

## Leading the Way Towards Sustainable Management of the Product's Life Cycle

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We will do our best in order to achieve, by 2025, an average of 90% collection across the EU. The EU is made up of a various member countries, and not all of them have a good starting point. My country, Czech Republic, already achieves a collection rate of 70%+. Some other countries achieve below 10%, or less. We are going to collaborate, especially the recycling industry to make possible to recycle the bottles and reuse the plastic in our bottle to make the circle. Innovating, it means that we will continue looking for a solution: either through eco-design or other material, whatever can make our product more sustainable. And, finally, engaging, which means that we will keep and reinforce our effort to convince our consumers to be responsible because, at the end of the day, they are the ones that end up with our material, our bottles, and it's important that they do the proper thing. While there are some details that could be better, overall, we are very happy of the direction the Commission is taking and of the great progress that has been made so far at the EU level. As a European citizen, I'm proud. The European Union is proposing something no other jurisdiction has proposed so far and is taking the lead. I hope this is the start of a new journey, not only towards a circular economy or better environment but, towards greater consciousness at the European level of our potential and the fact that we can decide for ourselves what we must do, regardless of whether other countries like the US or China are already doing it. We should import all of these, we need to use more bottles because our bottles have a lot of value. And preserving value is important because a PET bottle (one of the best synthetic plastic materials) is very expensive to produce from virgin material. Recyclers are fighting to get the collected PET to recycle it. We as a producer are also interested in buying secondary PET and incorporating it into our bottles as recycled content. We are also ready to pay more for this material than virgin PET, and are already doing this. This bottle here is made with 50% recycled material and it cost me more to make than if I would have used only virgin material. But this is because right now, secondary PET has no value. If secondary PET had a value, it would be cheaper than virgin material. In Africa, you will not find any bottles in the landfill because for the African people, the intrinsic value of the bottle alone is enough to motivate people to return it for recycling. But we Europeans are spoiled and rich and don't care about the few cents that this bottle is worth when it's empty, and so we throw it in the trash without a second thought. This is why we must assign a monetary value to PET bottles that is significant for the consumer and that reflects the real value of the bottle. It's very important that we act locally in order to minimize the impacts of transportation as much as possible. It doesn't make sense to ship our materials elsewhere to be recycled, and then buy that material back later to make new products. We need to reuse and/or recycle the material locally to create local jobs. And that's why our company started the initiative to implement a deposit system in the Czech Republic. Initially, we involved three entities to evaluate the feasibility of this initiative: the Institute of Circular Economy (the most reputable NGO in Czech Republic), the Czech Technical University. Why are we doing this? For a very simple reason: we have a valuable material that we want to get back. These systems are proven to achieve high (90%+) collection rates, and the technology exists to recycle it back into new bottles. It is possible today to use in an infinite way 80% of recycled content in a bottle. This means that if you use 20% virgin material in every cycle, you can go on forever with good quality. As I said, I'm producing mineral water, so I am extremely concerned about the quality of my product and I would never do something that I thought put my business at risk. If we do a simple calculation, I'm collecting 90%, then I recycle it. No industrial process is 100% efficient so there are always some losses, so normally, it's good when it's ninety or so. So 90 out of 90 and we get 80. So this is the magic number. With the knowledge and technology that exists today, we can have the circular system. Why? Because we can collect, we can recycle and use everything that has been recycled back in our bottle. So when a big company (much bigger than mine)

says that their goal is to achieve 50% recycled content by 2030, 2025, I don't know. You know how long it took for me to make this bottle? One month. So this is already possible. 50% recycled content is the past; 80% is the future, and this is what my company is trying to achieve. Obviously, I'm not the only water producer in my country so we will need to convince others that it's possible and beneficial too, and some may agree. However, some governments may be scared of change and are afraid to disrupt the existing system. But we are here to show them the evidence that deposit systems and other collecting systems (EPR, the Green Dot) can co-exist, and that they can actually complement each other. Where deposit systems have been implemented alongside existing EPR schemes, EPR schemes have seen improved collection rates and even decreased fees. If this is the case, that after implementing a deposit system there is a reduction of producer fees, it means that having to collect and recycle PET is more a cost than a revenue for producers. That's my basic and elementary conclusion. That is why we have embarked on this journey, and it's just the beginning. A study will be published at the beginning of next month. In the coming weeks, we will begin negotiations with the Czech Ministry of Environment to introduce deposits. It's a very exciting journey, one which has even transformed my life and has increased my awareness. Last week I received a gift that was packaged in a big box with almost nothing inside. It upset me that such a big volume of packaging was used for something so small, and that this big volume had to be transported for nothing. In the past, I would have never thought twice about it and would have simply been happy to receive the gift, but the other day I was completely disappointed with the person who kindly sent me the gift because of the waste of packaging. I think we need to work to instill the same awareness in the minds of everybody, including our customers. For years, my industry has been seen as being the bad guys because we use a lot of plastic, because we are responsible for a lot of transport. But now, finally, I can proudly say that our studies have shown that our transport is not particularly impactful and we are one of the few industries, if not the only one, that with today's knowledge has a solution. I'm here to show that my company, and others in my industry, can move from being the black sheep to being the hero. That would be, probably, the most important achievement of my life: not to double the size of my company or expand to new countries, but to make a positive change in this world, and to change behavior. This slide [referring to Powerpoint] is from the study we are doing. This is the material flow analysis in Czech Republic. This slide is here to show you that, basically, almost nothing goes to waste. It is a simple solution, and I like simplicity because simplicity is efficiency. So that's where we have to go and where we are. Deposits are a starting point of the solution towards establishing a fully circular economy. Deposit systems are just one of the elements for me, albeit a very important one, and are the only way to produce the high quality material that is needed to achieve 80% recycled content.