



Správca zálohového systému n.o.

Annual Report 2022

SPRÁVCA ZÁLOHOVÉHO SYSTÉMU n.o
www.spravcazalah.sk

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**A deposit system
is the only viable and effective
solution
for putting
more than 90%
of used plastic bottles and cans
back into circulation.**



Acknowledgement



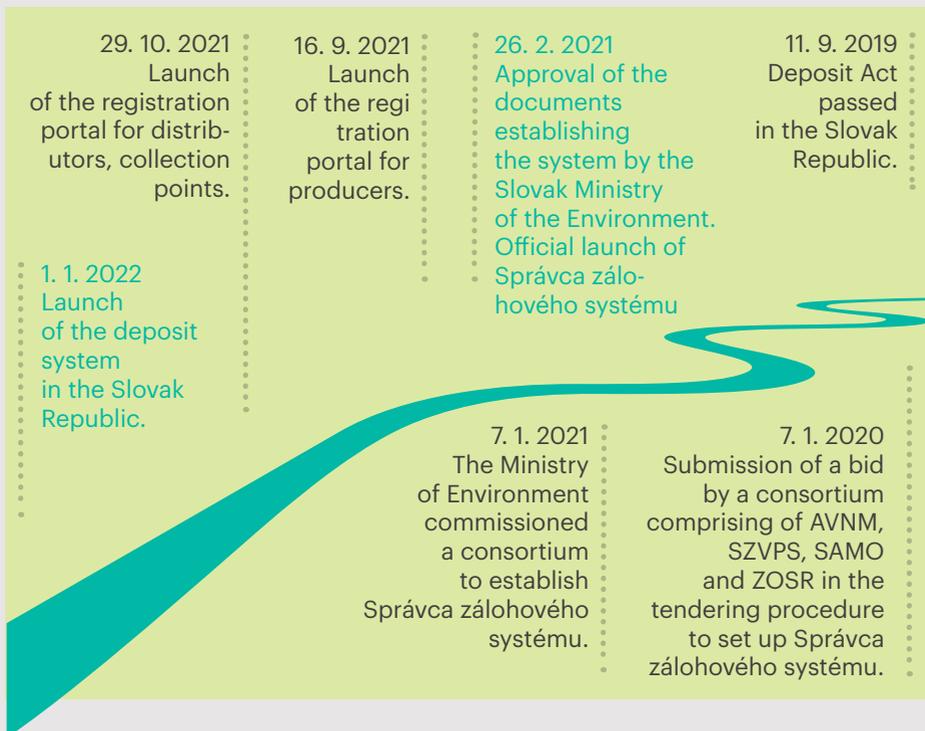
Marián Áč
Director
Správca zálohového
systému n.o.

We have successfully completed the inaugural year of operation of the deposit system. Our success is evidenced not only by tangible data, but also by feedback derived from analyses conducted in national parks and public areas revealing a noticeable decline in littering rates. However, our non-profit organisation alone cannot take all the credit for the achievements of the first year. Most of all, our supportive and dedicated staff deserve praise for diligently making extensive preparations within the confines of a 10-month timeframe, and for continuing to ensure the system's ongoing maintenance and enhancement. Plus, the swift acceptance and wholehearted embrace of the system by customers have contributed to a remarkable payback within a mere year of implementation. We are delighted that the people of Slovakia recognise the significance of the deposit system. Its seamless operation would clearly not have been conceivable without the steadfast cooperation of retailers, who have provided us with an extensive collection network, and producers who willingly shoulder the financial responsibility, underscoring their commitment to our environment.

Lastly, it is important to acknowledge the assistance rendered by the Ministry of Environment of the Slovak Republic, without whose support this system could not have been launched so successfully. We extend our sincere gratitude to all individuals who have played a pivotal role in ensuring the resounding success of this project within a remarkably short span of time. We firmly believe that, through continued collaborative efforts, we will sustain this positive trajectory.

Towards a Cleaner Country

The year 2022 will go down in history as the moment when deposits were introduced on plastic bottles and beverage cans in Slovakia. Ahead of the deployment of this system, a series of measures were taken to ensure that it would launch without a hitch. What noteworthy milestones were achieved during the preparatory phase of the deposit system? What insights can we glean about the organisation responsible for managing the system and its internal mechanisms?



Deposit system management

The administration of the deposit system in Slovakia falls under the purview of Správca zálohového systému. This non-profit organisation was established through a consortium comprising four entities, AVNM, SZVPS, SAMO, and ZOSR, who represent producers of non-alcoholic beverages, mineral waters, and beer, and stakeholders from the wholesale and retail sectors. Combined, their members account for nearly 80% of all deposit packaging available on the market, encompassing over 3,000 retail establishments.

What is Správca zálohového systému?

Správca zálohového systému n.o. is a new non-profit organisation providing services of general benefit on the basis of a mandate issued by the Ministry of the Environment of the Slovak Republic. Správca sets up, finances and coordinates the operation of the deposit system for disposable beverage packaging in accordance with the Act on Deposit.

Financing of the deposit system and Správca's activities

The system is primarily funded through producer fees, material sales, and uncollected deposits. As an extended producer responsibility system, it runs at an operating deficit by default, which is consistently covered by producer charges. The deposit system does not receive any state financing.

Regulation and control of the deposit system

These aspects are overseen by the Ministry of the Environment of the Slovak Republic.

Registration requirements with Správca

Producers who market beverage packaging in disposable, plastic, or metal forms, as well as distributors who sell beverages directly to end-users and establish collection points, either mandatorily or voluntarily, are required to register with Správca.

Priorities of Správca zálohového systému

Správca zálohového systému places significant emphasis on promoting the recycling of collected materials and their subsequent reuse for the same purpose for which they were initially produced. Správca embraces the principles of the circular economy and advocates for bottle-to-bottle and can-to-can recycling practices. The ultimate goal is to ensure that materials are not discarded after a single recycling cycle, but are instead part of a closed-loop system.

Fundamental principles of Správca

Správca zálohového systému abides by a set of core principles that underpin the functioning of the deposit system:

- adherence to statutory objectives and obligations;
- emphasis on cost-effectiveness as a fundamental aspect of a “value-for-money” system;
- commitment to consumer friendliness;
- pursuit of transparency and non-discrimination;
- compliance with EU legislation, resulting in higher collection rates and increased incorporation of recycled content in new packaging;
- promotion of the circular economy, facilitating the closed-loop process from “bottle to bottle” and “can to can”.

The Deposit System in a Nutshell

In 2021, Správca zálohového systému made significant strides in Slovakia towards the implementation of a plastic bottle and can deposit system so that it would be fully operationally ready from 1 January 2022. These dedicated efforts have brought us closer to achieving a cleaner country. Let's explore key information about the deposit system.

What is the deposit system?

The deposit system is a modern mechanism of extended producer responsibility that actively involves individuals in combating the proliferation of waste and mobilises collective action for environmental protection through the collection of disposable beverage containers.

Why was the deposit system introduced in Slovakia?

Slovakia has committed to achieving a 90% collection rate for beverage packaging by 2025. Looking at the experience of countries that have long-established deposit systems, it became evident that this goal can only be attained through the adoption of a deposit system. The sorted collection system has achieved an approximately 60% collection rate for plastic bottles, but we do not have exact data on cans. Therefore, the deposit system provides an opportunity to gather a greater volume of high-quality material for recycling and reuse in new packaging. By reducing the prevalence of unmanaged waste, this system contributes to the conservation of natural resources.

Implementation of the deposit system in Slovakia

The deposit system has been in operation since 1 January 2022.

