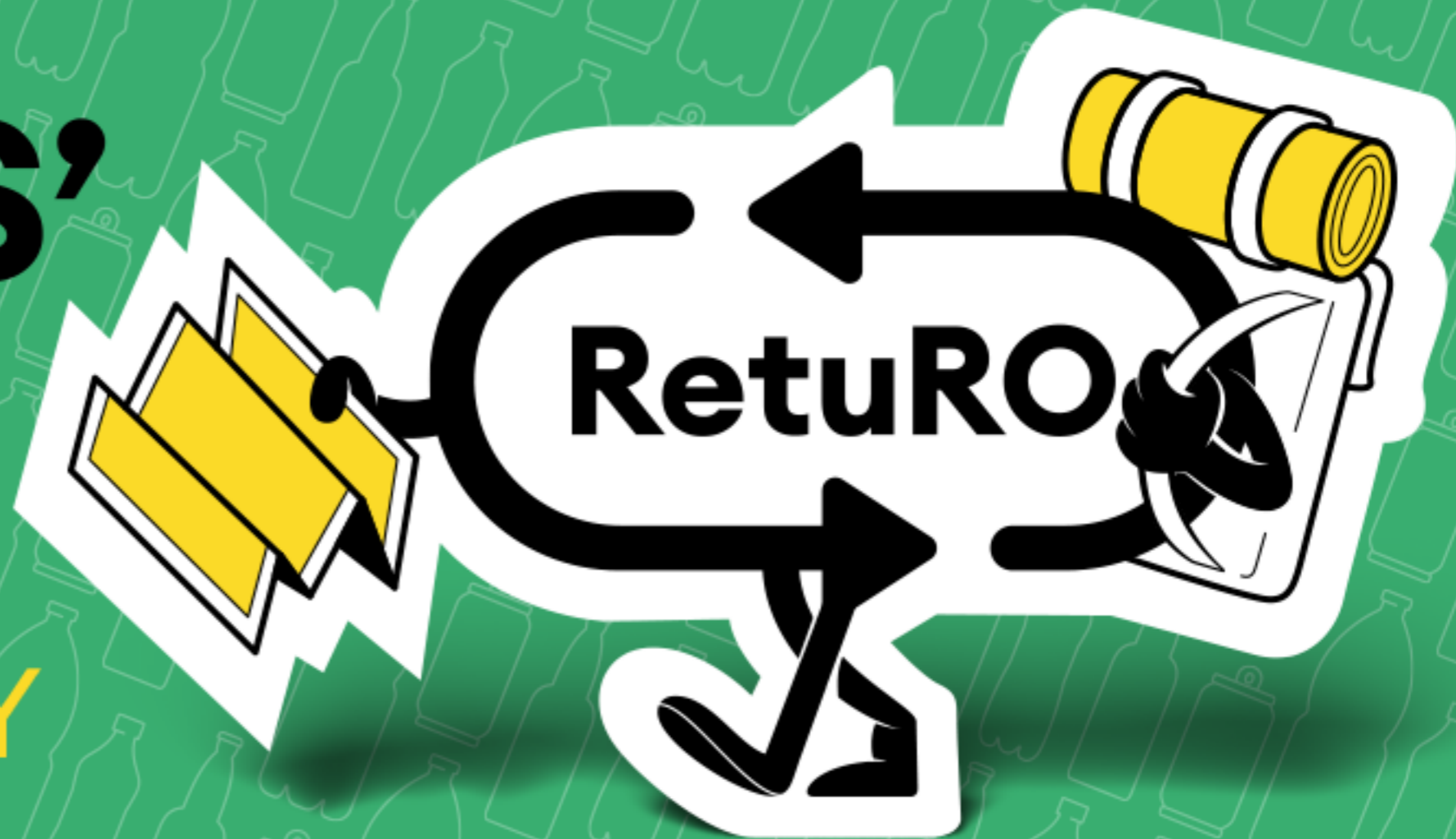




# RETURO DRS' JOURNEY:

LEADING ROMANIA'S CIRCULAR ECONOMY



ASOCIAȚIA NAȚIONALĂ DE SALESURĂRI ȘI ÎNCĂLZIRE PENTRU SUSTINABILITATE

ARM

Asociația Retailerilor pentru Mediu



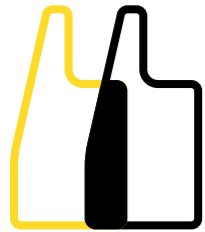
MINISTERUL MEDIULUI, APELOR ȘI PĂDURILOR

# FOREWORD



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### **Gemma WEBB**

CEO and President  
of RetuRO SGR

Here we are today, discussing the Deposit-Return System in Romania – a concept that was foreign to our country just a few years ago. Today, not only does it exist, but it is already revolutionising the way we see waste and making a tangible impact, with visible effects and steadily increasing results month after month.

The DRS is the largest circular economy project in Romania and the first initiative of its kind nationwide. It represents a significant step in aligning Romania with European countries that have long embraced recycling, such as Germany, Denmark, and Finland, where recycling rates exceed 90%.

Our ambition is to achieve similar success here in Romania, setting a path for us to lead in sustainability and environmental responsibility while also creating a habit of recycling among Romanians.

