



FPA

Flexible Packaging
Association

REPORT TO
THE MEMBERS

20
22



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Letter from the President & CEO

Advocacy was the name of the game in 2022, with an unprecedented amount of legislation and regulations impacting the industry, as well as an old issue raising its ugly head again in the form of a circumvention case against S. Korean and Thai aluminum foil imports. This heightened our communications and outreach plans this year, promoting not only the sustainability and health benefits of flexible packaging, but the impact on the supply chain, costs, and jobs to the packaging segment, the product manufacturing segment, and the U.S. economy due to bad public policy. FPA didn't sacrifice our other core objectives, however, with significant work on streamlining our industry information and our events returning to pre-pandemic levels.

2022 saw two more extended producer responsibility bills passed in California and Colorado, bringing the total in the U.S. to four (Maine and Oregon passing in 2021). All four of the bills take different approaches and implementation is slated to take several years. As the regulations are put into place for these systems, FPA will need to be vigilant in ensuring that fees paid into the programs for flexible packaging are used to provide an onramp for that packaging to be returned to circularity. Toxicity legislation and regulation surrounding the use of PFAS in packaging mandated continued action by FPA to protect the use of some of these substances, which do not pose a health hazard, as processing aids for film formation. Labeling for recyclability is also an issue FPA worked on this year, including a draft federal bill, as two state laws would institute state specific requirements. As a commerce issue, labeling products and packaging must be harmonized across all states. Work with the federal government on this issue will continue in the new 118th Congress.

On the aluminum foil front, FPA undertook extraordinary efforts to educate policy makers and influence the Department of Commerce to right the wrong that its self-initiated case against imports from S. Korea and Thailand would do to flexible packaging jobs, the scarcity of food and health care products, and the cost of these goods and services. Not only did the membership weigh in on the case, our customers and supply chain partners weighed in as well. The outcome of these efforts will not be known until February 2023 and work continues in the interim.

This year also saw the first significant change to our industry survey and reports in decades. We streamlined several, including the State of the Industry. Work will continue on our signature report to deliver not only survey results, but more robust analysis and insights on the data, and a more dynamic delivery system in 2023. We were back to our two meetings this year, which provided ample opportunity for networking and we formed a Board level work group to envision the next level of events for FPA. I look forward to continued growth and more voices amplifying our advocacy messages on behalf of the flexible packaging industry.

Sincerely,



Alison Keane, Esq., CAE, IOM
President & CEO



ADVOCACY

Advocacy – State

2022 was yet another landmark year for packaging policy at the state level. While FPA was heavily engaged in several issue areas including labeling standards, post-consumer recycled (PCR) content rates, toxics in packaging, and protecting advanced recycling technologies, our highest priority remained extended producer responsibility (EPR) legislation. In 2021, Maine and Oregon became the first two states to pass EPR laws for packaging sold or distributed in their states. This year we saw two more states, California and Colorado, pass laws establishing EPR programs for packaging, and an additional 14 states introduce similar measures that were unsuccessful.

While the California bill, SB 54, was deeply flawed and certainly not a model FPA would endorse, we were ultimately able to adopt a position of neutral. This was a compromise struck to avoid a proposed ballot measure which would have been far more devastating to the industry. California also introduced several other troubling bills, including AB 2026, which aimed to ban the use of plastic packaging in e-commerce shipping. This shortsighted bill would have resulted in increased greenhouse gas emissions and had deleterious impacts across multiple sectors of the economy. FPA, with the support of a broad coalition, was ultimately successful in defeating the measure, but the bill was one of many showing an alarming trend towards anti-packaging legislation.

Sealed Air Corporation hosted site visits at their Saddle Brook, NJ facility in October and their Renton, WA facility in December where representatives from AMERIPEN, FPA, and state government met with plant workers and walked the facility floor.



Sealed Air in Renton by Rep. Bergquist and Rep. Hackney



Site Visit: Sealed Air WA - Rep. Bergquist and Rep. Hackney



Site Visit: Sealed Air NJ - Assembly Member Swain



Site Visit: Sealed Air NJ - Assembly Member Swain

Other bills not directly tied to EPR focused on PCR content, advanced recycling technologies, and toxic chemical bans, specifically targeting, perfluorinated substances (PFAS) in packaging. FPA was successful in defeating legislation in CT, HI, MD, NY, RI, and several other states, at least delaying infeasible PCR rates and dates for all flexible plastic packaging. Another notable bill came up in New York via the Governor's proposed budget, which contained a provision that would have banned the use of all PFAS in packaging, including as processing aids. FPA worked closely with senior legislative staff to amend the bill to strip out the processing aid prohibition, as fluoropolymers that do not pose a risk are necessary for film extrusion, particularly when using PCR content in films. However, the governor ultimately decided to remove the entire provision rather than amend it. Rhode Island had a similar bill and while the sponsor was amenable to taking out the processing aid language, the bill made it through the session with the offending language. FPA has commitments to correct with amendments in the 2023 session.

FPA firmly believes a suite of solutions is necessary to address the lack of collection, processing, and end-markets for flexible packaging circularity. FPA advocated in several states for legislation enabling and funding advanced recycling, including chemical recycling. We were successful in several states and this work will continue.

Advocacy – Federal

While FPA continues to advocate for a national strategy to improve, advance, and increase recycling in the U.S., including a harmonized approach for labeling for recyclability, if not an entire EPR packaging bill, focus shifted drastically this year to aluminum foil tariffs. In 2017, the U.S. government-imposed duties on aluminum products coming from China, including aluminum foil. In 2018, yet another administrative action was taken under Section 232 of the Trade Expansion Act and additional worldwide tariffs were imposed on aluminum products, including foil. Now, the Department of Commerce (DOC) is initiating (not at the request of the domestic industry, but of its own volition) an investigation for potential additional fees on imports of aluminum foil from South Korea and Thailand.



ADVOCACY

FPA is opposed to new duties on the converter foil that is used in the industry as it cannot be adequately sourced from U.S. manufacturers. This was the case 5 years ago and nothing, including the duties on foil imported from China has changed this. FPA undertook a parallel campaign to argue no circumvention to the DOC as well as advocate directly to policy makers on the Hill and to the White House itself. A preliminary decision on the case is expected on February 28, 2023 and a final decision on July 18, 2023. FPA submitted its brief to DOC on September 16th and currently has ongoing meetings with members of Congress.

Technology and Regulatory Affairs

The Biden Administration's environmental policy initiatives are a major shift from the previous administration and focus on Climate, Environmental Justice (EJ) and disproportionately harmful impact on

low-income communities and communities of color, as well as the creation of well-paying union jobs. A substantial amount of money has been earmarked for EJ-targeted infrastructure projects, including another \$20 million specific to neighborhood air quality and industry fence-line monitoring studies. FPA's Environmental, Health and Safety (EHS) Committee is monitoring developments as many of its member companies are located within impacted areas. Additionally, the Department of Justice has engaged in seeking federal courts to either reverse, hold in "abeyance," or remand back to the U.S. Environmental Protection Agency (EPA) many of the air, water, waste, and toxics regulations promulgated or abolished by the former administration. It should be noted that FPA submitted substantial comments on many of these issues with favorable outcomes. The Committee is dedicated to keeping a close watch and ready to act on issues that may negatively impact FPA member companies.

During the past administration, the federal Occupational Safety and Health Administration (OSHA) undertook very few regulatory or enforcement initiatives regarding COVID-19. That is now changing as the Agency begins to comply with President Biden's Executive Order "Protecting Workers Health and Safety" emphasizing it as a national priority and a moral imperative. As we have seen with the COVID-19 Emergency Temporary Standard (ETS) that OSHA recently issued, the industry can expect a very "aggressive" OSHA moving forward. FPA will continue to work with other industry coalitions on regulatory issues that are of mutual concern.



