



Cases of Packaging Materials Recycling



September 7, 2023

SPARKLE Inc.

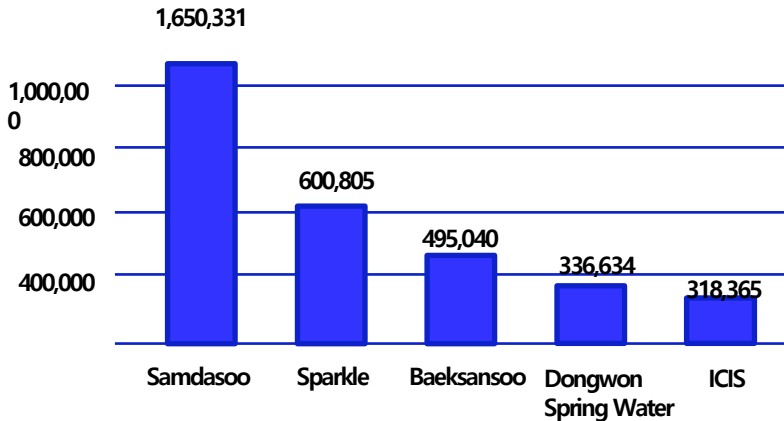


A Company Specializing in Bottled Water (from manufacturing to delivery)



- More than 70% of sales are online

2nd in Brand Reputation Index



Source: Korea Corporate Reputation Research Institute (July 2023)

Available on Online



- Customer Satisfaction (Price / Quality / Delivery) **4.8** out of 5

Large-scale Distribution





Delivery System (Order today! Receive tomorrow!)



We established the best delivery system with a **97% direct delivery system nationwide** and a systematic supply chain of 5 in-house water sources (factories), 6 OEM water sources, **21 logistics centers, and around 700 distributors.**

Order now and you will be linked in real-time to the distributor delivery app, enabling 40% same-day delivery and 95% next-day delivery of orders.

Factories Cheonan, Ulsan, Gongju, Pocheon



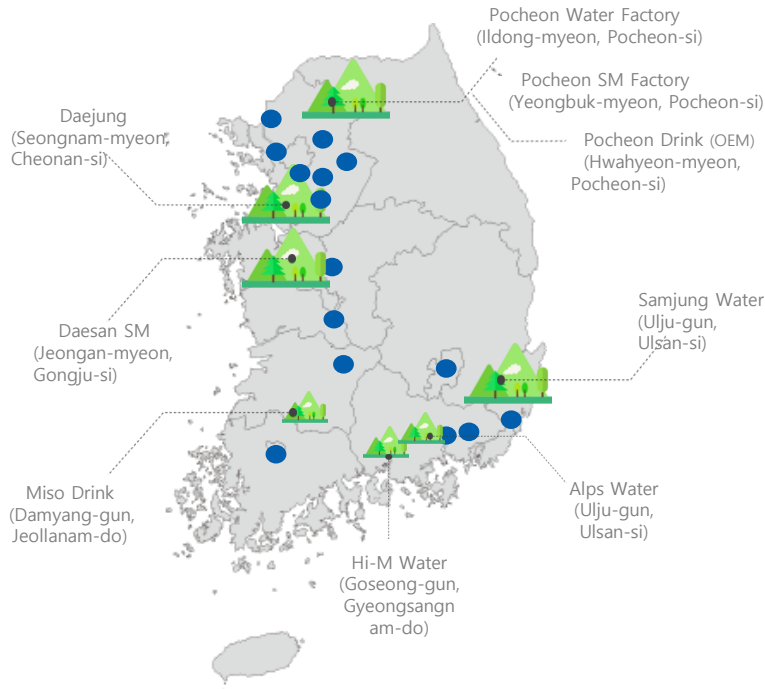
Logistics Siheung, Gimpo, Gyeyang, Incheon, Gangnam, Namyangju, Byeollae, Yongin, Seobusan, Dongbusan, Sambusan, Ulsan, Gwangju, Ilsan, Gunpo, Dongdaegu, Seodaegu, North Cheonan, Cheongju, Daejeon, Changwon



Distributor Direct Delivery



Household and Office Clients



Product Introduction

100% Natural Mineral Water from an average depth of 200 meters underground (Natural Mineral Water)



- Product that can be consumed at home or in the office using cold and hot water dispensers, pumps, etc.



