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Recyclability of Paper-based Packaging & Displays

1. Purpose

This policy outlines requirements for suppliers producing consumer-facing paperboard packaging to ensure the final product remains recyclable. Critical considerations include:

- Coatings and material types,
- Adhesives,
- Heat-sealing processes.

2. Scope

This policy applies to all paper and pulp based (e.g. paperboard and corrugated) packaging for consumer-facing products and displays. These packaging types include but are not limited to:

- cards,
- hangtags,
- hanging trays,
- boxes,
- cartons,
- other paper-based containers and displays.

3. General Requirements

3.1. All paper-based packaging and displays must be designed with structures and materials and manufactured to be recyclable through standard recycling processes that are widely accepted in municipal recycling in the United States, Canada and Europe. (For definition of "widely accepted" please refer to <u>Walmart Packaging Playbook</u>, How2Recycle standards, CITEO guidelines (AGEC initiative) and others.)

3.2. Where exceptions must be made due to the protection of the product or other cost/structural considerations, Implus sourcing, brand, and ESG must align and ensure the appropriate communication is made to specific retailers where needed. To obtain an exception, please message your sourcing director and cc ESG@4implus.com.

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4. Coating Requirements

4.1. Aqueous Coatings & Curing Process

4.1.1. Suppliers must prioritize the use of aqueous coatings (via dispersion process) over Poly-laminate coatings.

4.1.2. Aqueous coatings should be easily separable from the paperboard during the recycling process.

4.1.3. Acceptable aqueous coatings could include but should be discussed with sourcing team to get preapproval in case any issues arise:

- Water-based,
- Oil based,
- Aqueous dispersions
- Bio-based coatings (e.g. Algae Ink, Potato based, etc.)
- 4.1.4 Acceptable curing and application processes include:
- Dispersion process (there is a potential that dispersion may have microplastics)
- Pattern applied
- UV light (curing)
- 4.2. Poly-laminate Coatings

4.2.1. The use of poly-laminate coatings is discouraged and must be justified if used.

4.2.2. To obtain an exception to use poly-laminate coating, please message your sourcing director and cc <u>ESG@4implus.com</u>.

5. Adhesive Requirements

- 5.1. General Adhesive Guidelines
 - 5.1.1. Adhesives must be water-soluble.

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5.1.2. The use of non-recyclable adhesives, such as pressure-sensitive adhesives (PSAs), must be minimized.

5.2. Heat Sealing Concerns

5.2.1. Heat-seal adhesives must not interfere with the recyclability of the paperboard.

5.2.2. Suppliers must use heat-seal materials that:

- Are dispersible in water during the recycling process

- Do not form insoluble particles or sticky residues

5.3. Adhesive Application

5.3.1. Adhesives should be applied in a pattern or manner that allows for easy separation during recycling.

5.3.2. The minimum amount of adhesive necessary for functionality should be used.

6. Documentation and Labeling

6.1. Suppliers must provide all documentation, imagery, weights and materials detailing the materials used in the packaging, including specific coatings and adhesives.

6.2. All packaging must include accurate recyclability labeling with appropriate recycling instructions and symbols for the regional sales considerations and retailer specific formats. This includes but is not limited to:

- How2Recycle icons with specific recyclability conclusions dictated by H2R review of the data provided.
- AGEC icons which are based on CITEO format rules.