

On top of the basic requirements and fees that we associate with an EPR law, California's SB 54 has set several additional goals and targets:

- All packaging must be **recyclable or compostable by 2032**
- 25% reduction in single-use plastic entering the California market by 2032 (measured against a 2023 baseline), with interim targets of 10% by 2027 and 20% by 2030

California's Source Reduction Definition

Plastic source reduction means reducing the total amount of single-use plastic that a producer supplies into California's market. It is measured using two different metrics simultaneously:

- Total *weight* of all plastic covered materials
- Total *number* of plastic components

All producers must hit the percentage targets on each metric independently, meaning that **producers cannot achieve the targets through weight reduction or plastic component reduction alone.**

The Five Compliance Pathways

There are five pathways through which producers can achieve their source reduction targets. Every reduction action that a producer takes maps to exactly one of these pathways; however, multiple "actions" can be taken on the same packaging design.

<p>01</p> <p>Reuse/Refill</p> <p>Shift single-use plastic packaging to reusable or refillable formats.</p> <p>Example: Returnable shipping containers; refill stations at retail.</p>	<p>02</p> <p>Elimination</p> <p>Remove a plastic component entirely without replacing it.</p> <p>Example: Drop a plastic label, inner tray, or outer overwrap.</p>	<p>03</p> <p>Switch to Non-Plastic</p> <p>Replace a plastic component with a non-plastic covered material.</p> <p>Example: Plastic clamshell to fiber-based clamshell.</p>	<p>04</p> <p>Right-size, Concentrate, Lightweight, Bulk</p> <p>Reduce plastic without removing the component.</p> <p>Example: Thinner-walled bottle; concentrated formula; bulk sizing</p>	<p>05</p> <p>PCR *as Alternative Compliance</p> <p>Use post-consumer content in place of virgin plastic.</p> <p>Example: Bottle made with 30% PCR vs. 100% virgin. Has its own constraints.</p>
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Reuse/Refill/Elimination (RRE) Floor

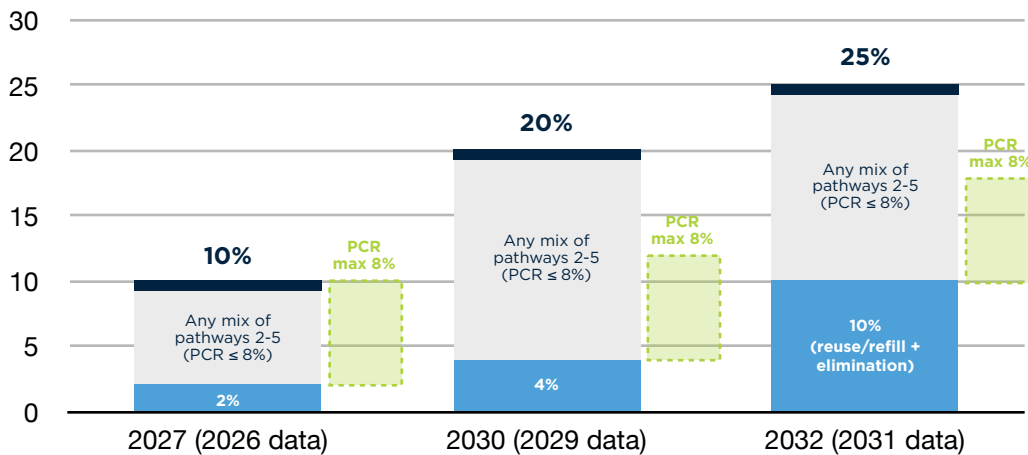
SB 54 considers reuse and refill the gold standard for the five pathways. Because of that, the law requires that a minimum portion of all source reduction must come from reuse/refill systems. This minimum increases each target year:

- **2027:** At least **2%** MUST come from reuse/refill
- **2030:** At least **4%** MUST come from reuse/refill
- **2032:** At least **10%** MUST come from reuse/refill **OR** elimination

PCR Cap

SB 54 sets multiple constraints on producers' use of PCR to meet source reduction goals. These include:

- **Only 8%** of source reduction can come from the incorporation of PCR – this limit is flat, and is not expected to increase
- Only PCR added **above the 2023 baseline** is eligible for source reduction credit
- All PCR must be validated through the Association of Plastic Recyclers' (APR) Postconsumer Resin Certification Program



Key:

- Blue Block:** RRE Floor
- Top Line:** Total target for each year
- Gray Middle Zone:** Any mix of pathways 2-5
- Dashed Green Band:** PCR ceiling

Additional Reporting Requirements

One-Time Submissions	Annual Submissions
<p>Source Reduction Baseline Report</p> <p>Your 2023 plastic materials by weight & component count – the baseline all future targets are measured against.</p>	<p>Annual Producer Supply Report</p> <p>What you're supplying each year into the CA market by covered material category – what you pay fees on.</p>
<p>Individual Source Reduction (ISR) Plan</p> <p>Forward-looking strategy for hitting 2027/2030/2032 targets – becomes a binding agreement with CAA.</p>	<p>Annual Source Reduction Report</p> <p>Tracks actual plastic reduction progress (by weight & component count) against the 2023 baseline.</p>