

Plastic Fee Modulation Scheme

The Plastic Fee Modulation Scheme (the "Scheme") is effective from 1 January 2019 and will remain in force until 31 December 2022. Afvalfonds Verpakkingen can amend the Scheme each year, on not later than 31 December of the calendar year before the calendar year in which the amendment takes effect.

Unless otherwise explicitly stated, terms used in the Scheme with an initial capital letter have the meaning set out in the Packaging Waste Management Contribution Agreement ("the ABBO") and the Afvalfonds Verpakkingen Policy ("the Policy"). Any Producer and/or Importer ("the P/I") using the Scheme is also subject to the ABBO and the Policy.

Basic principles of the Plastic Fee Modulation Scheme

Under Article 1.4 of Annex 1 to the ABBO, Afvalfonds Verpakkingen can encourage the use of plastic Packaging that has good recyclability through the application of a lower fee. The Scheme provides for the application of such a lower fee ("the lower fee") and hereby applies the following basic principles:

- the lower fee applies to plastic Packaging that has demonstrably good recyclability and that has a positive market value after sorting;
- the lower fee is a voluntary choice for the P/I and can be granted by Afvalfonds Verpakkingen on application by the P/I;
- the lower fee will be maintained for more than one year;
- granting of the lower fee must be practicable for the P/I and verifiable for Afvalfonds Verpakkingen;
- where possible, harmonisation is sought with systems used in other member states of the European Union, in so far as they do not conflict with the above basic principles.

Purpose of the Plastic Fee Modulation Scheme

The Scheme is designed to encourage the use of plastic Packaging that has good recyclability. In the process it will also take greater account of the position of the P/I paying a Packaging Waste Management Contribution for plastic Packaging with a positive market value after sorting and therefore lead to lower net costs for Afvalfonds Verpakkingen.

What Packaging qualifies for the lower fee?

To decide whether plastic Packaging has good recyclability, Afvalfonds Verpakkingen uses the KIDV Recycle Check for rigid plastic packaging ("the Recycle Check") developed by the Netherlands Institute for Sustainable Packaging ("the KIDV"). The lower fee can be applied to the plastic packaging, including plastic caps and other plastic components that meet all the Recycle Check conditions. The Recycle Check can be found on the Afvalfonds Verpakkingen website and will in principle be updated annually. Afvalfonds Verpakkingen decides whether the packaging has good recyclability on an individual basis and for the purposes of the Scheme can lay down the additional condition that the Packaging must have a positive market value after sorting.

Which P/Is can participate in the Plastic Fee Modulation Scheme?

Participation in the Scheme is voluntary and open to any P/I able to show that plastic Packaging for which it is an obliged company qualifies for the lower fee. Under Article 5.4 of the ABBO, a P/I participating in the Scheme can be listed as such in the public list of participants of Afvalfonds Verpakkingen.

How can a P/I show that it qualifies for the Plastic Fee Modulation Scheme?

A P/I seeking to participate in the Scheme must submit an application to this effect to Afvalfonds Verpakkingen, in the Afvalfonds Verpakkingen online declaration environment (PackTool), using the appropriate form. The following at least must be provided with this application:

1. a completed and signed "**Plastic Fee Modulation Application Form**" (**Annex 2**) on which the P/I declares that it qualifies for the Scheme;
2. a statement of the expected total weight of plastic Packaging for which the lower fee is claimed in the declaration year in which the application is submitted ("**the Fee Modulation Statement**", see example on reverse of Annex 2);
3. a completed "**Plastic Fee Modulation Specification Form**" (**Annex 3**); supplemented by
4. **evidence, such as photographs, product specifications and/or supplier statements**, showing for the five forms of Packaging constituting the greater part of the Fee Modulation Statement, or for however many fewer the Fee Modulation Statement refers to, that all the conditions contained in the Recycle Check are met. Similar forms of Packaging that only differ from one another in respects that are not relevant for the Recycle Check count as one form of Packaging.

All information provided to Afvalfonds Verpakkingen will be treated in confidence in accordance with the provisions of Article 7 of the ABBO.



At the request of Afvalfonds Verpakkingen, the P/I must at any time be able to show, using the Recycle Check, that one or more forms of Packaging for which the lower fee is sought and/or applied has good recyclability. The P/I is obliged to keep adequate records for this purpose (including evidence such as photographs, product specifications and/or supplier statements) and to retain them for at least seven calendar years in accordance with the conditions of the Policy. Afvalfonds Verpakkingen is entitled to request additional information at any time for assessment of the application and/or statements and declarations submitted and to seek advice about them from the KIDV.

What is the process for granting the lower fee?

The application to participate is followed by a decision by Afvalfonds Verpakkingen to grant the lower fee to the P/I on a conditional basis or refuse it. The Policy provides for the opportunity to object to this decision. On conditional granting of participation, the P/I statement can be corrected pro rata by Afvalfonds Verpakkingen or the P/I, at a time to be determined by Afvalfonds Verpakkingen, in accordance with the Fee Modulation Statement submitted with the application. The P/I is not entitled to set off any discounts to be expected in the regular quarterly payments without the prior written consent of Afvalfonds Verpakkingen. Afvalfonds Verpakkingen will enable the P/I to apply the lower fee when a declaration is made.

Can a P/I participate in the Plastic Fee Modulation Scheme retrospectively?

An application to participate can be made on or before 31 December of the calendar year to which the application relates. The right to participate for the calendar year 2019 lapses therefore on 1 January 2020, etc.

Does a P/I have to resubmit the application to participate each year?

Once granted, participation in the Scheme does not have to be renewed each year. The P/I is however obliged to make an annual statement and amend this statement in the interim if it expects the total weight of plastic Packaging for which the lower fee is claimed in the current calendar year to differ significantly from the previous calendar year. Afvalfonds Verpakkingen can request additional information for assessment of the amended statement.

What is the level of the lower fee?

Afvalfonds Verpakkingen sets the level of the fees, including the lower fee, each year. For 2020 the lower fee has been set at €0.34 per kilogram (€0.38 in 2019). This represents a discount of €0.26 (> 40%) on the regular plastic fee of €0.60 per



kilogram (€0,64 in 2019). Afvalfonds Verpakkingen has adopted the basic principle that the level of this discount will be maintained for more than one year.

Does the lower fee also apply to indirect export?

To limit the administrative burden and having regard to the basic principle of practicability and verifiability, a corrected rate will be applied in respect of the indirect export of all plastic Packaging, based on the amount of plastic Packaging Afvalfonds Verpakkingen expects to qualify for the lower fee. For 2020 the corrected rate has been set at €0.54 per kilogram (€0,58 in 2019).

Annex 1: KIDV Recycle Check for rigid plastic packaging

Available at www.afvalfondsverpakkingen.nl.

Annex 2: Plastic Fee Modulation Application Form

Available at www.afvalfondsverpakkingen.nl.

Annex 3: Plastic Fee Modulation Specification Form

Available at www.afvalfondsverpakkingen.nl.