Packaging subject to a deposit

All single-use plastic bottles and cans of beverages ranging from 0.1 litres up to and including 3 litres are subject to the deposit. These containers bear a distinctive "Z" symbol within recycling arrows and the text "ZÁLOHOVANÉ". By law, beverages are defined as "liquid beverages containing more than 80% water and capable of satisfying the physiological need for water, including non-alcoholic and alcoholic varieties". This includes disposable plastic bottles and cans for mineral water, sweetened beverages, fruit juices, iced teas, energy drinks, beer, wine, and mixed alcoholic beverages. However, packaging for milk, dairy beverages, syrups, alcoholic beverages with an alcohol content exceeding 15%, and non-beverage food items such as oil or vinegar are not covered by the deposit system.

Identifying deposit packaging

Deposit packaging is marked with a prominent "Z" symbol within recycling arrows and the text "ZÁLOHOVANÉ" located near the barcode.

Once the deposit system was launched, was all packaging on the market deposit packaging?

A complex system like the deposit system takes time to implement and cannot be fully



Every year, Slovakia sees over one billion PET bottles and cans enter the market. However, only 60% of PET bottles are sorted into the designated yellow containers



How much is the deposit?

15 eurocents, consistent across all types of plastic bottles and drinks cans.

How to receive a deposit refund

Consumers can receive a deposit refund by returning the deposit packaging to a designated collection point. This can be done either through a reverse vending machine (RVM) or directly with the responsible staff in smaller establishments that run a manual collection. On returning packaging, consumers are given a coupon corresponding to the quantity of returned packaging, which can be redeemed at the establishment's cash register.

Locations for returning deposit packaging

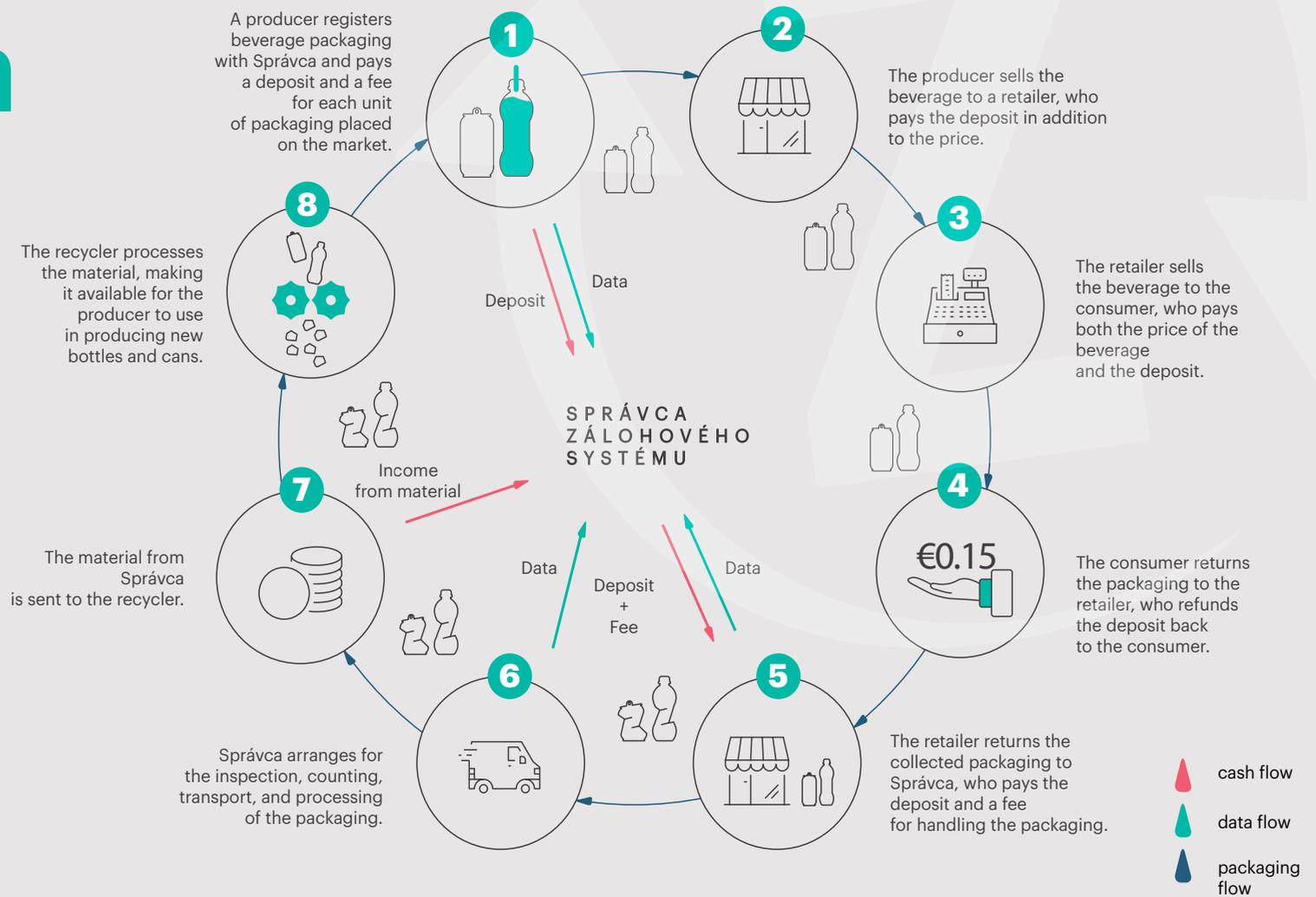
The deposit packaging can be returned at all marked collection points participating in the deposit system. Over 3,000 available collection points are currently available, and the network will be further expanded over time. A map of the collection network can be found online at www.slovenskozalohuje.sk.

deployed overnight. As such, a transitional period was established for both producers and retailers. Producers were given a deadline until 31 January 2022 to comply with requirements. During this period, non-deposit packaging could still be placed on the market. Retailers had their own separate deadline for the transition. They were permitted to distribute non-deposit packaging until 30 June 2022. Since that date, only plastic bottles and cans for beverages with the "Z" symbol and the text "ZÁLOHOVANÉ" have been available on the Slovak market.

What is the next step for the collected deposit packaging?

The collected packaging is transported to a sorting centre, where it is sorted by material type and colour. It is then compacted into large bales weighing approximately 300 kg, and prepared for recycling. This recycled material can then be used in the production of new plastic bottles and cans, creating a continuous cycle of reuse.

How Does the Deposit System Work?



Producers and Registration in the Deposit System



Producers and importers of beverages in single-use plastic bottles and cans play a crucial role in the deposit system. The deposit system is viewed as a modern approach to extended producer responsibility, engaging everyone in the fight against free-flowing waste and motivating society to protect the environment.

Following Act No 302/2019 on deposits on disposable beverage packaging (plastic bottles and cans) and the initiation of the activities of Správca zálohového systému, the organisation began accepting contract applications from March 2021. A transitional period until January 31, 2022, was established for producers and importers to register beverage packaging subject to 2022 to stop placing beverages in non-deposit packaging on the Slovak market.

To streamline the registration process for producers and their specific products, Správca zálohového systému implemented a registration portal. This information system makes regular communication between producers and Správca zálohového systému more efficient. It serves as a platform for registering the producer's company, specific products (i.e. the barcodes of beverages that are subject to the deposit system and are marketed in Slovakia), and managing registered deposit products (beverages). The portal also enables producers to fulfil registration obligations, submit reports, and access statistical data easily.

In order to enhance communication between Správca and producers, the registration portal has been optimised to handle financial reports and data during the year of implementation of the deposit system. Additionally, the portal offers flexibility by allowing companies to update their details or modify individual registered barcodes (beverages). To accommodate different levels of access within a registered company structure, the functionality to add multiple users has been implemented.

The registration process for producers and their products within the internal operations of Správca zálohového systému involves significant administrative tasks. These include assessing registration applications, providing consultations to ensure a clear understanding of the producer's role in the deposit system, and guiding the necessary steps for product registration.

symbol in recycling arrows with the text "ZÁLOHOVANÉ", allowing for ease of return at collection points.

