SOFT PLASTIC RECYCLING SCHEME
VOLUNTARY PRODUCT STEWARDSHIP SCHEME

ACCREDITATION REPORT 01.01.23.-31.12.23

1
SCOPE OF SCHEME

The scope of the Soft Plastic Recycling Scheme (The Scheme) includes the collection of post-consumer soft plastic packaging at designated retailers and drop off points. Soft plastic packaging consists of film made largely from LDPE (low density polyethylene), HDPE (high density polyethelene), PP (Polypropylene) and includes laminated or multi-layer plastics. Post-consumer flexible plastic includes bread bags, frozen food bags, toilet paper packaging, confectionery and biscuit wrap, chip bags, pasta and rice bags, courier envelopes, sanitary hygiene packaging, squeeze pouches and, in general terms, anything made of soft plastic which can be scrunched into a ball.

The Scheme accreditation does not include pre-consumer/ post-manufacturing / back-of-house soft plastic secondary or tertiary packaging. However, processing partners including Future Post, saveBOARD, Pact Recycling; TC Transcontinental Packaging and Polyprint Packaging/Polymer Processing collect these materials and have made tonnages processed available for this report.

The Scheme includes the funding of collection systems, transportation, and recycling of the plastic materials so that consumers can recycle their soft plastic packaging consumed at home, work or in public places. Since its accreditation in March 2018, the scope of the Scheme has changed to include paying New Zealand processors a gate fee for every tonne of post-consumer soft plastic material that they recycle.

Scheme members include manufacturers, brand owners that use soft plastic packaging, food and general merchandise retailers, and other organisations including the service sector that support and invest in soft plastic recycling.

The Scheme funds and operates the collection and processing of post-consumer soft plastics, enabling New Zealanders to recycle their soft plastic materials. The Scheme continues to grow in popularity, usage and geographic coverage, and is consistently well received by the New Zealand public, councils, and industry alike.

The Packaging Forum's CEO Rob Langford with wall lining board made from recycled soft plastic and food and beverage cartons.

1.1 Reporting period

The Soft Plastic Recycling Scheme achieved accreditation on 22 March 2018. This report provides data for the period **1 January 2023 to 31 December 2023**.

1.2. Scheme governance

The Scheme operates under the governance of The Packaging Forum (PF) with its Board appointed from the PF's Schemes and Technical Advisory Groups. The Board is responsible for overall governance with financial governance provided by the PF's Finance & Risk Committee.

The Scheme has a Steering Committee which comprises representatives from its levy paying membership. The Steering Committee provides guidance to the Scheme Manager with regards to the operational management of the soft plastics collection service and approves the Scheme's budget. The Steering Committee met 10 times during the calendar year 2023 with six steering committee meetings and four project meetings.

The Scheme Manager reports to the Packaging Forum's Chief Executive with a dotted line report to the Scheme's Chair and is responsible for the day-to-day management of the Scheme.

Meetings and documentation for the Steering Committee are managed via Board Pro which manages agendas, recording minutes, communicating, and disseminating information, managing interests (conflict register) and formal voting positions (if required).

Steering Committee members are appointed for two-year terms at the Annual General Meeting which was held in August 2023. There were more nominations than positions available requiring an election.

SOFT PLASTIC RECYCLING SCHEME STEERING COMMITTEE

[*APPOINTED AUGUST AT THE AGM]

PAUL BONINI
Westpac | service industry

COLIN BENZIE
Cas-Pak Products | packaging

STUART BURT
Amcor Flexibles | packaging

MALCOLM EVERTS SP Chair
Cottonsoft | producer

JAMIE GALLOWAY
Foundation Coffee | producer

DEBRA GOULDING
Foodstuffs | retailer

CATHERINE LANGABEER
Woolworths NZ | retailer

ROBERT LETHBRIDGE *
Griffins | producer

MAO MAO *
KMART | retailer

KERI-ANNE MARTIN
Nestle | producer

HUZAIFA MOHSINALLY
Goodman Fielder | producer

MICHAEL STEED *
PepsiCo-Bluebird | producer

2
REVIEW OF THE SCHEME

The Scheme represents approximately 84% of the post-consumer soft plastic packaging market. Members' levies fund collections from stores, quality checks, baling, transport to end markets, and pay an agreed rate per tonne to cover the processing costs. This is different from the traditional model where the processor pays the collector/recycler for the materials.

2.1 Membership

Scheme reached 200 members and has doubled in just three years

As of 31 December 2023, the Scheme has 201 members, which is a 9% increase in membership from the previous year.

Members pay a levy based on their company turnover, and an understanding of the volume of soft plastic materials they place on the New Zealand market.

The Scheme has defined the resin codes which are acceptable to processors. The thresholds for materials accepted by the Scheme are shown in Chart 6 below. The Scheme measures total consumption using available industry market data for post-consumer soft plastic packaging which is acceptable through the scheme.

In this report we also include the total soft plastic consumption which has been identified through the Valpak research conducted as part of the Plastic Packaging Product Stewardship Scheme design process.

Participation levels in Scheme. Based on IRI data and an assessment of the brands placed on market in these categories by our members, the Scheme represents approximately 83% of the soft plastic packaging post-consumer market for food and grocery products, as defined by the categories listed in Chart 3.