Environmental, Health, and Safety (EHS) Committee

The EHS Committee meets on a quarterly basis. These meetings have been virtual for the duration of the pandemic, but the Committee is hopeful that an in-person meeting can be held in 2023. Each meeting agenda includes an in-depth analysis of regulatory issues and sharing of “best practices” as they relate to safe facility operations. The next four years are anticipated to be busy as many of the rules FPA commented on that had favorable outcomes are now under judicial and Agency review. In addition, upcoming climate and environmental justice initiatives are likely to have economic and compliance burdens on manufacturing and sustainability programs. The following provides a few specifics of the Committee’s work:

GHG Regulation and The Inflation Reduction Act (IRA)

In June, the U.S. Supreme Court overturned the D.C. Circuit Court’s 2021 decision and held that the EPA lacked the authority to regulate GHGs under both the Clean Power Plan and the Affordable Clean Energy Rule. Additionally, in July, EPA published a proposed GHG emission reporting revision rule. Although the proposal names the phase-down of fluorinated GHG (F-GHG) under the American Innovation and Manufacturing Act of 2020 as a reason to update emission factors and reporting for F-GHGs like SF6 and refrigerants, the rulemaking seems clearly tied to SEC’s proposed ESG rules, discussed above. If adopted, the rule would be codified as a new Energy Consumption Source Category, likely limited initially to industries that are currently subject to other GHG reporting, but with the potential to be easily expanded to as yet-unregulated manufacturers. The IRA, also known as the climate bill, includes many new fiscal measures to reduce GHG and build resilience to climate change—roughly \$437 billion on climate, health

subsidies, and green tax credits that will expand by \$270 billion over the 10-year budget window. The IRA also addresses climate justice, with increased tax credits and budgetary spending targeted to disadvantaged communities.

The legislation also adds permanent superfund taxes on oil at the rate of 16.4 cents per barrel, indexed to inflation. The Government Accountability Office and EPA’s Inspector General have already both issued warnings regarding EPA’s ability to manage the funds they receive and oversee the grants authorized for EJ, energy, and other purposes.

Risk and Technology Review of Paper and Other Web Coatings (POWC) Maximum Achievable Control Technology (MACT) Rule

In response to a consent decree entered with environmental groups, EPA proposed amendments to the POWC MACT Rule in 2020. As required by the Clean Air Act, the rule examined “residual risk” to the public and the environment from hazardous air pollutants. FPA has been working with EPA for several years on the rulemaking. In March, the EPA lifted the stay of a formaldehyde standard, which was originally stayed in 2004. EPA’s action triggered a 180-day period for affected sources to do the following two things: submit to their EPA Regional Office a continuous monitoring plan; and perform a stack test for compliance. EPA intends to finalize a proposed revision of the rule for OMB review by the end of 2022.

Per-and polyfluoroalkyl (“PFAS”)

There continues to be significant movement at the state and federal levels to ban/regulate the use and reporting of PFAS. As part of the EPA-PFAS action plan, the agency proposed regulations on imported products that contain PFAS chemicals used as surface coatings. In addition, EPA’s Office of Pollution Prevention and

ADVOCACY

Toxics is undertaking a risk assessment of several classes of PFAS to determine future regulatory actions. In August, EPA announced that it will publish a proposed rulemaking to designate certain PFAS chemicals as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The proposal applies to perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), including their salts and structural isomers as hazardous substances under the Superfund Act. Under this rule, water and wastewater utilities would be required to dispose of PFAS-laden filters at a hazardous waste facility. Many current landfills may become Superfund sites, resulting in staggering financial liability and clean-up costs. These costs are likely to be passed on to communities, industry, and ratepayers. FPA joined a coalition led by the U.S. Chamber of Commerce to advocate for the industry's position. FPA's Product Stewardship and Circularity Committee has also been active in the legislative arena on this subject.

Federal Manufacturing Stormwater General Permit

The EHS Committee spent a significant amount of time this year commenting on proposed updates to the federal general stormwater permit for manufacturing facilities. FPA was successful in advocating for flexibles to be one of several industries excluded from special conditions in the general permit because of the overall pollution profile and general housekeeping commitments within the industry. Additionally, under the permit revisions, several off-site toxicological analyses were streamlined. The Committee will continue to keep close watch on Stormwater General Permits as is clear that with increasingly dramatic storms and water pollution issues in certain areas of the country, the storm water permit programs will continue to grow increasingly complex.

Security and Exchange Commission (SEC) Climate Disclosure Rule

The SEC sought input on updating and broadening its 2009 Climate Disclosure rules, including Environmental Social Governance (ESG) for publicly traded companies. Analysis indicated that it would also impact privately held companies, particularly investment and commercial loans. FPA provided comments discussing various greenhouse gas (GHG) emission metrics, their comparability from industry to industry, and data collected by independent organizations like the Carbon Disclosure Project, as well as EPA. The submission underscored the difficulty that the proposed requirements for auditing and comparison of different industry GHG metrics will present for investors.

Additionally, FPA urged the SEC not to adopt Scope 3 (supply chain) reporting and to defer requiring social and governance disclosures in SEC filings at this time. Note that the U.S. Chamber of Commerce, and private companies such as Amazon and Bank of America, were harsh in their comments. U-Haul called the new ESG reporting requirements nothing but “unconstitutional ‘name and shame.’” In addition, FPA submitted comments on the “Social Cost of Carbon” to the Office of Management and Budget (OMB), which the Biden Administration is expected to use in formulating climate regulations.

FPA's Environmental Issues Index

Updated quarterly; reviewed during committee meetings; and posted in the members-only section of the FPA website, the index is a comprehensive document for regulatory updates including FPA's action plan for responding to regulatory issues that may impact the flexible packaging industry. FPA members use it as a resource and provide feedback including any issues that are of concern and not

included in the document. The Issues Index is unique in that it has all relevant environmental issues in one place which members find highly valuable.

NAPIM Ink Migration Project

FPA is collaborating with the National Association of Printing Ink Manufacturers (NAPIM) to establish that inks used in package printing comply with FDA migration limits and thereby should be exempt from food contact additives regulations. Dr. Cheeseman (former senior level FDA employee) is working as a project consultant. The Committee met with FDA and received positive feedback on project approach and risk assessment methodology. It is a lengthy process, and the pandemic has made it worse as it is difficult to get FDA to volunteer any resources that are not related to COVID-19. The effort continues.

OSHA Update—COVID-19 ETS

During committee calls it became clear that members are spending upwards of 50% of their time addressing issues related to COVID-19 in the workplace. Realizing members' need for timely updates on this fast-moving issue, FPA doubled down on its efforts to research and compile resources to help members understand the status and implications of OSHA's vaccinations, testing, and face coverings Emergency Temporary Standard (ETS). In a remarkable turn of events, the U.S. Court of Appeals for the Sixth Circuit, dissolved the nationwide stay of OSHA's ETS that had been issued by the Fifth Circuit in November. Immediately following the decision OSHA issued a statement that the agency was moving forward with implementation and enforcement of the ETS. Numerous parties, including 26 State Attorneys General, filed an emergency application and motion

with the U.S. Supreme Court requesting the Court reissue a stay of the ETS. Although not a party to litigation, FPA signed on to the position taken by "Employers COVID-19 Prevention Coalition" and the U.S. Chamber of Commerce. This approach offers a significant benefit to FPA members without incurring cost of litigation. On January 13, 2022, the Supreme Court issued a per curium majority decision to stay the implementation of the ETS. The court based its decision on the Occupational Safety and Health Act, which empowers OSHA to issue emergency standards prior to ordinary notice-and-comment requirements "only in the narrowest of circumstances." While the Court did not find the circumstances of the ETS to be so grave as to allow for an emergency standard, it is very possible that OSHA will move forward through the standard rulemaking process to establish COVID-19 regulations. FPA is keeping close watch.



SUSTAINABILITY

Materials Recovery for the Future (MRFF)

FPA is an active partner in this industry sponsored multi-year, multi-million-dollar research project. The focus of the program is to establish that flexible packaging that is not mechanically recyclable today can be collected in a single stream system, and auto sorted at Material Recovery Facilities (MRFs). The central goal of the project is to find the most cost-effective pathway to create a flexible packaging commodity bale for reprocessing or conversion to fuel and other market commodities. MRFF project's vision is: "Flexible Packaging is recycled curbside, and the recovery community captures value from it." The pilot, which has now been commercialized, is in full swing at the TotalRecycle Material Recovery Facility located in Birdsboro, PA. The results show that the project vision is consistently being met. The recent evaluation indicated that the rFlex bale had 87% recovered flexible plastic packaging (FPP), 10% fiber and 3% others. Since the contamination rate of the fiber bale is significantly reduced, it increases the selling price of fiber bales creating financial benefit to MRFs. From both financial and environmental



perspectives, this project is a win-win for the MRF and helps to meet 2025/30 sustainability goals set by many FPA member companies. The project has now transitioned to the Film and Flexibles Coalition of The Recycling Partnership (TRP) of which FPA is a member. TRP has the resources to take the project to the next level.

