

SUSTAINABLE TIMES



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2025 SUSTAINABILITY UPDATE

2025

The new calendar year is upon us and expectations are tempered with reality. Late last year in November, the Global Plastic Treaty was voted down after two years of negotiations. This effort was focused on tackling plastic pollution, improving recycling, and transitioning to a circular economy on a Global level. In 2025, we had planned on exciting news that numerous companies and brands were close to achieving their ambitions for packaging redesigned for recyclability, compostability, or reusability, but we have seen a vast majority of those companies lessen their ambitions and/or postpone them to a future time. For many, there is a revalidation and reflection on competing priorities and challenges such as the increase in climatic events creating a priority for alternatives such as emissions reductions programs.

No doubt, the goal for sustainable packaging redesign by brands had been ambitious. There are still numerous challenges to overcome including lack of infrastructure, lack of end

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markets for recycled materials which tend to cost more than virgin products, challenges with manufacturability, lack of direction on the optimal sustainability strategy, consumer frustration with lack of clarity to what can be recycled, and escalating costs due to inflation, among other factors.

It is anticipated that the EPR (extended producer responsibility) legislation will bring some needed clarity to many of these challenges. However, we are challenged with the variability of policies among the states that have adopted such legislation. EPR policy will require producers to pay fees based upon the products they sell to the respective state. A PRO (producer responsibility organization) will collect these fees and distribute them to support educational programs, growth in

recycling collection, sorting, and infrastructure. To date, there are five states that have enacted such legislation with additional states in consideration of developing similar programs. For most, the fee structures are still under review but will likely be assessed based upon material composition and package type. Producers are often incentivized as sustainable constructions have lower fees than non-sustainable alternatives. Additionally, many of the EPR policies have requirements for the use of recycled content which should drive the use of recycled materials as compared to virgin. Implementation of EPR policies will begin within the next few years and the targets will become more ambitious as progress is made. It is anticipated that these programs will bring clarity and reinvigorate many of the sustainable product redesign programs.

