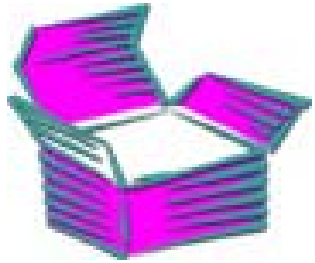


What you Need to Know Before Designing the Package



or

Compliance with Package Recycling Laws Can Save you Money!

Adapted from a presentation made to the
HBA Prestige Packaging Conference April 23, 2003



Michele Raymond



Raymond Communications, Inc

Publisher, **Recycling Laws International**

Raymond Communications

Experts in Global Recycling Policy



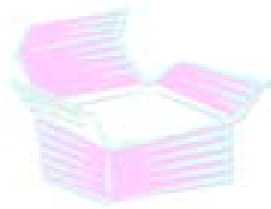
What We Do

- Publish the newsletters, **State Recycling Laws Update** and **Recycling Laws International**, as well as a broad range of *Special Reports*

- Organize the **Take It Back!** Conferences

- Provide some custom policy research and analysis for clients





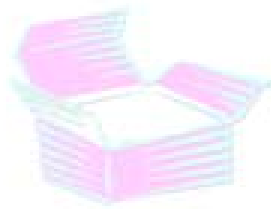
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US Recycling Policy

- For Packaging, the only major mandate has been SB 235, in California
- Law Requires that unless industry meets a 25% recycling rate on rigid plastic containers (8 oz to five gallons) companies must either:
 - use 25% postconsumer recycled content in their bottles (food, cosmetics direct contact pkg exempt)
 - or source-reduce 10% since 1990
 - or make pkg reusable within the home
 - CIWMB has gone after 1500 companies; 144 compliance orders; some may be fined in 2003
 - **Industry met the 25% recycling rate in 2002, but CIWMB will go after some new companies for 2001 compliance year!**





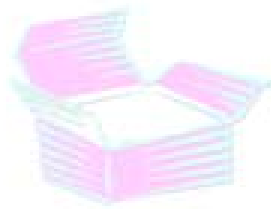
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New Interest in Recycling Bills for 2003

- **Interest in bottle deposits for 2003 because states are strapped for cash**
- **10 states have deposit systems -- Hawaii passed a new one in 2002**
- **California Senate committee cleared a bill to double the “redemption” value**
- **More than 50 deposit bills in state hoppers this year**





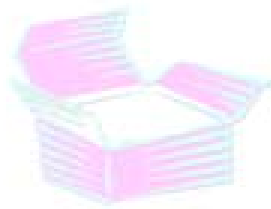
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Concern over PS Foam, Plastic Bags

- **Legislation over polystyrene foam is not new -- there was a big local wave of bans and recycling mandates in the early 1990's**
- **California concerned about marine debris and sewer clogs - CA Senate Environment committee passed a bill to place 2-cent fee on disposable plastic cups and plastic bags**

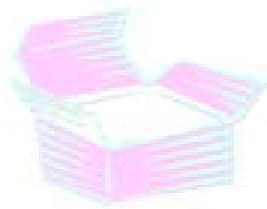




Bags and Bills. . .

- Ireland gained attention when its plastic bag tax reduced plastic bag use 90%
- Taiwan has banned bags too - South Africa switched its ban to a fee and recycling system
- Consumers frequently switch to paper bags -- seven times the weight. No real environmental improvement unless *everyone uses reusable.*

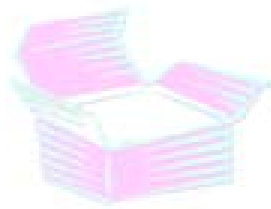




State Recycling Bills 2003

- **Meanwhile there are also:**
 - **about 48 electronics waste bills, including advance disposal fees on cathode ray tubes, takeback mandates, heavy metals bans, labeling, reporting**
 - **65 mercury reduction bills, including product bans, thermometer bans, takeback mandates, etc.**
 - **A number of these bills are moving!**





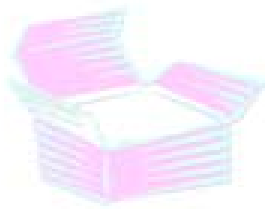
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If you Export Product...