The process may also involve the submission of physical samples for evaluation, which do not always meet the approval criteria. Throughout 2022, various changes occurred as producers naturally adjusted barcodes or withdrew products from the market. However, the flexible interface and established processes of the registration portal facilitated smooth transitions in these cases. As a result, the number of registered packaging units accurately reflected market developments.



**As of 31 December 2022,
the deposit system has recorded**

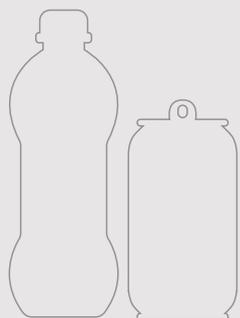
294 registered
producers



3,600 active
registered
EAN codes



**Therefore, in 2022, as part
of the EAN registration application
process, there were a total of**



31,360
received and processed
physical samples

National vs. international EAN code

Deposit packaging must be registered in the deposit system and marked with a barcode for identification. Each deposit packaging or label must bear a barcode. Each type of beverage in deposit packaging is assigned a unique EAN code. The deposit packaging can be registered in the deposit system using a barcode specifically designated for the Slovak market or for other markets outside Slovakia. The conditions for using domestic and international barcodes are outlined in a contract schedule agreed upon between Správca and the producer during the registration process in the deposit system.

**As of 31 December 2022, the deposit
system has active registrations of**

1,745 national
EAN codes

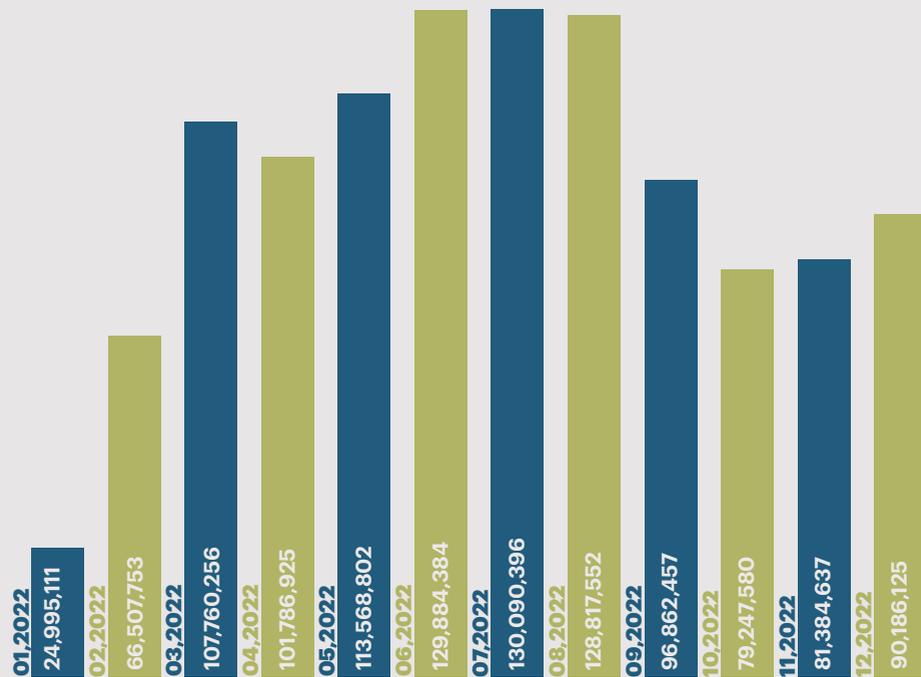
The barcodes used on beverage packaging are intended exclusively for the Slovak market. The national EAN code, as determined by Správca, is intended solely for products placed on the market within the Slovak Republic and is not meant for export purposes.

1,855 international
EAN codes

Beverage packaging (plastic bottles or cans) with an international barcode can be placed on the market in the Slovak Republic under export procedure. In such cases, the producer is required to report the placement on the Slovak market to Správca on a monthly basis and pay both the deposit and the producer's fee for the collection and treatment of waste from the deposit packaging per unit (known as the industry fee). The producer assumes the risk of the return of packaging with an international EAN code from abroad and is liable to pay the forfeited deposit and the industry fee for each unit exceeding the average return of the respective product group. International barcodes can be registered in the deposit system, subject to specific criteria such as volume limits for placing a certain quantity of packaging on the Slovak market and criteria related to shelf life. Detailed conditions are provided in the relevant schedule of the contract.

Quantities of Packaging on the Market

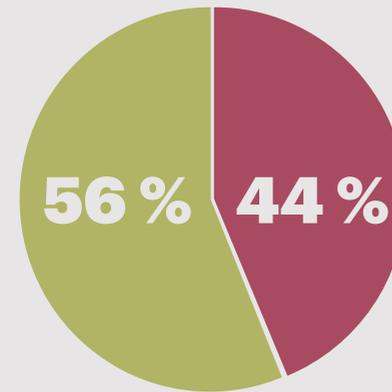
The deposit system is known for its ability to track deposit packaging from the point of market entry to collection, processing, recycling, and the production of new packaging materials. This comprehensive traceability allows us to maintain a clear overview of deposit packaging in the Slovak market. Additionally, we closely monitor the rate of returns, providing us with valuable insights into the system's effectiveness and success.



Market numbers in 2022:

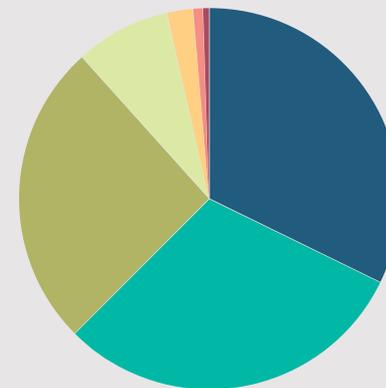
1,151,091,978

units of deposit beverage packaging



Analysing the data from the first year of operation, we observe the following distribution of deposit packaging for 2022:

- 56% plastic bottles
- 44% cans



The approximate proportions of packaging introduced to the market in 2022, categorised by beverage type, are presented below:

- 32% Beer
- 30% Non-alcoholic beverages
- 26% Packaged waters
- 8% Energy drinks
- 2% Fruit juices
- 1% Other alcoholic beverages
- 0.4% Wine

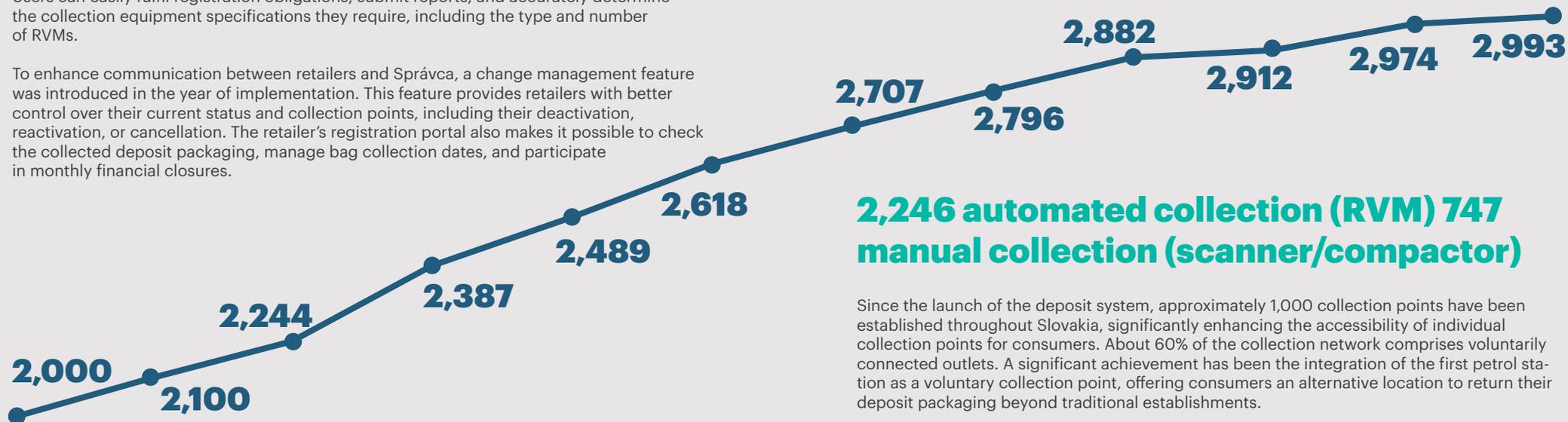
Distributors and Registration in the Deposit System

The deposit system would be impossible to run without the distributors being on board. Distributors selling beverages in plastic bottles and cans to the final consumer are a key element of this system. It is in the shops (establishments) of the various distributors that consumers experience the deposit system in practice.