As we celebrate these remarkable achievements together, I invite you to reflect on the challenges we have overcome and the strides we have made. Your support has been crucial in this journey, and I am proud to lead such a transformative project alongside dedicated individuals like you.





# EXECUTIVE SUMMARY

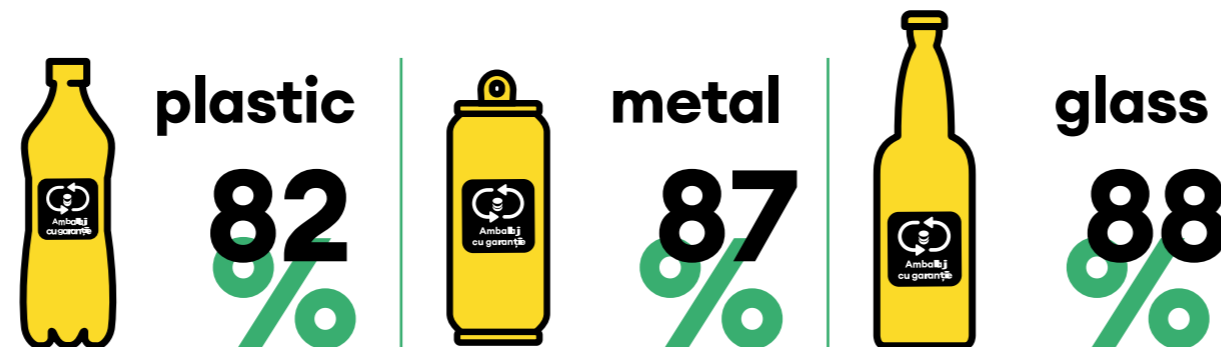
**In today's global landscape, the importance of transitioning to a circular economy cannot be overstated. As we face escalating challenges such as climate change and resource depletion, adopting a circular economy model is imperative.**

Against this backdrop, Romania has embarked on a transformative journey with the implementation of the Deposit-Return System, administered by RetuRO. This initiative is not just about adapting to a global trend but about leading a cultural shift in a country where recycling practices have historically been minimal. Today, RetuRO manages the largest circular economy project in the country and the first of its kind, setting a precedent for environmental responsibility and sustainable development.

The inception of the Deposit-Return System in Romania marks a significant advancement in the country's environmental strategies. This system, the largest and most successful public-private partnership in recent years, unites producers, retailers, authorities, and consumers in a shared mission for sustainability. Unlike similar systems in Europe, the Romanian DRS's complexity and

geographical coverage are unique, making it a potential global benchmark for best practices. It not only helps Romania meet European recycling targets but also demonstrates what can be achieved with collaboration, dedication, and collective action.

## Return rate for packages by material type in October 2024:



**457 million packages**

introduced on the market in **October 2024**

&

**386 million packages**

returned in **October 2024**,  
exceeding the **80% collection rate record**  
from **September**.

**84%**  
collection rate  
in **October 2024**



**~2.7**  
**billion**  
**packages**  
returned from  
**December 2023** to  
**October 2024.**



From the outset, it was clear that this initiative needed rapid implementation and had to function smoothly from day one. These factors shaped decisions on team recruitment and supplier selection. Given the DRS's complexity and scale, it was vital that the team consisted of experienced professionals, able to thrive in a start-up environment and deliver immediate results. Suppliers were chosen based on their leadership in the field, international experience,

and financial strength to meet the challenges of such an ambitious project. The time pressure and scope of the initiative required decisions rooted in expertise and capability, which proved crucial when the DRS became operational.

Today, less than a year since the DRS became operational, RetuRO has collected over 2.7 billion packages, delivered over 175,000 tonnes of materials

to recyclers for high-quality raw materials, created over 800 green jobs, and significantly impacted communities hosting our seven operational counting and sorting centres. The results are impressive, showing consistent monthly improvements and a promising future. However, reaching this point has not been without challenges, which we will explore further.

**Date**      **Number of employees**

YYYY • MMM

RetuRO regional centre opening - (...)

The collection rate reached ...% (...).

**Notable progress**

**"Behind the scenes" info**

2022 • NOV 1

**2022**

Gemma Webb becomes the first employee, as CEO, and takes on the mission of setting up the DRS in Romania, with less than a year and zero resources.

2022 • DEC 2

Cătălina Marga joined as CFO and quickly assessed the company's finances. Recognising the limited financial sustainability, she sought solutions to secure a bank loan.

The team began developing the marketing and communication strategy, essential for the smooth operation of the DRS.

2023 • JAN 4

**2023**

The RetuRO team has started negotiating with banks in order to obtain a loan to support the business.

The registration of producers, importers, and retailers of beverages in the DRS has begun.

The team has actively managed supplier contracts for essential systems and components, including IT, sorting, and compacting equipment. Concurrently, strategic site selection for sorting and counting centres is underway.

2023 • APR 10

RetuRO finalises the contract for producers and releases it for public consultation.

The logistical strategy for collection is implemented.

2023 • JUL 19

RetuRO secures a 426 million lei green loan from ING Bank in a record six months, following negotiations with Romanian banks and shareholders for a corporate guarantee.

