

SUSTAINABLE TIMES



Delivering the total package.™

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EPR LEGISLATION UPDATE

PRODUCER REGISTRATION DUE BY JULY 1, 2024

Extended Producer Responsibility (EPR) continues to build momentum and holds the potential to remedy low recycling rates and bolster the transition to sustainable packaging. The concept of EPR is not new and is currently in place for much of Europe and Canada. Within the US, Colorado, Maine, California, Oregon, and Minnesota have all enacted legislation and there are several additional states in various states of deliberation.



**Circular
Action
Alliance™**

WHAT IS EPR?

EPR is a policy that assigns the producers of the product responsibility for the end-of-life of products. Producers, often the brand owners, are required to provide funding and/or services that assist in the development of increased education, infrastructure, recycling, and the development of end markets. Producer Responsibility Organizations (PROs) are established to administer the program through fee collection and redistributing to fund the various programs that will ultimately result in increased recycling rates. The CAA (Circular Action Alliance) has been selected as the PRO in several of the states.

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There are several different elements that typically constitute EPR policy. These can include establishing recycled content targets for certain targeted products, defining required plastic recycling rates, source reduction targets, establishing a list of what can be recycled in that state, labeling requirements, and targets for sustainable design. Within EPR, there is a fee schedule categorized by products and materials and the producer is responsible for reporting the quantity of products sold into the state. The PRO collects the fees according to the schedule. Fee reductions associated with more sustainable

designs are also possible through a program called eco-modulation.

Note that Producer registration is now required. Any company that expects to be considered a covered producer under California, Colorado, and/or Oregon's paper and packaging EPR laws, and which is not otherwise exempt from registration under those laws, must complete the Covered Producer Registration form as the first step in the producer registration process with CAA by July 1, 2024. Fees begin in Oregon in 2025. [\[Link to CAA website\]](#)

EMISSIONS REDUCTIONS PROGRAMS



Emissions science is a popular topic in the news and is garnering a lot of attention. We have all experienced severe weather events with greater frequency. This is related to the global warming pattern associated with carbon emissions. The foundation of emissions science is the Paris Agreement established as a legally binding international treaty on climate change adopted in 2016. The overarching goal from this agreement is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels. The impact of this agreement continues to grow momentum as we see a growing number of governments and businesses establishing targets and making progress on near term and net zero emissions.

Emissions, aka greenhouse gas emissions, are associated with activities that release CO₂

into the atmosphere. A prime example is the burning of fossil fuels such as coal, oil, and gas. Every material, activity or process has a unique emission factor. Activities with lower emissions factors emit less CO₂ than those with higher emission factors. Electricity has one of the lower emissions factors and transition to electric usage over conventional fuels is being encouraged, evidenced in US Policy actions such as the drive toward electrification through incentives for electric cars and investments in solar.

Emissions are classified into three different groupings called Scope 1, 2, and 3 emissions. Scope 1 and 2 emissions are related to the business or service the company provides. Within APC, this would include activities such as printing, lamination, and finishing processes and the supporting infrastructure including air

EMISSIONS REDUCTIONS PROGRAMS CONT.

compressors, heating and cooling equipment, motors, lighting, etc., and factor in the materials and energy used to power this equipment. This can include purchased electricity, gas, steam, as well as those solvents used in our ink and adhesive systems. Scope 3 emissions are outside the business' span of control and influenced by the supply chain.

These emissions can include purchased goods and services, capital goods, upstream and downstream transportation, end of life of sold products, employee commuting, and business travel.

In most instances, Scope 3 activities form the majority of a company's emissions. Brands are exerting increasing pressure for the supply chain partners to elevate the focus on reducing their emissions as ultimately, reductions in the supply chain will roll up and assist the brand or retailer in reducing their footprint.

Emissions reductions programs begin with establishing the baseline. This requires gathering the relevant information for the entire baseline year. For example, the Scope 2 category includes the consumption of electricity. Utility bills for the entire year would need to be reviewed and the sum of the electric consumption would be multiplied by the relative emission factor. This would be repeated for all categories until the full emission footprint is developed.