**International Packaging
Takeback Laws**





What You Need to Know Before Designing the Package
... Legislation will... Recycling Law Can Save you Money!



Takeback Laws Worldwide



- **31 Countries mandate EPR for packaging -
- 28 have mandatory private fee systems --
each one is different.**
- **Patchwork is costing industry about \$15
billion annually in Europe alone**
- **Japan, Korea, Taiwan have their own
separate sets of fees and labeling
requirements**

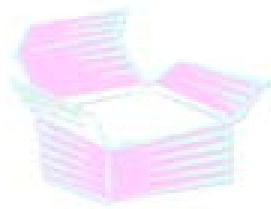




Packaging Fees come to North America -!

- ***This year, Ontario will require manufacturers to fund 50% of its Blue Box costs***
- ***This will be the first time in North America that companies must weigh their packaging and calculate recycling fees - Fees on inserts as well!***
- **Quebec is set to duplicate the system!**





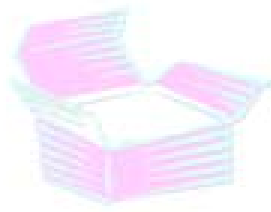
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In Addition to Fees, there are . . .

- **PKG Reduction Plans** (Spain, Belgium, Taiwan)
- **“Essential Requirements”** (EU)
- **Resin Coding**
- **Empty Space Ratios** (Japan, Korea, etc.)
- **Wood Packaging Restrictions** (import & export)
- **Heavy Metals restrictions** (U.S., EU)
- **Material Bans; country preferences**





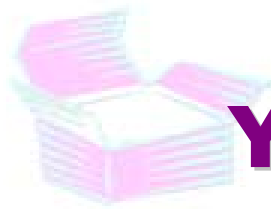
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**Do you know how much
packaging you use
worldwide?**

**Do you know if your
distributors are complying
with package recycling
laws in other countries?**

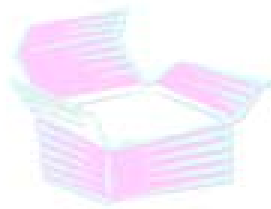




You cannot rely on distributors to ensure all compliance with packaging laws. . .

- **Lear Corp. was fined \$150,000 in the UK for non-compliance with packaging waste law**
- **Mattel fined \$20,000 in Korea for using EPS foam packaging**
- **UK = Audits companies**
- **Austria: 300 enforcement cases annually**