The site tendering process continues, along with the identification of the best suppliers to meet the DRS's needs.

2023 • SEP 35

Tender efforts for logistics and IT providers intensified.

2024 • APR 236

RetuRO regional centre opening - Braşov

2024 • MAY 421

RetuRO regional centre opening - Otopeni (Ilfov)

2024 • JUN 498

Six months into the DRS, 98% of Romanians are familiar with the system, and four out of five have already participated.

2024 • JUL 672

RetuRO regional centre opening - Nicolae Balcescu (Bacău)

The collection rate reached 62% out of all packages put on the market in July.

2024 • MAR 133

The awareness level has reached 96%, with half of all Romanians already having returned DRS packages.

2024 • FEB 118

**2024**

RetuRO regional centre opening - Giarmata (Timiș)

2023 • NOV 72

The first RetuRO regional centre is opened in Bonțida (Cluj)

**DRS is launched in Romania**

The month the DRS was launched, the awareness level among Romanians has reached 90%, highlighting the success of the communication campaign.

2023 • OCT 50

The "HORA Reciclării" campaign is launched, outlining the steps for Romanians to return packages and reclaim deposits.

The retailer contract is published for consultation.

The first equipment is delivered to the RetuRO centre in Cluj, with preparations underway at centres in Timiș, Bacău, and Ilfov.

2024 • AUG 672

RetuRO regional centre opening - Almăj (Dolj)

Over 1 billion packages have been collected through the DRS, marking a significant milestone achieved in less than eight months.

A record 78% collection rate was achieved in August, with over 17 million packages returned daily.

2024 • SEP 672

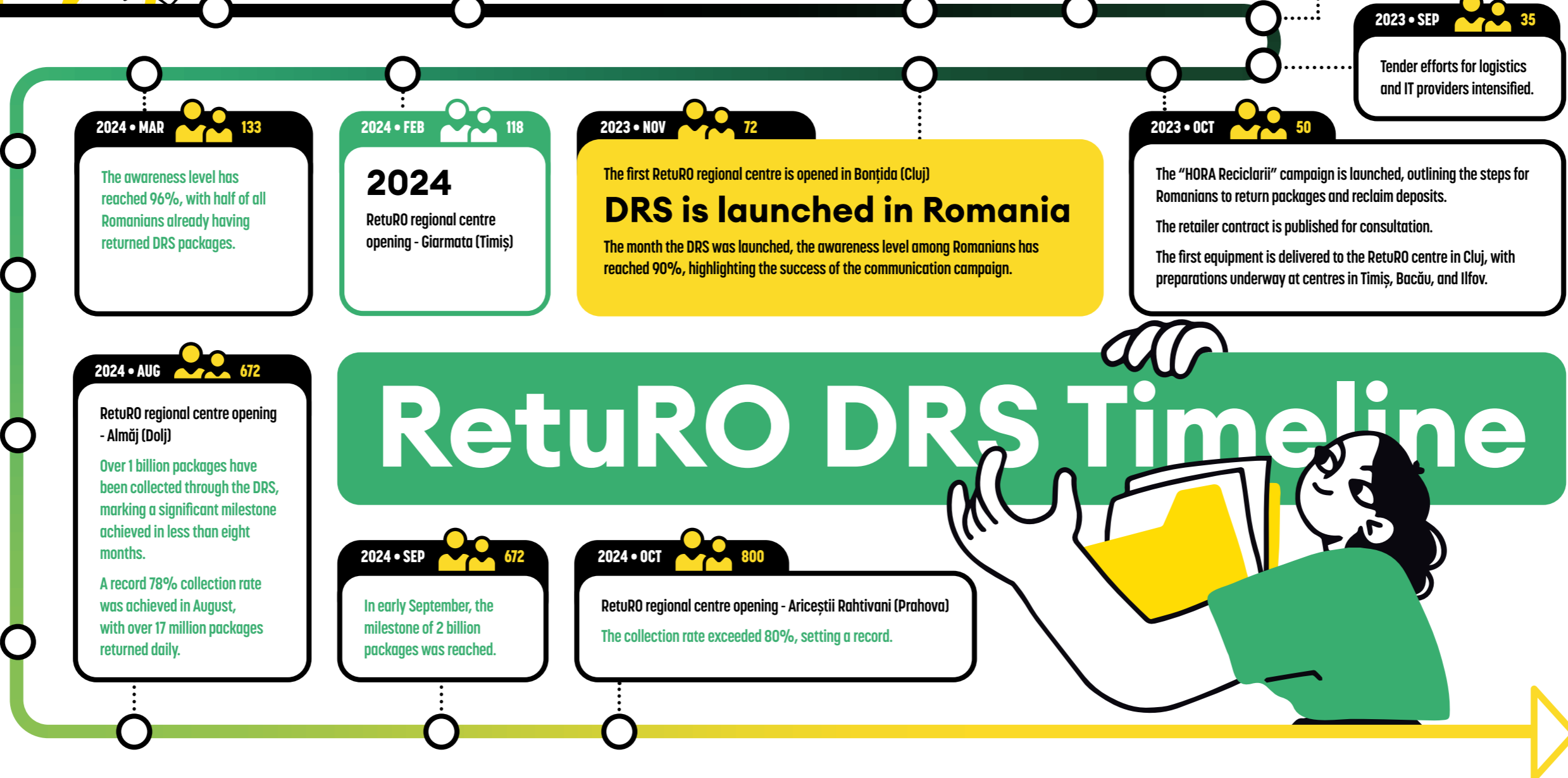
In early September, the milestone of 2 billion packages was reached.

