Circular Economy of Plastics
Our Commitment to a Circular Economy

is to foster premium re-use of plastic scrap to reduce carbon emissions and to divert plastics destined for landfills or incineration into recycled applications supporting a circular economy of plastics

Sustainability Context

Napco National CJSC is developing a circular economy by collecting and recycling plastic scrap from its plants and customers in Saudi Arabia, thereby, reducing greenhouse gas (GHG) emissions and diverting plastics from landfills. We have invested in facilities, as well as waste collection, sorting and cleaning equipment, in Jeddah and Dammam, to recycle post-industrial, post-commercial, and agricultural plastic scrap.

Collecting scrap and regenerating resins unlocks a massive opportunity for value creation. According to the Gulf Petrochemicals and Chemicals Association (GPCA), only 10% of plastics in the GCC are recycled. The association estimates that the plastics recycling industry could add as many as 10 new jobs per ton of plastic waste generated.

With Saudi Vision 2030 energizing a range of industries, Saudi Arabia’s Public Investment Fund (PIF) announced a plan in October 2017 to establish The Saudi Recycling Company as a waste management government enterprise to support and operate investments in domestic recycling sector projects in alliances with private-sector companies.

By reducing virgin raw material consumption and increasing reuse and recycling, UN Sustainable Development Goal - SDG12 Responsible Consumption and Production. Napco will also focus on developing partnerships with government entities, resin producers, and industry associations to further plastic waste management and recycling infrastructures, in line with UN SDG17 Partnerships.
In 2017, despite a difficult economic environment, Napco National continued to invest in recycling equipment and infrastructure, as it expanded scrap collection within Jubail and Dammam in the Eastern Province and Jeddah and Rabigh in western Saudi Arabia. The operation optimizes sorting by material and color and includes both dry and wet washing capabilities to ensure the possibility of converting premium applications. Napco collected post-industrial and post-commercial plastic polymers and plastic scrap, including floor sweep, film scrap, clog and lump scrap, and core scrap. Resin waste was washed and sent for converting into quality recycled plastics. Napco segregates film, clog and lump scrap by polymer family and color to ensure premium applications, then grinds and washes the scrap to be sent for conversion. Core scrap is sold off for reuse.

For petrochemical producers, Napco offers 24/7 on-premises collection and recycling of polymer scraps, using fully owned equipment, from trucks equipped with hook loaders, dumpsters, and balers (compactors) to forklifts and flatbed trucks. It also collects diaper pack trim from sister companies within Napco Consumer Products division, agri and strawberry films from local farms, and post-commercial films from shipping agencies, warehouses and commercial centers.

By diverting plastic waste that would have been landfilled or incinerated into useful applications, the plants support UN SDG 12 (Target 12.5) to substantially reduce waste generation through recycling and reuse.
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Napco National Environmental Sustainability 2017

Polymer Scraps Collected

1985
- Napco Modern Plastics Products Company in Dammam starts recycling with limited capacity, a pioneering initiative in the Kingdom

1990
- Napco shifts recycling machines to United Plastics Products Company in Jeddah

2007
- SABIC awards its plastic scrap agreement to Napco Modern Plastics Products Company in Dammam, which:
  - Installed bailers at the customer sites
  - Provided forklift operators & transportation

2008
- Recycling reaches 400 tons / month using fewer but newer machines, and compounding begins at Unioplast, a stand-alone facility in Jeddah

2013
- Napco expands from recycling plastic scrap to off-grade material from petrochemical companies for special applications

2015
- Recom in Jeddah reaches a recycling capacity of 1,800 MT / month

2017
- Napco invests in a Recom recycling facility in Dammam, Saudi Arabia, including a state-of-the-art pellet washing line and size reduction machine for petrochemical lumps
- Napco companies become branches of Napco National CJSC

- Napco National invests to expand recycling capacity and reach within Jeddah in western Saudi Arabia and Jubail and Dammam in the Eastern Province
Regeneration of Recycled Resins

**Impact**

Increased production of recycled resins in Saudi Arabia by 77.2%

- Reduced greenhouse gas (GHG) emissions by over 71,100 metric tons of carbon dioxide equivalent (MTCO2E)\(^\text{10}\)

Sister companies converted 40.8% of recycled resins

Napco National in Saudi Arabia regenerated plastic scrap from suppliers, customers, and Napco plants into recycled resins in 2017. Napco uses closed loop mechanical recycling to channel collected scrap into the same application or into applications requiring similar quality recycled resins, rather than combining all scrap into lower value final-use applications that cannot be recycled again.

Sister companies incorporated nearly 41% of these recycled resins into plastic films, thermoforming sheets, bitumens, drip irrigation pipes, injection molding grates and pallets. Agri and strawberry films, for example, were reconverted into mulch film and silage covers, while diaper trim pack was converted into films for the bitumen industry. Other resins were used to produce garbage bags and bin liners, as well as irrigation pipes.

Napco utilizes well-known international research and development centers, including INDEVCO Polymer Application Center for Technology (PACT), which develops solutions to recycle and compound difficult polymers, such as multi-layer barrier films. With experienced scientists, PACT carefully selects the right additives to enhance properties of recycled plastic resins to streamline plastic scrap for higher-value converting.

Napco is further developing new compounded and recycled products for blown films, thermoforming films, and injected molded products.

Regenerating plastic waste into quality resins promotes efficient use of natural resources, in line with UN SDG12 (Target 12.2) Responsible Consumption and Production \(^\text{11}\).
References


7. To calculate the approximate landfill surface saved, we followed the following assumptions
   a) When disposing, plastic waste would be compressed in bales
   b) Each waste bale holds 400 kg (0.4 MT) with a width of 110 cm, height of 80 cm, and length of 130 cm
   c) Volume of bale = LxWxH= 1.144 m³
   d) Landfill area per bale = LxW= 1.43 m²

   Net landfilling emissions = 0.04MTCO2E/Short Tonne = 0.0363 MTCO2E/tonne

10 Pusch, Thema Umwelt, 1/2009, p. 3 https://timeforchange.org/plastic-bags-and-plastic-bottles-CO2-emissions Derivation: Recycling of plastic saves on average about 2.5 kg CO$_2$ per kg of plastic (~2.5 MTCO$_2$ per MT of plastic)