Chart 1. Membership

SOFT PLASTIC SCHEME MEMBERSHIP

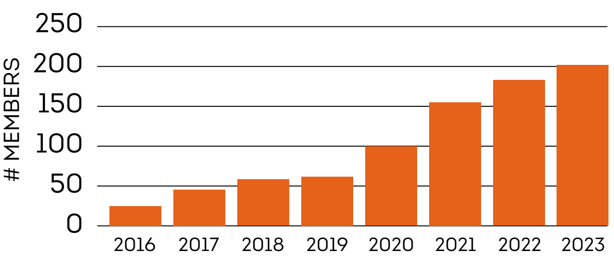
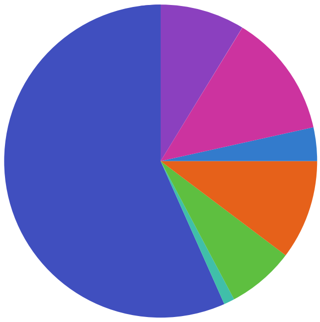


Chart 2. Members by category type

SOFT PLASTIC SCHEME MEMBER CATEGORIES 2023



FOOD BRAND **114**
DRINKS BRAND **2**
GROCERY BRAND **14**
MANUFACTURER/DISTRIBUTER **21**
FOOD RETAILER **7**
OTHER RETAILER **26**
SERVICE/TOURISM INDUSTRY **17**

Chart 3. Scheme members' estimated market share by category

CATEGORY	ESTIMATED % SHARE OF TOTAL BY MEMBERS	UNIT SALES 2023
Bread bags	95%	130,108,074
Potato chips	85%	159,935,576
Biscuits	80%	103,103,907
Frozen food bags	85%	62,658,136
Confectionery	90%	147,174,108
Pasta, rice + noodles	50%	84,419,677
Breakfast cereal	90%	60,103,150
Toilet tissue	80%	35,026,478
Sanitary hygiene	80%	13,285,367
Kitchen towel	80%	13,452,004
Instant/freeze dried coffee	70%	17,769,216
Dairy (block/processed/grated)	80%	33,130,627
Salad bags + wraps	50%	38,172,648
Bacon	70%	21,406,551
Fresh soups/meals	60%	3,627,773
Dry cat food	80%	9,060,600
Dry dog food	80%	4,426,522
Frozen poultry + meat	60%	19,921,674
Frozen seafood	65%	23,079,807
Chilled seafood	60%	9,748,152
Total	**83%**	**989,610,046**

Unit sales source: IRI Worldwide Scheme membership by category

MEMBER COMPANIES

AA
AB World Foods
Abe's Bagels
Absolute Wilderness
ACCO Brands NZ
All Good Bananas
Amcor Flexibles
Ames Australasia
Anglesea Hospital
Animals Like Us
Arnotts Group
Aroa Biosurgery
Arvida Retirement
Asaleo Care (SCA Hygiene)
ASB
Back Country Foods
Blue Frog Breakfast
Bluebird
BNZ
Bostock Brothers
Breadcraft
Bremworth Carpets & Rugs
Broken Heart Spirits
Bunnings
Calbee Australia
Caspak Packaging
Ceres Organics
Chantal Organics
Chobani Pty
Classique International
Clorox
Coca Cola Europacific Partners
Coffee Supreme
Colgate
Cottonsoft
Countdown
Dairyworks
Daltons
Dark Horse Coffee
D M Dunningham
Dole NZ
Ecolean
Endeavour Health
Enphase Energy
Epic Dairy
Farrah's
Ferrero Australian Pty
Flexopack NZ
Flight Coffee
Fonterra
Foodstuffs NZ
Foundation Coffee
Freightways
Frucor Beverages
Fruity Sacks
FSL Foods
Furtex
Gaults
General Mills
Genius Pet Food
George Weston
Giannis Pita Bread
Goldie Wholefoods
Goodman Fielder
Good Nature
Griffins
Hally Labels
Hanes
Happypet
Hasper Brand Labs
Healthy Kelsi
Heartland Chips
Heinz Watties
Hello Fresh
Hubbards
Huckleberry
Incafe
Inghams
Innershine Nutraceuticals
Integrated Packaging
Jacobs Douwe Egberts
Jenkins Freshpac
JNTL Consumer Health (NZ)
Kaipara Kumara
Karajoz Coffee Company
Kathmandu
Kea Cookies
Kelloggs
Kimberly Clark
Kiwi Property
Kmart
KPL Distribution
LIC Distribution
Life Health Foods
Little Beauties
Living Green NZ
Loft Foods
L'Oreal
Lululemon
Lyttelton Port Company
McCains
McPhersons Consumer Products
Mars NZ
Master Pet
Meadow Mushrooms
Mexicano
Midlands Apiaries
Mitchell's Nutrition
Mondelez
Mother Earth
Mrs Rogers
My Food Bag
Natural Pet Foods Group
Naturally Organic
Nestle
Nibblish
NZ Hothouse
NZ King Salmon
NZ Post
NZ Sugar
Nulon
Oceania Healthcare
OF Packaging
Offshoot (NZ)
Omega Seafoods
Only Organic
Oob Organic
Orange Box
Oriental Cuisine
Ours Truly
Pams
Paramount Safety Products
Pitango
Plant Tech Nation
Polyprint
Precinct Properties NZ
Procter & Gamble
Prodotti D' Italia
Proper Crisps
Pure Delish
Quantum Pacific
Radix Nutrition
Ravensdown
RB Hygiene New Zealand
Real Pet Food Company
Real Rad Food
Resene
Sanford
Sanitarium
SC Johnson
Scalzo Foods
Sealed Air
Sealord
Sea Treasure Seafoods
Secret Kiwi Kitchen
Serious Food Co.
Sherborne Packaging
Silver Fern Farms
Simplot
Sleephead
Smales Farm
Snell Packaging
Smart Foods
So Sweet
Stratex Group
Sunrice
Super Retail
Swisse Wellness
SWP Commercial
T & G Global
Tasti
TC Transcontinental Packaging
TCL Hunt
Tegel
The Baron
The Lactation Station
The Neat Meat Company
Thermogard
The Sustainable Care Company
The Warehouse
Tio Pablo
T Leaf T
Tom & Luke
Trevelyan
Tui Products
UCC Coffee NZ
Unilever
Uno Loco/Hula
Venerdi
Vitaco Health (NZ)
Watercare Services
Wellington Chocolate Factory
Wellington Regional Hospital
Westpac
Whittaker & Sons
Woodhaven Gardens
Woolworths
WOOP
Yates
Z Energy

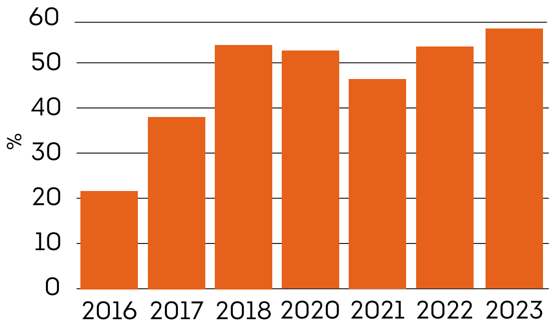
2.2 Stakeholder Relationships

The Scheme has a major focus on communicating with the consumer as reported in Section 5. In April 2023, Horizon Research found that 59% of respondents have heard that they can recycle their soft plastic bags and packaging (up from 55% in 2022) and 26% of people have used the service.