Developing end-markets for recycled flexibles is critical to the success of the MRFF project. Continuing this journey, MRFF sought and was awarded a \$500,000 grant by the REMADE Institute (funded by the U.S. Department of Energy) to pilot traceability and block chain technologies to expand the quantity of recycled plastics moving from collection to MRFs to end-markets. The research will include analyzing the costs and environmental benefits of recycling the flexible plastic packaging via multiple manufacturing pathways including roof cover board, pallets, pavers, and films.

The project will continue to investigate scalable technologies to recycle the flexible packaging waste.





Advanced Recycling; Achieving Circularity via Plasma Gasification (Waste to Syngas)

FPA is a founding member of the Consortium for Waste Circularity project which is managed by the University of Florida (UF). Regenerative gasification makes it capable of accepting virtually everything within municipal solid waste (MSW) and converting it to syngas. While syngas itself is not easily transported, it can be converted to methanol also known as Eco-Methanol and back into new products, plastics, and packaging. This project offers a great promise to achieve circular economy sustainability goals for flexible packaging.

While several commercially available options for robust gasification currently exist, there are many opportunities for innovation, iteration, and optimization for handling the MSW. Therefore, UF developed lines of research related to reducing the complexity and cost of the gasification technology as well as conversion of syngas to methanol. It is expected that a bench-scale system will be ready for testing and experiments during the first quarter of 2022. Plans for commercializing the gasification technology are under development.



SPMC STERILIZATION PACKAGING MANUFACTURERS COUNCIL

FPA's Sterilization Packaging Manufacturers Council (SPMC) is comprised of FPA member companies which are industry experts in the unique production requirements of sterile medical and pharmaceutical packaging. SPMC's members volunteer their time, resources, and technical expertise to provide packaging requirement guidance, test methodology clarity, standards development, and user education. The highlights below indicate how FPA membership contributes to the exposure of its members' accomplishments at an industrial scale.



The Committee advocates for federal and state regulations that recognizes the unique requirements of medical packaging and its impact on patient safety, promotes meaningful sustainability solutions, and shares information with the industry on relevant regulations and activities. The committee has held two meetings thus far and has elected a chair of the committee: Nick Packet of DuPont.

The SPMC celebrated its second annual Sterile Packaging Day on April 13, 2022. The event was created by the Council to raise awareness of the critical role sterile packaging plays in everyone's health and well-being. This year's celebration theme was "Better Together!" This was chosen to express gratitude to be part of such a strong industry and to salute and celebrate all those who support us. Despite the challenges posed by the pandemic, our industry has demonstrated extreme flexibility



and resilience in our ability to innovate, develop, produce, and sterilize life-saving devices, PPE, and patient-focused drug delivery products.

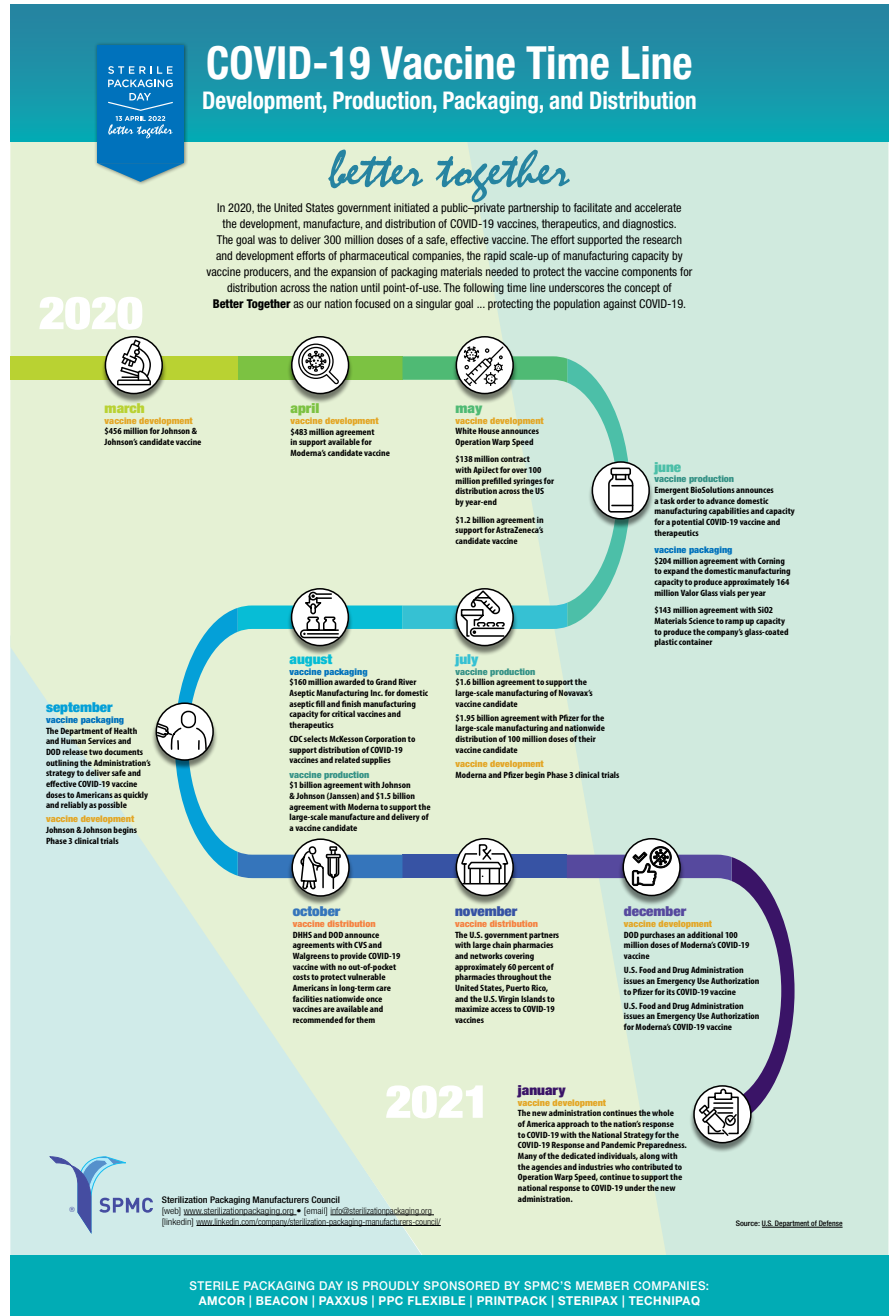
Celebration of Sterile Packaging Day included a toolkit created by the SPMC to help our partners throughout the supply chain recognize and celebrate sterile packaging, shareable graphics, and campaigns through LinkedIn, and an in-person presence at Medical Design & Manufacturing (MD&M) West in Anaheim, California rounded out the campaign. SPMC plans to celebrate the third



annual Sterile Packaging Day on February 8, 2023, once again at MD&M West, and plans to increase in-person celebrations to increase awareness of the event.

The SPMC Technical Committee is finishing up a new white paper to be ready by November 2022. The white paper focuses on storage and use of packaging materials. The paper will be accompanied by a seminar to be presented by the Technical Committee at MD&M Minneapolis on November 2nd.

A new SPMC committee, the Regulatory Standards Sustainability Committee, was formed in the summer of 2022. The committee was formed to monitor legislation and regulations impacting medical device packaging, focusing on post-consumer recycled content, extended producer responsibility, advanced recycling, and waste and recycling.



ELC EMERGING LEADERSHIP COUNCIL

The ELC is a committee comprised of up-and-coming professionals, and their mission is to establish a network of future leaders to drive issues and opportunities which have a long-term impact on the advancement of the U.S. flexible packaging industry. The ELC is co-chaired by Jonathan Quinn, Director of Market Development & Sustainability, Pregis and Adrienne Tipton, Senior Vice President of Innovation, Novolex. Within the ELC there are four subcommittees: Advocacy, Education, Recruitment & Leadership Development, and Diversity, Equity & Inclusion (DE&I).

Advocacy

Advocating for Flexible Packaging

Building on the educational resources, including the visualization of the legislative process, and a fact sheet discussing the implications of extended producer responsibility (EPR), the ELC is transitioning to influencing legislators. This newly established transformation can be broken down into two strategies: D.C. fly-ins and home state site visits.