- Environmentally friendly products with labels removed
- Very easy to separate and recycle
- **Won the Best Package Design Award**



- Sparkling water with lime flavor added
- Refreshing and cool





Reversed Collection of Water Bottles and Plastic Reduction



Summary of Activities



■ Sparkle is a leading participant in establishing the Ministry of Environment's resource circulation system.

- Agreement on the production of label-free transparent PET bottles (MOE, Feb. 23, 2021)

Started label-free production immediately after the announcement of the MOE in December, 2020.

- Agreement on the production of high-quality recycled materials (Chungcheongnam-do, Sparkle-BLACKYAK, Apr. 26, 2021)

■ Reversed collection of water bottles (Oct. 2019–July 2023)

- A total accumulated collection of 2,030 tons (equivalent to 224 million of 500ml bottles, 47,040 km in length)

- Earth's circumference: 40,075 km

■ Plastic reduction: 892 tons in total

Label-free water (Dec. 2020–June 2023)

- Label: 480 tons of plastic reduced (1.04 billion bottles produced)



Background of Introducing Resource Circulation Activities



In response to the government’ s resource circulation policy and a commitment to fulfill our social responsibility.

- ◆ In response to the government’ s resource circulation policy and growing consumer interest in bottle recycling.
- ◆ The reality of importing waste plastics from countries like Japan and Taiwan.
 - Increased willingness to replace imported high-purity r-PET with domestically produced alternatives.
- ◆ Possibility of applying Sparkle’ s empty bottle collection system to a “water bottle reversed collection system.”
- ◆ High commitment from CEO and partners (consumers



Progress of Introducing Sparkle Water Bottle Reversed Collection System

1) May 2018, Review of implementing reversed collection system

- Gathered initial opinions from consumers and distributors.

2) August 2018, Pilot launch of “reversed collection service” (1 item of 5-pack of 2 liters)

- Addressed issues through consumer engagement and distributor services.
- Enhanced service by upgrading distributor vehicles to TOP cars.

3) January to August 2019, Preparation for the introduction of the service to all products

- Gathered secondary opinions from consumers and recycled plastic materials suppliers.
- Gathered opinions and held resolution meetings by region to involve every distributor.

4) September 25, 2019, Proclamation of “Water Bottle Reversed Collection System” and launch ceremony



Negotiations to Introduce a Water Bottle Reversed Collection System

Gathering opinions from distributors across the country on the introduction of the service

- Consumers: Increase their pride in participating in environmental protection activities
- Distributors: Build the infrastructure for their future mineral water businesses
- Social Value: Sparkle contributes to maintaining a clean global environment!!





Launching Ceremony of Reversed Collection Service

September 25 (Wed), 2019, Kick-Off

Participants : Sparkle, TK Chemical, Mother' s, and online distributors

Daejung, Samjung Water, Dawon Logistics, Sparkle distributor





PET Bottle Material Recycling Collaboration System



Bottled Water Manufacturer

PET Material Supplier

Production

Sale

Consumption

Collection

Sorting, Pressing

Flake

r-Pet Chip

Yarn

Bottle

Collaboration with manufacturers, delivery agents, and consumers

- Sparkle company-wide campaigns
- 700+ nationwide delivery agents participation
- Consumer participation
- Logistics centers handling hauling by region

Global company producing products using r-PET


- Manufacture of container materials using domestic eco-yarn
- Hyundai Livart, Amorepacific, Nike, Adidas, etc.
- Replacement of highly-imported Japanese r-PET with



Developing Consumer Participation Strategies

Inserting promotional flyers inside the product and providing bottle collection baskets

빈병은 현관 문 앞에 놓아 주세요



스파클 빈병 회수 서비스

에코스파클

현재 플라스틱 재활용률은 50% 미만!
여러 종류의 플라스틱이 섞여 있으면 재활용이 어렵기 때문에 스파클에서 100% 재활용될 수 있도록 깨끗한 빈병만 모아서 회수합니다.