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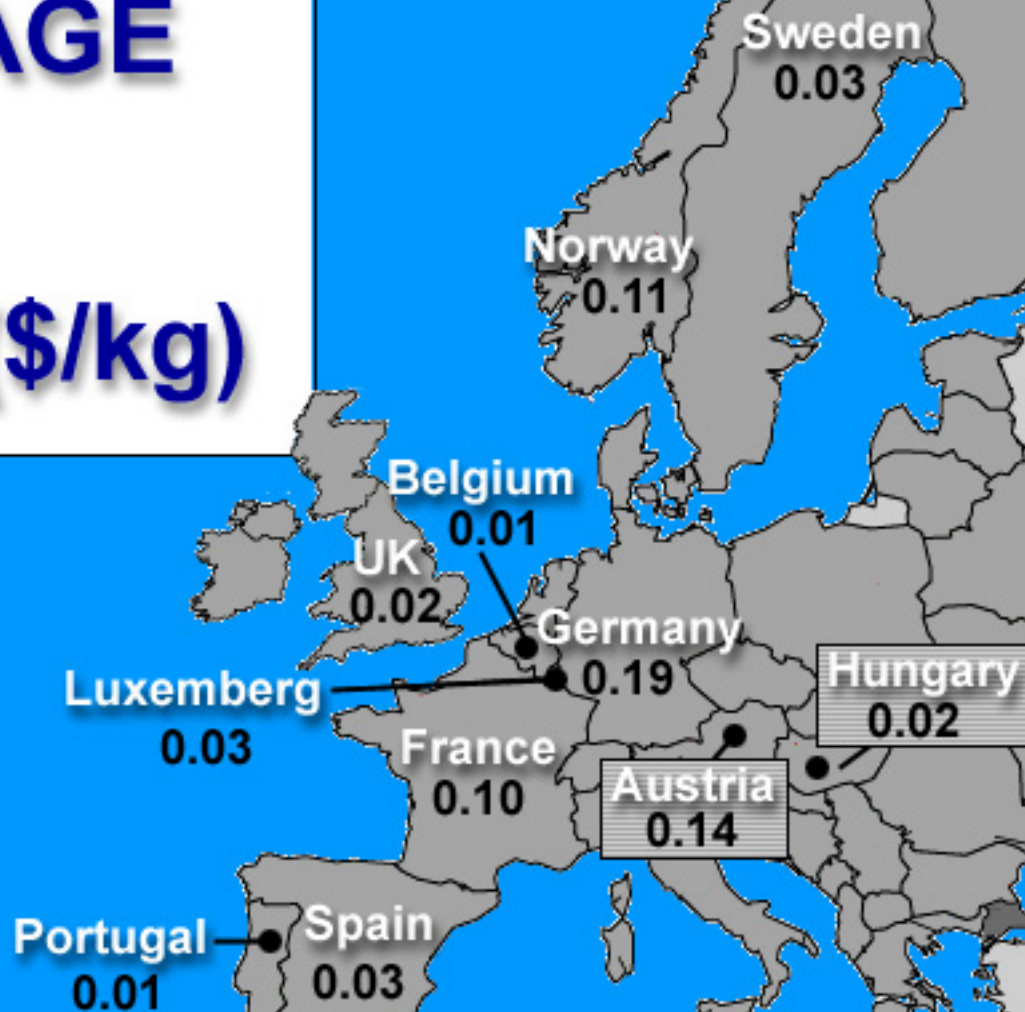