The D.C. fly-ins will include a core group of ELC members, Flexible Packaging Association (FPA) staff, and local lobbyists. Our group is targeting at least one fly-in in 2023. Fly-ins offer a unique opportunity to make many connections and shift perceptions in a few days. Our core intent is to provide legislators with a perspective on the flexible packaging industry from a younger demographic.

Complemented by the focused burst of advocating from a fly-in, home state site visits offer a more sustainable and stable approach to advocacy. Site visits from local legislators are not new to FPA, but they are nonetheless important, especially after the past two years, when site visits were less viable. Our group expects to facilitate up to 10 visits in 2023.

However, this will be impossible without energetic action from our member companies. Your facilities best tell the story of what our industry has to offer, and we simply cannot do this without you. To opt in as a participating member company, please reach out to your FPA contact.

Aluminum Foil Trade Actions Video

To support FPA's efforts to advocate against aluminum foil trade actions initiated by the U.S. Department of Commerce, the ELC engaged several manufacturers of flexible packaging to produce a video that illustrates how vital aluminum foil is to our industry and that additional duties on imported foil will negatively impact consumers and the economy. The video can be found on FPA's YouTube channel, FlexPackAssociation.



Education

The ELC Education Committee strives to combat the negative stigma that surrounds the plastics industry by building a strong foundation of educational materials that highlight the importance, benefits, and the NEED for flexible packaging. In 2022, the committee made significant progress in its efforts to develop “Let’s Talk flexible packaging” resources to empower FPA member companies to effectively educate families and communities about the benefits of flexible packaging including:

- A revamp of PerfectPackaging.org to include easy-to-digest information surrounding consumer-focused topics, specifically plastic film recycling and food waste reduction. Additional resources include statistics and facts about each topic, downloadable educational resources and activities, and experiments to get youth involved and excited about the topic.
- Developing one-pagers that focus on and highlight individual topics relating to flexible packaging. The first topic concerned the important role that flexible packaging plays in food waste reduction.
- Launched an outreach program to leverage educator and consumer influencers to educate their audience on the importance of flexible packaging, specifically plastic film recycling. In the age of technology, people spend countless hours watching videos of their favorite “Day in the Life” and “Mom Hacks” influencers, giving us the perfect opportunity to leverage our messaging.

The top screenshot shows the 'Let's Talk Flexible Packaging' page with a focus on 'Recycling'. The page features a video of a recycling bin and text explaining that flexible packaging is made from plastic film, which is the only packaging material that can be recycled. It also mentions that flexible packaging is made from 100% recycled plastic and is 100% recyclable.

The bottom screenshot shows the 'Let's Talk Flexible Packaging' page with a focus on 'Reducing Food Waste'. The page features a video of a person using flexible packaging and text explaining that flexible packaging helps reduce food waste by keeping food fresh longer. It also mentions that flexible packaging is made from 100% recycled plastic and is 100% recyclable.

ELC EMERGING LEADERSHIP COUNCIL

Recruitment & Leadership Development

Virtual Summer Internship Program

Returning this year, the ELC hosted the Virtual Summer Internship Program. The program intends to foster a sense of community and create networking opportunities for summer interns who are considering full-time careers in the flexible packaging industry. The program welcomed over 35 students from 18 different FPA member companies. For the duration of the summer, the interns participated in weekly engagements that consisted of either a small group session or a broad group session. The small group sessions were conducted by a member of the ELC and a small group of interns to network and discuss a series of topics. The broader group sessions mainly consisted of special guest speakers. A special thanks to our speakers: Sal Pellingra, Vice President of Innovation and Technology, ProAmpac; Ken Swanson, President and CEO, Liquibox; and Kasie Strong-Fairborn, Product Sales Manager, Windmoeller & Hoelscher Corporation.

FlexPack Crash Course

In October 2022, the ELC presented a FlexPack Crash Course at PACK EXPO International. The event was designed for new hires and newcomers to the flexible packaging industry with fewer than five years of industry experience. The educational content provided a high-level overview of the flexible packaging industry including market trends, sustainability, the legislative and regulatory environment, as well as an overview of technical fundamentals including flexible packaging materials, substrates, and converting technologies.



Diversity, Equity, & Inclusion (DE&I)

In October 2022, the ELC announced the formation of a Diversity, Equity, & Inclusion Committee (DE&I). DE&I will help to foster, promote, and engage in a culture of diversity and inclusion within the industry. This new focus will shine a spotlight on the progress made and encourage member companies to share stories, learnings, and challenges in their DE&I initiatives.

In July, member companies participated in a DE&I survey and shared the status of their corporate initiatives. The results provided a baseline for where we are as an association in this space. Key highlights are as follows:

- More than 80% of respondents confirmed their business has diversity initiatives in place.
- More than 35% have made DE&I a priority for more than five years. An additional 30% are within the first two years of their journey.



Apurva Shah, Market Manager, Charter Next Generation
Photo credit: Thomas Barstow, Senior Editor, FlexPack VOICE®/YGS

The goal of DE&I is to meet member companies where they are in their journey and offer support and resources to drive change. Currently, a toolkit of resources and training through online and in-person opportunities is under development. In addition to the toolkit, initiatives at member companies include enhanced training, employee resource groups, mentorship programs, and diversity councils. These organizations reported improved performance, morale, and employee satisfaction as directly related to positive impacts from their investments in DE&I practices.



Jaclyn Epstein, Sales and Marketing Strategy Manager, Mica Corporation
Photo credit: Thomas Barstow, Senior Editor, FlexPack VOICE®/YGS



Simon Hermans, President and Head of Business Unit USA, Südpack Oak Creek Corporation
Photo credit: Thomas Barstow, Senior Editor, FlexPack VOICE®/YGS

COMMUNICATIONS

FPA continuously works to promote the positive story of innovation and advantages of flexible packaging. FPA applies a full range of traditional and digital tools to connect with members, media, consumers, policymakers, and other audiences.

Transitioning Flexible Films in Packaging Operations

FPA partnered with PMMI/PMG Custom Research to investigate key operational challenges experienced by CPGs when transitioning between different flexible materials. The objective is to develop best practices to address these challenges.

The main objectives of the project are to 1) Uncover key, operational challenges and barriers to switching between flexible materials in CPG production lines, and 2) Create a best practices document as an industry guide for CPGs, OEMs, and materials suppliers/converters on the most effective way to transition between flexible materials.

The project's key findings will be presented during FPA's Annual Meeting in March 2023. A comprehensive best practices report containing actionable guidance and success stories in transitioning from current flexible films to more sustainable materials will be published and distributed to FPA members after the Annual Meeting.

Fact Sheets

FPA developed a series of fact sheets for extended producer responsibility (EPR) legislation and perfluoroalkyl and polyfluoroalkyl (PFAS) regulations in various states. The fact sheets include legislative snapshots, definitions, elements at issue, and timelines and phases of implementation.





Aluminum Foil Trade Actions Threaten Flexible Packaging Industry

The flexible packaging industry is once again unfairly targeted with unwarranted trade actions on aluminum foil that not only threatens food, pharmaceutical, and medical security in the U.S.; but will also negatively impact domestic jobs and increase prices during a time of unprecedented inflation. A "self-initiated" case by the Department of Commerce (DOC) against suppliers of aluminum foil from South Korea and Thailand threatens manufacturers of flexible packaging with unwarranted duties on necessary aluminum foil for food, pharmaceuticals, and medical device packaging.

Why The Flexible Packaging Industry is Concerned

These duties are not appropriate as the thin gauge foil used in these applications cannot be supplied by U.S. manufacturers. In 2017, the U.S. government-imposed duties on aluminum products coming from China, including aluminum foil. In 2018, yet another administrative action was taken under Section 232 of the Trade Expansion Act and additional worldwide tariffs were imposed on aluminum products, including foil.

Now the DOC is initiating (not at the request of the domestic industry, but of its own volition) an investigation for potential additional fees on imports of aluminum foil from S. Korea and Thailand. What makes these actions even more destructive is that the foil targeted by these duties and tariffs is not manufactured in the U.S. in the quantities needed, and flexible packaging manufacturers have no choice but to import it. In fact, the DOC already stipulated this truth by granting hundreds of exemptions to these manufacturers from the Section 232 tariffs.



The Importance of Aluminum in the Flexible Packaging Industry

Aluminum foil creates the ideal barrier to bacteria, odor, sunlight, and contamination and is essential to protect the domestic food, health, and medical product supply. Many of these products are ones that consumers use or purchase every day, whether in grocery stores, pet stores, retail stores, or restaurants, but also found in doctors' offices, hospitals, pharmacies, and universities.



