



A BUSINESS PERSPECTIVE ON PACKAGING EPR

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HENKEL CONSUMER BRANDS

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TOPICS COVERED

- Overview
- Definition – Responsible Party
- Stewardship Organization
- Needs Assessment
- Funding/Fees
- Performance Goals
- The Consumer



OVERVIEW

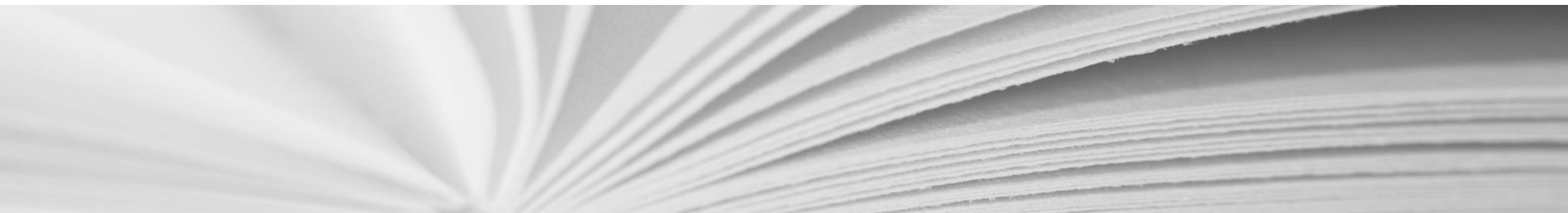
HENKEL IS A SIGNATORY TO THE ELLEN MACARTHUR EPR STATEMENT

OBJECTIVES

- Eliminate unnecessary packaging
- Innovate to ensure packaging is reusable, recyclable, or compostable
- Circulate all packaging

PRINCIPLES

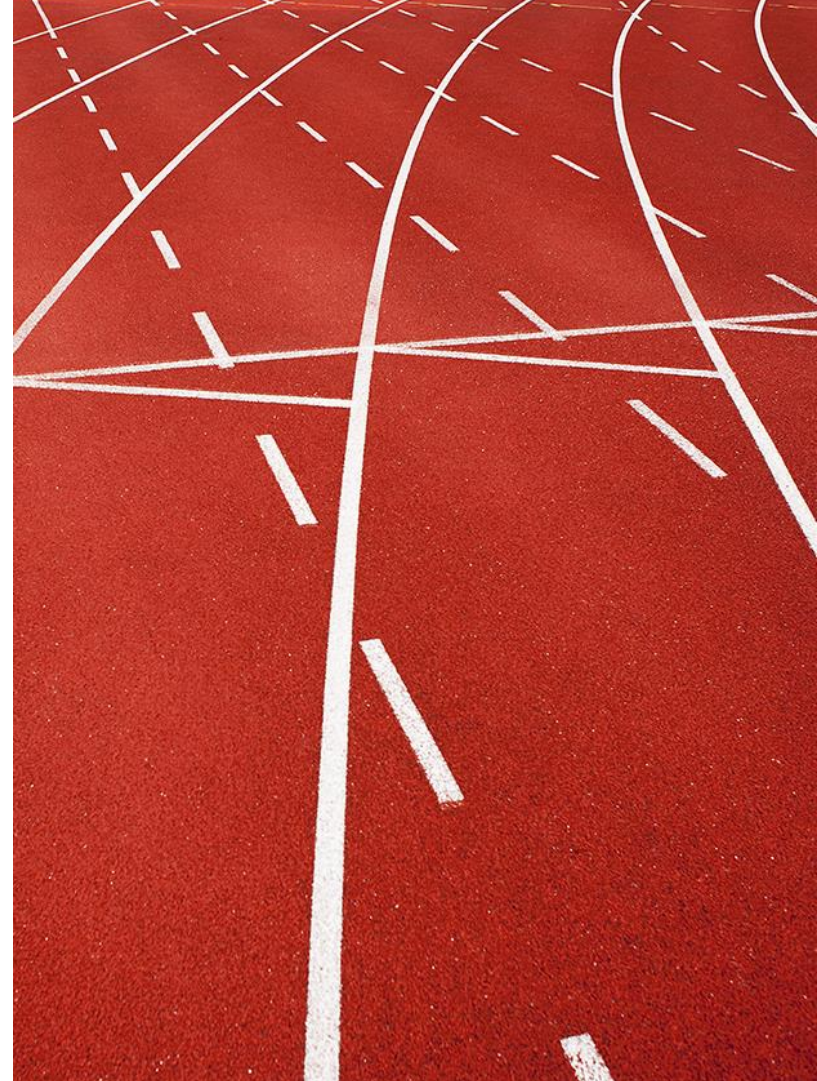
- Governance is shared between the State and the Stewardship Organization
- Performance-based regulation, set by law
 - Clearly defined objectives, scope of activities, and targets
 - Roles and responsibilities of stakeholders outlined
 - Defined mechanisms for reporting, monitoring, and enforcement
- Stewardship Organization responsible for *how* to achieve