2024 • OCT 800

RetuRO regional centre opening - Ariceștii Rahtivani (Prahova)

The collection rate exceeded 80%, setting a record.

# RetuRO DRS Timeline





# THE ROMANIANIAN DRS: TURNING VISION INTO REALITY

**In August 2022, RetuRO was established with a singular, ambitious goal: to design and implement Romania's first national Deposit-Return System within an exceptionally tight timeframe.**

At that time, the concept of a fully integrated DRS was new to Romania, a country that had long struggled with low recycling rates. The significant ambition was to elevate recycling rates to the standards in countries like Germany, Denmark, and Finland, where DRS systems have been operational for over 20 years.

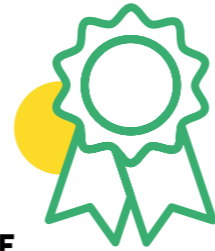
However, it wasn't until November 2022 that RetuRO truly became operational, with Gemma Webb joining as CEO and the first employee. The mission was clear, but the path ahead was filled with significant challenges - no infrastructure, no team, no financing, and a legislative deadline that seemed almost impossible to meet.

Today, we are proud to say that RetuRO is responsible for one of the most complex DRS implementations in the world - the largest in scope, second only to Germany.



# LAYING THE FOUNDATION OF CHANGE

The starting point was a crucial one. RetuRO's foundation was built on three key documents: the accreditation file, the articles of association, and the government legislation. These documents provided the blueprint for what needed to be accomplished, but they were only the beginning.



THE ACCREDITATION FILE



THE ARTICLES OF ASSOCIATION



THE GOVERNMENT LEGISLATION

The accreditation file was critical - it outlined how the DRS was to be implemented, serving as the foundational plan for the entire project. This plan detailed the necessary infrastructure, operational processes, and legal requirements. The legislative framework also played an extraordinary role in the implementation of the DRS, ultimately shaping its initial success. This framework, based on several years of research into various European DRS models, established a solid and well-defined structure for the Romanian DRS, clearly outlining the roles and responsibilities of all involved stakeholders.

Then, translating this plan into reality required more than just a roadmap; it required people, resources, and unwavering determination.

On November 1st, 2022, Gemma Webb took on the mission to pioneer a unique circular economy project in a country where recycling culture was still evolving, and awareness of waste management was nascent. She undertook this professional challenge, facilitated by her faith in the Romanian culture. Having witnessed numerous instances where Romanians, once committed, achieve their goals, and supported by her extensive professional experience and the belief in partnering with others who shared her ambition to build a legacy for future generations, she was poised to lead this transformative initiative within an extraordinarily tight timeframe.

With no phones, computers, or offices in place, the initial task was to build a plan from scratch - starting with nothing but a vision and a mandate from the government.



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# RETURO'S GROWTH: BUILDING A SYNERGISTIC TEAM TO DRIVE LASTING SUCCESS

**Despite its ambitious goals, RetuRO began like any other startup. On her first day, Gemma had to secure basic operational needs such as phones and computers, relying solely on her personal network since obtaining a credit card at that stage was virtually impossible.**

Then, assembling a team was one of the most critical tasks. The standards for selecting team members were very high, as it was essential to bring in experienced professionals who could make an immediate impact on the project from day one. Just as important as the experience, were the shared values, especially regarding sustainability. Thus, other pioneers driven by a shared passion for sustainability and a commitment to making a difference joined the team, equipped with the resilience to face unprecedented situations daily and eager to contribute to their resolutions.

Over time, each department within the company was formed, starting with four team members in January 2023 and growing to about 20 internal members by November 2023, the DRS launch date.

The Deposit-Return System we know today is an incredibly complex mechanism, with every component playing a crucial role in ensuring its smooth operation across Romania. Behind the scenes, various departments work together seamlessly to manage the intricate processes required to keep the system running efficiently. From logistics and communication to finance, legal frameworks, and technological infrastructure, each piece is vital to the nationwide success of the DRS. The coordination between these teams enables RetuRO to drive significant environmental progress and support Romania's transition to a more sustainable future.



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# FINANCE DEPARTMENT

## MILESTONE

Only six months into these efforts, RetuRO secured an

**85 mil €**



### green loan from ING Bank.

The effective collaboration between the RetuRO team and the producers played a crucial role in this achievement and greatly supported the sustained development and implementation of the DRS in Romania.



**Cătălina Marga**  
CFO

Then, assembling a team was one of the most critical tasks. By December 2022, Catalina Marga joined as CFO, signifying the start of RetuRO's growth. Her primary task was to secure essential funding for the project. With only 1 million euros from shareholders, it quickly became evident that additional funding was essential. Moreover, according to Catalina's valuations, the company would have run out of money by February 2023. And so begins the small team's first major challenge.