FPA also developed a fact sheet on the aluminum foil trade actions initiated by the U.S. Department of Commerce, as well as a video on the aluminum foil trade actions that will illustrate how vital aluminum foil is to our industry and that additional trade actions will negatively impact consumers and the economy.

Online Conversations Overview

The bi-annual report, prepared for FPA by The Cyphers Agency, provides information on online news conversations and social media relating to flexible packaging. The volume of coverage during January – June 2022 saw 169 articles with most of the coverage focused on FPA News (37%) and Packaging Innovation (27%).

Member Cybersecurity: NAM Cyber Cover

FPA is partnering with the National Association of Manufacturers (NAM) to bring an innovative and comprehensive solution to help manage, mitigate, respond to, and recover from cyberattacks. Through the partnership with NAM, FPA is offering a cyber insurance and risk management product designed specifically for manufacturers and their needs.

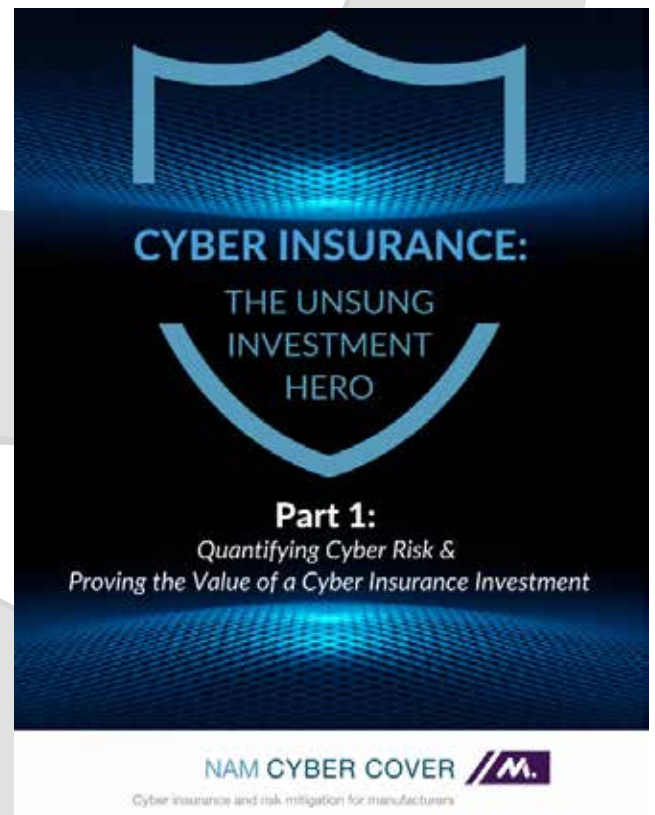
Ongoing Membership Communications

FPA Flexible Packaging Industry News Bulletin

The bulletin is disseminated to FPA members weekly (every Monday) via email. FPA is sending the INB out through a third-party email service that allows FPA to track the number of “opens” by members. Other information can be tracked as requested.

FPA NOW (News on the Web)

FPA NOW is a monthly bulletin that highlights FPA activities and contains industry trade press articles on trends in packaging and sustainability.



COMMUNICATIONS

Social Media Program

Consumer-facing channels, Facebook and Instagram, maintained a healthy audience to promote Perfect Packaging, totaling 33,568 followers. Instagram specifically has seen a significant uptick in followers (48%) skewing toward a younger male audience (18-24). Engagement continues to be generally neutral with most seeking more information.

LinkedIn and Twitter continue to organically gain a strong audience, seeing a 27% increase in followers. Most engaged content continues to focus on industry related news, trends, and FPA updates/announcements. The best performing content includes member achievements and technical innovations, image-driven posts, and content that engages with trending hashtags and current news.

In 2022, FPA expanded its social media presence to include TikTok to its social media channels as an opportunity for brands to leverage messaging and have more reach to engage with consumers. Unlike Instagram, TikTok content isn't about a perfectly curated feed, but rather genuine and organic. The Cyphers Agency, FPA's social media partner,

is actively working with current influencers who previously created Instagram reels promoting FPA's mission/promoting flexible packaging for permission to repost the videos to FPA's TikTok profile and continued to add TikTok as a deliverable in our 2022 influencer outreach.



#NationalSunglassesDay



Influencer Outreach Program

In 2022, FPA continued its strategy to engage with influencers that held audiences that would be receptive to environmentally friendly alternatives and exploring a new perspective on sustainability. Through six influencers, outreach in 2022 reached more than 1.4 million followers through Instagram, YouTube, and TikTok.

Road Trip Meals
(with flexible packaging!)

A video call window showing a woman with long blonde hair speaking. A large play button is overlaid on the video. The video player interface at the bottom shows a progress bar and various control icons.

why I low-key hate the "zero waste" movement...

It's overrated
by Lisa B. Smith

It's overrated I really haven't heard that... the number one rule with zero-waste living is to share how it's done (packaging here) helps reduce our environmental footprint, while also being more convenient.

For instance, I showed out and re-used this clear flexible packaging bag of almonds to keep my vegetables hand-free at the market.

And of course, we can't forget about beach cleanup. If flexible packaging increases the shelf life of products while helping down on the environmental impact of production and transporting the packaging (it's lighter weight, so less fuel is required).

And to be honest, many flexible packaging products are reusable so you can keep the same and huge cost!

If you see how you reuse your flexible packaging products? If you try this out, please send me a DM or tag me on your IG post!

71 likes

4 months ago



COMMUNICATIONS

FlexPack VOICE®

FPA continues its partnership with the YGS Group for the development and distribution of its official magazine, FlexPack VOICE®. The magazine includes FPA news specific to the Association; industry news that focuses on the industry, including the supply chain, at large; as well as showcasing member achievements in sustainable flexible packaging and technical innovations that address product protection, e-commerce, food waste, food waste, medical safety, and more.

Five feature sections anchor the issues: “Advocacy Corner,” describes FPA’s advocacy efforts and what it is doing to be heard at the Federal and state levels to forward the interests of members; “FlexAppeal®,” which highlights the benefits of flexible packaging; “FlexForward®,” which focuses on industry breakthroughs and trends; “FlexFocus®,” which features FPA members’ specific achievements in flexible packaging. In 2022, a new section was added highlight our Academic members.

FPA/YGS Group is working with both our marketing firms (G&S Business Solutions and The Cyphers Agency) to increase the magazine’s social media presence and expand the distribution list. In 2022, FlexPack VOICE® earned a total of 26,350+ views.



FPA Website

The website, FlexPack.org, continues to provide members and guests with primary access to information on the Association and the flexible packaging industry. Over the past year, the site had just over 156K page views. The top visited pages on the website include the “Let’s Unite for Flexibles” campaign page (9,519+ views), FPA events calendar (4,900+ views), FPA’s 2022 annual meeting event page (4,050+ views), the industry overview (3,950+ views), the membership directory (3,250+ views), facts and figures (2,800+ views), and the sustainable packaging page (2,400+ views).

FPA Consumer Website



PerfectPackaging.org, FPA’s consumer-facing microsite, promotes the industry to the consumer and addresses the miscommunication about flexible packaging and plastics that is often reported. The website continues to gain momentum and consumer interest with most seeking information on recycling options, the impact flexible packaging has on the environment, and the overall reasons to consider flexible packaging. New this year, the microsite was expanded to include more robust consumer resources, Let’s Talk Flexible Packaging, to

understand what and how different types of flexible packaging, specifically plastic film packaging, are recyclable, as well as educational resources showing how flexible packaging preserves food longer and ultimately reduces food waste.

Within the past year, the site earned 33K+ page views, with the Environmental Impact of plastic vs. paper blog (11,250+ views) and What is Flexible Packaging page (3,675+ views) being the top visited pages.

FPA Magazine Website

FPA and the YGS Group developed a dedicated website for FlexPack VOICE®, FPA's magazine, www.flexpackvoice.com. It includes digital copies of the magazine; additional original articles; breaking news (a curated news feed from the e-newsletters); follow-up and expanded coverage of select articles from the print publication; video and/or audio; additional photo galleries to complement the magazine content such as FlexAppeal®; key upcoming events; and a social media feed.

