



The Association of Postconsumer Plastic Recyclers

**The APR works with our members
every day to GROW plastic recycling.**



2014 Annual Report

January 2015



Happy New Year,

First of all, on behalf of the APR Board of Directors, Kara, John, Dave, Liz Bedard, Liz Lewis and myself, let me thank you for your continued support of APR in 2014. We extend our best wishes to you and your family for a safe, healthy and prosperous 2015.

As an organization, APR continues to buck the national trend, as we saw our membership numbers rise to an all-time high in 2014. We operate on a relatively modest budget, but fortunately our efforts as the technical resource to the industry continue to carry tremendous weight. While we continue to leverage our resources and member intellectual property to great success, challenges for plastic recyclers continue to mount. We must continue work to generate additional revenue to provide the industry the technical resources it requires, while continuing our search for additional sources of good, clean supply.

2014 saw APR continue to take the lead in addressing several key issues impacting reclaimers. Our Technical Committee continued to implement the work of the Full Wrap Shrink Sleeve Working Group with label manufacturers, consumer product companies, and other groups. While we recognize there are many issues remaining with these labels, the efforts to date have already led to the introduction of at least one full wrap label that will float into the marketplace, a prospect almost unheard of prior to APR addressing the issue. Again, while good progress has been made, we recognize that challenges remain, and we are committed to continuing to lead the effort to create solutions for reclaimers.

We are particularly pleased and excited to report we have started a corporate training program, where APR conducts in house design training for packaging engineers. These programs are offered through either a full day program at the company facility, or through a webinar format, depending on company preference. We foresee tremendous growth potential for this effort in 2015 and beyond, as we work to educate a broader design audience on the implications for recycling of their product designs. We see this as our best effort to educate the top of the food chain for package design.

In 2014, APR fought back a renewed effort by oxo-degradable manufacturers to grow their presence in the packaging world. APR held calls with several APR members who were contacted by oxo-degradable additive producers about incorporating the additive into their packages. One particular call included an oxo degradable company representative. Although we have been largely successful, this is clearly an ongoing effort which we will continue to monitor.

In California, APR continued work with CalRecycle to address the issue of potentially eliminating plastics recyclers from participation in the Market Development Incentive Program, which over the

years has helped develop the infrastructure for the recycling industry in that state. APR and its members have worked tirelessly to explain the negative impact this decision will have on plastics recycling in California. At this date, while the effort continues, it appears no changes will be made in the near future.

ASTM continues to require the attention of APR and its members. Efforts to categorize PETG as PET, a change in the Resin Identification Code, and the push by oxo-degradables were once again aggressively debated. Additional APR member participation going forward is vital.

Organizationally, the Technical Committee was expanded to include both a PET and Olefin Subcommittees. The Rigids Committee saw the creation of Polypropylene Market Development and Thermoform Recycling Subcommittees. The Communications Committee expanded members and established ex-officio relationships with several other groups to enhance our media reach, and member communications activity. Future APR efforts may include an Emerging Markets group, and the Board has approved an additional staff person to serve as support to John Standish as Technical Director, as well as to direct the Film and Flexible Packaging Committee.

Through efforts to broaden our technical, research, and educational efforts, APR has established the **Foundation for Plastics Recycling**. The Foundation will secure funding for major projects that address the issues of supply, contamination, design and other major issues facing the plastics recycling industry.

Overall, APR's major expenditures for the year were the Annual PET and HDPE/All Bottle Recycling Rate Report, the continued implementation of the Grocery Store Plastics Recovery Project, advocacy activities in California and several additional states; several technical projects, including the continuation of the comprehensive long-term evaluation of the quality of PET post-consumer material and the development of new testing protocols. Of course, as our membership continues to grow, and participation in our meetings expands, our meeting expenses have continued to outpace our registration fees. To help combat this shortfall, we instituted a meeting sponsorship program in 2014. Once again in 2014, we were able to allocate a small amount to our reserve account.