The team approached producers for a short-term loan and began negotiations with banks for long-term financing. Securing a loan for a startup with no trading history and no profit orientation was an uphill battle. The challenge was compounded by the need for corporate guarantees from global headquarters of multinational producers, a process that typically takes 18 months but was accomplished in record time.

# OPERATIONS DEPARTMENT

The Operations department was pivotal in establishing the logistical framework for Romania's DRS. Their primary responsibility was to develop the logistics strategy, selecting strategic locations for counting and sorting centres. This involved optimising transportation routes and minimising distances to ensure efficiency across the country. The team oversaw the entire location tendering process, from identifying suitable partners to managing contracts and supervising the development of the infrastructure. Their efforts were critical in laying the groundwork for the operational success of the DRS, ensuring the logistical network could handle the system's demands.



**Ovidiu Sîngeorzan**  
Chief Operations Officer

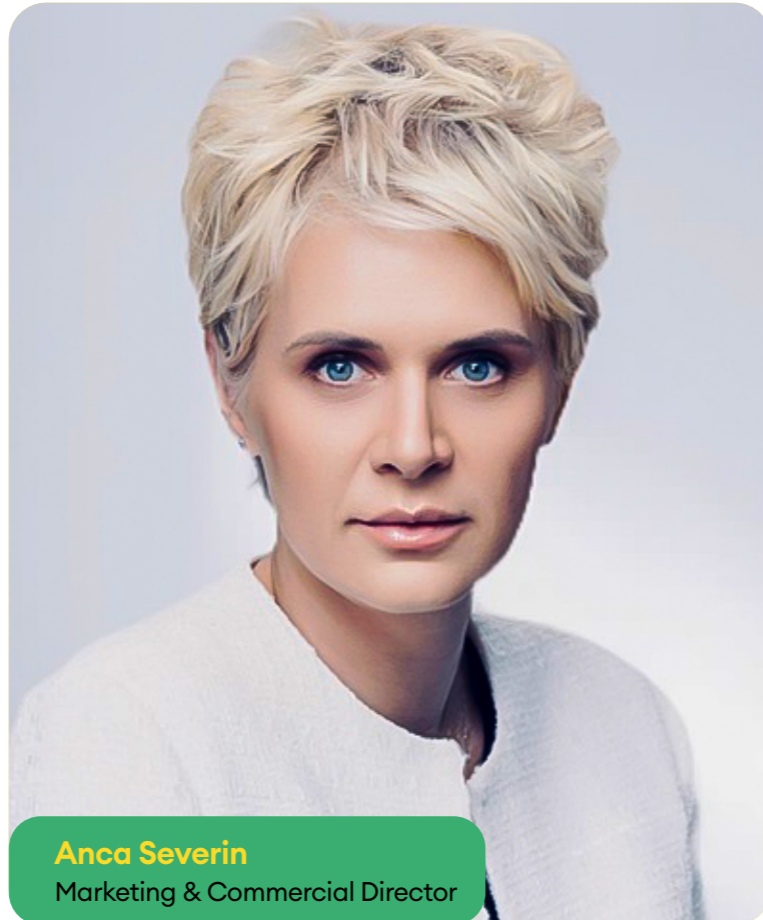
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# MARKETING DEPARTMENT

The Marketing department played a crucial role in the success of the DRS, especially given that it was a new ecological initiative of such a scale in Romania – a country with historically low recycling rates. The team led a comprehensive national awareness campaign aimed at educating the public about the Deposit-Return System. Romania's diverse geography, and the different needs between urban and rural areas, required the campaign to be tailored to these distinctions, ensuring that all citizens were prepared to engage with the system from day one. Besides consumers, who are the final link in the DRS, the Marketing department also had the responsibility of informing and communicating with all stakeholders, including retailers.



# HR DEPARTMENT

The HR department was key in building and expanding RetuRO's team. In the first year of operations, the department successfully managed the recruitment and onboarding of hundreds of employees, ensuring the workforce was equipped to handle the scale and complexity of the DRS. In addition to recruitment, HR coordinated training programmes and ensured that employees were integrated into the company's culture and values. People are a vital component in the success of the DRS, making the HR department's role in fostering growth, development, and a healthy organisational culture fundamental to RetuRO's progress.



# IT DEPARTMENT



The IT department had one of the most critical roles in the development of the DRS: designing, implementing, and managing the IT system that serves as the backbone of the entire operation. The system connects databases for producers, retailers, and recyclers, tracks every package throughout its lifecycle, and ensures the accurate management of deposit returns. It supports retailers with placing transport orders for package collection and manages the materials needed for collection points. Given the system's complexity, the IT department's role is essential in ensuring its smooth, efficient, and reliable operation.

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# LEGAL DEPARTMENT



**Denisa Gogorita**  
Legal Director

The Legal department plays a key role in ensuring proper corporate governance and compliance at RetuRO. Given the complexity of the DRS and RetuRO's dualist structure as a not-for-profit entity, the Legal department oversees all aspects of corporate governance. They are responsible for drafting, reviewing, and negotiating contracts with key stakeholders, including suppliers, recyclers, producers, and retailers. Additionally, they provide strategic legal support to all other departments, ensuring that all objectives are achieved within the legal framework. Their responsibilities also include compliance, data protection, and maintaining best practices in corporate governance, making them integral to the smooth operation of RetuRO.