Awareness is highest amongst people who are:

- aged between 35-54
- earn more than $100,000 per annum
- living in Wellington or Auckland

HEARD ABOUT SOFT PLASTIC RECYCLING?



note: Scheme was on hold during 2019

In the regions where soft plastic recycling has been available for some years, recognition is higher:

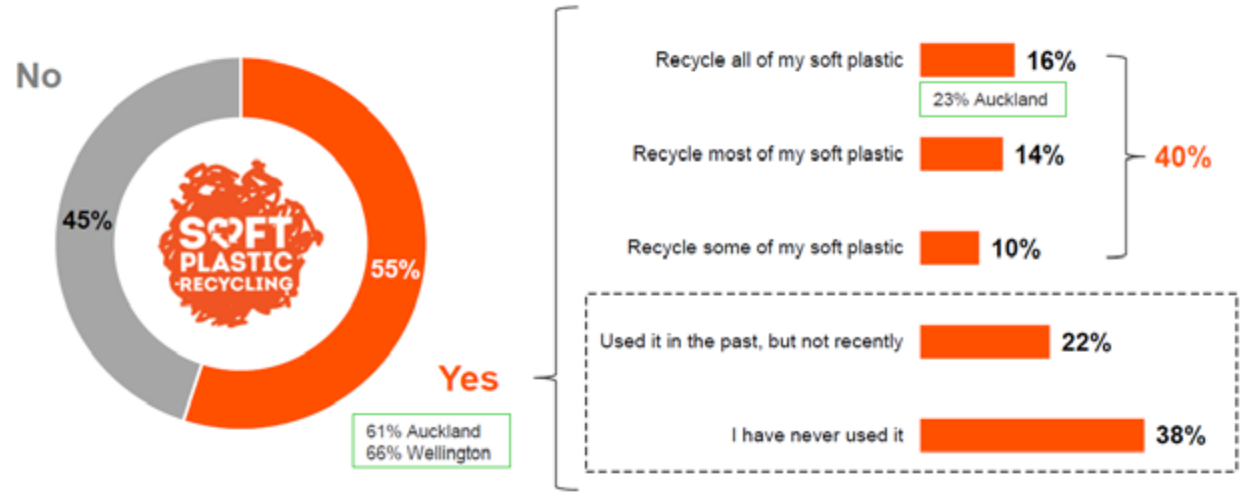
- Auckland, 67% of respondents said they have seen one of the soft plastic recycling bins in stores and 33% say they have used the service
- Christchurch, 64% of respondents said they have seen one of the soft plastic recycling bins in stores and 31% say they have used the service.
- Wellington, 69% of respondents said they have seen one of the soft plastic recycling bins in stores and 42% have used the service

Kantar surveyed a sample of 1002 consumers in May 2023 as part of the Plastic Packaging Product Stewardship Design project.

Awareness of soft plastic recycling and usage was similar to the Horizon Research

Future Posts installed in new vineyard blocks

Awareness of Soft Plastic Recycling | **Usage of the Soft Plastic Recycling programme**

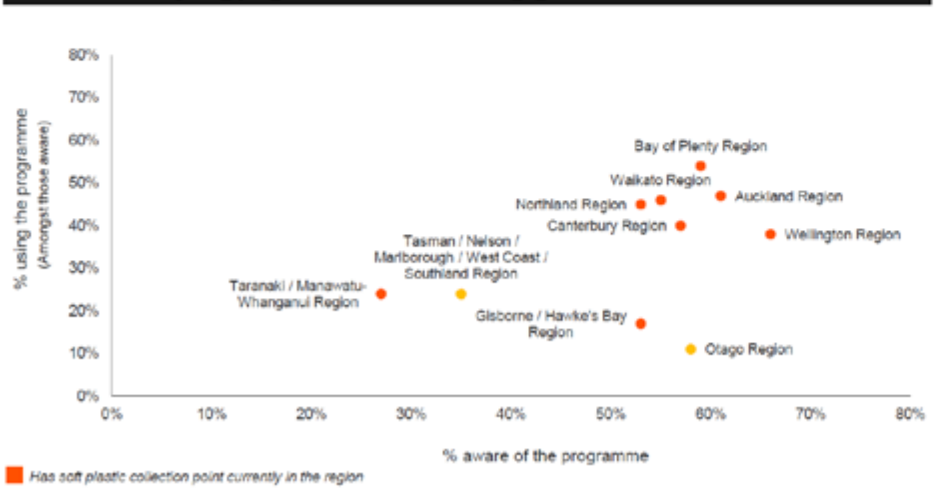


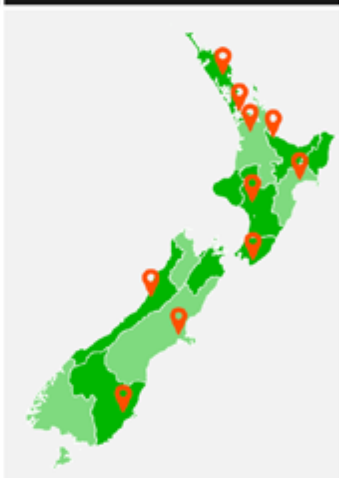
KANTAR | PLASTIC PACKAGING PRODUCT STEWARDSHIP

Q: Are you aware that New Zealand has a Soft Plastic Recycling programme? Base: 1002
Q: Do you use the Soft Plastic Recycling programme? Base: 555