참여방법

스파클 빈병을 모아서 (2L 24병 또는 500ml 40병 이상) 재주문 시 **배송 메시지에 '페트병회수'** 라고 적어주시고 문 앞에 놔주시면 대리점에서 수거 후 사은품 2L 1병(600원 상당)을 증정해드립니다.

- '페트병회수'를 입력하지 않아도 수거는 하지만 사은품 증정은 어렵습니다.
- 재주문시 수거합니다. 별도 수거 요청은 받지 않습니다.
- 2L 1병 증정 이벤트는 스파클 사정에 의해 사전 고지 없이 종료 또는 변경될 수 있습니다.

Q 생수병으로 재사용되나요?
회수된 빈병은 생수병이 아닌 에코의류업체를 통해 100% 재활용됩니다.

Q 다른 생수병도 수거하나요?
깨끗한 생수병이면 라벨 제거 후 함께 주셔도 됩니다.
*일반 쓰레기는 배출하지 마세요. 수거하지 않습니다.

Q 24병 이상 모으면 사은품을 더 주나요?
환경을 보호하는 취지로 시행하는 캠페인이기 때문에 24병 이상 모아주셔도 최대 1병까지만 증정해드립니다.

Q 반드시 회수해야 하나요?
빈병 회수는 선택사항으로 집 앞에 분리수거하셔도 됩니다.



스파클 빈병을 모으면 **생수 증정!**



100% 업사이클

100% 재활용될 수 있도록 스파클에 반납해 주세요!



"One-stop Green Survival Trend with SPARKLE!"

SPARKLE Water is a low-carbon product certified by the Ministry of Environment that cares a lot about the environment by reducing carbon emissions. It is an environmentally friendly Grade 1 product leading in PET bottle recycling efforts



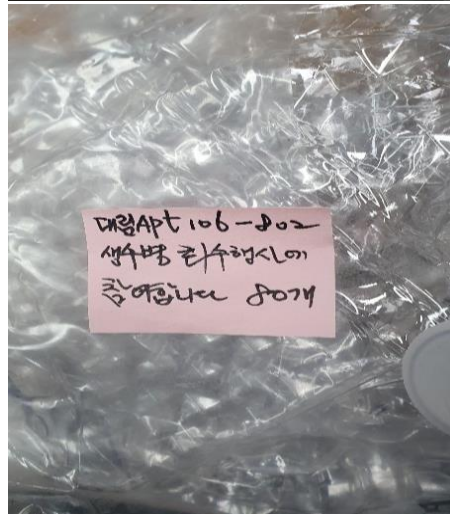
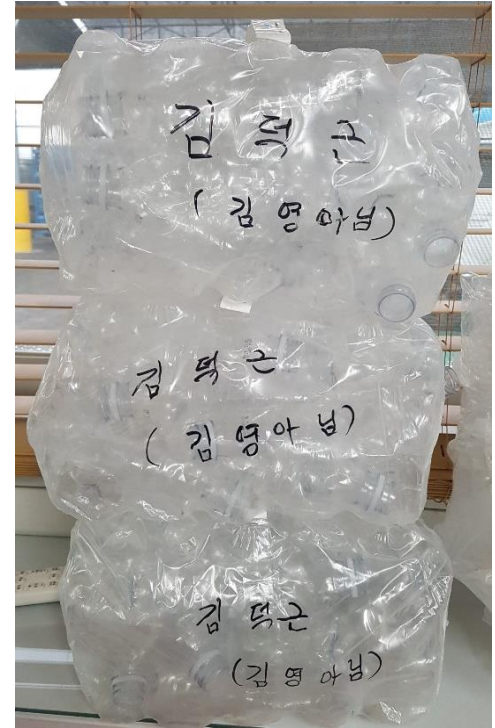
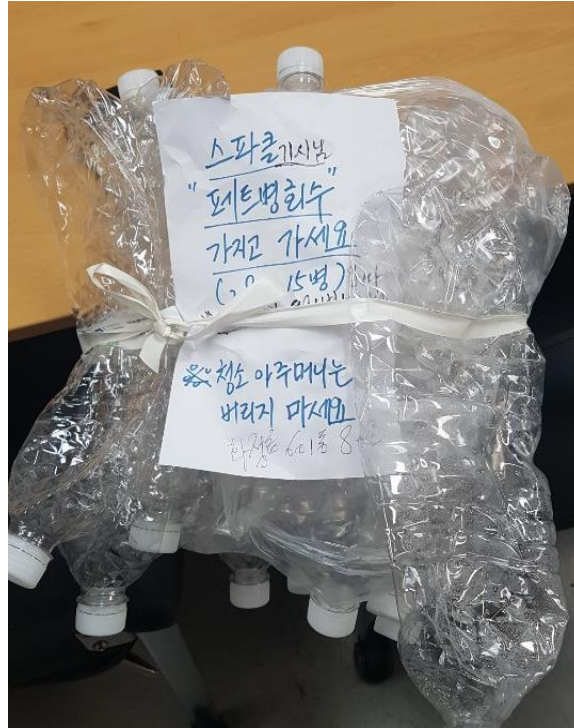