In 2022, the site earned 15K+ page views, with top read articles including “A Conversation with Andrew Wheeler” (710 views), “War in Ukraine, Tariffs, Trade Policies Frustrate Suppliers” (683 views), and “Charter Next Generation Post Merger” (422 views).

FPA Careers Website

Flexible packaging is one of the fastest-growing segments of the packaging industry, with more than \$39 billion in annual U.S. sales. About 79,000 people are employed by the industry across America, and we need more talented, ambitious professionals for a wide range of disciplines. To help

with this workforce development, FPA developed a career website, www.flexpackcareers.org, that outlines the various career opportunities in the flexible packaging industry and includes links to FPA member websites and career pages (if applicable).

FPA Trade Show/Conference Participation

FPA actively serves as a thought leader for the flexible packaging industry and represents the industry at various trade show and conferences throughout the year.

FPA representatives presented at the following conferences:

- AMI Stretch and Shrink Film Conference, November 30 – December 1, 2022
- PACK EXPO, October 23-26, 2022
- SPC Advance, October 3-5, 2022
- AIMCAL R2R USA, September 26-29, 2022
- AWA N.A. Narrow Web Pouch Conference, September 11-12, 2022
- Flexible Packaging Europe Conference, June 24, 2022
- Global Pouch Forum, June 7-9, 2022
- AMERIPEN Summit, May 25-27, 2022

FPA exhibited at the following trade shows:

- PACK EXPO International, October 23-26, 2022
- PRINTING United, October 19-21, 2022
- NCSL Legislative Summit, August 1-3, 2022

COMMUNICATIONS

Flexible Packaging Achievement Awards Competition

FPA announced the winners of its 66th Annual Flexible Packaging Achievement Awards Competition, which features flexible packaging solutions that meet expectations and needs through advancements in materials, graphics, structure, new uses, extended shelf life, and sustainability. The 2022 awards announcement was held at FPA's Annual Meeting on March 23, 2022.

In 2022, FPA received a historic number of entries with 100 packages submitted to the competition, with a total of 325 entries (some packages were entered into multiple categories). Twenty-seven flexible packages were honored with 42 Flexible Packaging Achievement Awards in various categories.

Technical innovation and sustainability continued to be a focus of the competition. Shelf impact and the focus on the user experience for packaging are seen as increasing trends. The printing quality of the entries was also remarked on by the judges.

Special thanks are given to the 2022 competition judging panel: Martin Golden, MHGolden Packaging, Packaging Development Consulting and adjunct professor, Rutgers University Packaging Program; Brian Ludwick, vice president, publisher, and brand director, *Packaging Impressions*; and Jim Peters, a marketing communications consultant who focuses on the packaging industry and principal author of the book, "Creating Value Through Packaging."

Highest Achievement Award

EnteraLoc™

Gold – Expanding the Use of Flexible Packaging

Gold – Packaging Excellence

Gold – Sustainability

Gold – Technical Innovation

Manufacturer: Vonco Products, LLC

www.vonco.com



Gold Achievement Awards

Ahmad Tea – Cardamom Tea, 200 g

Gold – Printing

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



AmPrima™ Recycle Ready Pouch for Tyson® Instant Pot Family Meal Kit

Gold – Expanding the Use of Flexible Packaging

Manufacturer: Amcor Flexibles

www.amcor.com



Beachbody® PCR Incorporated Stand-up Pouch

Gold – Sustainability

Silver – Packaging Excellence

Silver – Shelf Impact

Manufacturer: American Packaging Corporation

www.americanpackaging.com



Celebrate HerSHEY's Bar

Gold – Shelf Impact

Manufacturer: Printpack

www.printpack.com



COMMUNICATIONS

KITKAT® Mini Moments 3D Recyclable Pouch

Gold – Shelf Impact

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



Lamb Weston Alexia Bio-based Packaging

Gold – Sustainability

Silver – Packaging Excellence

Manufacturer: American Packaging Corporation

www.americanpackaging.com



KRAFTIKA Paper-Based Packaging Tube Range by FlexiTubes

Gold – Packaging Excellence

Silver – Expanding the Use of Flexible Packaging

Silver – Technical Innovation

Manufacturer: Flex Films (USA) Inc.

www.flexfilm.com



Mackintosh's® Quality Street® Stand-up Pouch

Gold – Printing

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



Nestlé Smarties Stand-up Pouch, 203 g

Gold – Packaging Excellence

Gold – Technical Innovation

Silver – Sustainability

Manufacturer: American Packaging Corporation

www.americanpackaging.com



Off The Eaten Path Industrially Compostable Package

Gold – Sustainability

Silver – Packaging Excellence

Manufacturer: Printpack

www.printpack.com



Popcornopolis® Double Drizzle Pouch

Gold – Shelf Impact

Manufacturer: Bryce Corporation

www.brycecorp.com



Repêchage® Pouch

Gold – Printing

Silver – Shelf Impact

Manufacturer:

LPS Industries, LLC

www.lpsind.com



Volkman Seed Featherglow Large Parrot Bag, 4 lb.

Gold – Printing

Manufacturer: PPC Flexible Packaging

www.ppcflex.com



COMMUNICATIONS

Silver Achievement Awards

Ancor Clear Anti-Grease Jerky Pouch

Silver – Technical Innovation

Manufacturer: Ancor Flexibles

www.ancor.com



AmPrima™ Recyclable PE Shrink Film with 30% PCR

Silver – Sustainability

Manufacturer: Ancor Flexibles

www.ancor.com



Doritos® SOLID BLACK

Silver – Shelf Impact

Manufacturer: Printpack

www.printpack.com



John Soules Rotisserie Seasoned Chicken Breast with Rib Meat

Silver – Technical Innovation

Manufacturer: American Packaging Corporation

www.americanpackaging.com



KITKAT® Roasted Almond, 120 g

Silver – Printing

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



Marouf Coffee Roasted Espresso 3D Pouch

Silver – Shelf Impact

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



Klondike® Shakes

Silver – Expanding the Use of Flexible Packaging

Manufacturer: Sonoco Flexible Packaging

www.sonoco.com



Mazaya Zesty Lime Stand-up Pouch, 250 g

Silver – Printing

Silver – Shelf Impact

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



COMMUNICATIONS

Mehran Extra Long Basmati Rice 3D Pouch

Silver – Printing

Manufacturer: Emirates Printing Press, L.L.C.

www.eppdubai.com



Sanders® Small Batch Wonders Milk Chocolate Sea Salt Caramel Pecan Clusters Gusset Pouch

Silver – Printing

Manufacturer: CL&D Graphics

www.cldgraphics.com



PCR-354

Silver – Sustainability

Manufacturer: Berry Global

www.berryglobal.com



Wish Farms Blueberry SmartSeal® Traceable Package with Variable Data Lidding Film

Silver – Sustainability

Manufacturer: Sonoco Flexible Packaging

www.sonoco.com



Zainab Basmati Rice Large Flat Bottom Pouch, 10 lb.

Silver – Expanding the Use of Flexible Packaging

Silver – Packaging Excellence

Silver – Printing

Manufacturer: Integrated Plastics Packaging

www.ipp.ae



Flexible Packaging Student Design Challenge

The 2022 Student Flexible Packaging Design Challenge, managed and judged by the Emerging Leadership Council (ELC), received 39 concept outlines from some of the top packaging design programs across the United States. From the concept outlines submitted, 17 were selected to continue to the development phase. This year's winners were teams of students from the University of Wisconsin – Stout under the direction of Gary Borges.

First Place Honors

Pistachio Pal Package

Student Team: Ben Boie, Aria Elfering, Payton Klaslo, Aaron Kurschner, and Conner Walechka

School: University of Wisconsin-Stout

Professor: Gary Borges, Lecturer



Second Place Honors

Microwavable Ramen Pouch

Student Team: Ethan Meyers, Riley Runnels, Hayden Zachgo, and Hannah Zastrow

School: University of Wisconsin-Stout

Professor: Gary Borges, Lecturer



Honorable Mention

“Vetchables” Flexible Veggie Tray

Student Team: Ethan Meyers, Riley Runnels, Hayden Zachgo, and Hannah Zastrow

School: University of Wisconsin-Stout

Professor: Gary Borges, Lecturer



INDUSTRY DATA

The Flexible Packaging Association (FPA) maintains industry statistics and updates reports as data changes. Thus, dialogue with the U.S. Census Bureau, including reviewing data releases in connection with the U.S. Census Bureau's Annual Survey of Manufactures (ASM), and evaluating detailed long-term consistency by FPA is ongoing. Industry information is collected from the U.S. Departments of Labor and Commerce, the Census Bureau, Bureau of Economic Analysis, industry analysts, investment banking reports, the economic analyst group Inforum, and other authoritative sources to provide a more complete and insightful picture of the flexible packaging industry. FPA's data and reports enable members to benchmark their performance in the industry and gain helpful insight to assist them in growing their businesses.

