blend for caps on Unilever's Organics shampoo range. The caps are 100% rPP. This proves that rPP is feasible for use in rPP bottle closures.

5.3.2. Recycled content in logistics/tertiary packaging

Safripol is using 2.75% of plastic pallets in a closed loop cycle for its logistics/tertiary packaging which are reusable and are returned by their customers, as well as made from 100% recycled plastics. This has allowed Safripol to increase recycled content inclusion to 22% of total packaging weight consumed which is split between PP (30%) and PE (70%). Safripol is also hoping to investigate changing over a larger portion of their pallet fleet to returnable plastic pallets.

5.3.3. Recycled content in other plastic products

The **South African Plastics Recycling Organisations** (SAPRO) held their biennial competition, the Recycled Plastic Product of the Year Awards, which took place in October 2021. The winning product was a trolley manufactured by Supercart SA and is made from HDPE which contains 50% post-consumer recyclate provided by MyPlas. The trolley is currently used by Pact members Pick n Pay and SPAR.

5.3.4. Producer Responsibility Organisations

As a year-on-year measurement, **PETCO** improved on their funded collection of PET in 2021 by 14%. In addition, PETCO members placed 6% more volume onto the South African market.

PETCO continues their work with recycling partners to further diversify end-use markets. This ensures a future home for all PET products but also bolsters the sustainability of the recycling economy.

PETCO support bottle-to-bottle recycling. Food-grade rPET is now the end destination for one third of PETCO's total collection. PETCO has increased the availability of recycled rPET by 17% in comparison to 2020, and this will continue to be a focus area going forward.

Polyco was originally established as a nonprofit organisation in 2011 by a group of South Africa's responsible polyolefin plastic packaging converters to deal with polymer identification codes 2, 4, 5 and 7.
The year 2021 was a pivotal one for Polyco, as it saw mandatory EPR regulations implemented in South Africa. Polyco's decade long track record of successfully growing polyolefin recycling in South Africa, as well as a new commitment to represent all plastic-packaging types, saw Polyco's membership base grow from 14 member organisations to more than 600 organisations registered to become members with Polyco.

Polyco's members pay a levy for every tonne of plastic packaging placed in the market, and in turn Polyco commits to deliver on their extended producer responsibilities.

Polyco's Achievements in 2021 and 2022:

- More than R72.8 million made available for project funding
- Grown the recycling industry by 140 148 tonnes (across all materials)
- Funded more than 98 project partners
- Supported more than 7 500 jobs in the industry
- Educating South African citizens on plastic recycling and separation at source, through our Million+ Plastic Recycling Revolution and Packa-Ching initiatives.

Where to from here? The Road to 2025

Thank you to our SA Plastics Pact members for your commitment to drive bold action through collaboration. Your perspectives shared from across the value chain are invaluable in action groups addressing different aspects of our targets, from design for circularity, to informal sector integration, reuse-refill models and addressing problematic flexibles, among other member workstreams. It is through these robust discussions that our collaborative actions are refined and pitched for maximum impact to drive circularity in plastic packaging.

Action groups are the heart of SA Plastics Pact

Over the last year we have seen development in action groups from a single target focus to a theme focus, whether a material stream such as problematic flexibles in PP and multi-layers, or a circular business model such as reuse-refill, or an approach to circular economy in South Africa, highlighting inclusivity through informal sector integration. The new approach includes discussions and activities that address all targets, such as our informal sector members The African Reclaimers' Organisation (ARO) highlighting Design for Circularity needs, confirming that white milk bottles are preferentially collected over blue milk bottles, and that PLA bottles create confusion in collectors who include those in PET bottles streams. PLA is highly detrimental to PET recycling. The Flexibles action group includes member scans for phasing out certain unrecyclable materials through direct elimination if the packaging can be seen as unnecessary, material substitution to improve recyclability, as well as discussions around activities to boost collection of these substitutes at end of life.

As we move beyond the quicker wins in our SA Plastics Pact collaboration, we are now addressing complex issues related to implementing reuse models in our context, material substitution in economically constrained times and complexity in our new mandatory EPR system with multiple Producer Responsibility Organisations (PROs) and a greatly increased scope from the voluntary EPR systems run by industry. We celebrate the fact that we can address such complex issues in a collaboration across the value chain with key supporting members including the Department of Forestry, Fisheries, and the Environment, and the plastics PROs PETCO and Polyco.