**Many individuals have become part of this ecosystem, contributing daily to the growth and continual improvement of the Romanian DRS, helping it evolve into what it is today and what will eventually become a European benchmark for sustainability.**

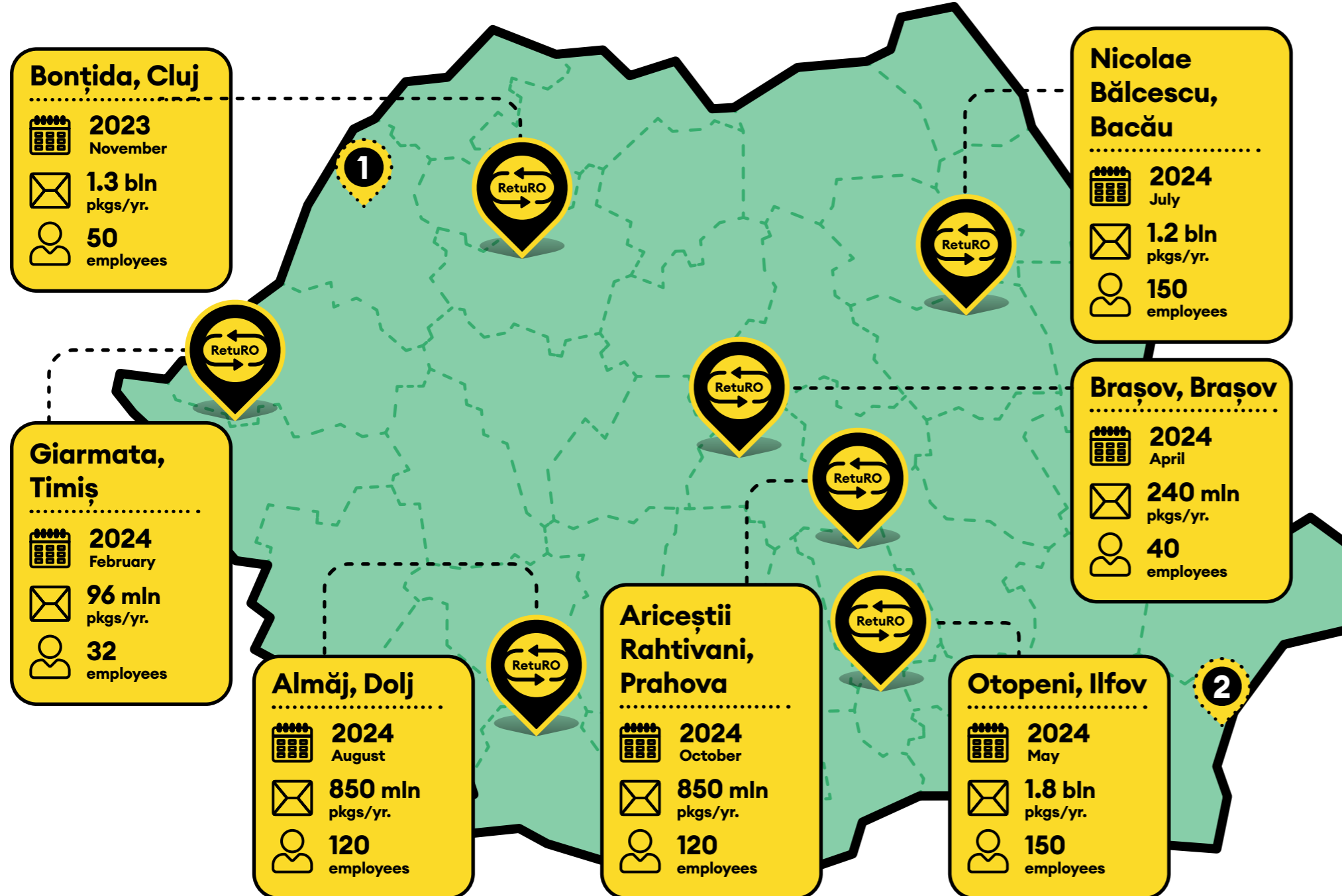
Although the descriptions of the departments are brief, the scope of work behind each role is vast. Beyond the technical expertise in finance, logistics, IT, legal, and communication that each team member brings to their role, there is a deep motivation to create a lasting legacy—a cleaner Romania for future generations. Together, they are building a system that not only meets today's needs but sets a foundation for sustainable practices that will endure.

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# MAPPING ROMANIA'S DRS INFRASTRUCTURE



While securing funding was crucial and urgent for the company, the team couldn't solely focus on that due to the tight timeframe to establish the entire system.

Concurrently with the loan negotiations, Gemma and Catalina began identifying developers and signing contracts for the sorting and counting centres—key accreditation file specified six facilities, careful analysis of logistics and costs revealed that between 10 and 17 sites were necessary to ensure nationwide coverage and operational efficiency.

The process of identifying and securing these sites was complex. The first step involved finding developers who could provide the necessary spaces for RetuRO's regional counting and sorting centres. This was followed by meetings with top developers across Romania, all held within a week, to secure the best possible locations. Finally, the tendering process was completed, and contracts were signed with the developers who would become key partners in Romania's largest circular economy project.

