INTRO TO EPR QUICK REFERENCE



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Extended Producer Responsibility (EPR) is a policy approach that shifts the responsibility for waste management of a given product from consumers/taxpayers and municipalities onto the producers of that product. EPR exists in various U.S. states for many products: paint, tires, mattresses, and now packaging.

What happens in EPR for packaging?

Today, consumers/taxpayers pay for packaging's disposal through taxes and fees to waste haulers and local governments. Instead, under packaging EPR, the brands that sold the packaged good will pay the cost of disposal – trash, recycling, composting, etc.

This means that, in states with packaging EPR, producers **pay fees** based on the amount and type of packaging they sell into that state each year.



WHO IS THE "PRODUCER"?

Typically, the "producer" of a piece of packaging is the brand whose name appears on the packaging, not the actual manufacturer of the packaging itself. There are some exceptions to this rule.

INCENTIVES CREATED BY EPR

- Producers are charged higher fees for difficult-to-recycle packaging
- There may also be lower fees for features like using recycled content
- Fees create incentives for brands to reduce the amount of packaging they use and to switch to more recyclable or compostable packaging
- There may also be incentives built in to move away from single-use plastic packaging

FEATURES OF PACKAGING EPR

- Each year, producers provide data to the Producer Responsibility Organization (PRO) about how much and what type of packaging they sold into the state
- Fees are paid to the PRO, which is a nonprofit run by the producers
- The PRO works with the state government agency to allocate funds to pay for disposal and to improve recycling and waste management
- An Advisory Board made up of relevant stakeholders advises on law implementation
 Atlantic's Wes Carter sits on California's Advisory Board
- Packaging EPR laws often set target recycling and composting rates that the PRO and producers are responsible for meeting. For example, California's law has the goal of reaching a 65% packaging recycling rate by 2032.
- They also typically have goals to harmonize recycling rules and processes across the state.

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Are the laws in effect yet?

Not yet. The dates that producers will begin payments are:

• **Oregon:** July 1, 2025

Colorado: January 1, 2026California: January 1, 2027

Maine: By January 1, 2027 at latestMinnesota: By February 1, 2029

Do we know the fees?

Not yet. We should get information on these over the coming months, but we do have reason to think that they will be higher for more difficult-torecycle packaging such as flexible films.

WHO IS THE PRO?

The PRO can be a different organization in each state. However, the Circular Action Alliance (CAA) has been named as the PRO in California, Colorado, and Oregon. We anticipate that it will continue to be named as the PRO in other states. CAA was founded by 20 companies including Amazon, Coca-Cola, Keurig Dr. Pepper, Mars, and many more.



TIME TO JOIN THE PRO!

CAA is actively registering companies that think they will be obligated producers under the EPR laws in CA, OR, and CO. They originally asked for companies to register by July 1, 2024.

It is currently free to join CAA, so if you are unsure whether you should join, it is better to register so you can get key information about deadlines and if you will be obligated to pay fees. There may be a registration fee after July 1, 2024.

To register, visit <u>circularactionalliance.org/registration</u>.

WHAT SHOULD I DO NOW?

While there is a lot we don't know yet about how to navigate packaging EPR laws, there are a few things you can do now to prepare.

- Assign a point person at your company to register with CAA (see above) and stay on top of updates to EPR laws and implementation; consider seeking legal counsel
- Begin documenting all of your packaging SKUs, including weights and material types, to provide baseline data for CAA (you may need 2022, 2023, and 2024 data)
- Document all the ways you have reduced your packaging and/or made it more recyclable in the last ~10 years
- Look for your next opportunities to reduce your packaging and make it more recyclable Atlantic Packaging can help with this