Strategic Focus Areas for 2022 and beyond

Designing for circularity

Our members recognise that achieving circularity for plastic packaging in South Africa must begin with re-considering the packaging we place on the market. The potential for circularity is coded in to the packaging by design choices, and as an SA Plastics Pact we focus on designing for multiple life times. This means designing for reuse, designing recycled content into packaging, and using materials that can be recycled again into packaging and other plastic products that have a good chance of being recycled again in South Africa.

In designing for circularity, sustainability teams need to communicate to their internal packaging experts, as well as marketing and procurement regarding the most circular choices for packaging their products. The current design guidelines available usually include highly technical details that are not accessible for most teams. The Design for Circularity action group will be adapting the Consumer Goods Forum's Golden Design Rules for South Africa, with the aim of developing separate communication for sustainability, packaging, marketing and procurement teams to support the work of our members.

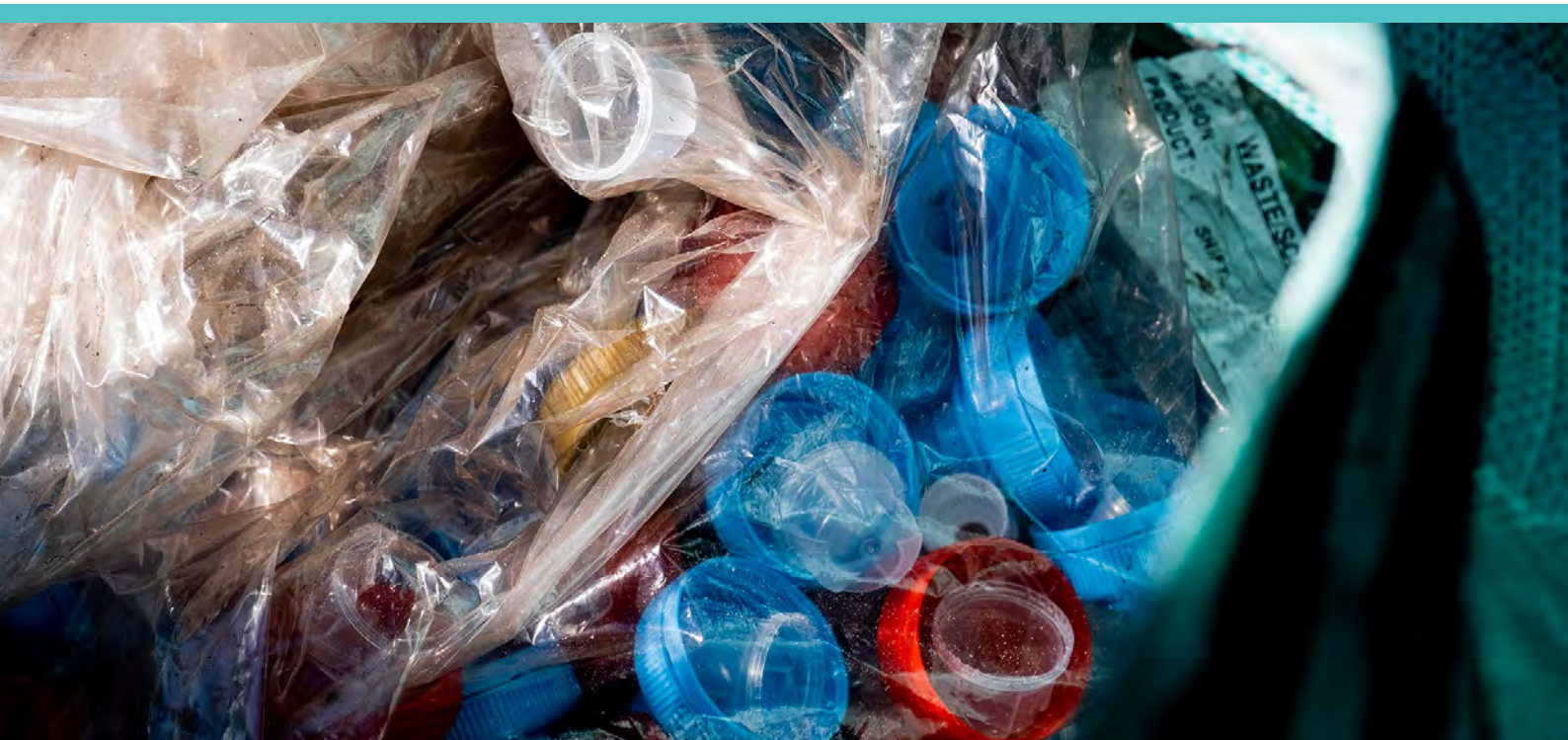
Designing for circularity – reuse-refill models

