



Invitation to Participate in the Caps & Lids Recycling - Pilot scheme

Background:

The Government standardised kerbside collections on 1st February 2024.

The standardised list of materials excludes all caps and lids, with the exception of tethered caps, encompassing all sizes and materials.

Many brands have committed to achieving 100% recyclable packaging as part of their circular economy targets. However, the removal of lids and caps from kerbside collections jeopardizes this commitment, as these items cannot be deemed recyclable without proper collection and reprocessing.

Initiative Overview:

The Packaging Forum is spearheading the development of an industry-led stewardship scheme for plastic and metal caps and lids.

We have completed the initial proof of concept which has focused on:

- Collection systems
- Logistics
- Initial determination of network possibilities
- End of life outcomes for materials.

We now wish to progress to an extended pilot to fully test systems & refine the scope of the scheme, prior to establishing this as a formal scheme.

The design of this voluntary, non-accredited scheme will aim to provide a user-friendly, flexible network of collection points at diverse venues, that may include retail establishments to community locations and hospitality venues.

The aim is also to establish collection facilities in the main centres initially to meet the 60% population reach coverage required for ARL alternative destination labelling.

Financial support from members of the pilot Group underscores the commitment to the success of this initiative.

Following the development of the scheme design, we will engage in consultations with a wider stakeholder group interested in participating in the scheme.

Invitation:

We extend an open invitation to all brands, manufacturers, distributors, and retailers of products affected by the change in kerbside regulations to participate in the Caps & Lids Recycling Pilot, and to commit to engage and fund this pilot for a period of 12 months.

On successful completion of the pilot, the intention is for the scheme to formally become a scheme recognised by the Packaging Forum.

Your participation is crucial to ensuring that your caps and lids can be considered recyclable in practice and at scale.



We recognise the financial challenges for organisations and propose a fixed fee for this 12 month trial period, with participants having the right to withdraw at the end of the pilot. Fees for participation in the pilot will be set as follows:

Member size (Tonnes caps placed on market)	Fee
>50T	\$ 25,000.00
20-50T	\$ 17,500.00
5-20T	\$ 6,250.00
<5	\$ 2,500.00
Processor or Manufacturer of caps & lids	\$ 1,000.00

All funds will be used to establish a formal network and recovery system for both plastic and metal lids. Fees can optionally be paid in two instalments, with the first immediately on initiation of the Pilot and 2nd at the 6-month interval.

Pilot Objectives

The purpose of the trial is to accelerate a collection and recycling solution and ensure the final scheme design is fit for purpose with a funding model in place which is fit for purpose.

The key objectives are:

- Test the collection model (the box) to validate initial small proof of concept tests are correct.
- refine the initial scope of caps & lids that can be collected for recycling through the Scheme
- Develop a formal collection network, including appropriate service level agreements and contracts as required. (example in Appendix)
- Formalise the current logistics network including formal contract arrangements. An initial agreement is in place with Cardinal Logistics for 3PL services, logistics and courier services.
- Develop a formal audit system to ensure chain of custody and material security through the process.
- Ensure recovered material is recovered to highest value, based on location, logistics and market opportunities.

Contact Information:

For further details or to express your interest in participating, please get in touch with Rob Langford, CEO.

We look forward to your active involvement in this important initiative, contributing to a more sustainable and environmentally responsible future for our industry.

Formal acceptance of this can be confirmed by completing and returning the MOU below.

Sincerely,

Rob Langford
CEO
The Packaging Forum
Rob@packagingforum.org.nz



THE PACKAGING FORUM'S CAPS & LIDS RECYCLING PILOT SCHEME

MEMORANDUM OF UNDERSTANDING

Between

The Packaging Forum Inc (the "Forum")

And

..... (the "Pilot Supporter")

The Forum is developing an industry-led stewardship scheme for plastic and metal caps and lids (**Scheme**) and intends to run a 12 month pilot (**Pilot**) to refine the design of the Scheme before it is launched. The Forum is seeking support from members to participate in the Pilot.

This Memorandum sets out the terms and conditions on which the Pilot Supporter agrees to participate in the Pilot. .

1. The term of this agreement will be for 12 months starting from **(TBC)**.
2. The Services provided by the Forum will be:
 - i. Delivery of the objectives outlined in the Forum's Invitation to Participate letter dated **(TBC)**.
 - ii. Operate the extended Pilot in accordance with the agreed objectives.
 - iii. report every quarter to Pilot Supporters on the progress of the Pilot including tonnage collected & tonnage sent for recycling
 - iv. consult with Pilot Supporters and other key stakeholders on learnings from the Pilot and on the design of the Scheme;
 - v. Develop the Scheme design and associated costs for recommendation to Pilot Supporters and broader members, with the aim of implementing the Scheme at the conclusion of the Pilot.
 - vi. Notify and consult with Pilot Supporters if any key risks are identified during the Pilot, including financial risk due to higher than anticipated collection rates or risks associated with recovery of collected materials.
 - vii. Provide the Pilot Supporter with the option to include their logo on the Forum's website page for the Pilot and in Forum communications with key stakeholders (subject to the Pilot Supporter's consent to those materials)

No other Services will be provided, and this Memorandum excludes recycling of any commercial/industrial (pre consumer) material, but this may be arranged under a separate agreement.