APR also participated in two projects designed to grow the amount of material available for recycling. We helped finance and manage a nationwide MRF Evaluation study that evaluated how to source additional plastic material from current MRF operations, which we hope to report on during our meeting in February. In addition, APR made the decision to become a partner in the Recycling Partnership, which is a multi-material funded program designed to work with cities to provide equipment, communications and technical advice designed to generate additional material from their current recycling programs. To date, 4 cities have been selected and are implementing new programs which will greatly increase the amount of material they collect, thus making more material available for recycling.

For the 6th year in a row, the Board has voted not to increase member dues investments. That is the good news. Of course, the challenges never cease to grow. We continue to face questions on labels, new resins, additives, competing testing protocols, among many others. FTC efforts on the Green Guides and use of recycling symbols continue unabated. We work each and every day to seek ways to increase supply and decrease contamination. Your continued advice, counsel and support are greatly appreciated as we work for you.

More specific committee accomplishments for 2014 are listed below. We hope this overview provides you with some insight as to where your dues investments go. I encourage you to contact me should you have any questions.

Again, on behalf of the board, John, Dave, Liz, Kara, and Liz Lewis, we thank you for your support and extend our best wishes to you and yours for a safe and happy 2015.

Thank you,

Steve Alexander
APR Executive Director

2014 PROJECTS AND DELIVERABLES

Technical Committee Evolution. In 2014 we created a PET Technical Committee to focus on the issues impacting the recycling of PET bottles and thermoforms. We created a separate Olefins Technical Committee to focus on the technical issues impacting recycling of PE and PP plastics. Additional steps must be taken in 2015 to finalize the creation of the two committees, but both groups are up and running.

PET Technical Committee. The Committee has decided to focus efforts on Innovation, Value and Quality. Three teams have been created to address each of these topics:

- The Innovation Team will assess the impact of new materials, process and product technologies on PET recycling. This Team will also maintain our Testing and Guidance Documents and which support our Guidance Recognition Program for PET packaging.
- The Value Team will develop quantitative information impacting the value of using rPET.
- The Quality Team will assess steps that can be taken to improve bale yields and reduce contamination in bales that impacts rPET quality. This Team will also maintain the PET sections of the APR Design™ Guide for Plastics Recycling.

Olefin Technical Committee. This Committee has also begun with specific focus areas and has created three teams:

- The Documentation Team is assessing the needs for new APR Design Guide information impacting olefin plastics that can be recycled. This team will also make recommendations on new testing procedures that can benefit recycling and innovations in olefin products.
- The PE and PP Separation Team is identifying the engineering steps that can be taken to get better separation of PE and PP plastics.
- The PP Design Team is considering how design and materials selection impacts the collection and ability to recycle PP articles.

Educational Programming from The APR. We received a number of requests for the APR to provide educational materials and programming. Steps were taken in 2014 to have a greater presence and level and activity in this arena. We provided educational presentations for three industry groups and directly to one brand owner. These programs were well received and we will expand efforts in 2015. The new APR Foundation for Plastics Recycling will be an important means to fund the development of educational content.

Document Updates. The former “Design for Recyclability Guidelines” were renamed and trademarked in 2014 to “The APR Design™ Guide for Plastics Recyclability.” Also in 2014 new content was added to the APR Design Guide impacting injection molded parts and films and bags. We envision continued evolution of this important APR document in 2015 to keep it current and have impact to a wider audience.

We also added a number of new Guidance Documents in 2014. With this expansion of testing documents, we now have the need to regularly review and maintain these documents. We anticipate a significant effort in 2015 to maintain our testing documents as well.

APR Critical Guidance Recognition Program. We had 10 companies petition for Critical Guidance Recognition in 2014. Technologies involved sleeve labels, pressure sensitive labels, direct digital print labels and PET resins developed for EBM applications. This is an exciting and welcome level of engagement from innovators.

Sleeve Label Working Group. Weilong Chiang led the efforts of this working group that developed considerable factual information and recommendations concerning sleeve labels on PET bottles. This working group had a beneficial impact on the innovation of new label materials and technologies that we hope to see in the market place in 2015.