Usage of the scheme is correlated with awareness – outliers include Otago (where the programme is currently on hold), while the East Coast has awareness and accessibility to the programme but low usage

Soft Plastics Recycling programme awareness vs engagement | **Collection locations**





KANTAR | PLASTIC PACKAGING PRODUCT STEWARDSHIP

Q: Are you aware that New Zealand has a Soft Plastic Recycling programme? Base: Total sample: n=1002
Q: Do you use the Soft Plastic Recycling programme? Base: Those aware of the programme: n=555
Note: Otago programme currently on hold

Stakeholder Relationships

The Scheme works with the NZ Food & Grocery Council (NZFGC); Retail NZ; Plastics NZ; The Australian Packaging Covenant Organisation (APCO); Australian Food & Grocery Council (AFGC) and WasteMINZ to drive awareness of soft plastic recycling. In 2023 The Packaging Forum became a member of EXPRA (Extended Producer Responsibility Alliance) joining 32 national packaging product stewardship organisations and Recoup UK which is the UK's leading authority on plastics resource efficiency and recycling. Membership of these global organisations provides greater opportunities for the scheme to share its story and to learn from overseas.

To amplify awareness, soft plastic recycling is promoted in Local Government Magazine, Supermarket News and FMCG Magazine, and via social media channels – including the Scheme's own facebook page. In addition, the Scheme receives and responds to requests for information from community groups, schools, and the media. There are ongoing requests for information via the Scheme's facebook page.

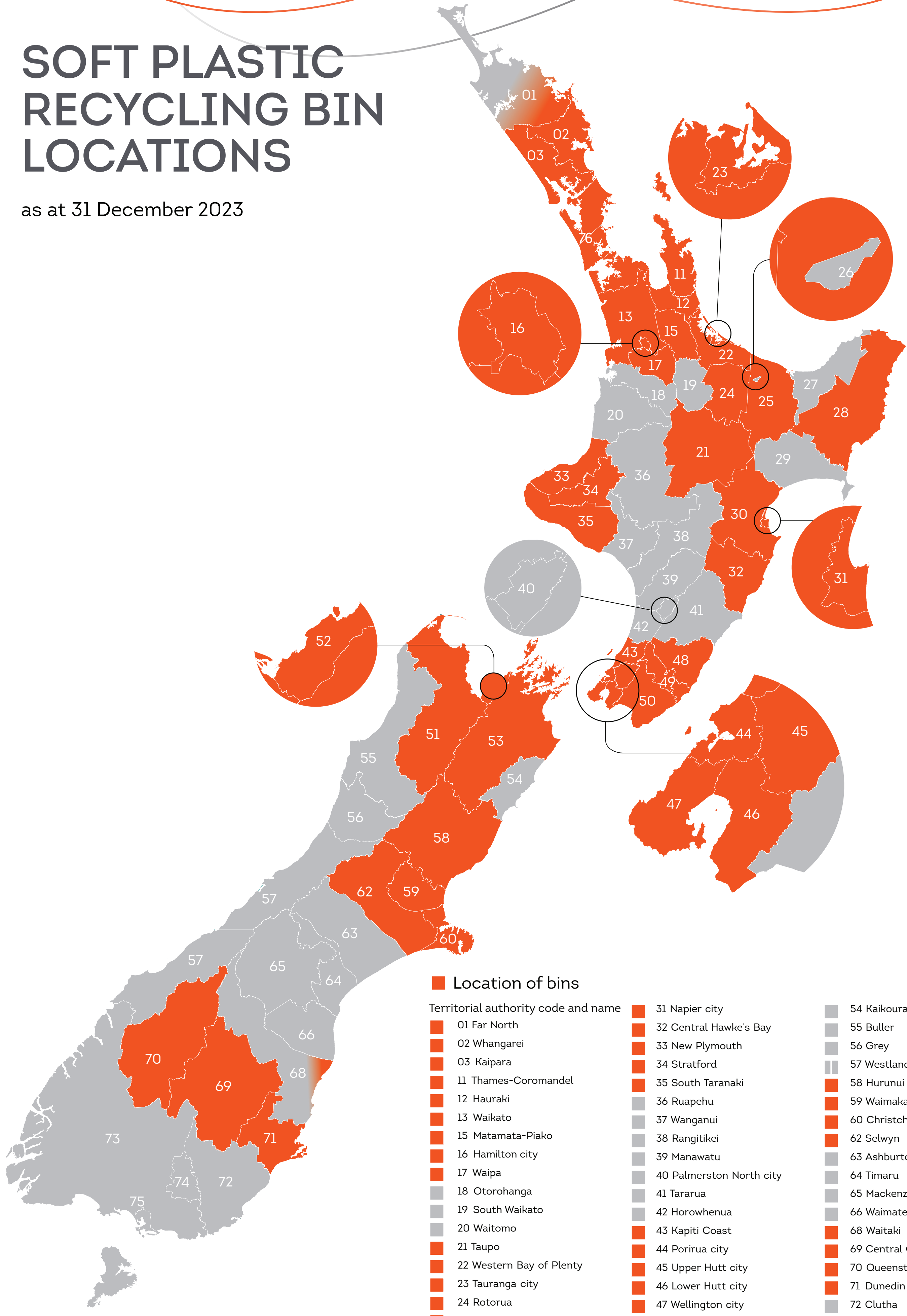
The Scheme works with councils where there is a collection service to engage the local community. The scheme is available in 41 territorial authority regions, and 85% of these councils promote the scheme on their website or social media.

The Scheme actively promotes the need for local and central government, as well as industry, to purchase products made from recycled soft plastics to create demand.