According to Act No 302/2019 on the deposit of disposable beverage containers, as amended, distributors distributing beverages in deposit packaging have a legal obligation to register as a collection point and apply to Správca to enter into a contract on the fulfilment of their obligations under that Act. Distributors with a sales area to comply with this obligation by 18/ 5 to stop placing beverages in non-deposit packaging on the Slovak market. 2021 to stop placing beverages in non-deposit packaging on the Slovak market.

Správca zálohového systému has developed a registration portal for both producers and distributors, serving as an information system for registering individual collection points, providing seamless access to registration and data updates at both the distributor and collection point levels. The portal enables efficient management of individual collection points, offering distributors and Správca clear oversight. It serves as an effective solution for regular communication among distributors, collection points, and Správca zálohového systému. Users can easily fulfil registration obligations, submit reports, and accurately determine the collection equipment specifications they require, including the type and number of RVMs.

To enhance communication between retailers and Správca, a change management feature was introduced in the year of implementation. This feature provides retailers with better control over their current status and collection points, including their deactivation, reactivation, or cancellation. The retailer's registration portal also makes it possible to check the collected deposit packaging, manage bag collection dates, and participate in monthly financial closures.



As of 31 December 2022, the deposit system

252 registered distributors

and, together, we have created a collection network with approx.

3,000 collection points



of which

1,170 statutory collection points
1,823 voluntary collection points

Since the launch of the deposit system, approximately 1,000 collection points have been established throughout Slovakia, significantly enhancing the accessibility of individual collection points for consumers. About 60% of the collection network comprises voluntarily connected outlets. A significant achievement has been the integration of the first petrol station as a voluntary collection point, offering consumers an alternative location to return their deposit packaging beyond traditional establishments.

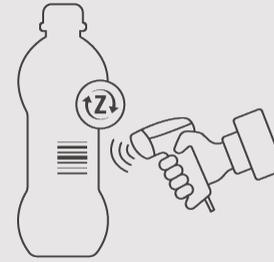
3

Approaches to Collection

In the Slovak deposit system, there are three distinct methods for collecting deposit packaging. Each collection method follows different procedures, particularly in terms of how the packaging is handled at the collection point and subsequently transported to the sorting centre. The primary objective is to ensure the integrity of the deposit system, while also promoting efficiency and convenience for the collection points.

All collection points must adhere to the conditions and minimum requirements established by Správca and undergo verification to guarantee the seamless operation and sustainable functionality of the deposit system. The verification process for individual producers is initiated by the suppliers of the respective equipment.

The initial investment in collection equipment, such as RVMs, compactors, or manual scanners, is funded by the distributor. Správca reimburses the distributor for costs directly associated with packaging collection, including capital investments, through a handling fee for each collected piece of deposit packaging.



Manual collection

Suitable for collecting 70 to 200 pieces per day.

Manual collection is well-suited for outlets with smaller sales areas and a lower volume of packages, ensuring efficiency for both the outlet and the deposit system. The retailer uses a manual scanner to read the barcode of the deposit packaging and generates a coupon for the customer. The beverages are kept uncompressed in a designated bag provided by Správca, sealed with a special seal, and made ready for pickup by the carrier sent by Správca. The packages are transported in their uncompressed state and subsequently audited at the warehouses of Správca.

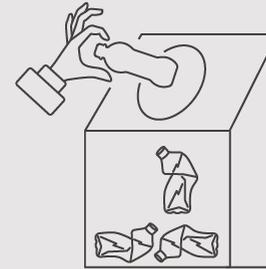
Verified supplier: SENSONEO

Semi-automated collection

Suitable for collecting 200 to 500 pieces per day.

The collection point is equipped with a manual scanner and a compactor. The shop attendant scans the barcode and retrieves the deposit packaging, as in the manual collection process. However, the warehouse is equipped with a specialised apparatus called a compactor, which compresses the cans and plastic bottles. This makes their storage and transportation easier, enhancing efficiency in the handling of these items. Of the European countries that have implemented a deposit system, we are the only one to apply a semi-automated collection solution.

Verified supplier: SENSONEO for manual scanner and GP Technology for compactor

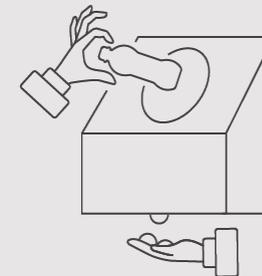


Automated collection

Suitable for collecting 500 or more pieces per day.

In cases where the retailer foresees a substantial influx of daily deposit packages (500 or more pieces), automated collection is an efficient option. A reverse vending machine (RVM) handles the entire process, efficiently sorting and compacting the packaging on its own. The retailer then prepares the compressed packaging, neatly categorised into plastic bottles and cans, for collection by the designated carrier.

Verified supplier: TOMRA Collection Slovakia, RVM Systems, DIEBOLD NIXDORF, IMS SERVICE, Envipco Slovakia, RETURPACK Kft



Alternative Collection Methods

Although the law mandates the return of packaging directly to the shop, Správca sought to broaden the options available for returning deposit packaging beyond traditional establishments in 2022. This includes premises other than grocery stores where deposit beverage containers are sold, as well as locations where a higher concentration of deposit beverage containers may accumulate due to increased foot traffic.

Examples of alternative collection points include:

- Restaurants
- Hotels
- Vending companies
- Companies providing beverages to employees
- Water parks
- Sports centres
- Schools
- Festivals and other cultural events

As to the types of alternative collection points, a distinction is made between seasonal locations, such as festivals, and year-round operations. The options available for setting up packaging collection vary, and Správca's approach is always tailored within the scope of procedural parameters. Comprehensive guides have been created for each type of alternative collection point and are publicly accessible online at www.spravcazalo.sk.

In 2022, various events including Grape, Pohoda Festival, Uprising, Dobrý trh, Campana Fest, Bratislava Marathon, Aldea Drinks concerts, the European Youth Olympic Festival – EYOF, and even a one-off collection of deposit packaging at a primary school in the village of Široké were added as temporary seasonal collection points. Each event had its own unique setup, and cooperation with Správca was individually arranged. Some events used a compactor with a manual scanner, while others collaborated with chain stores. Smaller events made use of symbolic containers provided by Správca in the shape of bottles and cans. Events and festivals also took the opportunity to donate the value of returned deposits to charitable causes, thereby contributing not only to a cleaner environment but also presenting an alternative approach to traditional charity lid collections.

Year-round collection points were piloted, for example, as part of the fluid intake scheme at a US Steel plant and Phoenix Service Slovensko. Water parks like Bešeňová and Tatrallandia joined the solution for water park collections. Aréna Hotel became the first hotel to collaborate with Správca in rolling out a collection system for its facilities. The event company Mária Ferletiaková also approached event organisation in a responsible manner by partnering up with Správca.

Employees of companies such as Amazon and Jaguar Land Rover have the opportunity to return disposable deposit beverage containers and contribute to a good cause. These companies provide designated collection points on their premises, encouraging not only a cleaner environment but also supporting selected charities.

A collaboration between Správca, Very Goodies, and Peugeot has enabled the return of deposits to be credited to Peugeot plant employee cards. This innovative solution is a significant step towards more technologically advanced approaches.



Where Does the Collected Packaging End Up?