In 2022, the Business & Industry Research Committee has been working to streamline FPA's survey efforts and several changes were implemented.

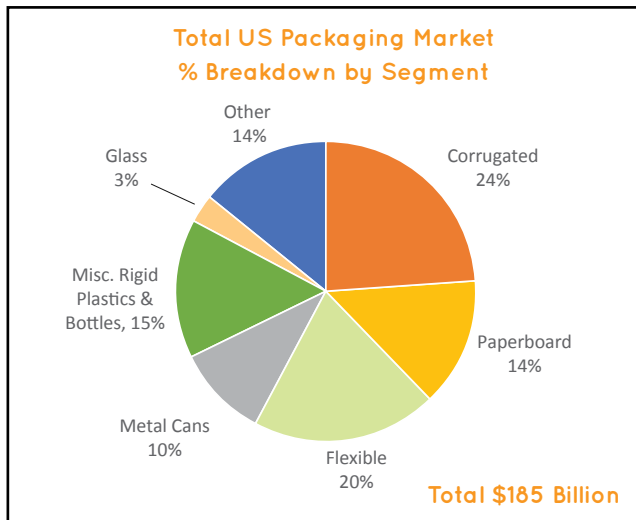
- Both the converter and supplier surveys for the annual State of the U.S. Flexible Packaging Industry surveys were streamlined to help achieve higher participation rates.
- The once-annual compensation survey will now be conducted every three years unless another unprecedented event occurs that would impact the employment footprint of the industry. In addition, participants will receive a streamlined version of the report with access to the aggregated raw numbers to facilitate individual company analysis instead of a static PDF document.
- The Earnings (semi-annual) and the Operating Cost (annual) surveys, originally three (3) separate surveys, were combined into one (1) annual survey.

State of the Flexible Packaging Industry Report (SOI)

The annual SOI is a definitive source of data and information and is utilized by industry converters, suppliers, investors, and analysts. The report examines several aspects of the U.S. flexible packaging industry, including sales and utilization levels, current profit trends, capital spending plans, industry M&A activity, projected growth areas, U.S. imports and exports, and end-use application information.

The U.S. flexible packaging industry was projected at \$39 billion in annual sales for 2021, up from \$34.8 billion in 2020, for a growth rate of 12.1%, the highest rate in at least 20 years. Flexible packaging has grown steadily, including packaging for retail and institutional food and non-food, medical and pharmaceutical, industrial materials, shrink and stretch films, retail shopping bags, consumer storage bags, and wrap and trash bags, and is projected to continue to grow.

Flexible packaging represents 20% of the total \$185 billion U.S. packaging industry and is the second-largest packaging segment behind corrugated paper. FPA estimates the annual growth rate for total U.S. flexible packaging to be 12.1% over the previous year. The estimate is based on a long-term historical model of flexible packaging industry growth, as well as member input and general trends. 2021 marked the U.S. economy coming out of the pandemic while also experiencing inflation on raw materials and finished goods, particularly in the second half of the year. The growth rate of the flexible packaging industry far outpaced the U.S. GDP average of 5.6% for the year.



Source: Statista, Flexible Packaging Association estimates, and Reportlinker.com

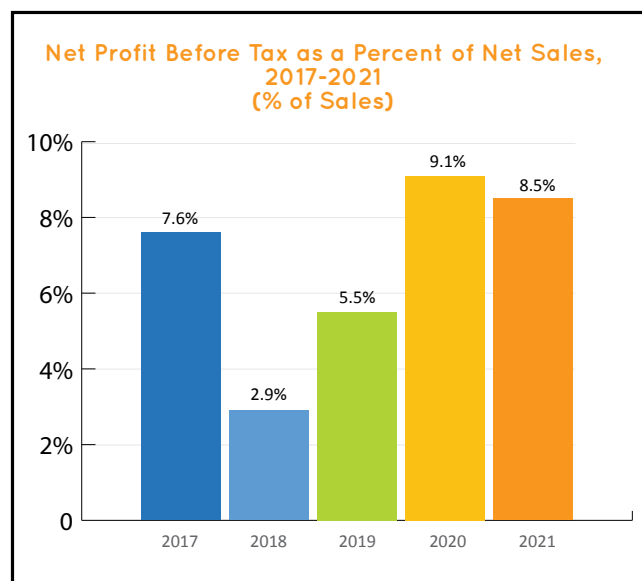
New to the 2022 report is an economic analysis of the flexible packaging industry in the U.S. FPA commissioned a study by the economic analysis group Inforum to examine the economic contribution of the flexible packaging industry. The study focused on the industry impact in 2020 when the COVID-19 pandemic was in full force.

The study considered the direct, indirect, and induced economic impacts that the industry contributes to the U.S. economy. Direct economic impacts are those activities directly associated with flexible packaging – often captured by FPA. Indirect economic impacts are the upstream activities that supply inputs for flexible packaging, while induced impacts encompass the economic activities associated with the spending of labor income and profits generated by direct and indirect activity.

Inforum also leveraged its modeling software to incorporate macroeconomic indicators such as gross domestic prices, personal consumption prices, and unemployment rates to calculate the growth impact and industry output of the flexible packaging industry flexible packaging.

Cost Earnings Report

Published annually, the now combined *Operating Cost/Ratios Report* and *Earnings Report* examines key operating factors, including cost component information on labor; sales, general, and administrative expenses; materials and other manufacturing; receivables aging; capital spending; and inventory turnover. It also includes information on asset productivity and profitability performance with year-on-year comparisons. For the *2021 Cost Earnings Report*, the most recent report available, 2021 net profit before tax composite results were 8.5%, just short of the 9.1% reported in 2020. However, the 2021 results were higher than the 6.7% average of the previous five years. Since 2018, the reported net profit has risen 190%.



Source: Flexible Packaging Association

INDUSTRY DATA

For the first time, the cost earnings survey included measures of lead time for purchased materials and selling (finished products). The impact of various factors on lead times was also assessed. Substrates, labor, and trans-ocean shipping had the largest impact on lead times, based on the frequency of mention. The report is only available to FPA converter members who participate in the corresponding survey.

Flexible Packaging Industry Compensation Report

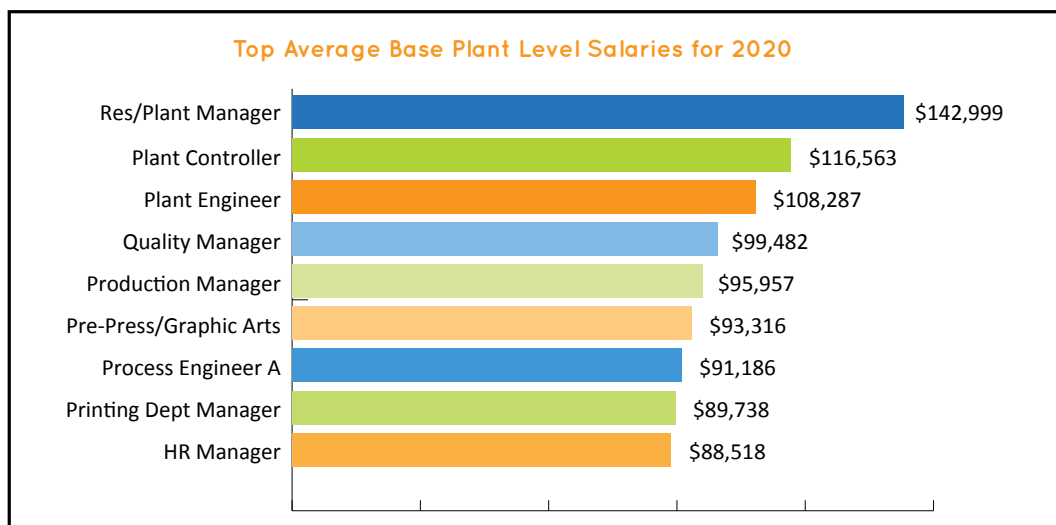
The annual *Compensation Report* provides information on flexible packaging industry salary levels and hourly rates by company/plant size, region, and primary manufacturing operations. According to the most recent report available, the *2020 Flexible Packaging Industry Compensation Report*, the majority of respondents to the survey were large converters with annual net sales of \$100 million or more (29%) or mid-sized converters with annual net sales of \$25-\$99 million (50%). Smaller converters that have under \$25 million in annual net sales represented 21% of respondents. Forty-one percent of companies consider their primary manufacturing operation to be multi-web converting.