**Has your distributor
asked you for
packaging data?**

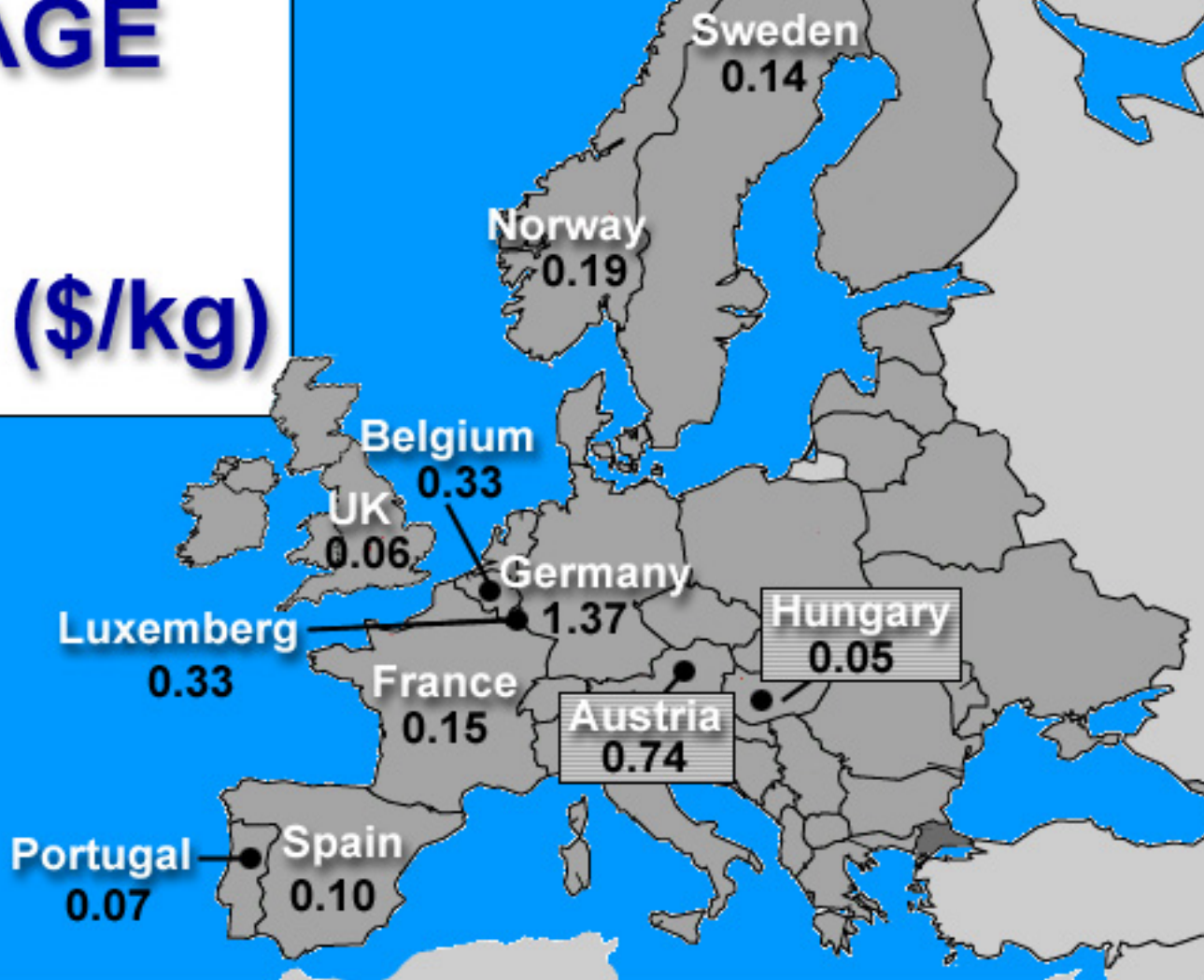
If not -- beware!

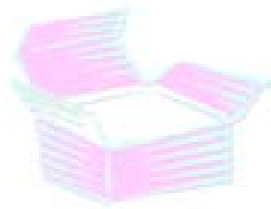


PACKAGE FEES for paper (\$/kg)



PACKAGE FEES for plastic (\$/kg)





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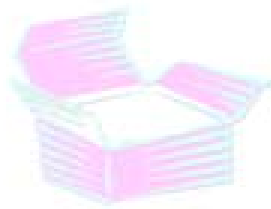


Green Labels are now Mandatory . .



- About seven countries require use of the Green Dot symbol, signifying you've paid your fees -- but UK and Canada require separate license fees If you can't take it off!
- Taiwan, Korea, and Japan all have mandatory recycling symbols -- all different!
- See **“Green Labeling: Global Guide for Marketers in the New Millennium”**

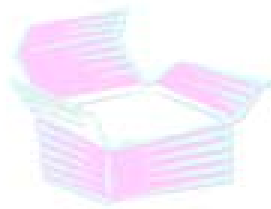




Essential Requirements

- **European Union requires you to assess EACH package for recyclability, degradability, burnability, source reduction, etc.**
- **This CANNOT be done by your distributor -- must be done where PKG is designed**
- **UK, France and Czech Republic enforcing . .more to come!!**
- **One set of paperwork required**





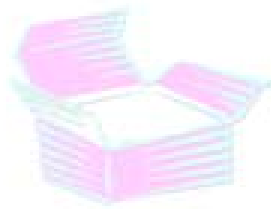
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The cosmetics industry

- Cosmetics and toiletries frequently have *many layers* of packaging
- Companies must weigh *each component* - eg. *Caps, labels, etc.*
- *How many components do you see?*





A few savvy companies centralize their packaging data

- According to J. Gusmano, speaking at **Take it Back! 2001**, Estee Lauder spends about \$3 million per year on fees alone!
- That doesn't include the cost of assembling, weighing and calculating fees, doing multi-lingual reports
- Estee considers these environmental fees part of product costs



That Really Cool PP Clamshell will cost dearly in Germany. .

