

Case Study – EPR Implementation

22 November 2018



Agenda

- Introduction
- Case study background
- Challenges with existing practices
- Our EPR approach
- Project highlights
- Sustainable packaging through circular economy

Introduction

- **Godrej Consumer Products Limited (GCPL)**
 - Part of 120 year young Godrej group
 - Leading emerging markets FMCG company based out of India
 - Presence in 3 geographies – Asia, Africa, Latin America
 - 3 categories of products – home care, hair care, personal care
 - 1.1 billion consumers across the world
 - 12,000+ employees

Good Green - 2020 Goals

Announced in 2010-11 with a vision to create more inclusive and greener India

1 ENSURING EMPLOYABILITY

Train 1 million youth in skills that will enhance their earning potential

2 GREENER INDIA

- Achieve **zero waste** to landfill
- **Carbon neutrality**
- A **positive water** balance
- Reduce **specific energy consumption by 30%**
- Increase **renewable energy** utilization to 30%

3 GOOD & GREEN PRODUCTS

Generate a **third of our portfolio revenues** from 'good' and/or 'green' products

Case Study Background

- Himachal was the first state to ban single use plastic
- After the decision was challenged in the Apex court, there were discussions around to ban MLP (multi-layer plastic) as well due to environmental concerns
- Initiated a pilot project through IBHA in 2015
 - To demonstrate collection and processing of MLP waste
 - Engaged with NGOs working with rag pickers in all Metro cities for collection
- Prepared a report and submitted to the Ministry demonstrating technical feasibility of collection and processing

Case Study Background

- Applications of MLP waste:
 - Co-firing in cement kilns
 - RDF for waste to energy plants
 - Conversion into liquid fuel through thermal de-polymerisation
 - Road construction
- Key challenges:
 - Poor/No segregation of waste → High cost of collection – INR 15–20 per kg
 - Lack of infrastructure → increased transportation cost and emissions
 - Lack of support from local bodies to utilize for road construction

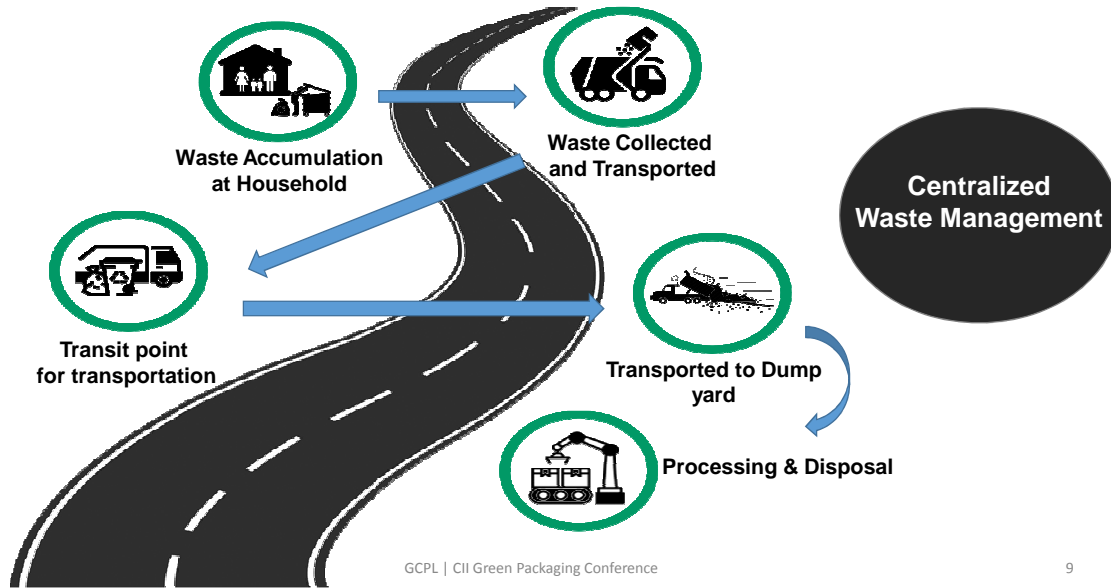
Case Study Background

- **PWM Rules 2016:**
 - **Notified on 18th March 2016**
 - **Clause 9 (2) mandates the brand owners to collect post-consumer used plastic packaging waste**
 - **Referred to as Extended Producers Responsibility (EPR)**
 - **Plan of collection to be submitted to PCBs within 1 year of publication of the rules i.e. by 18th March 2017**
 - **Implementation within 2 years thereafter i.e. by 18th March 2019**

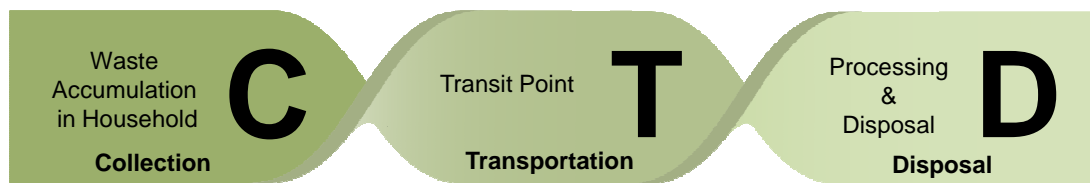
EPR Initiative

- **Initially, lack of clarity in the Rules**
 - **While seeking clarifications through CII and IBHA, we have initiated our own EPR activities**
- **Major issue of collection is with flexible plastics due to high volume and low mass**
 - **Single layer and multi-layer plastic (MLP)**
 - ✓ **Recycling of MLP back into granules is a challenge**
 - **Most of the rigid plastic is recycled through informal sector**
 - ✓ **Has its own challenges in terms of Human Rights**