Despite initial resistance from some local communities, who were unfamiliar with the concept of a DRS, the team successfully negotiated agreements, ensuring that the necessary infrastructure would be in place.

**Sorting facilities due to become operational**

- Bihor**
- Constanța**

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The next major challenge was selecting the right suppliers and building a capable team. The RetuRO team evaluated and tendered IT systems, logistics providers, and equipment suppliers, choosing only the best international experts.

The criteria for selecting suppliers were stringent: each had to be a leader in their field, with proven experience and ready to contribute from day one. The legally imposed deadline left no room for trial or error, making expertise the essential standard for all decisions, given the unprecedented scale and complexity of the project.



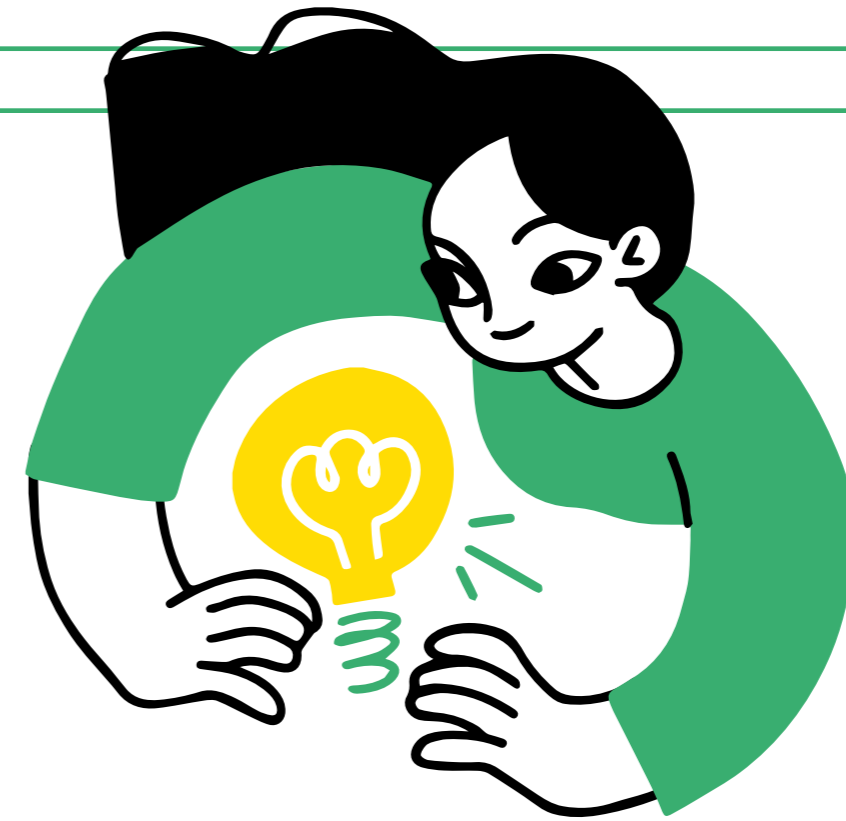
Since January 2023:  
from just **4**  
to over **800**  
employees

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# FROM CHALLENGES TO LEADERSHIP: RETURO'S KEY LEARNINGS



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**The hand of cards RetuRO was dealt when it took on the mission to implement Romania's most complex circular economy project was not up for debate.**

The legally imposed deadline was firm, leaving no room for deviation. While other countries have had several years to plan and implement their DRS, Romania, and specifically, RetuRO, had only one year to accomplish this.



**learning  
collaboration  
adaptability  
innovation**

However, reflecting on the nearly two years spent developing and implementing the DRS, we can see how every single decision has contributed to what the DRS has achieved today. It has been a journey marked by continuous adaptation and learning, where expertise and collaboration with all stakeholders were crucial.

The importance of adaptability, the value of strategic partnerships, and the need for continuous innovation were all critical to the project's success. These lessons have not only prepared RetuRO for the next stages but have also positioned the company as a leader in the circular economy.



# NAVIGATING THE PATH FORWARD: CURRENT ACHIEVEMENTS AND ONGOING CHALLENGES

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The success of the system to date has been nothing short of remarkable, but it has also come with its own set of ongoing challenges that require continuous attention and support.





# FROM LAUNCH TO SUCCESS: ROMANIA'S DRS PROGRESS

# MILESTONES ACHIEVED



7

sorting and  
counting  
facilities  
running at full  
capacity



175,000

tonnes of materials  
delivered to recyclers



84%

collection rate  
achieved in  
October 2024

## Since its launch on November 30, 2023, the Romanian DRS has achieved significant milestones.

The system now efficiently collects and processes millions of containers each month, contributing to a steadily increasing recycling rate. Public awareness and participation in the DRS have grown, with more and more Romanians embracing the importance of recycling.

The infrastructure, which was built in record time, is now fully operational, with six sorting and counting facilities running at full capacity. The logistics network, which handles collections from all retailers enrolled in the system across the country, is undergoing continuous improvement to make the process smoother for all participants.



After ten months of operation, the DRS in Romania has succeeded in collecting over 2.7 billion packages and has delivered 175,000 tonnes of materials to recyclers to be transformed into high-quality raw materials for producers.