The collected packaging is transported from retailers to warehouses and later to a sorting centre. A well-functioning collection system relies on an adequate number of warehouses, which, along with the sorting centre, establish an efficiently organised logistics network.

Where are the warehouses and the sorting centre of Správca located?

The strategic planning for warehouse locations and the selection of premises, including the sorting centre, began in April 2021. The sorting centre is situated in Kočovce, a part of Rakoluby. It serves as both a sorting centre and a warehouse. Dedicated warehouses are located in Bratislava, Žirany, Rosina, and Široké, as well as in Banská Bystrica, following relocation from the village of Vlkanová at the end of 2022.

What role do warehouses play?

Správca transports returned packaging from consumers to the warehouses based on efficient collection route planning. The warehouses conduct inspections and perform counts. The packaging is compressed into bales and then transported in its compressed form to the sorting centre.

What role does the sorting centre play?

The sorting centre inspects, records, and processes the material received from individual warehouses or directly from collection points. Within the sorting centre, an optical line sorts materials by type and colour, preparing finished bales of sorted plastic and metal materials for recyclers. Thanks to the deposit system, we are able to collect higher-quality material that can be efficiently used in the production of new packaging, resulting in the conservation of natural resources, reduced energy consumption, and lower CO₂ emissions.

What technologies can be found in the sorting centre?

Conveyors play a vital role in the extensive

range of technologies used to transport materials through various handling processes. Incoming material from warehouses is compressed into large bales, which are then unpacked by an unpacking machine. Optical sensors facilitate the sorting of plastic packaging based on material type and colour. The sorted material is stored in high-capacity bins for easier transport to recyclers before being recompressed. Balers are employed to ensure efficient transportation of the bales to recyclers towards the end of the processing cycle.

Is the sorting centre equipped to handle manually collected packaging?

The sorting centre also processes deposit packaging collected manually. Bags of uncompacted material obtained through this method are checked by a counting machine, compacted, and further processed.

What is the planned capacity of the sorting centre?

The sorting centre has a permitted capacity to process 29 thousand tonnes of plastic packaging and 9 thousand tonnes of metal packaging.

Logistical Aspects of the Deposit System



The role of Správca involves receiving plastic bottles and cans collected from retailers and ensuring the inspection, counting, transport, and processing of the packaging. To accomplish this, Správca has established a sorting centre and strategically located warehouses, optimising transport routes for efficient and environmentally responsible transportation of the collected packaging to the final sorting facility and preparation for recycling.

The primary focus in 2022 was to facilitate the seamless collection of deposit packaging from nearly 3,000 collection points. The Slovak population's positive reception given to the deposit system was evident through the increasing amount of packaging returned each month. The challenge was to adapt the collection system efficiently to meet the actual requirements of the collection network. Fleet optimisation was another key consideration.

Throughout 2022, we ran over 28,000 transport routes, covering a total distance of approximately 4.6 million kilometres. From an efficiency standpoint, the routes are designed to maximise the use of vehicle capacity while minimising travel distances by directing vehicles to the nearest warehouse.

The strategic placement of warehouses in various regions of Slovakia has been a successful endeavour, and we will continue along this path in 2023.

Processing Procedures for Deposit Beverage Packaging



The deposit system provides obliged producers who place packaging on the market with the means to acquire an adequate supply of high-quality material to meet legal requirements for incorporating mandatory recycled content into new packaging. Producers have the opportunity to exercise a right of first refusal on a specified quantity and quality of the material they have introduced to the market, utilising it for the production of new packaging.

The primary objective of the deposit system is to prioritise pet-to-pet and can-to-can processing. As such, the collected and recycled deposit packaging is intended to be transformed back into new packaging with the same purpose it originally served.

Producers are particularly interested in recycled material as they need to meet the targets set in the Single-Use Plastics Directive. This directive stipulates a minimum percentage of recycled material that must be incorporated into new packaging: 25% starting from 2025 and a minimum of 30% from 2030.

Some producers have voluntarily committed to using materials with a recycled content of 50% or more in their beverage packaging. The ultimate goal is to ensure that materials are not discarded after a single recycling cycle, but are instead part of a closed-loop system, aligning with the principles of the circular economy. Sorted material for which producers do not exercise their right of first refusal will be acquired by recyclers through a tender process facilitated by Správca. The revenue generated from the sale of the material serves as one of the sources of financing for the entire deposit system.

The Deposit System from a Customer's Perspective

Since 1 January 2022, customers have been required to pay an additional 15 euro cents for the packaging, separate from the price of the beverage itself. The deposit amount is exempt from VAT, and remains fixed at 15 euro cents.

Customers can return the deposit packaging at any collection point, regardless of where they initially purchased the beverage. They simply need to place the packaging, marked with the "Z" symbol, in its uncompressed state, into the reverse vending machine or hand it over at the checkout to receive a voucher. The voucher can only be redeemed at the outlet where the packaging was returned. It can either be deducted from the purchase price or customers can opt for a cash refund at the checkout. For smaller establishments participating in voluntary deposit schemes, retailers are only obligated to offer a discount on the purchase price, and they are not required to provide cash refunds.



Since January 2022, all plastic bottles and drink cans have been subject to a deposit. **Do you know which ones are and which ones aren't?**

Containers ranging in size from **0.1 litres to 3 litres** are eligible for deposit.



Packages from these beverages are not deposited:
packaging for milk, dairy beverages, syrups, alcoholic beverages with an alcohol content exceeding 15%.

Which beverage packages?

By law, beverages are defined as "liquid beverages containing more than 80% water and capable of satisfying the physiological need for water, including non-alcoholic and alcoholic varieties". Therefore, the deposit applies to plastic containers and cans holding beverages such as mineral water, sweetened beverages, fruit juices, energy drinks, beer, and wine.

BEVERAGE PACKAGING



DO NOT SQUEEZE

1



Do not squeeze or throw away deposit beverage containers. Simply.

2



Notice the deposit symbol "Z" near the EAN code on the packaging.

3



Upon purchasing a beverage in deposit packaging, the deposit for the packaging is also paid.

4



Do not squeeze the deposit packaging; instead, return it to the collection point with the lid intact.



DO NOT THROW AWAY

5



If a beverage container does not bear the Z-ZALOHOVANÉ symbol, do not return it to the shop. Instead, it should be disposed of in the designated yellow sorted collection bin, just like before.

6



For each deposit container collected, you receive the deposit amount back, provided the EAN code is clearly visible. Always at the same collection point where the packaging is returned.

7



The collected deposit packaging is recycled and transformed into new beverage packaging, ensuring a continuous cycle of reuse.

8



The deposit system is the most effective method for collecting up to 90% of beverage containers.