Existing Waste Management Practices



Challenges With Existing Practices



- Mixed waste
 - No segregation
- No Incentive/ Infrastructure for segregation
- Mixed waste leading to only 5% material recovery, which is either re-used/re-cycled
 - Large volumes makes it difficult to segregate
 - High costs due to inefficient practices

Challenges With Existing Dry Waste Collection



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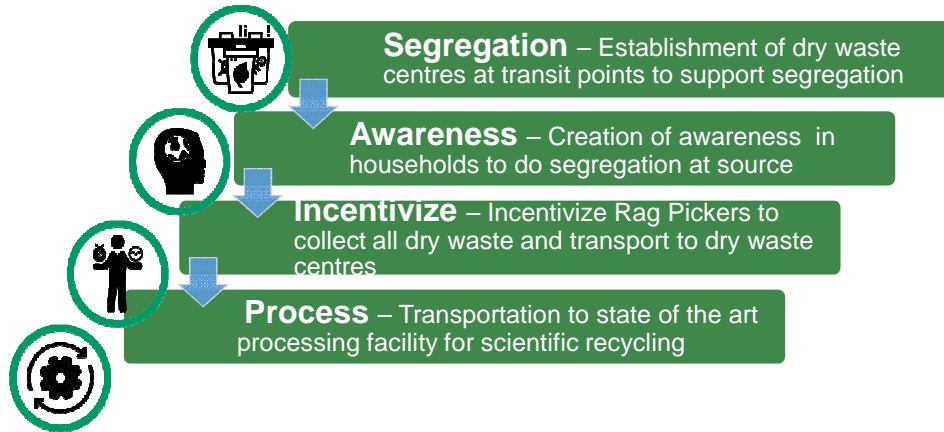
Our EPR Approach

- **Alternate approach:**
 - PPP model
 - GHMC came forward to tie up with GCPL
 - GCPL identified Dharthi Sustainables as implementation partner
 - Signed up an MOU
- **GHMC: To provide land**
- **GCPL: To financially support to establish dry waste collection centres and processing facility**
- **Dharthi Sustainables: Co-fund the project, setup processing facility and operate**

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Our EPR Approach



Challenges Faced

- **GHMC offered land within its territory to setup processing facility**
 - **Consent to Establish was not provided by the PCB because it falls under 'red' category**
 - **Had to be relocated to Pashamylaram industrial area**
 - ✓ **Created additional financial burden for the land**

Highlights of the Project



10 Swatch Resource Centers for Dry Waste



18,000 MT of dry waste per year capacity



2400 MT of Plastic waste is recycled every year



150 livelihoods created



INR 9 Cr Budget



50,000 Households being positively impacted

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Highlights of the Project



- **Recyclable Post Consumer Plastic waste to Plastic Granules – 6 TPD**
- **Non-Recyclable Post Consumer Plastic Waste to Liquid Fuel – 5 TPD**
- **Green Waste/ Agri Residues to Bio Briquettes – 100 TPD**
- **Self Sustaining Model**

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Highlights of the Project



Waste Accumulation in Household

- Awareness to segregate at household level
- Dry waste disposal once in a week
- Wet waste disposal everyday



Transit Point

- Created infrastructure to segregate and store dry waste
- Monetary incentives to Rag Pickers to source and deliver to dry waste collection centres directly
- Ability to deliver appropriate materials to appropriate scientific re-cyclers



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Highlights of the Project



Processing & Disposal

- Better material recovery rate due to segregation
- Segregated recyclable plastic is converted into plastic granules
- Non-recyclable plastic is converted into liquid fuel
- Near Zero environmental damage as this process would ensure extremely low volumes reaching dump yards
- Cuts down logistics cost by diverting dry waste from reaching dump yards, thus saving fuel

} **Sold to generate revenue**

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Stakeholder Value Proposition



Corporates

- Reduction in overall cost
- Compliance to law



Rag pickers

- Improvement in their economic conditions



Consumer

- Better living conditions

Helps us to achieve 2400 MT per annum toward EPR compliance



Waste management companies

- Self sustainability
- Growth through better practices

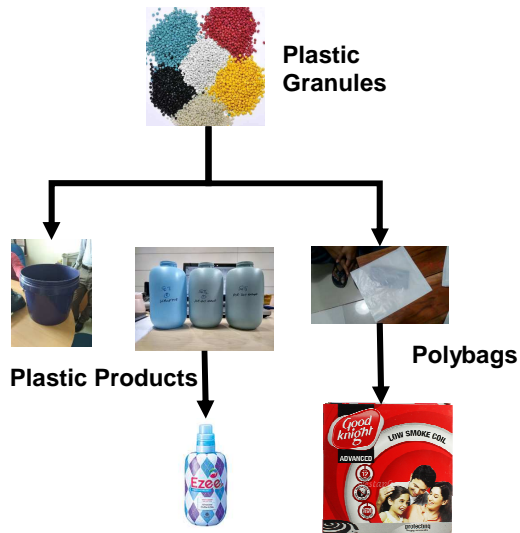
ULB

- Reduction in transportation cost
- Reduction in landfill footprint

Sustainable Packaging through Circular Economy



Sustainable Packaging through Circular Economy



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Sustainable Packaging Targets

- We have also announced our sustainable packaging targets FY 2024-25
 - Reduce packaging intensity by 20%
 - Replace at least 10% virgin plastic with PCR plastic
 - Have 100% of packaging material recyclable, reusable, recoverable or compostable

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THANK YOU FOR YOUR TIME AND CONSIDERATION

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