Waste Not Consulting team conduct annual soft plastic audit

SOFT PLASTIC RECYCLING BIN LOCATIONS

as at 31 December 2023



Location of bins

Territorial authority code and name

- 01 Far North
- 02 Whangarei
- 03 Kaipara
- 11 Thames-Coromandel
- 12 Hauraki
- 13 Waikato
- 15 Matamata-Piako
- 16 Hamilton city
- 17 Waipa
- 18 Otorohanga
- 19 South Waikato
- 20 Waitomo
- 21 Taupo
- 22 Western Bay of Plenty
- 23 Tauranga city
- 24 Rotorua
- 25 Whakatane
- 26 Kawerau
- 27 Opotiki
- 28 Gisborne
- 29 Wairoa
- 30 Hastings
- 31 Napier city
- 32 Central Hawke's Bay
- 33 New Plymouth
- 34 Stratford
- 35 South Taranaki
- 36 Ruapehu
- 37 Wanganui
- 38 Rangitikei
- 39 Manawatu
- 40 Palmerston North city
- 41 Tararua
- 42 Horowhenua
- 43 Kapiti Coast
- 44 Porirua city
- 45 Upper Hutt city
- 46 Lower Hutt city
- 47 Wellington city
- 48 Masterton
- 49 Carterton
- 50 South Wairarapa
- 51 Tasman
- 52 Nelson city
- 53 Marlborough
- 54 Kaikoura
- 55 Buller
- 56 Grey
- 57 Westland
- 58 Hurunui
- 59 Waimakariri
- 60 Christchurch city
- 62 Selwyn
- 63 Ashburton
- 64 Timaru
- 65 Mackenzie
- 66 Waimate
- 68 Waitaki
- 69 Central Otago
- 70 Queenstown Lakes
- 71 Dunedin city
- 72 Clutha
- 73 Southland
- 74 Gore
- 75 Invercargill city
- 76 Auckland

SOFT PLASTIC RECYCLING

THE PACKAGING FORUM

3
WASTE GENERATION: MASS BALANCE

3.1 Methodology

Scheme members provide plastic consumption data to the annual NZ Food & Grocery Council's plastic consumption survey to understand the amount of soft plastic placed on the market in New Zealand and to quantify by resin type. Data captured by Dynata from food and grocery companies is estimated to represent 75% of the single use consumer plastic by weight placed on market by the sector.

Extrapolated from 75% the food and grocery placed an estimated 35,336 tonnes of soft plastic on the NZ market.

RESIN/MATERIAL	FOOD & GROCERY TONNES	% TOTAL SOFT PLASTIC
HDPE soft	2,273	6%
LDPE soft	14,332	41%
PP soft	3,456	10%
Multi-layer plastic/pouches	15,275	43%
Total	**35,336**	

In 2023, the Plastic Packaging Product Stewardship (PPPS) design project commissioned UK compliance consultancy Valpak to conduct research into the amount of plastic packaging placed on the market in New Zealand and the flows through our resource recovery system[1]. This research utilised the 2022 data from the NZ Food & Grocery Council plastic consumption survey and where data was not available, Valpak used the UK Environmental Product Information Centre (EPIC) database as a proxy to estimate the amount of plastic packaging placed onto the New Zealand market and sense checked this with technical and industry experts.

This research estimates the composition of plastic packaging used for consumer goods (grocery and non-grocery); non consumer packaging, including back of store and hospitality, and identifies film composition as follows:

FILM	TONNES
consumer	23,194
hospitality	11,702
back of store	7,485
Total	**42,381**

This equates to 8kg per capita.

By comparison in:

- The UK, plastic films and flexibles represent 24% of total household plastic packaging placed in the market[2] or around 266,880 tonnes equivalent to around 4.87kg per capita.
- Australia, flexible plastic packaging is 46% of total plastic placed on market[3]

1 PPPS report

2 UK Household Plastic Collection Survey 2023- Recoup

3 APCO Flexible Plastic 2020-201 Fact Sheet released March 2023

Category sales

In line with previous report years, the volume of bags by type has been calculated from information supplied by Circana New Zealand. This provides a different perspective from the tonnages identified through the Dynata survey and the Valpak research.

GS1 data requirements for the National Product Catalogue now include recording plastic by resin type and colour for all new products with the expectation that all products will have this information by 2025. These ongoing improvements to data capture will improve the robustness of the scheme.

The average weight per items is calculated from the audit conducted by Waste Not Consulting in May 2023, adjusted with technical input from the Steering Committee.

Additional categories (frozen poultry & meat, frozen and chilled seafood) have been added to the 2023 data and retrospectively included in the 2022 data for comparison. With this adjustment, the unit sales of items packaged in soft plastics reduced by 3% year on year. Using average weights per category, an estimated 8,122 tonnes of post consumer soft plastic packaging was consumed across these specified categories.

The Scheme will continue to assess how to measure the volume and tonnage of non-food and grocery items. 22% of Scheme members are now in the general merchandise; clothing or other categories and the Scheme does not currently have access to volumes. The Plastic Packaging Product Stewardship Scheme will be required to identify how to develop a comprehensive plastic material flow dataset.

Chart 5. Estimated volume of soft plastic bags by category

PE produce bags were subject to the Single Use plastic ban from 1 July 2023 and were being phased out ahead of this date.