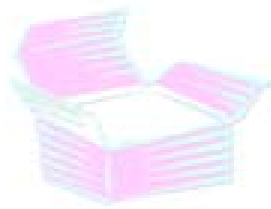
- Paper laminate box:weight
23 grams **\$23**
- Paper box plain
23 grams: **\$4.30**
- PP Clamshell,
50 grams: **\$79!!!**
- **CANADA:**
Paper: **65 cents**
Plastic: **\$2.01**

Fees calculated by
Environmental Packaging International



The PP outer container costs 18 times more in fees (Germany) than a plain paper box! The Product PKG costs twice as much!



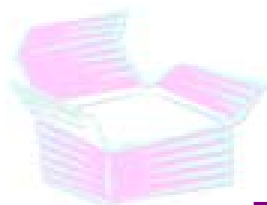


Canadian Fees



- **Cosmetics makers can expect to pay about \$950 per \$1 million in wholesale sales in Ontario in fees**
- **In one case, a major cosmetics maker saved 75% by using real PKG data instead of the “quick calculator” provided by Stewardship Ontario. ---
*EPI***





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Knowing Fee Structures can save you big time!

- Wrigley's saved **\$300,000** by reducing foil and paper thicknesses; switched to PVDC barrier
- *If you can reduce your plastic or foil layer to 5% or less, you can reduce your German PKG fees by 90%!!!*





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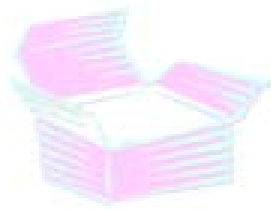
Small Changes can add up

- Boots, the UK's largest drug store chain, has saved on materials by eliminating small paper trays, using only shrink wrap
- Wrigley's saved up to \$1 million by switching out of heavier board, to natural kraft on small transport boxes



Wrigley's photo





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A package or a product?

- Is this all a package or a product?
- *If this gift pack was sold in Europe, knowing the rules would save you big buckets. . .*



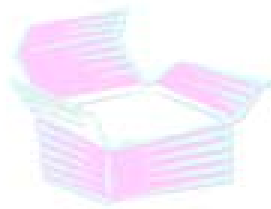


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Package or Product?

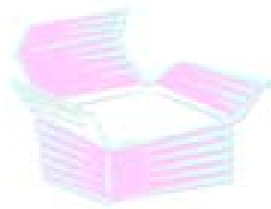




Software Savings

- **Heinz UK is saving about \$150,000/yr on labor using Pack.NET software to calculate complex fees on 57,000 products**
- **Major photo product maker saved about \$100,000 in fees right off using software -- it was overpaying fees!**

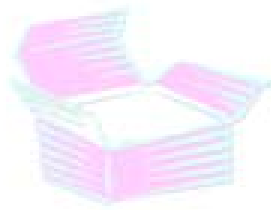




Database to Save Retailer Millions

- **Once you centralize packaging data for compliance, you can do powerful “If-Then” queries, to see what can be saved on small packaging design changes**
- **Tesco, UK retailer, plans to save about \$30 million/year in materials for its own brand packaging by comparing weights of its brand with competitors**





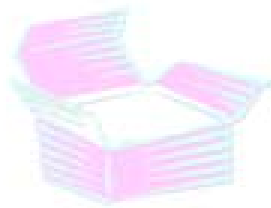
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Someone should be tracking these issues

- Even if your distributors are doing a great job of ensuring compliance, someone from headquarters should at least keep abreast of recycling policy
- Ontario's new law took everyone by surprise. There is a revolt going on now--
- EPR for packaging is now in North America, *and could spread to the U.S.*
- *The EH&S Manager or Packaging Manager needs to stay tuned!*