Running 21 Logistics Centers Nationwide Simultaneously





Household Consumers Participation





Household, Restaurant, and Karaoke Customers participation





Restaurant, Karaoke, and Accommodation Customers Participation



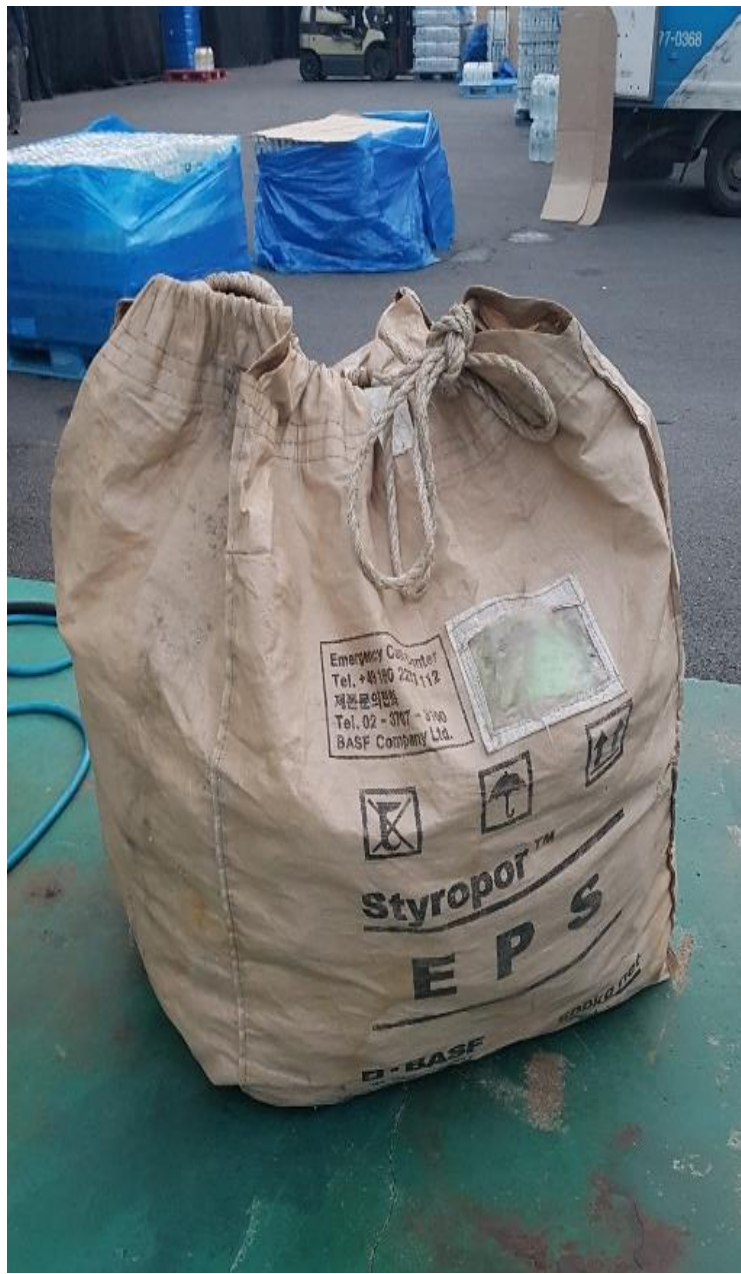


Collecting Empty Bottles with Delivery Vehicles





