

Integrated Recycling

EPR Introduction

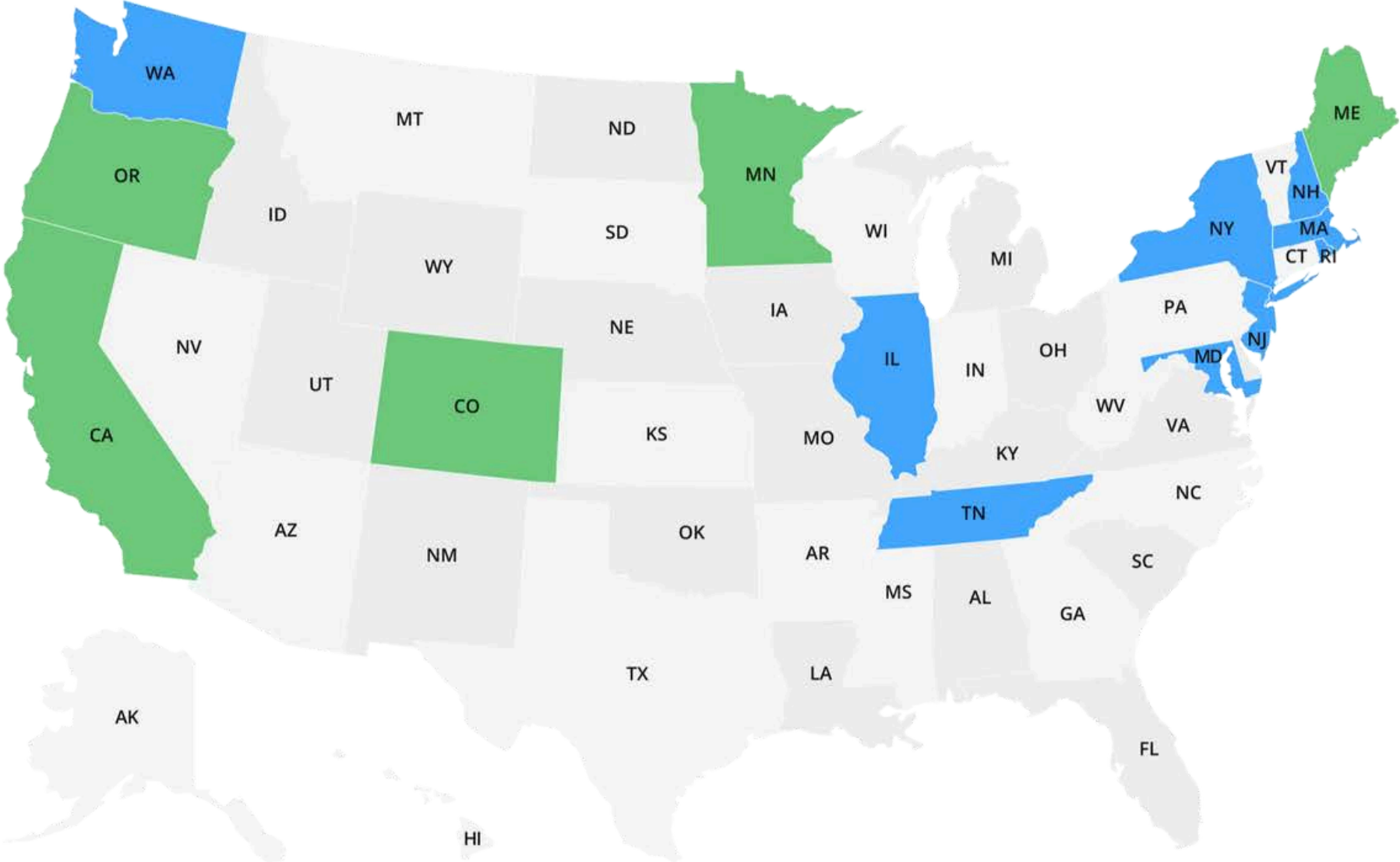


Extended Producer Responsibility (EPR) for single-use packaging

EPR is a policy framework that requires producers (e.g., manufacturers and brand owners) to assume financial and/or operational responsibility for the end-of-life management of their packaging, including collection, recycling, and disposal



EPR for Single Use Packaging is accelerating



5

States have passed EPR packaging laws

9

States have introduced or amended legislation on EPR packaging in 2024



Oregon: Key implementation dates:



- Jan. 1, 2022 – Law goes into effect.
- Late 2022 – The first rulemaking process begins with draft rules submitted by late 2023.
- March 31, 2024 – Producer responsibility organizations (PROs) must submit a program plan to the Department of Environmental Quality (DEQ). These plans include annual membership fees for producers. PROs may form at any time before that date.
- **July 1, 2025 – PROs must begin implementing a DEQ-approved plan.**
- **July 1, 2025 – Individual producers/brand owners are required to join a PRO.**
- July 1, 2025 – PROs will pay a contamination management fee to commingled recycling processing facilities to cover the costs of removing and disposing of covered products that are not accepted in recycling collection programs.
- July 1, 2025 – PROs will pay a commodity risk fee to commingled recycling processing facilities to stabilize the cost of recycling.

Colorado: Key implementation dates:



- Key implementation dates:
- June 1, 2023 – The executive director of the Colorado Department of Public Health and Environment must designate a nonprofit organization to implement and manage a statewide recycling program.
- Sept. 1, 2023 – The organization must hire an independent third party to conduct a needs assessment of the state's recycling services.
- April 1, 2024 – The organization must report the needs assessment results.
- Feb. 1, 2025 – The organization must submit a plan proposal for the statewide recycling program after soliciting input from an advisory board and other key stakeholders.
- **July 1, 2025 – A producer (brand owner) may not sell or distribute any products that use the covered packaging materials in the state unless the producer is participating in the program. CPG companies also have the option to submit their own individual program plan proposal to the advisory board by January 1, 2025, and must notify the department of their intent to submit the proposal by January 1, 2024.**

California Key implementation dates:

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- Jan. 8, 2024 – The Circular Action Alliance is selected as the state's PRO for SB 54.
 - **2027–2037 – The PRO will collect \$500 million per year from CPG companies for a plastic pollution mitigation fund and is also authorized to collect up to \$150 million from plastic resin manufacturers.**
 - 2027 – 10% source reduction in single-use plastic packaging and food service ware.
 - 2028 – 30% of plastics and other types of single-use packaging must be recyclable.
 - 2030 – 40% of plastics and other types of single-use packaging must be recyclable.
 - 2030 – 20% source reduction in single-use plastic packaging and food service ware.
 - 2032 – 65% of plastics and other types of single-use packaging must be recyclable.
 - 2032 – 25% source reduction in single-use plastic packaging and food service ware.
 - 2032 – All plastics and other types of single-use packaging are required to be either recyclable or compostable.
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Minnesota: Key implementation dates:



Key implementation dates:

- Jan. 1, 2025: Appointment of a producer responsibility organization (PRO) and advisory board
- **July 1, 2026: Producers must join PRO after July 1, 2025**
- Dec. 31, 2026: Initial needs assessment due. New needs assessment every five years afterwards.
- July 1, 2028: List of covered packaging materials determined to be recyclable or compostable statewide through systems where covered materials commingle in a recyclables stream and a separate compostables stream.
- Oct. 1, 2028: PRO stewardship plan with performance targets due. New stewardship plans every five years afterwards.
- Jan. 1, 2029: PRO must set annual registration fees.
- Feb. 1, 2029: Producers reimburse 50% of net recycling costs.
- Feb. 1, 2030: Producers reimburse 75% of net recycling costs.
- Feb. 1, 2031: Producers reimburse 90% of net recycling costs.

Maine Key implementation dates:

Key implementation dates:

- July 2022 – Funding becomes available for program administration, hiring staff for program development and oversight.
- July 2022–December 2023 – Stakeholder outreach for rule development.
- Dec. 31, 2023 – Deadline to initiate rulemaking with the Board of Environmental Protection.
- Summer 2024 – Anticipated adoption of routine/technical rules and provisional adoption of major substantive rules by the Board.
- Feb. 15, 2025 – First program update report due to the state legislature.
- 2025 – Submittal of major/substantive rules to the legislature for approval.
- Spring/summer 2025 – Anticipated final adoption of major substantive rules by the Board.
- Fall 2025 – Issue RFP for stewardship organization.
- 2026 – Selection of stewardship organization.
- **2026 – First producer payments. Payments are due no later than 180 days after the effective date of the stewardship organization contract.**
- 2027 – First payments to municipalities

EPR includes all single use packaging - including supply chain

Primary Packaging - 87%
Protects the product

Secondary Packaging - 5%
Layer of packaging that surrounds the primary packaging

Tertiary Packaging - 8%
Bulk and Transport Packaging



Key next steps....