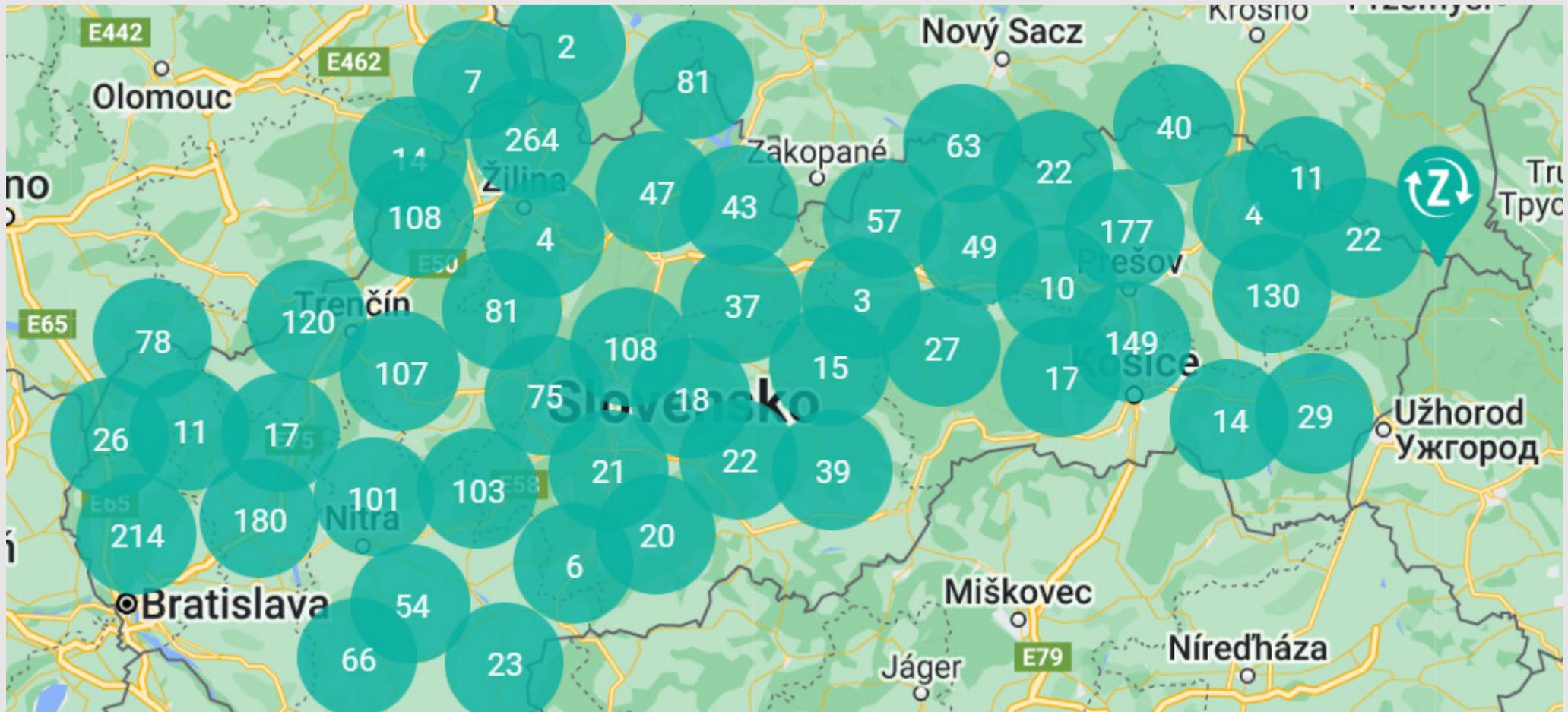
DO DEPOSIT

Map

To ensure the seamless integration of deposit systems into everyone's daily lives, it is crucial to implement user-friendly solutions that simplify the consumer experience. In 2022, we introduced a valuable tool to achieve this: the collection points map, now accessible to the public on our website at www.slovenskozalohuje.sk.

of Collection Points

The collection points map is an easy way to navigate the availability of return points in your local area. This enables customers to easily find their nearest collection point. Our goal is to establish a unified system that enables individuals to locate collection points effortlessly, regardless of the sales network or retail brand.



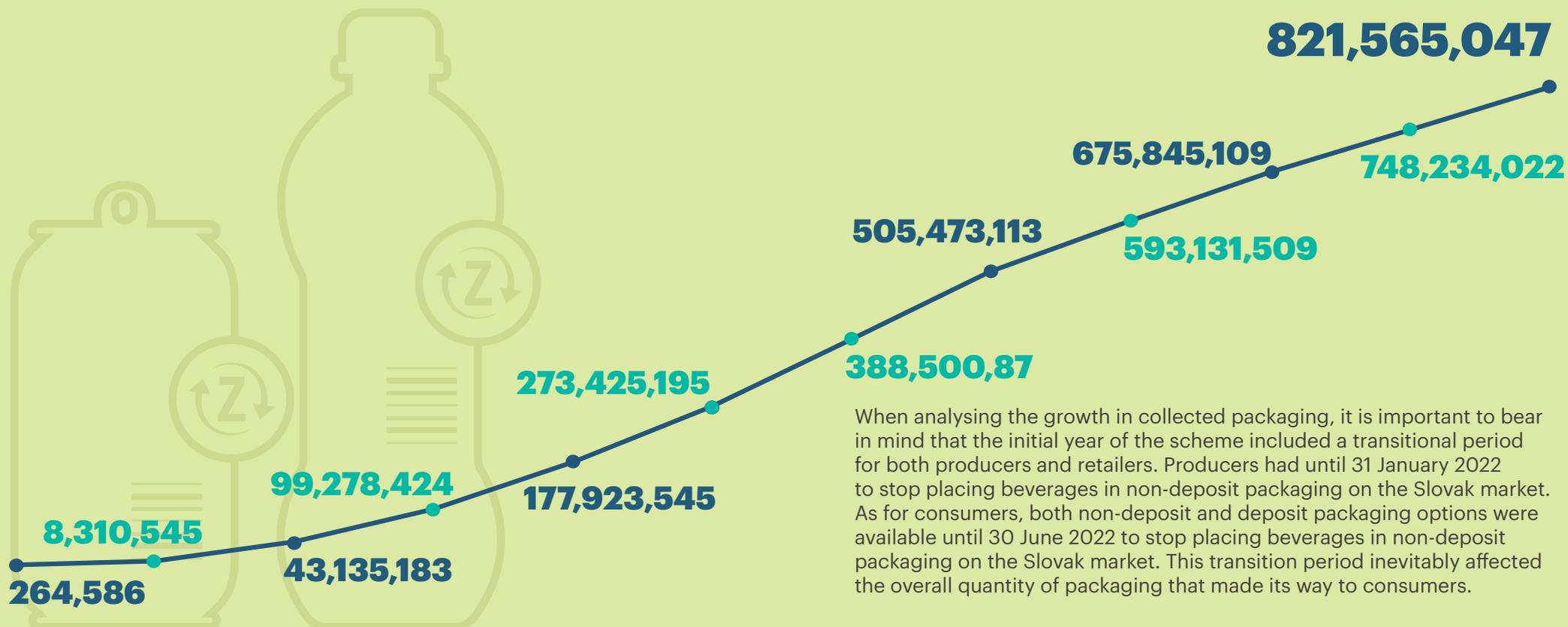
How Much Waste Have We Collected Together?

How has the volume of collected packaging increased month by month?