Collection rates are improving monthly, with the rate reaching over 84% in October - an achievement that took other European countries implementing the system approximately 18 months to reach. Additionally, tangible benefits of the DRS are evident across Romania, from the visible reduction of litter in our green spaces to the appreciable decrease in packaging waste diverted from nature and landfills.

Through targeted marketing and communication efforts, public awareness of the DRS has grown significantly. All Romanians know the system by now and more and more participate in the "HORA Reciclării" daily, with 4 out of 5 constantly returning DRS packages.



# NAVIGATING CHALLENGES IN ADVANCING THE DRS SYSTEM

**The DRS programme has achieved exceptional results, particularly given the brief period for its implementation. From day one of our involvement in the RetuRO mission, we have been dedicated to building a project destined not only to increase Romania's recycling rates but also to enhance every aspect of the system daily. Given the complexity and rapid pace of developments within the DRS, facing challenges is inevitable.**

With only a year to develop an entirely new system on such a scale, continuous adaptations to the initial plan were essential, as the reality on the ground often brought surprises. For example, while urban areas have embraced the DRS, significant resistance persists in some rural areas, particularly among small retailers who delay registration despite their legal obligations.

And in a centralised system like this, each issue creates a ripple effect. With small retailers reluctant to participate and collect DRS packages from consumers, the burden shifts to the existing network of Reverse Vending Machines (RVMs), which are experiencing technical difficulties, causing long wait times for consumers who want to return DRS packages.

In this regard, RetuRO is actively developing strategies to boost participation in rural areas and overcome the challenges posed by small retailers, aiming to ensure

the smooth operation of the DRS across the country.

In response to these challenges, besides continually focusing on improving the logistical and operational aspects of the system, the RetuRO team is also committed to maintaining robust public engagement. A continuous awareness campaign plays a pivotal role in keeping every stakeholder informed and involved. Recognising that some aspects have been challenging, typical of this evolving stage, we strive to ensure that the public remains aware of the progress we are making together. This comprehensive approach is crucial because the participation of every stakeholder is key to refining the system and achieving our collective sustainability goals.

This has been the attitude since day one: even though issues have emerged daily since the beginning, RetuRO is committed to resolving every challenge.



Moreover, with the help and collaboration of all stakeholders, RetuRO remains focused on the future, determined to overcome any obstacle and find solutions.

Moreover, learning from the experiences of other countries, we understand that these issues are characteristic of the early stages of implementation. It is a period of adaptation for all parties involved, and it typically takes about 2-3 years for a DRS to reach maturity. By then, consumers will have developed the habit of returning packaging, retailers will recognise and embrace the long-term economic benefits, and the system will operate effectively on its own.

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## FUTURE FOCUS: ELEVATING ROMANIA'S DRS



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**As we look to the future, RetuRO's vision is clear: to elevate Romania's Deposit-Return System to a global standard of excellence. The next growth phase will focus on expanding operations, improving efficiency, and positioning Romania as a leader in the circular economy.**

With every challenge we overcome, we become stronger and set a precedent for other countries considering similar initiatives in the future. By establishing ourselves as a global best practice, we will not only benefit Romania but also contribute to international efforts to combat climate change and promote a circular economy.

While achieving this ambitious goal is within our reach, what is even more crucial is our contribution to transforming Romania's culture into one focused on recycling and sustainability. This programme is transforming every Romanian into an ambassador of the initiative, laying the foundation for a sustainable shift in mindset. It encourages viewing all waste as a potential future resource, which is the very cornerstone of a circular economy. This shift will

have a significant long-term impact, ensuring future generations inherit a cleaner, greener Romania, with citizens who are conscious of their environmental impact and their role in combating climate change.

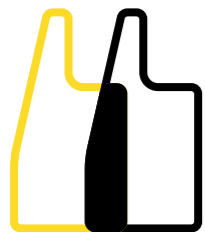
Achieving these goals will require the continued support and participation of all stakeholders. We emphasise that the future of Romania's circular economy hinges on this collective effort. Each stakeholder plays a crucial role, not just in maintaining operations, but in contributing to a broader mission - one that transcends immediate gains and focuses on leaving a lasting legacy for future generations.



# FINAL THOUGHTS

There are moments like this when one realises the transformative power of collaboration. Now, I want to express my heartfelt gratitude for your invaluable contributions. Your steadfast support and commitment have been instrumental in navigating the complexities of what has become the largest circular economy project in Romania.

As we stand on the threshold of what promises to be a sustainable legacy, it is crucial to recognise that our work is not complete; indeed, it is just beginning. With your continued support and partnership, I am confident that we can reach even greater heights, creating a future that we can all be proud of. Together, we are not merely participants in the circular economy; we are actively defining it for future generations.



**Gemma WEBB**

CEO and President  
of RetuRO SGR

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# THANK YOU!

**RETURO DRS' JOURNEY:**  
LEADING ROMANIA'S CIRCULAR ECONOMY



ASOCIAȚIA NAȚIONALĂ DE SALUBRIZARE ȘI RECICLARE PENTRU SUSTINABILITATE

ARM

Asociația Retailerilor pentru Mediu



MINISTERUL MEDIULUI, APELOR ȘI PĂDURILOR