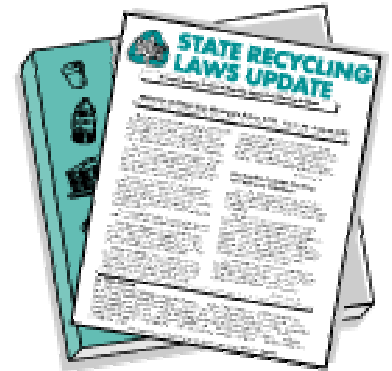




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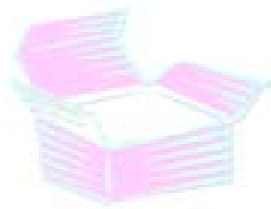


• **STATE RECYCLING LAWS UPDATE**



- **Since 1992**
- **Monthly regular Updates**
- **Email headlines in between**
- **Tracking 300 U.S. state recycling bills**
- **32 issues; emphasis on electronics waste, packaging, mercury and batteries**
- **Tracks all Canadian recycling policy**
- **Emphasis on emerging EPR laws**





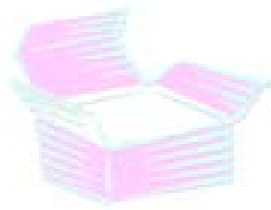
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• **Recycling Laws International**

- **Since 1995**
- **Bi-monthly; E-mails in between with breaking news – usually on directives**
- **Covering packaging, electronics, battery issues worldwide; 38 countries**
- **Correspondents in Europe, Asia, Latin America; Contacts worldwide**
- **Provides one free set of country pages (237 pgs, binder) when you first subscribe!**

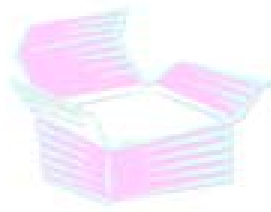




Country Pages

- Cover 38 countries
- Includes:
 - Cultural background; retailing
 - Packaging mandates
 - Bans
 - Summary of takeback laws for other waste streams
 - Labeling – (Special details for labeling in new Labeling report)
 - Packaging fees (updated annually or more when major European fees change)
 - Electronics fees; detailed in special reports; updated in RLI newsletter
 - Contacts – English-speaking; phones; web sites, etc.



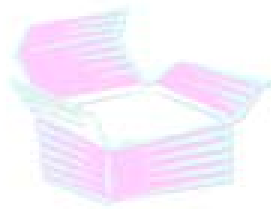


raymond.com has three levels of passwords:

- 1. SRLU news and archives**
- 2. RLI news and archives**
- 3. The Library**

**Library is only available to
Global Password Holders**





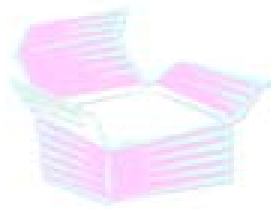
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Special Reports

- **Electronics Recycling: What to Expect from Global Mandates**
- **Battery Recovery Laws Worldwide**
- **Green Labeling: Global Guide for Marketers in the New Millennium**
- **Recycling & Solid Waste in Latin America**
- **Plus other reports**





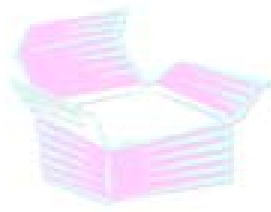
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It's the cost-effective way to Track recycling policy!

- **Coverage of North America, Latin America, Europe and Asia**
- **Occasional coverage of Philippines, South Africa, India, Israel as needed**
- **Flexible license options if you need to share**
- **Global Password service available if you want access to entire library**





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Try a Free Trial Subscription today!

**Sources: Recycling Laws
International; State Recycling
Laws Update** (Newsletters)

**Proceedings: Take it Back!
2001, 2002, 2003**

Special Thanks to EPI, Foresite for extra data

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