As of 31 December 2022, we had successfully collected an impressive

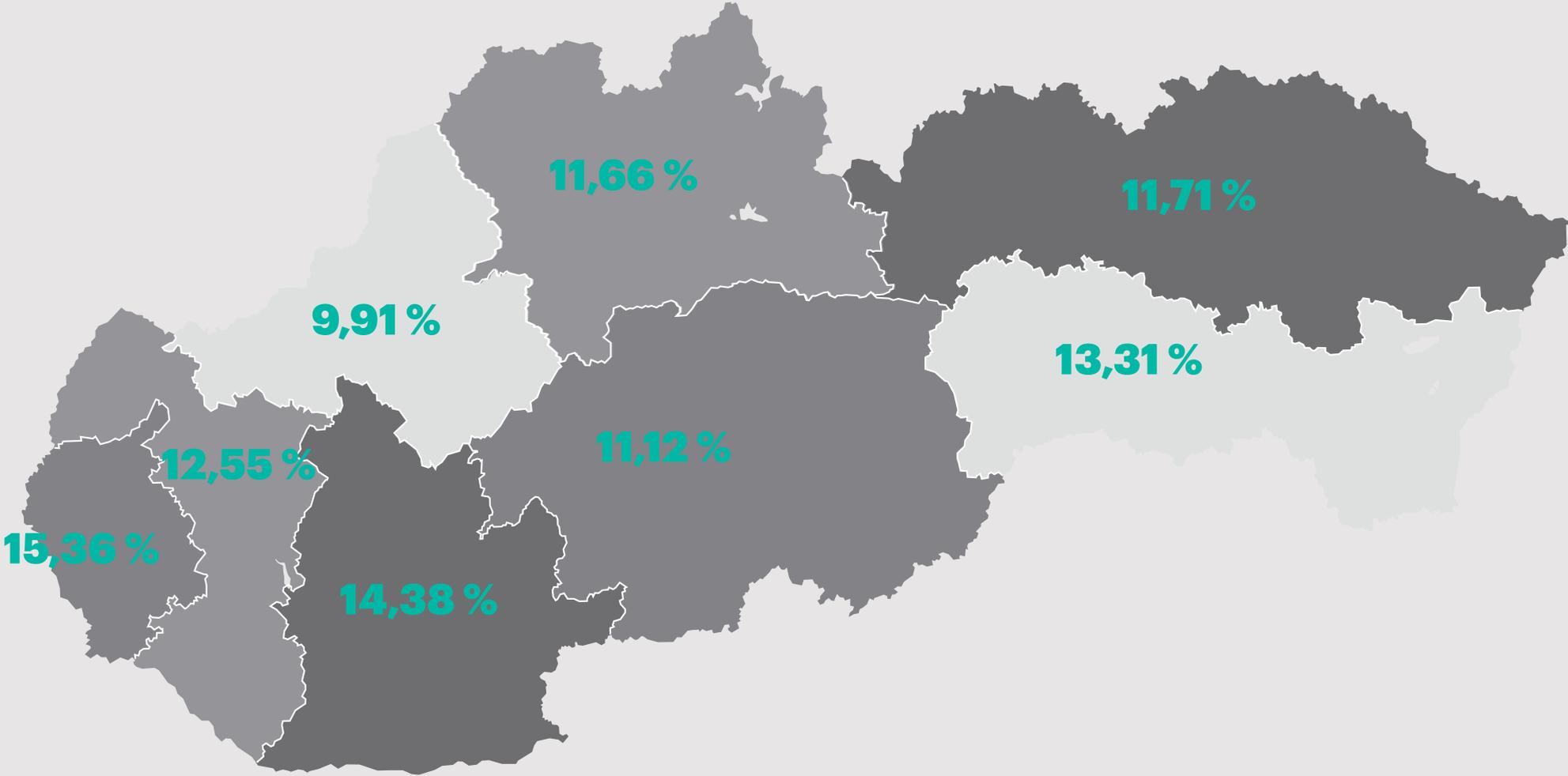
821,565,047

plastic bottles
and beverage cans



When analysing the growth in collected packaging, it is important to bear in mind that the initial year of the scheme included a transitional period for both producers and retailers. Producers had until 31 January 2022 to stop placing beverages in non-deposit packaging on the Slovak market. As for consumers, both non-deposit and deposit packaging options were available until 30 June 2022 to stop placing beverages in non-deposit packaging on the Slovak market. This transition period inevitably affected the overall quantity of packaging that made its way to consumers.

Amount of Waste Collected in Individual Regions



Have We Achieved Our Targets?

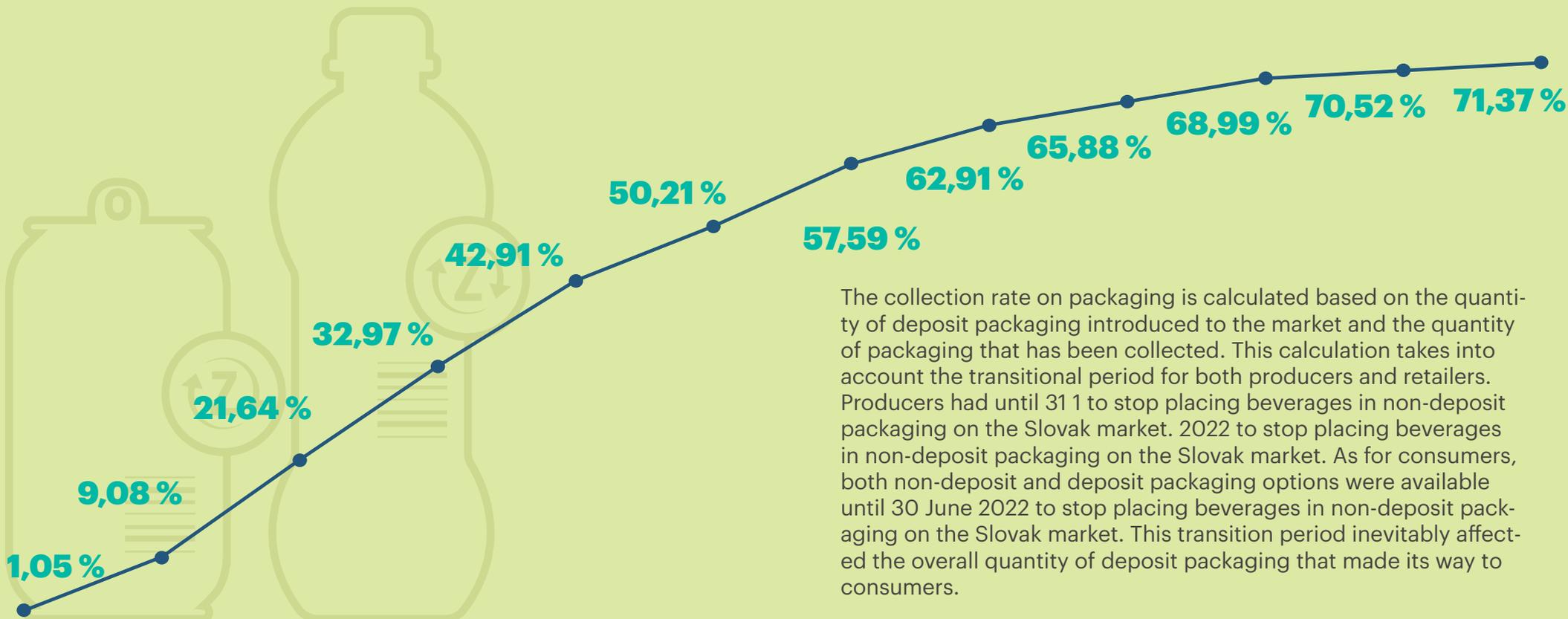
What was the rate of packaging collection?

For the year of implementation of the deposit system, the statutory target was to achieve a 60% collection rate on deposit packaging. The data for 2022 indicates that we exceeded this target with an impressive collection rate of 71%.

In 2022, the statutory objective for the deposit system was to attain a collection rate of 60%.

The results demonstrate that we have collectively achieved a remarkable

collection rate of **71 %**



Správca Communications

With the introduction of the deposit system, it became crucial to provide practical and straightforward information regarding the deposit process, including instructions on what to do and what to avoid. In 2022, establishing consistent communication among all relevant entities was of utmost importance, ensuring a positive atmosphere, motivating stakeholders, and promptly addressing any enquiries that arose.

Communication of the 2 brands:



Správca zálohového systému – a brand focusing on communicating with the professional public, including entities associated with or potentially involved in the deposit system, as well as relevant institutions and journalists etc.

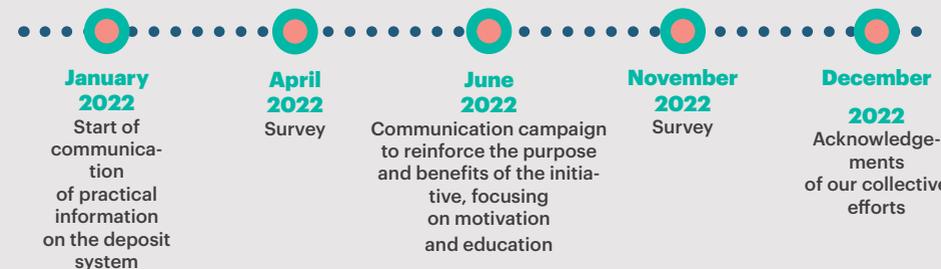


Slovensko zálohuje – a brand featuring the Z symbol embedded in recycling arrows. It focuses on communicating with consumers, delivering practical information about the deposit process for plastic bottles and cans.