Logistics Centers Empty Bottles Treatment



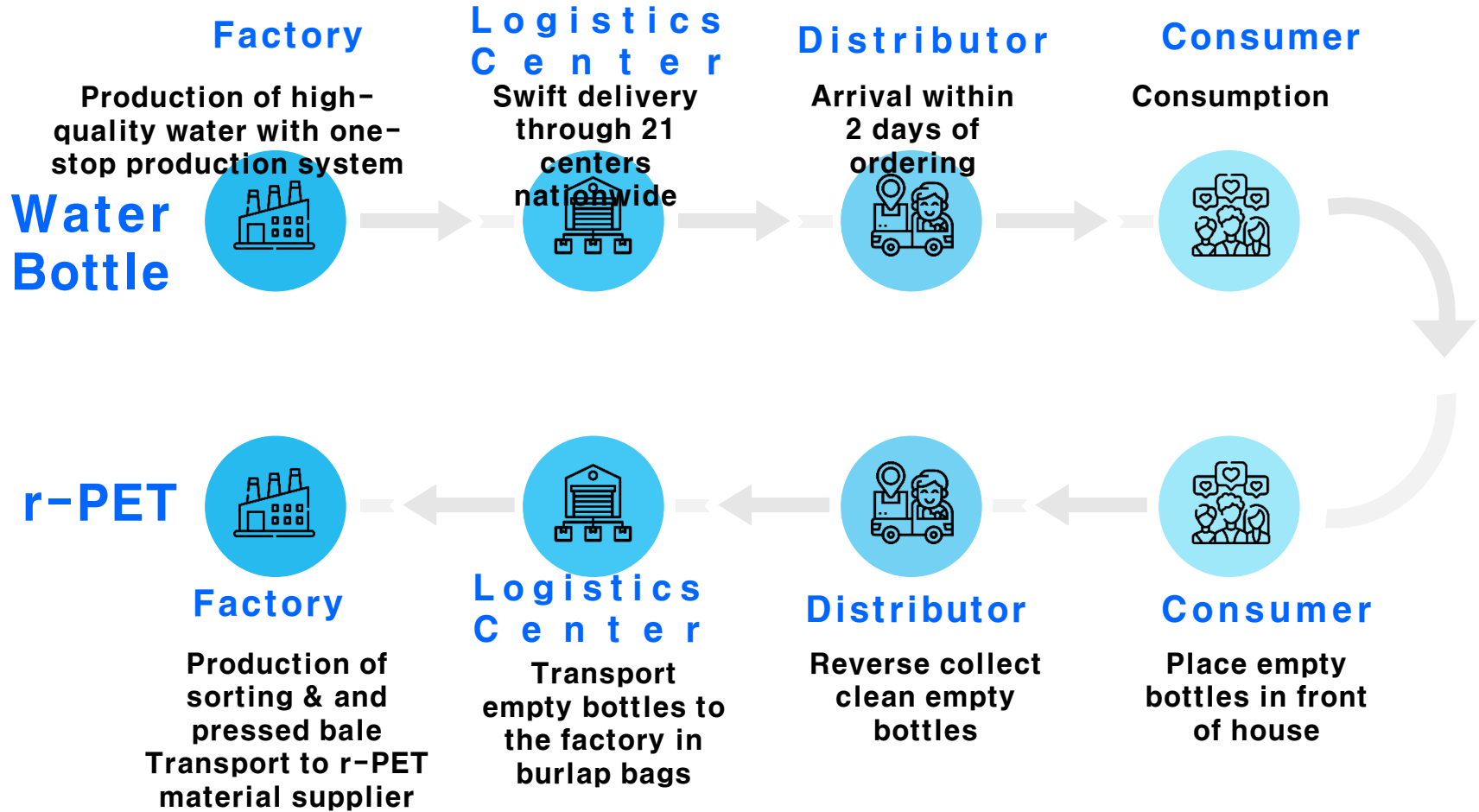


Burlap Bags for Collecting Empty Bottles and Pressed Bales





Water Bottle Reversed Collection Process





Plastic Reduction: Label-free Production

Swiftly decided to produce label-free products after the announcement on December 4, 2020!