Grocery Store Rigid Plastics. Grocery rigid plastics recycling continues to gain momentum throughout the country, showing great opportunity for increasing polypropylene and HDPE recovery. In 2014 an Economic Overview and Case Studies were developed and published to provide grocery chains with solid financial data to help them make the important decision to add rigid plastics to their list of recyclables. In addition, direct technical assistance to chains continues to be an important outreach effort for this project. The project’s website – www.recyclegroceryplastic.org -consistently experiences record visits, and has been recently updated to a more streamlined format.

“Sort for Value” Project. China’s “Green Fence” presented a unique opportunity for domestic reclaimers – the potential to increase supply. However, in most cases, to realize this opportunity, it requires MRFs to further sort their plastic beyond a #3-7 mix. The “Sort for Value” Project, a “working matrix” based on historic pricing of MRF generated plastic, illustrates that additional plastic sorts can increase MRFs overall plastic value and create greater access to domestic markets. An online Sort for Value Calculator is nearing completion for 2015.

Keeping Rigid Members Informed. In 2014 Rigids Committee meetings consistently provided members with up-to-date industry information, including presentations on the most recent National Post Consumer Non-Bottle Rigid Plastic Recycling Report, the Interactive PP/#5 Recycle Program Locator Map and the new national “Plastic Terminology” project.

Sixth Annual “Each State’s Largest City” Plastic Collection Survey. Each year APR conducts a survey to assess plastic collection recycling trends throughout the United States. APR’s annual “Each State’s Largest Cities Survey” once again confirmed three continued municipal collection migrations:

- From mixed to single stream recycling collection
- From “bottles only” to “all containers”
- From “1 & 2” plastics only to “1 – 7” plastics

This year’s survey revealed that 46 of the 51 cities (the District of Columbia was included) have single stream recycling and collect #1-#7 plastics.

Non-bottle Bale Sort – In 2011 APR Rigids Committee conducted the most comprehensive non-bottle bale sort ever done in order to determine the composition of mixed rigid plastic bales generated for recycling in North America. The need for updated data instigated a new sort being conducted in 2014, and will consequently result in critical, current base data for those interested in expanding and/or investing in non-bottle rigid plastic recycling. We look forward to reporting these results to you at the February 2015 APR meeting.

Polypropylene Market Development Subcommittee – With the objective to “stimulate the growth of and increase the availability and use of post-consumer recycled polypropylene” this new APR Rigids Program Subcommittee has worked over the last year to identify key potential stakeholders and possible outcomes of its work.

Thermoform Recycling Subcommittee – This new APR Rigids Program Subcommittee’s mission is to “gather available data and document the North American plastic sheet market – both sales (generation) and recycling volumes – by resin types. Once data is gathered, identify barriers and best practices for including thermoforms of varying resin types in recycling programs.”

Oregon’s Plastic Recovery Assessment Workgroup – The Oregon Department of Environmental Quality is conducting a major project to assess improving the recycling rate of plastics. An Advisory Workgroup, comprised of stakeholders, was formed to provide technical support and industry input to the project. The APR Rigids Committee was a member of that workgroup. The three top approaches the Group determined would result in the greatest plastic waste recycling were a bottle bill expansion, grocery rigid plastic recycling and restaurant rigid plastics recycling.

Protecting Against Degradable Additives. In 2014, APR continued its role as a voice of responsibility in the debate about the presence of degradable additives in recycled plastic. Despite what the FTC outlined in their final guidelines, marketing claims regarding the so-called recyclability of these additives remain ever present and growing in the marketplace. APR has voiced its reasons for concern, provided the path to prove no harm is done, and listened to the arguments. We have successfully opposed the careless use of degradability in regulatory rule making. APR continues to develop and refine its test protocols and prepare to give rigorous critique to claims made about recyclability of plastics with degradable additives included. We continue to see no solid waste management benefit from the additives and many negatives to their use.