BAG TYPE	UNIT SALES 2023	AVE WEIGHT GRAMS	TOTAL TONNES 2023	TOTAL TONNES 2022
Bread bags	130,108,074	7.25	943	961
Potato chips	159,935,576	7.1	1136	1117
Biscuits	103,103,907	3.81	393	314
Frozen food bags	62,658,136	9.94	623	646
Confectionery	147,174,108	2.23	328	375
Pasta, rice + noodles	84,419,677	6.54	552	479
Breakfast cereal	60,103,150	10	601	576
Toilet tissue	35,026,478	12.09	423	408
Sanitary hygiene	13,285,367	12.09	161	152
Kitchen towel	13,452,004	12.09	163	151
Instant/freeze dried coffee	17,769,216	4.86	86	75
Dairy (block/processed/grated)	33,130,627	6.14	203	181
Salad bags + wraps	38,172,648	10.14	0	224
Bacon	21,406,551	10.95	234	168
Fresh soups/meals	3,627,773	10	36	32
Dry cat food	9,060,600	12.8	116	157
Dry dog food	4,426,522	12.8	57	78
Frozen poultry & meat	19,921,674	10.95	218	
Frozen seafood	23,079,807	9.94	229	
Chilled seafood	9,748,152	14.44	141	
PE produce bags	40,000,000	5.90	236	885
Other - courier bags/meal kits	50,000,000	12.55	628	720
Other - garden/reusable bags	50,000,000	12.55	628	875
Total	**1,129,610,046**		**8122**	**8574**

Acceptable plastic resins

The material thresholds are integrated within APCO's Australasian Recycling Label and have not changed in the report year.

In April, APCO announced changes to the materials thresholds for soft plastic packaging in Australia to be implemented for new packaging from July 2023. The New Zealand scheme will not make any changes to its material thresholds until 2025 or as determined through the design of a mandatory plastic packaging product stewardship scheme.

The Scheme continues to investigate new processing systems, including advanced recycling, which will accept a broader range of resins (typically still excluding PVC, Extended Polystyrene and compostables).

The Scheme accepts materials which are plastics resin code 2, 4, 5 with acceptance of resin codes 1 and 7 in a blended mix with the primary plastic. Secondary materials must be less than 30% in total across all secondary material types, and primary materials (HDPE; LDPE; PP) must be a minimum of 70% by weight.

Chart 6. Materials Thresholds Table

FLEXIBLE LAMINATE		SECONDARY MATERIALS %											
		PET	HDPE	PVC	PVDC	LDPE	PP/BOPP	PS	NYLON	EVOH	COMPOSTABLE PLASTIC	PAPER/LABELS	FOIL
PRIMARY POLYMER	PET												
	HDPE	30							30	30		30	30
	PVC												
	LDPE	30							30	30		30	30
	PP	30							30	30		30	30
	PS												
	NYLON												
	COMPOSTABLE												

LEGEND

COLOUR LIMITS	FUTURE POST CLASSIFICATION	ACCEPTED
primary polymer	recyclable	yes
secondary polymer	recyclable in a blended mix	yes
not accepted for recycling	not recyclable	no

The range of acceptable plastics is governed by what can be processed in New Zealand at present.

Collected, baled and ready to process

3.2 Collection

The Scheme measures tonnes collected from monthly records from the network of service providers as a requirement for payment.

In Auckland, and some other parts of Upper North Island, Woolworths NZ and Foodstuffs stores bale the bags of soft plastic at the store and these bales are transported to Future Post, Waiuku. My Food Bag and WOOP also have return services for their customers, and these are baled by our collectors in the relevant regions. There is also a courier bag return service available in partnership with NZ Post.

Chart 7. Regional collections

REGION	COLLECTOR	% SHARE 2023	STARTED
Auckland & Waikato	Abilities	13.3	
Auckland/Upper NI	Retail Logistics	26.7	
Wellington Kapiti & Masterton	Earthlink	19.5	
Christchurch/Canterbury	Kilmarnock	18.1	
Dunedin	Cargill	1	Oct 23
Hawke's Bay	The Bin Co	4.3	
Oamaru	Waitaki RR	2	
Hauraki	Hauraki DC	1	
Tauranga	Redline	6.2	
Thames Coromandel	Smart Enviro	1.9	
Nationwide courier bag	NZ Post	1.1	
Northland	Waste Mgmt	1.9	
Gisborne	WFL	0.7	
Marlborough	JBL	0.4	Jul 23
Nelson/Tasman	Enviro NZ	1.3	Aug 23
Central Otago	Allwaste	0.4	Oct 23

Opening of Future Post's Blenheim facility.

3.3 Processing capability

The Scheme provides a continuous supply of materials for processing. The soft plastic bag which is recycled today will be a fence post or insulation board in a matter of weeks.

The Scheme has supply agreements with two New Zealand processors Future Post in Waiuku and Blenheim, and saveBOARD in the Waikato.

Tonnes processed are measured by records provided in monthly invoices by processors.

Demand is measured by tonnages requested by processors to meet their production needs.

Future Post opened a second plant in Blenheim in July 2023 which has more than doubled their annual capacity.

In 2023, the Scheme collected 705 tonnes of soft plastic packaging and processed 666 tonnes. The variance of 39 tonnes is due to timing of movement of the bales from collection to processing and that collection tonnages are estimates based on average kilograms per bag, whereas processed tonnages are either based on actual weight of the bale or the estimated weight of the bales depending on the different balers being used around the country.

On an ongoing basis, the Scheme assesses processing opportunities with potential new market entrants, and monitors opportunities including pyrolysis, plastic to oil, extrusion, injection moulding, use in aggregates and waste to energy.

In 2023, the Scheme funded research by Callaghan Innovation into the societal and environmental opportunity and associated feasibility relating to the introduction of advanced plastic recycling technology by KŌPAE Regenerate Ltd and Plastoil.