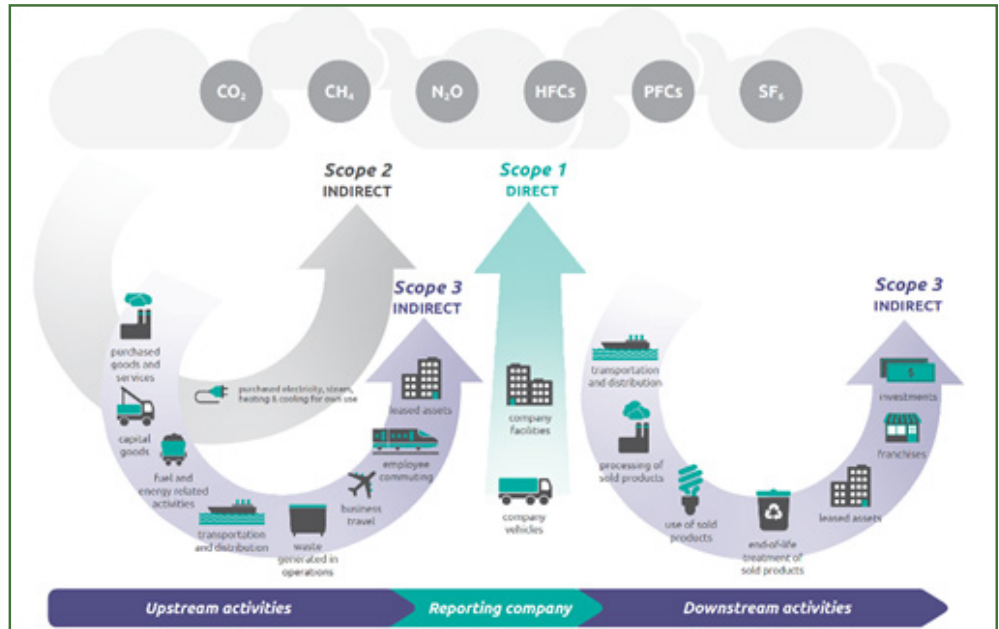


FIGURE 1 - EMISSIONS GROUPINGS

Once the baseline is developed, the target year is chosen. Near term reduction programs are 5-10 years from the baseline year where net zero goal is targeted to the year 2050. Climate science has models for what levels of emissions reductions are required over the targeted timeframe to limit warming to the 2°C in the Paris Treaty. An element of this effort requires the establishment of a roadmap of carbon reduction activities to attain a steady reduction and achieve the ultimate reduction target.

These emissions reductions programs are active in the packaging community and brands are requiring action from their supply chain. APC has responded accordingly and has just completed the data footprinting exercise for the 2023 base year. Next steps are establishing targets and a plan for abatement reduction over the timeframe of the project. APC plans to submit our near-term emission reduction targets to the Science-Based Targets Initiative (SBTi) for review in September 2024.

RECYCLABLE CERTIFICATION

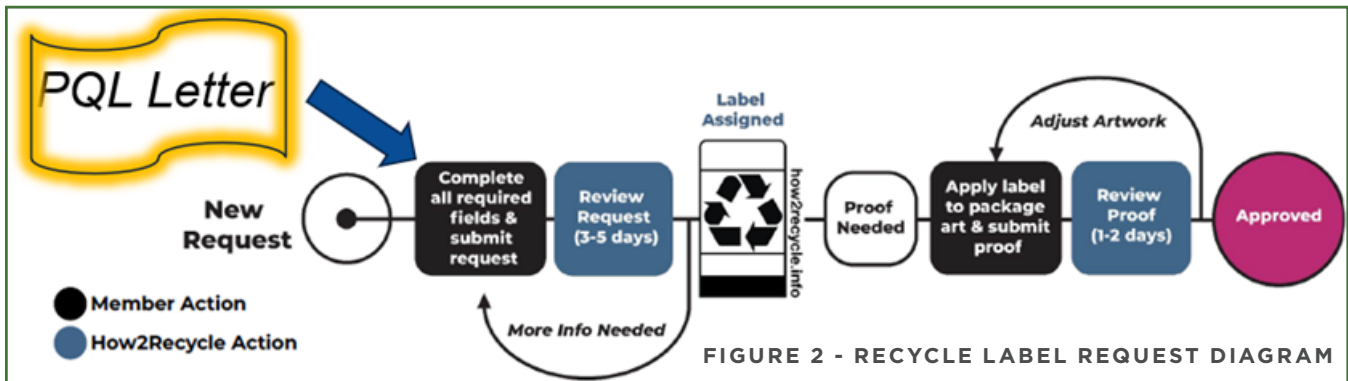
Designing a recyclable package can be challenging, but there are resources to aid the designer in selecting the optimally recyclable package components. The Association of Plastic Recyclers (APR) offers design guides for both rigid and flexible plastic materials. These [\[guidelines\]](#) have been developed to ensure that the materials are compatible in conventional recycled material streams. The design guides have four different classifications including the following:

- **PREFERRED** - The material or feature is accepted by MRFs and recyclers.
- **DETRIMENTAL** - The material or feature is present and known to present technical challenges for the MRF or recycler's yield but is tolerated and accepted.

Ideally, all components of the package would conform to the Preferred category. However, there are package components that have not yet been fully evaluated by APR. These can include inks and adhesives which are not currently a cause for concern but will likely face more scrutiny in the future. Other components such as the inclusion of metallized inks and films fall into the Needs Testing category. There are specific test protocols for items in the Needs Testing category and your supplier can guide you through the testing process.

OBTAINING THE RECYCLE LABEL

The application for the recycle label can be submitted once all components of the final package have been identified. It is an important stipulation that the requester must be a member



- **NON-RECYCLABLE** - The majority of MRFs or reclaimers cannot remove these features and they may cause incompatibilities in the material stream, errors in sorting, or damage to the equipment and are not accepted for recycling.
- **NEEDS TESTING** - The material or design feature has an unknown impact on recycling and testing is required.

of How2Recycle in order to submit the application for labeling. Members have access to an online platform where the application details can be entered for review. Within the application, it is important to reference the supplier's pre-qualification letter. This letter is important as this is the acknowledgement that How2Recycle has reviewed all of the package components and ensured that it is designed in compliance with the APR guidelines. Additionally, the How2Recycle

RECYCLABLE CERTIFICATION CONT.

group needs to ensure that the package components can be properly collected, recycled, and there are end markets for the product.

Once the form is completed and reviewed, the How2Recycle group will provide you with the proper recycling tile.

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.