California Attorney General Activity. For the past several years, APR has been working to bring the mislabeling of bottles on California store shelves to the attention of the Attorney General. Bottles labeled ‘recyclable and degradable’ have proven to be of particular concern. In October 2011, the Attorney General announced it was filing suit against those companies marketing their bottles as degradable, in violation of California law. In 2013, we worked to provide additional resources to allow the Attorney General to continue similar action against those bottles that continue to violate the law.

Once again in 2014, yet another case was placed before the Attorney General for action. As a result, a cease and desist order was taken against the company to remove containers that were mislabeled. This will be an ongoing effort, and we will continue to work with the AG's office to ensure compliance in the marketplace over the long haul.

Annual Recycling Rate Reports. Once again, APR partnered with the American Chemistry Council, and NAPCOR to fund the 2013 Recycling Rate Reports, which continue to be the seminal reports on plastics recycling.

Press and Media. APR announcements, activities and projects were detailed in press releases sent to media outlets throughout the year. Due to a greatly expanded media contact list, these releases, as well as other work that the APR has accomplished were covered in a wide variety of publications including Plastics News, Plastics Today, Greener Package, European Plastics News, Packaging Digest, Recycling Today, Plastics Recycling Update, and many more. In addition to publicizing APR activities, we work to recognize member announcements and accomplishments through highlights posted on the APR website and APR LinkedIn page, as well as Member Newsletters. We encourage all members to send us press releases and announcements.

Web Seminars. Four web seminars were completed for 2014. Topics covered continued progress with the Recycle Grocery Rigid Plastics program, expanding opportunities in film collection and #3-7 plastics recycling, and an overview of APR's new tool for MRF's: Sort for Value Matrix. Registered attendees averaged 200-300 participants, but that final number does not always represent a true count. Because many attendees have informed APR that they present APR web seminars in conference rooms with a large number of people listening in, that final number is actually much greater. Presentations and supporting materials are available on the APR website. APR has found the seminar program to be a highly effective and cost efficient way to communicate directly with solid waste and recycling officials, as well as a wide variety of industry members.

APR Website. The purpose of the APR website is to provide a valuable resource and tool for APR members and the recycling community. With an average of over 7,000 unique visitors from all over the world each month, it is vital to keep the site up to date, relevant, and fresh. In addition to regular updates and additions, including an expanded list of APR Model Bale Specifications, we improved and expanded on a variety of information available on the site. In 2014 we expanded the State Recycling Information section to include a broader variety of links to general recycling information state by state. Detailed information about Plastic Film Recycling was added to the FAQs section of the site. As we worked to not only share APR news, but APR member news and announcements as well, the APR news section has also grown. It now includes member press releases, videos, highlight articles, and more.

APR Buyers and Sellers Information. The APR Material Buyers and Sellers Guide is one of our most requested pieces of information. It is a valuable tool to the recycling marketplace, and is consistently in the top ten most visited sections of the APR website. As we work to update and improve the APR documents, it was time for an update of this information as well. The new listing is split into resin categories, as well as additional services, and is now organized in an easy to read matrix that directly aligns with available APR Model Bale Specifications. We began gathering member information to complete this project in late 2014, and expect it to be completed in February 2015.

Communications Committee. The APR Communications Committee continued to grow and expand its role in 2014. Membership grew to ensure all other APR committees were represented and able to bring

communications projects to the table. Collaborative projects included: Promoting Domestic Plastic Recycling Markets, Sleeve Label Communication, the development of APR Technical Bulletins, social media for the Recycle Grocery Rigid Program, and the APR Critical Guidance Recognition Program.

Sponsorship Activity. We continued our relationship with The Plastics Recycling Conference to recruit sponsors. This activity generates revenue that contributes to Recycling Rate Reports, as well as other APR programs. We also offered APR Meeting sponsorship to our members in 2014 to off-set rising meeting costs. Thank you to our 2014 sponsors: The APR Board of Directors, EREMA, and QRS Recycling! We hope to successfully continue sponsorship activity in 2015.

Again, Happy New Year to you and your family. We look forward to working with you in 2015!