How was the communication strategy of Správca developed for industry professionals?

The Správca zálohového systému brand primarily engages in communication with distributors, producers, municipalities, environmental institutions, and journalists. Given the current societal significance of this topic, we have actively sought to communicate with the media and the general public. Our objective is to educate and inform the public while addressing concerns related to changes and potential inconveniences related to the system. Our overarching vision is to cultivate an environment where waste is minimised, valuable materials are reused, and the environment is protected. Consequently,

our focus has been to reinforce consumers' sense of responsibility and galvanise society towards a meaningful cause. As part of our comprehensive approach, we extend continuous support to distributors and producers by developing ad-hoc communication materials, graphics, information resources, manuals, and more. In addition, Správca has actively collaborated with the Ministry of the Environment, producers, retailers, RVM suppliers, and municipalities.



How was the communication strategy developed for consumers?

Slovensko zálohuje serves as the primary tool for communication with consumers, ensuring that essential information about plastic bottle and can deposits reaches each and every citizen. To raise awareness of the Slovensko zálohuje brand, which features the Z symbol in arrows, and to promote the deposit system itself, a campaign was run from September 2021 to April 2022. Since the introduction of the deposit system, consumers have been provided with fundamental practical information to facilitate their use of the system. Maintaining a positive atmosphere and highlighting the reasons for implementing the system were crucial aspects of the communication strategy, emphasising the system's benefits.

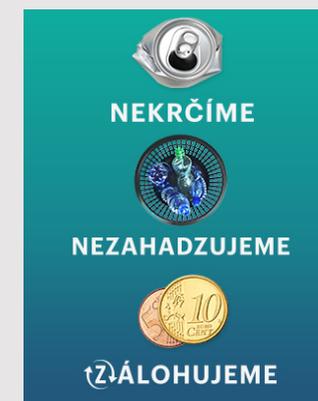
Following the campaign, a survey was conducted, and, subsequently, the summer stage of the campaign was initiated to remind the nation about the purpose and importance of the deposit system. Efforts were made to connect with the population by targeting individuals in smaller villages and employees of collection points.

By delivering early and comprehensive information, public concerns were gradually alleviated, leading to increased participation in the deposit system among the broader target audience. Communication efforts also extended to disadvantaged groups. Informational materials were produced on the function of the deposit system and the active engagement of media

targeting ethnic minorities, with specific attention given to wheelchair accessibility at collection points and the provision of information through organisations serving the visually impaired.

What were the findings of the surveys?

According to a survey conducted prior to the end of the year, it was revealed that within less than a year of the deposit system's launch in Slovakia, 92% of people were spontaneously aware that it had existed since January. When reminded of this fact, nearly everyone acknowledged it, with a response rate of 95%. Additionally, an impressive 93% of the population reported personal experience of the deposit system, indicating that consumers have become accustomed to activities such as storing and returning packaging. This is further supported by the decreasing frequency of packaging collection at the collection points.



Financial and Non-Financial Information

Správca zálohového systému n. o. made a profit of EUR 2.56 million in 2022. With the consistent high rate of returns in recent months and the expectation that this trend would continue in 2023, the organisation has established reserves for unpaid deposits, both short-term and long-term, as of 31 December 2022 to cover future liabilities.

Throughout 2022, Správca zálohového systému n. o. continued its investment endeavours, focusing in particular on the development of the information system and the enhancement of technical equipment in warehouses and interim warehouses.

All activities carried out by Správca zálohového systému n. o. in 2022 were directly aligned with its core business objectives. No additional economic or business undertakings were pursued during that period.

Total expenses in 2022 were EUR 45.9 mil. Of which:

• Other services	36.0 mil. EUR
• Material consumption	6.6 mil. EUR
• Personnel costs	2.1 mil. EUR
• Depreciation	0.7 mil. EUR
• Other costs	0.5 mil. EUR

Total revenue in 2022 was EUR 48.4 mil. Of which:

• Special revenue	27.6 mil. EUR
• Turnover from own products	13.4 mil. EUR
• Contributions	3.6 mil. EUR
• Turnover from the sale of services	3.1 mil. EUR
• Other revenue	0.7 mil. EUR

The total amount of net assets as at 31/12/2022 was EUR 46.5 mil. Of which:

• Intangible fixed assets	1.0 mil. EUR
• Tangible fixed assets	5.0 mil. EUR
• Stocks	0.7 mil. EUR
• Long-term receivables	0.1 mil. EUR
• Short-term receivables	26.5 mil. EUR
• Financial accounts	13.2 mil. EUR

The total amount of net liabilities as at 31/12/2022 was EUR 46.5 mil. Of which:

• Equity	0.6 mil. EUR
• Reserves	25.0 mil. EUR
• Short-term liabilities	16.7 mil. EUR
• Bank loans and other aid and loans	4.2 mil. EUR

Details of costs, income, assets, and liabilities are provided in the financial statements.

Overview of the income (revenue) sources, as well as the balance of and changes in assets and liabilities can be found in the notes to the financial statements.

A separate annex to the annual report – the cash flow statement – presents a summary of cash receipts and payments in euros.

Non-financial information:

- Správca zálohového systému n. o. did not incur any expense on research and development activities in 2022.
- Správca zálohového systému n. o. has no branches abroad.
- Správca zálohového systému n. o. is not significantly exposed to risks and uncertainties.
- As of November 2022, the new director of Správca zálohového systému n. o. is JUDr. Marián Áč, PhD.
- There have been no changes in the composition of the Board of Directors.

Significant events after the statement of financial position date:

In April 2023, Správca zálohového systému n. o. received approval from the financing bank, Československá obchodná banka, a.s., for the repayment of loans to the founders amounting to EUR 0.5 million. These loans were subordinated to the bank's receivables.

Proposal for the distribution of profits or settlement of losses:

Profit in 2022: EUR 2,562,892.70

We propose distributing the profit for 2022 as follows:

- EUR 1,966,635.29 to offset losses from previous years.
- EUR 596,257.40 to be transferred to account 428 - Retained earnings.

Plans and Objectives for 2023



Marián Áč
Director
Správca zálohového systému
n.o.

The year 2023 marks the second year of the fully operational deposit system, and the first year without any transitional period. Our focus is on upholding the exceptional results achieved in the first year and finding solutions to further streamline the system.

In 2022, when the deposit system for disposable beverage containers was launched, we had diverse objectives. Operationally, our main priority was to fine-tune the details of the deposit system's functioning as a whole. It is crucial to address any shortcomings to ensure a positive consumer experience and minimise potential barriers that could discourage consumer participation.

As part of our efforts to streamline the deposit system, we have strategic plans to systematically expand the collection network and strengthen areas where customers currently lack local collection points. This expansion process is gradual, as it relies on the voluntary cooperation of smaller shops to establish collection points. Správca is actively engaging with retailers in regions where collection points are limited, seeking collaboration opportunities to make deposit options widely available and appealing to all.

Expanding the collection network is not our sole focus; we are equally committed to enhancing the efficiency of existing collection points. Therefore, we will work closely with retailers to standardise and improve the technological aspects of collection points, including the retailer's relationship with their

equipment supplier (RVM). Additionally, we aim to provide adequate support to on-site employees.

While the law stipulates that packaging be returned directly to the shop, we are actively working on creating alternative collection options at other locations such as water parks, corporate drinking schemes, swimming pools, and festivals. These endeavours will build on successful pilot projects.

Our objective is to ensure sustainable, efficient, and environmentally friendly transportation. To improve the efficiency of the warehouses' logistics infrastructure, it is planned to increase the number of warehouses and optimise all routes to be as cost- and CO₂-efficient as feasible. For a streamlined transportation system, it is also essential to strengthen and optimise the vehicle fleet overall.

In 2023, we have a binding target of achieving an 80% collection rate. Achieving that requires renewed collective efforts.

Ďakujeme, že nám dávate viac životov!