- Initial consumer reactions: “Why is there no label? Is this a SPARKLE product? Is it mineral water?”
- Inserting promotional flyers inside products, explaining the intention of label-free and requesting cooperation
- Later consumer reactions : “Why? Why does it have a label? I only want label-free now!!”

95% label-free

라벨분리가 필요없는 스파클생수

스파클은 95% 이상 무라벨로 배송됩니다

스파클은 환경 보호를 위하여 노력합니다

無 라벨 스파클 출시

환경부는 20년 12월 4일 부터 폐기물감소 및 재활용 활성화를 위해 먹는샘물 소포장(묶음포장)의 경우 상표라벨을 없애고 걸면 또는 손잡이에 표시사항을 표기하고 판매하도록 장려하고 있습니다.

이에 스파클은 정부정책에 적극 호응하고 환경보호에 기여하기 위해 손잡이에 표기한 묶음포장 2리터 제품을 출시하오니 많이 애용해 주시기 바랍니다.

제품명, 수원지, 생산일, 연락처 등을 날인기로 표시




물 좋기로 유명한 대한민국 광천수

스파클에서 간편하게 주문하고 집앞으로 받아보세요



스파클물 가입하기

신선한 제조일자

생산에서 배송, 회수까지 본사에서 직접관리합니다.

최소화된 유통경로로 365일



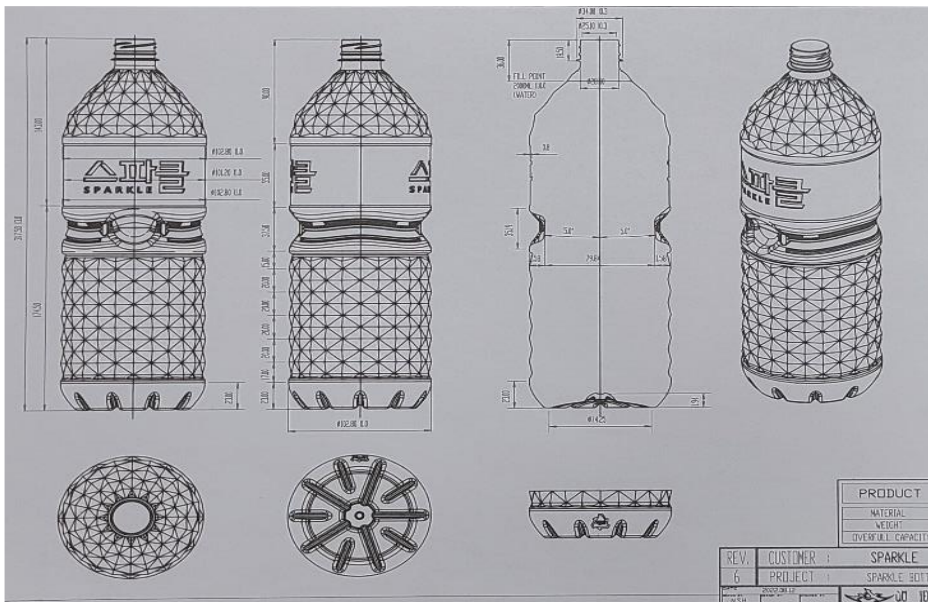


Plastic Reduction: 412 tons of Container Lightweighting

Starting from May 2021, we initiated a review of lightweighting for the 2-liter containers.

From March 2022 to January 2023, we completed implementing lightweighting to 6 factories.

- Goal: Current 37.3g → 32g, 33g, 34g, 35g
- Progress: Preform and molding conditions improvement
- Result: Considering consumer convenience, we are planning to reduce the weight firstly by 34.6g, and secondly by 33g by early 2024.





Recycle Goal & Vision

Goal

(Collection Rate)

- ❖ Year 1 10%
- ❖ Year 3 20%
- ❖ Year 5 35%
- ❖ Year 7 70%
- ❖ Year 10 90%



Vision

- ❖ Higher pride for workers

(short-term)

- ❖ Increased consumer

environmental awareness

(mid-term)



Proposal

We propose establishing a strategic collaboration with major water companies in “water bottle reversed collection” activities for the advancement of sustainable resource circulation and the bottled water industry.

Bottled Water = Eco-friendly Packaging Product!!



Thank You