Chart 7: Scheme Collections and Processing 2023

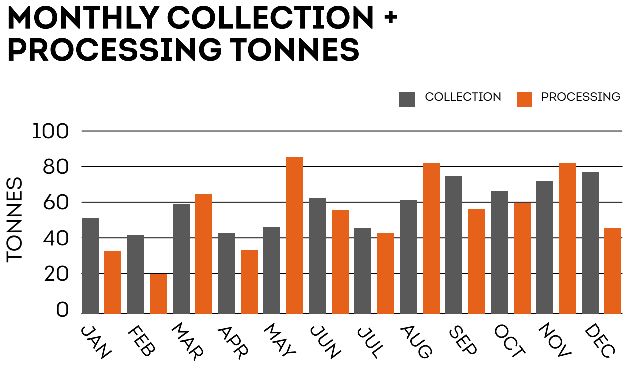
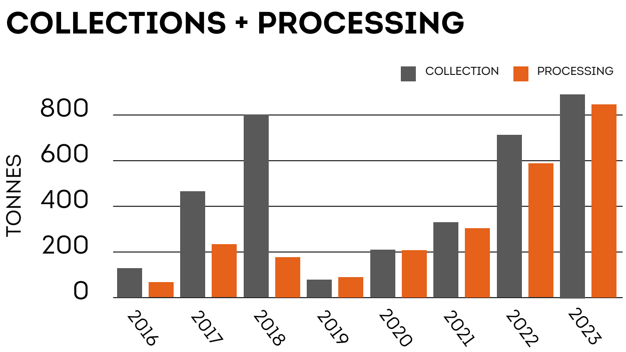


Chart 8: Scheme data capture by years since trials commenced in 2015



3.4 Industrial/commercial plastic processing

4138 Tonnes of pre-consumer/ post-industrial soft plastic was processed into a range of products including posts, parking bumpers, construction boards, garden frames, ducting cabling and courier bags. This data has been supplied by our processing partners Future Post, PACT, Polyprint Packaging, saveBOARD and TC Transcontinental.

4
OBJECTIVES + TARGETS

The following table outlines the objectives and targets set for the Scheme reports on performance. In 2023 the Scheme has met or exceeded the key performance indicators.

OBJECTIVE	PARAMETER	2025 TARGET	PERFORMANCE 2021	2022	ACTUAL 2023
Increase in tonnes of soft plastic processed in New Zealand or in near shore markets	Focus on processing of soft plastic rather than collection volumes	500 T	246 T	465 T	666 T
Increase the accessibility of the Scheme to New Zealanders	Increase number of regions offering collection facilities[1]	70%	74%	78%[2]	85%
Improve quality of collected materials	Increase education and awareness to reduce contamination	Below 8%	6.89%	4.2%	4%[3]
Increased engagement in minimising plastic consumption to close the gap between consumption and recycling	Report on tonnes of soft plastic packaging consumed	n/a	7,876 T	8,574 T	8,122 T
Stakeholder support	# members	80	155	184	201
	Quarterly e-news sent to stakeholders	200	250	396	446
	# councils promoting the Scheme	All	16	20	35[4]

1 Within 20km of work or home. Population based on Census Data 2019

2 Reached 81% prior to temporary halt on Dunedin

3 Excluding food contaminated/wet soft plastic that is accepted by processors

4 Auckland, Carterton, Central Hawke'sBay, Central Otago, Christchurch, Dunedin, Gisborne, Hamilton, Hastings, Hauraki, Hurunui, Hutt, Kaipara, Kapiti Coast,Marlborough, Masterton, Napier, New Plymouth, Porirua, Queenstown Lakes, Rotorua Lakes, South Wairarapa, Stratford, Tasman, Tauranga, Thames Coromandel, Upper Hutt, Waimakari, Waipa, Waitaki, Wellington, Western Bay of Plenty, Whakatane, Whangarei

5
PROMOTION OF THE SCHEME

Average one mention per day

The Scheme released nine news updates and published articles in Supermarket News, FMCG Magazine and LG Magazine directly or in partnership with councils and or Scheme members. The Scheme Manager and The Packaging Forum CEO were also interviewed on TVNZ; Newstalk ZB and Radio NZ.

Media evaluation

The Packaging Forum used Meltwater to provide media intelligence and analysis from 1 January to 17 November 2023. This service includes monitoring social media – Facebook, X (Twitter), blogs and YouTube which amplifies the Scheme's ability to see comments and conversations about soft plastic recycling. This service however did not pick up print and broadcast media and to address this gap, The Packaging Forum engaged Isentia to report media coverage across print, broadcast, and internet media.

Meltwater – social media (1 January – 17 November)

In the report year, there were 78 mentions of soft plastic recycling, soft plastic which was down 13% on the previous year noting that reporting was to mid-November.

Isentia – broadcast, print & internet

There were 131 mentions of soft plastic recycling across print and broadcast media with the opportunity to reach 1.496 million people.

e-Newsletters – The Wrap Up

The bi-monthly Wrap Up newsletter for Scheme members, and other stakeholders is posted on the website and shared with news media. recycling.kiwi.nz/newsletter

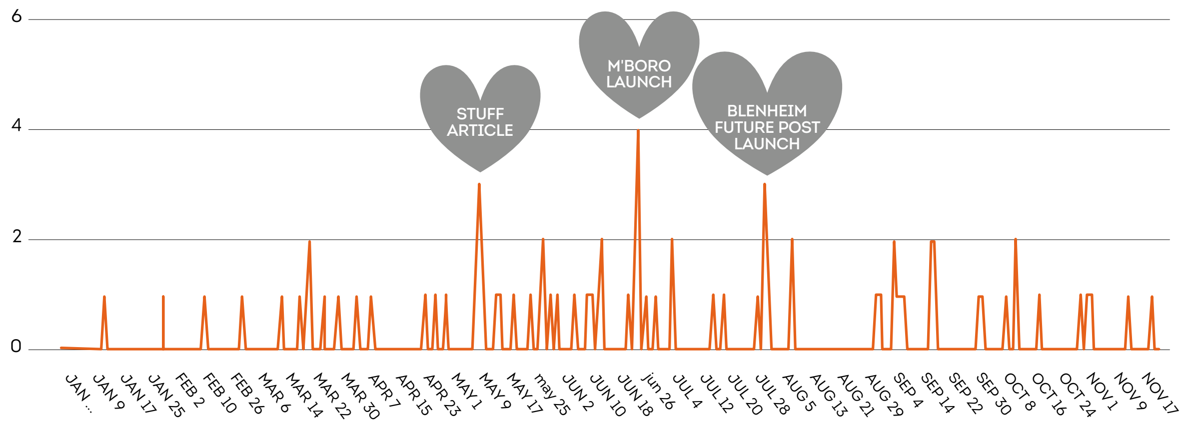
Social media

The Soft Plastic Recycling facebook page reached 30,300 people and the number of followers increased to 12,000. It operates as the Scheme's major communication channel with New Zealanders interested in soft plastic recycling. 87% of users are female, and 46% of female users are between 18 and 44. 28% of users are from Auckland.