DEFINITION

RESPONSIBLE PARTY

- The legal entity whose name appears on the label
 - Manufacturer for CPG brands
 - Retailer for private label brands
- Licensee of a trademark
- Importer for products sold by a third-party not residing in the US



STEWARDSHIP ORGANIZATION/STATE RESPONSIBILITIES

- Stewardship Organization and State responsibilities written into legislation
- Stewardship Organization responsibilities include
 - Planning
 - Financing
 - Implementing
- State responsibilities include
 - Ensuring a level playing field
 - Approving the plan
 - Monitoring overall compliance and progress



STEWARDSHIP ORGANIZATION/STATE EXPECTATIONS

- Stewardship Organization expectations include
 - Involvement of the public and private sector in managing covered materials
 - Providing technical assistance to stakeholders including municipalities, regional associations, waste/recycling collectors, transporters, and processors
- State expectations include
 - Publish statewide recyclables list
 - Issue statewide recycling rules



STEWARDSHIP ORGANIZATION/STATE OTHER CONSIDERATIONS

- State approves Steward Organization prior to requiring companies to join
- Ideally, all/multiple materials are covered by one Stewardship Organization
 - Encourages shared accountability
 - Minimizes duplication of effort
 - Maximizes use of time commitment
 - Mitigates unintended consequences
- Information is shared with other non-CT-based state Stewardship Organizations, where information overlaps and value can be derived



NEEDS ASSESSMENT

- Establish the costs to meet plan objectives
- One assessment to cover all materials and all Steward Organizations
- Conducted by an independent third-party in consultation with DEEP and the Stewardship Organization
- Clearly articulated areas to address prior to hiring the third-party and beginning assessment
- Leverage other states' needs assessments, where they overlap with CT, in part or in whole
- Utilize experienced third-party



FUNDING

Must meet the following criteria

Dedicated

- To a clearly defined scope of activities
- To achieving specific pre-defined objectives

Ongoing

Sufficient

- To execute the scope of activities and deliver on the objectives
- Must evolve in line with the actual net cost of establishing and operating the systems required to deliver on the objectives



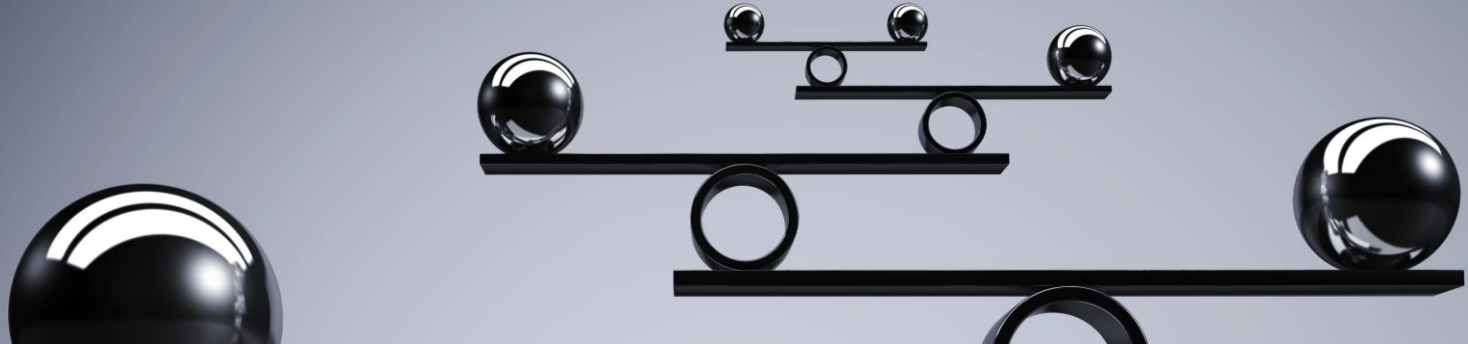
FEES

- Based on the needs assessment
- Cover
 - Plan development and future reviews
 - Program operational and administrative costs
 - Financial reserve
- Set by the Stewardship Organization, with approval from the State
- Fees represent responsible party's share of covered materials and include incentives/reduced fees for eco-modulation
- Fee considerations include
 - Labeling that reduces consumer confusion
 - Materials with high recycling rates
 - Inclusion of PCR
 - Materials that don't disrupt recycling processes
 - Materials with a longer life span or increased reliability
 - Packaging labeled for reuse
 - Materials with lower LCAs
- Identify current programs that can be leveraged for education, in addition to EPR
 - Small liquor bottle fees
 - Unclaimed deposit fees



PERFORMANCE GOALS

- In addition to positively impacting circularity, goals must be
 - Technologically feasible
 - Economically practical
 - Reasonably achievable
 - Set by the Stewardship Organization in consultation with the State with a clear path to meeting program targets
- Based on the needs assessment
- Aligned with other states, where practical



THE CONSUMER

- Enable consumer to make the right decision
 - Statewide consistency in recycling rules
 - Ample, clear communication
- Consider consumer priorities to enable/leverage the desired behavior
 - Curbside recycling or other convenient options for all homes/residences
- Easily accessible and consistent information
 - Publish recyclables list (State)



THANK YOU.