



Driving Sustainable Metal Packaging

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# INTRODUCTORY LETTER

Dear prospective MetPac-SA member

Thank you for the opportunity to introduce you to MetPac-SA! We trust that this brief introductory letter will not only help to answer your most pressing questions as they relate to *who* and *what* MetPac-SA is and what we stand for, but that it will convince you to join other industry leaders by becoming a member of an association that is causing a positive, lasting change with far-reaching impacts for generations to come.

## WHO IS METPAC-SA?

MetPac-SA was formed in 2017 as a Producer Responsibility Organisation (PRO) with aim of establishing the metals packaging industry as a valuable and recognised contributor to sustainability throughout the supply chain and beyond. It is registered as a Non-Profit Company (NPC), defined in Section 21 of the Companies Act No. 61 of 1973, with registration number 2017/216419/08.

## WHO ARE CURRENT MEMBERS OF METPAC-SA?

MetPac-SA brings together the entire metal packaging value chain in South Africa. Although we are still the early stage of our establishment, we already represent between 50% and 60% of the local metals industry. Current members include: ABInBev, The Aerosol Manufacturers Association, Coca-Cola, Distell, Dursots, Heineken, Hulamin, Nampak, Nestlé, Pack Solve, Pick n Pay, Woolworths and Wyda South Africa.

As you will see, we are proud to have the country's major brand owners and retailers onboard, and are encouraging other players as well as fillers / co-packers to follow their example by becoming members of MetPac-SA. Our doors are wide open for any industry or consumer body who might be interested in joining our cause.



## METPAC-SA LEADERSHIP

MetPac-SA functions under the leadership of Kishan Singh (CEO) and a Board of Directors consisting of:

- Muhammed Darsot (Dursots), Chairman
- Dr Casper Durandt (Coca-Cola)
- Mark Helfrich (Nestlé)
- Louis Wentzel (PackSolve)
- Klaus Hass (Nampak Bevcan)
- Riccardo Benedetti (Hulamin)

## MISSION AND OBJECTIVES

- MetPac-SA's mission and objectives are focused on establishing the metals packaging industry as a valuable and recognised contributor to sustainability throughout the supply chain and beyond.
- We support and represent members on industry matters related to operational, regulatory and environmental issues.
- In addition, we focus much of our resources on promoting the benefits of metal packaging and the sustainable attributes of steel and aluminium.

# MetPac-SA: Driving Sustainable Metal Packaging

## FUNDING MODEL

The MetPac-SA financial model is based on the principle of an industry-driven and industry financed solution for dealing with post-consumer metal packaging in a sustainable fashion.

Funds collected from MetPac-SA members are directed towards paying for the external costs associated with metal packaging throughout its lifecycle, including final disposal and to manage this waste-stream on behalf of the industry.

In determining the fee, various international EPR schemes were researched and methodology applied to ensure that it is relevant to the South African industry. The funding model is therefore a function of existing PRO fees, the value and local index of the product, its bulk density, and the handling factor. Local economic conditions, as well as the medium term financial needs of MetPac-SA to deliver on its mandate, were also considered during the development of this funding model.

## DEVELOPING A CIRCULAR ECONOMY FOR METAL PACKAGING

The Department of Environmental Affairs (DEA) has promulgated the National Environmental Management Waste Act (NEMWA), which requires a proactive approach to managing materials (packaging included) so that the waste stream is minimized and producer responsibility is demonstrated. According to the Section 28 Notice of this Act:

*“every person who causes, has caused or may cause significant pollution or degradation of the environment is required to take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring. Failure to comply with this duty could result in the related competent authority issuing a directive against the person/business that is causing, has caused or may cause significant pollution or degradation of the environment. The directive will require suspension of activity, in addition to a fine payable”.*

MetPac-SA joined other members of the local packaging industry (united under the Packaging SA banner) by preparing an integrated Federation of Plans as our Industry Waste Management Plan (IndWMP) which was submitted to Minister of Environmental Affairs towards the end of 2018. This plan is currently being reviewed by DEA and it is possible that tariffs might need to be increased in order to support the waste management plan in alignment DEA expectations.

We thank you for your interest and encourage you to become a MetPac-SA member. With your support and participation, we will be able to deliver on our mission to ensure a sustainable metal packaging industry! Should you have any queries or need more information, please feel free to visit our website ([www.metpacsa.org.za](http://www.metpacsa.org.za)) or contact Kishan Singh via email at [CEO@metpacsa.org.za](mailto:CEO@metpacsa.org.za) or telephonically on (082) 880-9580

The fee, R38 per tonne for Steel (used in metal packaging) and R26 per tonne for Aluminium (used in metal packaging) is charged as follows:

### Tinplate: (R38 per tonne)

- 15% or R5,70 per tonne of Tinplate sold at Raw Material Supplier level, including import.
- 25% or R9,50 per tonne of Tinplate sold at Converter / Filler / Bottler level.
- 60% or R22,80 per tonne of Tinplate sold at Brand Owner level, including import.

### Aluminum (R26 per tonne)

- 15% or R3,90 per tonne of Aluminum sold at Raw Material Supplier level, including import.
- 25% or R6,50 per tonne of Aluminum sold at Converter / Filler / Bottler level.
- 60% or R15,60 per tonne of Aluminum sold at Brand Owner level, including import

### Annual Non-Variable (Flat) Rates

- Retailers - R120K per annum (multiple stores across the country).
- Professional Metal Packaging and related Associations – R50K per annum.

Relevant parties will need to complete a quarterly declaration and will be charged accordingly on a quarterly basis. It is of critical importance that the entire metal packaging value chain contributes proportionally according to its value extraction. Implementation of this fee has been in effect since 01 January 2018. Funds are utilized to execute the strategy embedded within the IndWMP submitted to DEA September 2018.

CEO | Kishan Singh

Directors | Muhammed Darsot (Chairman) | Casper Durandt | Mark Helfrich | Louis Wentzel | Klaus Hass | Riccardo Benedetti

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