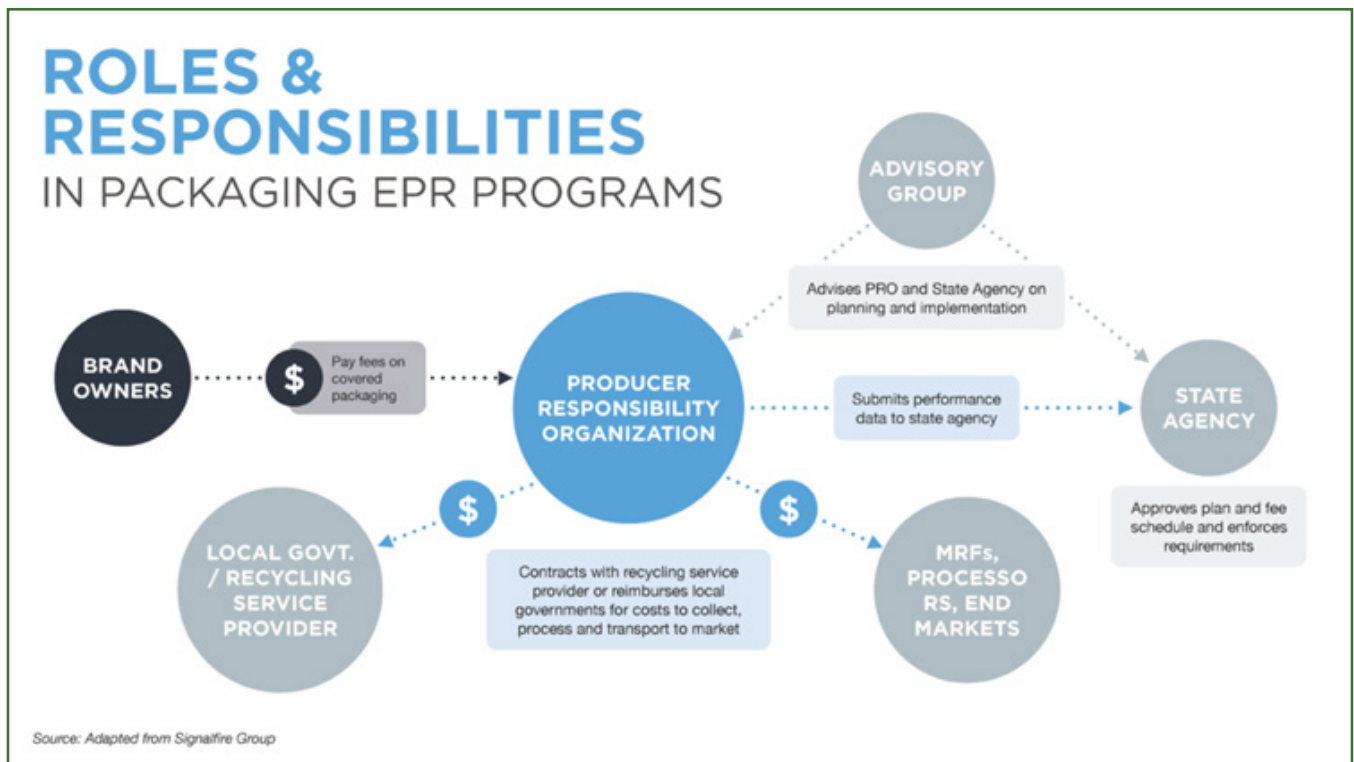


Figure 1: The Role of a Producer Responsibility Organization in EPR Legislation

APC SUSTAINABLE OPTIONS

APC has made significant strides in offering sustainable options to replace traditional multi-material constructions. APC's broad portfolio of RE products contains options for design for recycle film and paper solutions, recycled content, renewable content, design for compost, and source reduced items. Throughout the year we had highlighted numerous innovations including PE-design for recycle technologies for pet food and treats where we can supply premade bags up to 38#, frozen foods on rollstock with pre-applied Inno-Lok® zippers, confectionary, and countless additional markets. APC successfully collaborated with value chain partners to overcome recyclability challenges identified by How2Recycle regarding the use of cold seal cohesives in barwrap applications. On the recycled paper side, APC developed an all-paper, barrier cold seal barwrap that achieved line speeds of 600ppm and has received a How2Recycle pre-qualification letter demonstrating both repulpability and recyclability for the curbside paper stream. APC also introduced an innovative paper laminate that holds potential to replace high-barrier paper-poly-foil-poly specifications typically used for spices and dry product applications. This technology holds potential to offer an end-of-life solution for this challenging product in addition to lowering the carbon footprint.

In light of the increased demand for recycled content in legislation, APC received ISCC+ certification which allows the use of circular content to supplement traditional mechanical recycled options for both PE, PP, and PET films. As of January, APC certified its last remaining facility and now claim certification at all of its facilities!

Figure 2: APC Manufactures Large Format Pet Food Bags up to 38# in RE Design for Recycle Material.



CONSUMER RECYCLING

The industry continues to make progress beyond the EPR legislation. Eliminating consumer confusion around recycling has been a major focus and the How2Recycle group is in development of new labeling schemes that comply with impending legislation. Additionally, the Flexible Film Recycling Alliance (FFRA) has updated the online directory of drop-off recycling centers for flexible plastic film [plasticfilmrecycling.org] and has a process to ensure the information is regularly updated.

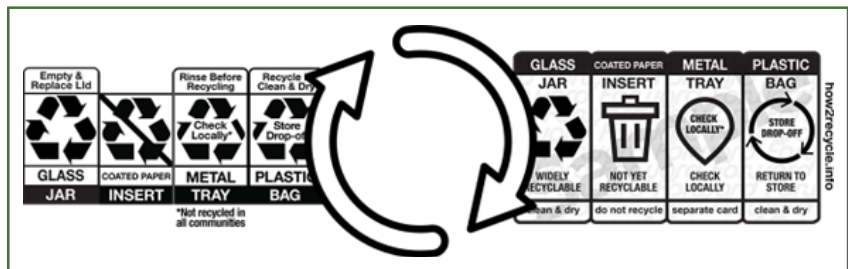


Figure 3: How2Recycle Labeling Changes

CONSUMER RECYCLING CONT.

Seeking to establish enhanced uniformity with design for recycling guidelines, both the Association of Plastic Recyclers (APR) and RecyClass who is the European equivalent have agreed to harmonize standards where possible although there will be differences between available technologies and infrastructure. Work is also underway to develop test methods to evaluate the compatibility of different food products for the recycle stream as there is a current limitation that anything considered wet, sticky, or gooey is currently not allowed.

Emission reductions programs are also in full swing. There is a plethora of companies working on both near-term and net zero target reduction programs. APC has developed our near-term targets for Scope 1, 2, and 3 emissions and will be undergoing validation of targets with SBTi in Q1'25. In support of this program, we have several internal initiatives and will also be working closely with our suppliers as they work toward establishing similar actions to reduce our Scope 3 emissions.

SUMMARY

The sustainability landscape continues to evolve at a faster pace and there are often gaps in information to make proper decisions. Keep in mind that APC is here to support your needs. We have a network of resources to assist you. Whether you need assistance with transforming your packaging to a more sustainable option,

answering questions on upcoming legislation, decision making tools for quantitatively analyzing differences in package constructions including life-cycle analysis (LCA), supporting on-pack labeling such as the How2Recycle logo, or help with emissions reductions programs we are here to support your needs.

OUR MISSION

Sustainable Times is a quarterly newsletter compiled by American Packaging Corporation that is designed to educate, provide industry highlights and keep you informed of sustainable

solutions being developed by APC. If you have any questions, please feel free to contact your sales representative or Jeff Travis at jtravis@americanpackaging.com.