Website

The Soft Plastic Recycling website provides information about collection locations, and what can be recycled through the programme and provides an important interface with consumers. It is a standalone soft plastics website which reflects its importance as an information source to consumers. In 2023, there were 111,506 (121,723 in 2022) users of the website and 232,649 (209,400) page views + 11%). 39% users access the website via the store locator page.

MENTION TREND



6
FACTORS AFFECTING THE SCHEME

Global impacts

In November 2022, REDCycle stopped operating soft plastics collections across Australia due to a lack of processing capacity with the company declared insolvent in February 2023. The New Zealand scheme is separate and operates a different model paying a gate fee to processors and was not impacted by events in Australia; however, it has inevitably raised questions from members, media and other stakeholders about the viability of soft plastic recycling long term.

The Australasian Recycling Label (ARL) has introduced a “Check Locally” logo to replace the “Return to Store” logo which was commonly used in Australia. New Zealand Scheme members that belong to the ARL can choose to use Check Locally or Return to Store/ Store drop off on pack.

The problems which have beset REDcycle are not limited to Australia. In the UK kerbside collection of soft plastic is being trialled with selected councils and store drop off collections continue. However, the development of end markets remains a barrier.

Policy impacts

The UNEP Preparation of an international legally binding instrument on plastic pollution has potential implications for the movement of recovered plastic between countries. The Scheme advocates that policy settings are for the Oceania region rather than preventing plastic exports noting that the EU operates as a region with “free movement of waste” between member countries.

The lack of clarity around kerbside collection policy in terms of whether soft plastic trials funded by the Scheme would be permitted at kerbside has delayed the introduction of trials in New Zealand. This has however allowed the Scheme to learn from trials in Australia and UK.

Cost of living impacts

Inflation impacts the Scheme in terms of cost-of-living increases for service providers for wages, fuel and energy costs coupled with less available money from consumers and businesses including the agricultural sector for the products made from recycled plastic.

Contamination

Plastic lined or complex fibre packaging and compostable plastic bags represented over half of the contamination reported in the 2023 audit. These materials are not recyclable through kerbside collections and are contaminants in the soft plastic recycling system.

Processing capacity

We are pleased to report continued growth of Future Post and saveBOARD and the Scheme has agreed Supply Agreements with minimum supply tonnages. The Scheme has continued to support Future Post with their cash flow to assist with their capital expenditure for Auckland and Blenheim in the absence of funding from local or central government.

7 LOOKING FORWARD

One of the challenges facing the Scheme is how to increase material recovery to meet increasing processing capacity and demand, without significantly increasing cost per tonne.

In the UK, councils will collect flexible plastic and films from kerbside by 2027 as part of the UK Government's compulsory consistent kerbside collections and trials have commenced with seven councils in England involving 29,975 households. We are also working with the Australian Food & Grocery Council and IQRenew MRF which are leading kerbside collection trials with six participating councils across 29,000 households in New South Wales and South Australia.

In 2023, the Scheme allocated funding to support kerbside collection trials in New Zealand, however this was put on hold pending clarification about whether trials could take place when soft plastics is excluded from kerbside collections. We would like to run "bag in bin" trials aligned with global best practice trends, with one or two willing councils, leveraging learnings from the UK and Australia. This would enable the Scheme to identify the potential increase in collected materials from kerbside compared to a drop off system; to understand resource implications for collection and sortation and to assess potential contamination throughout the process. This is a precursor to the development of the NZ mandatory Plastic Packaging Product Stewardship Scheme, which will be required to capture all post consumer plastic packaging.

We also encourage investment from the Government's Waste Minimisation Fund in projects to increase the onshore recycling of soft plastics as is happening in Australia. The Scheme continues to investigate new alternative recycling systems for soft plastics including opportunities with Pre-One to introduce their HydroDyn clean technology to purify post consumer or contaminated flexible plastic enabling plastic film to be reprocessed into film, reducing reliance on virgin feedstock.

The Scheme has funded a study into the feasibility of introducing a Plastoil pyrolysis plant in New Zealand and is monitoring the commissioning of Enval pyrolysis technology in Mexico which also separates out any metallised components in multi-layer plastic.

Advanced technologies are developing at pace around the world and will be part of the global solution for plastic reprocessing. We recognise the challenges and continue to monitor opportunities.

We are proud to report from our discussions and presentations overseas that New Zealand's scheme is seen as a standout for supporting three onshore recycling solutions for post-consumer soft plastics. Mechanical recycling of soft plastic into posts or building materials may be downcycling from packaging, but the products created are replacing treated timber posts or providing much needed building materials.

The Scheme continues to promote the Australasian Recycling Label (ARL) to Scheme members with research indicating that 71% survey respondents recognise label and 76% say they would like to see the ARL on all packaging[1]. In 2023, the Scheme included a labelling audit as part of its annual audit of soft plastic packaging. Waste Not Consulting found that 16% of the 4,737 units of soft plastic packaging audited were labelled with ARL and a further 8% have the scheme's own "recycle at store" logo.

1 (Source ARL Impact Framework Report 2023)

The Scheme does not propose any changes to membership levies in the 24/25 financial year pending the recommendations from the Plastic Packaging Product Stewardship (PPPS) co-design project.

The Scheme's seven year accreditation period under the WMA ends in 2025 however scheme members remain committed to continuing the voluntary scheme pending the establishment of a PPPS.