RETAILER

1. Definition of Producer
2. Register with PRO
3. Consumer Packaging Information (SKU Level)
 - a. Material Type
 - b. Material Weight
 - c. Quantities

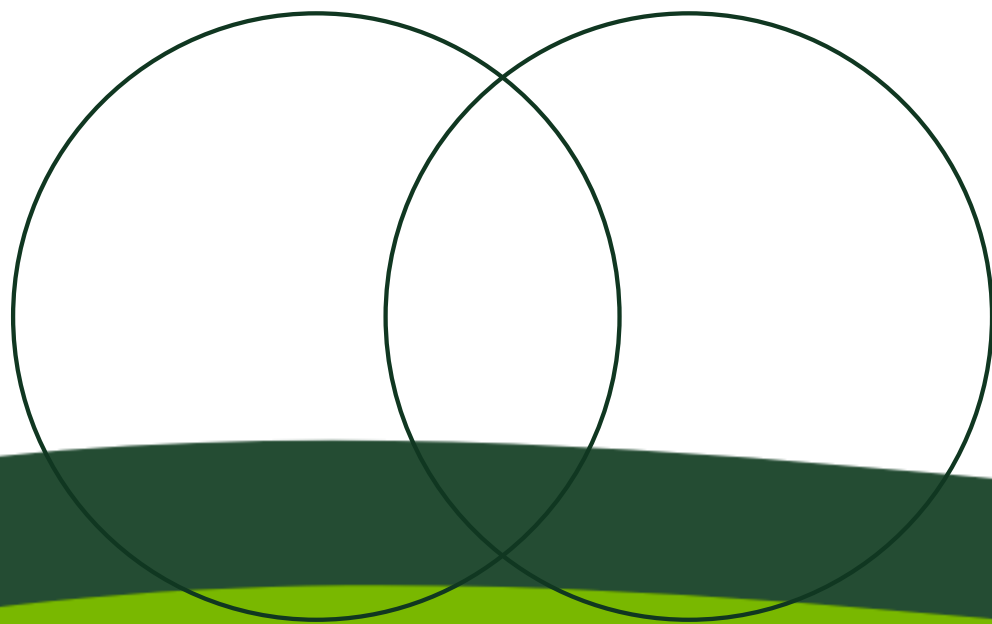
SUPPLY CHAIN

1. Transport and Tertiary Pkg.
 - a. Stretch Film
 - b. OCC & all paper products
 - c. Wood
 - d. Plastics (e.g. flower pots, corner guards)
 - e. Metals

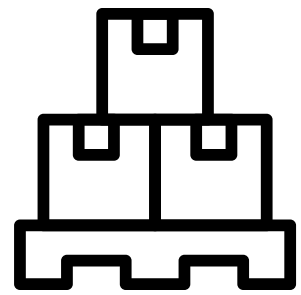
EPR Provisions

What to expect....

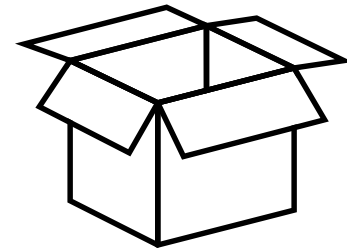
- Public compliance website
- Whistleblower provisions
- Consumer Education
- 3rd Party Audits
 - Responsible End Markets
 - “Net” Recycling



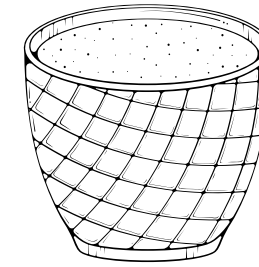
Two options to avoid new supply chain costs - Zero Waste to Landfill or circular supply chain. (e.g. Containers and Pallet Wraps)



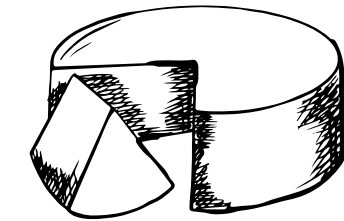
Pallet Wrap will cost between .54c and .74c per pound to landfill



OCC will cost \$60.00 (ST)



Flower Pots & Corner Guard between .19c- .88c per pound to landfill



Wood & Organics Cheese Wheels disposal will cost between \$1.57 - \$2.10lb

Circular Action Alliance:

<https://circularactionalliance.org/>

California:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB54

Oregon:

<https://www.oregon.gov/deq/recycling/Documents/caaProgPlan120624.pdf>

Colorado:

<https://cdphe.colorado.gov/hm/epr-program>