THE
**PACKAGING
FORUM**



3. The Pilot Supporter will pay the Forum for the Services based on the fees and charges set out in the Schedule to this agreement. Unless a longer period is specified in the invoice, the Pilot Supporter will pay the invoice received within 30 calendar days of the date of such invoice.

4. The Pilot Supporter will:
 - i. Promote the Pilot through their internal communication platforms.
 - ii. Participate in consultations on the scheme development.
 - iii. Provide quarterly reports on tonnes of plastic & metal caps & lids placed on market by material to the Forum (in the aggregate). This will be used to determine recovery rates and in the development of full scheme costs at the end of 12 months.
 - iv. Payment for the Services in accordance with paragraph 4 of this Memorandum.
 - v. Provide a copy of the Pilot Supporter's logo to the Forum, for the purpose of the Forum promoting the Pilot Supporter's participation in the Pilot (subject to the Pilot Supporter's prior approval).

6. Forum will ensure that Pilot Supporter's packaging data is kept confidential and used solely for the purposes of the Pilot and design of the Scheme. Forum must not disclose Pilot Supporter's packaging data, except if de-identified and in aggregate form with data supplied by other pilot supporters or members.

7. The Forum retains exclusive ownership of any intellectual property developed during the term of, and relating to, the Scheme including its name and following its winding up. Pilot Supporter may only use the Pilot or Scheme's logo and name in Pilot Supporter's materials or any labelling with the prior written consent of the Forum.

By signing this Memorandum, the Forum and the Pilot Supporter agree to be bound by its terms.

Dated

2024

The Forum by its authorised representative

Pilot Supporter by its duly authorised representative



Service level agreement with collectors (proposed)

SERVICE LEVEL AGREEMENT

("Agreement")

Commented [EL1]: This Service Level Agreement has not been reviewed by Nestle

PARTIES

[Service provider, name and address]

Packaging Forum Incorporated (NZBN 9429043151127) also known as The Packaging Forum of 101 Cyril French Drive, Flat Bush, Auckland 2016 (**Forum**)

INTRODUCTION

- A. The Packaging Forum is establishing a caps and lids recycling scheme in New Zealand (**Scheme**). The Scheme wishes to encourage consumers, particularly in areas in which there are no public place collection points, to save caps and lids for recycling.
- B. The Forum will provide boxes to collect caps and lids for recycling from various establishments and collection points as recorded in this Agreement.
- C. [service provider] will liaise with customers and consumers and make boxes available to them to deposit caps and lids.
- D. The [service provider] will either return the filled boxes to the designated return site or choose to own and recycle the material directly.
 - a. If this is returned to a designated site, the recovery costs will be at the Forum cost.
 - b. If the material remains owned by [service Provider] then they shall report the number of boxes collected to the Forum. In this case the Forum will audit the site to ensure compliance.
- E. The parties have entered into this Agreement to record their intentions regarding the implementation of the Scheme.



OPERATIVE PROVISIONS

The Forum's responsibilities

The Forum's Role:

The Forum will at its cost provide collection containers (**Boxes**) and will deliver to, and collect boxes from, various establishments including community collection points, hospitality establishments and retail outlets as determined by the parties.

The Forum will at its sole discretion pay a fee per box to support the collection establishment as determined by the Forum.

The agreed rate for [service provider] is _____ per box.

[SERVICE PROVIDER]'S Responsibilities

[service provider] will:

Make the boxes available in an easily visible and accessible location to encourage participation in the Scheme;

Where [service provider] are retaining filled Boxes, report the number of Boxes filled;

Utilise the Forum's assets to promote the collection of caps and lids.

MATERIAL MANAGEMENT

Subject to the agreement of customers and consumers the Forum will collect the filled Boxes and retain ownership of them, or

The customers or consumers will take ownership of the filled boxes and report the number of Boxes filled and emptied.

CONFIDENTIALITY

Each party's participation in the Scheme is strictly private and confidential and may not be disclosed



to any other person, except:

- i. within that party to those employees, directors, and to those third-party consultants or advisors, who have a 'need to know' for the purpose of advancing the Scheme and on the basis that such parties are instructed to maintain confidentiality regarding the Scheme and its participants; or
- ii. as required by any applicable laws or stock exchange rules; or
- iii. with the other party's prior written consent.

Miscellaneous

Costs: Each party shall bear its own costs related to the preparation and execution of this Agreement and any further documentation contemplated by this Agreement.

Jurisdiction and legal effect: This Agreement shall be governed by and interpreted according to the laws of New Zealand and subject to the non-exclusive jurisdiction of the New Zealand Courts.

Good faith: The parties agree to always act in good faith in relation to each other in connection with the transactions contemplated by this Agreement.

Counterparts: The parties may execute this Agreement in counterparts by photocopying a facsimile, or printing out an email version, of this Agreement and executing that photocopy or email version.

Other Programmes: For the avoidance of doubt nothing in this Agreement or arising from its operation will limit or prevent the Forum from introducing and operating any caps and lids scheme with any other party.

Authority: Each person by signing this Agreement confirms and represents they are authorised to do so.



Dated: 2024

Execution:

**SIGNED by [SERVICE PROVIDER]
NEW ZEALAND LIMITED**

by its authorised signatory:

Signature of Authorised Signatory

Name of Authorised Signatory

**SIGNED by PACKAGING FORUM
INCORPORATED**

by its authorised signatory:

Signature of Authorised Signatory

Name of Authorised Signatory