Reuse-refill business models have seen limited uptake in middle- to high-income settings in South Africa, where convenience and on-the-go or ready-made foods are consumer priorities, and product price is a secondary consideration. Reuse-refill behaviours are more embedded in community culture in low-income settings with packaging often re-purposed to sell locally made beverages and other products. There are a growing number of start-ups in reuse-refill focused on low-income consumers due to the potential for product to be sold cheaper on refill as the consumer only pays for the packaging on the first purchase. In some of these models, the consumer can choose the amount purchased, and small volumes can be dispensed for purchase. A couple of these models in partnership with Pact members are highlighted in this report.

Building on this nascent activity, the SA Plastics Pact aims to develop the business case for reuse-refill in low income settings, through tracking pilot projects planned in the Pact membership. These learnings will be disseminated to increase the uptake of such models across South Africa.

Low-income settings in South Africa are often located far from recycling markets, meaning that limited to no packaging is recovered for recycling. Furthermore, these settings, whether on the borders of urban centres or in small and rural municipalities, often have poorly performing waste management systems, meaning that packaging is often leaked into the environment or if collected, disposed of in non-compliant dumpsites or burnt by local communities.

The benefits of reuse-refill in low-income settings are reduced cost to consumers, likely reduced environmental impacts in the manufacture of packaging and in the transport of product to market, as well as potentially increased recovery of reusable packaging for recycling at end of life.



Designing for Circularity – problematic flexibles

The flexible streams that are currently the biggest barriers to achieving Target 2 are:

- The streams not recycled in South Africa multi-layer flexible packaging, and PVC cling film.
- The streams recycled at less than 15% in South Africa, in particular, PP flexible packaging including labels.

The approaches to addressing these problematic flexibles include:

- Elimination of unnecessary packaging
- Scanning portfolios to replace single-use packaging with reuse-refill models
- Sourcing additional funding to:
  - the feasibility of local production of recyclable polyethylene alternatives to unrecyclable flexible packaging;
  - run innovation challenges for alternatives to problematic packaging in South Africa..

Collaborative action to support growth in South Africa's plastic recycling rate

The SA Plastics Pact's Target 3 is a national input recycling rate target for plastic packaging in South Africa. Although the recycling rate for 2021 had not yet been published for this report, the last 3 years have seen a consistent stagnation or decline in the overall plastics recycling raate in South Africa.

Concerted action is needed to both increase the supply of plastics for recycling, especially in PET beverage bottles and some LDPE streams currently, and increase demand for recycled content in many of the HDPE and PP packaging streams. Both are needed to support growth in our national recycling rate. The Pact is well-placed to access additional funding and convene members and other stakeholders to work on both supply of packaging for recycling and demand for recycled material, given the member representation from across the value chain.

To this end, further work is planned on driving demand for recycled content into packaging and other plastic products, as well as collaborative projects to increase the supply of plastics for recycling through an inclusive approach, integrating the informal sector.

Other strategic focus areas to drive action over the next year
TARGET 1
Finalising the phase 2 list of problematic and unnecessary plastics and facilitating member action
TARGETS 1 & 2
Piloting and scaling reuse-refill models to phase out barrier bags for the weighing of loose fruit and vegetables
TARGETS 2 & 3
Piloting and assessment of reuse-refill models in low-income settings for delivery of product cheaper to consumers, and improving recovery of packaging from these areas
TARGETS 3 & 4
Supporting the inclusion of recycled content in packaging and other plastic products

The SA Plastics Pact

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