For company/headquarters' salaried employees, the Director of Manufacturing received the highest average annual base salary at \$202,614, followed by the Director of Sales and Director of Finance at \$191,527 and \$184,213, respectively.

For plant salaried employees, the Resident/Plant Manager received the highest average annual base salary at \$142,999, followed by the Plant Controller and Plant Engineer at \$116,563 and \$108,287, respectively.

All hourly employees were paid an average of \$21.72 per hour in 2020. Union plants had an average rate of \$24.14 per hour, while non-union plants had an overall average of \$21.43 per hour.

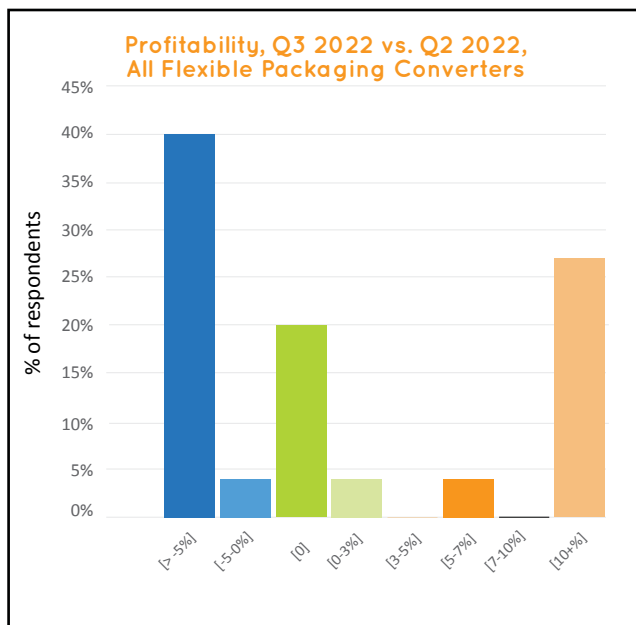
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Source: Flexible Packaging Association

'Pulse of the Industry' Report

Published quarterly, the *'Pulse of the Industry' Report* examines industry performance for net sales, profitability, inventory levels, volume, capital spending, and capacity utilization. The focus of the report is principally short term, the latest quarter versus the most recent quarter and versus the same period the prior year. According to the most recent report from the 3rd quarter of 2022, when looking at the rates for profitability in Q3 vs. Q2, there was a tale of extremes with 40% reporting negative profitability of over -5%, but over a quarter (28%) reporting profit growth of >10%. Small companies were the exception with all respondents having negative or no growth.



FPA/ChemPMC Polyolefin Market Reports



The bi-annual FPA polyolefin market reports examine key issues expected to influence the cost and availability of flexible packaging materials. Chemical & Polymer Market Consultants (ChemPMC) prepares the reports and presents on both polypropylene and polyethylene at the Annual Meeting and Fall Executive Conference.

Global Trends in Flexible Packaging, Euromonitor International



FPA partners with Euromonitor to provide further market data and information to its members. Euromonitor's worldwide database provides current and forecast data on packaging units in all segments of the industry. FPA takes limited extracts from the intelligence and incorporates the data into new reports or other original material, including the annual SOI report.

INDUSTRY DATA

FPA and Euromonitor developed the Flexible Packaging Market Tracker which features 20 key flexible packaging country markets and highlights market dynamics, trends, and opportunities to expand business internationally.

The Market Tracker pulls insights directly from Euromonitor's proprietary data system, known as "Passport," which provides data on industries, economies, and consumers worldwide, helping to analyze market context and identify future trends.

The tracker is a customized research tool available only to FPA members to enhance the FPA website and tracks and compares flexible packaging markets around the globe to help members better understand, prioritize, build business cases, and capture global market opportunities for flexible packaging. It enables members to access market information from around the globe, not only on flexible packaging materials and markets but non-flexible markets as well. It also helps FPA members understand the global packaging landscape, identify prospects for new technical packaging development, and pinpoint where growth opportunities lie.

The Market Tracker also includes information on COVID-19 impacts and recovery projections for the industry. In the dedicated "Recovery from COVID" section, members can view an overview of COVID-19 conditions; the impact of COVID-19

on the gross domestic product (GDP); the impact on sector growth; and the impact on the flexible packaging market. Since times are still uncertain in the wake of the pandemic and the economic landscape is changing rapidly, the COVID section is updated quarterly, while the main market tracker data is updated annually.

On September 14, 2022, FPA hosted a free webinar for FPA members that provided an overview of the Market Tracker and guided participants on how to navigate the tool.

Industry Intelligence Inc. Supply Chain Report



Due to the unprecedented global supply chain challenges across our industry, FPA is partnering with Industry Intelligence Inc. on the daily Supply Chain Report to help keep a pulse on supply chain news and insights. Industry Intelligence produces and sends a custom report to the key contacts of each member company that is focused on technology, future supply chain disruptions, consumer trends, security, sourcing, and the economy. Both FPA and Industry Intelligence believe that access to timely and relevant information is critical in today's business environment.

NETWORKING

FPA Annual Meeting

The year 2022 saw a return to FPA's regular meeting schedule of two in-person meetings a year – the Annual Meeting and Fall Conference.

Held each spring, the Annual Meeting is a two-day conference that offers education and networking opportunities for industry leaders and senior management. The content-rich agenda focuses on a wide array of industry-specific issues, while also allowing time for networking activities – this past year included a golf tournament, a fishing tournament, a sightseeing cruise, and an “Under the Sea” themed networking party. The meeting also hosts FPA's annual dinner and banquet recognizing the year's Flexible Packaging Achievement Award Competition winners.

The agenda features annual reports, including a report on the state of the flexible packaging industry by FPA's Chair of the Board of Directors, and an update on the polyethylene market by Chemical and Polymer Market Consultants.

In 2022, the meeting also included presentations from FPA President & CEO, Alison Keane, who provided an update on FPA activities; Markey Culver,

Founder and CEO of The Women's Bakery, who discussed “The Power of Bread” and The Women's Bakery's issues sourcing packaging for their product; Jonathan Quinn, Director of Market Development and Sustainability for Pregis who provided an update on the activities of the Emerging Leadership Council (ELC); and George Forrester, a partner with AHT Insurance, who provided an overview of FPA's partnership with the National Association of Manufacturers' (NAM) cybersecurity insurance program.



Andrew (Andy) Busch at the FPA Annual Meeting

Guest speakers for the Annual Meeting included:

- Andrew (Andy) Busch, an economic futurist, who was the first Chief Market Intelligence Officer (CMIO) for the U.S. government at the Commodity Futures Trading Commission (CFTC). As CMIO, he was charged with helping to prepare for the future by improving and enhancing the government's understanding of top trends, the markets, and the economy. Andy provided briefings to White House, U.S. House, and U.S. Senate staffers on a wide range of issues including the economy, stock market direction, interest rates, and China's influence on the global commodity markets.



Attendees at the Fall Conference Welcome Reception

NETWORKING

- Robyn Benincasa, a top motivational keynote speaker on leadership, Adventure Racing World Champion, CNN Hero, founder of Project Athena, and a bestselling author. Robyn won two World Adventure Races and holds three Guinness World Records for long-distance kayaking. Her book on teamwork and leadership, *How Winning Works*, is a *New York Times* bestseller.

FPA Fall Conference

Held in October, this one-day conference provides insights into current trends in the industry and across the supply chain and offers multiple networking opportunities. The agenda for the 2022 conference included Clint Smith, BDAM, Government & Trade, Euromonitor International, who provided an update on the global flexible packaging market; Guido Aufdemkamp, Executive Director, Flexible Packaging Europe, who gave an update on the European flexible packaging market; from Selin Haley, FPA's state lobbying firm, Lauren Aguilar, Government Affairs Associate and Andy Hackman, Principal Lobbyist provided an update on state government affairs; Jonathan Quinn, Director of Market Development and Sustainability for Pregis and Adrienne Tipton, Senior Vice President, Innovation for Novolex gave an update on the ELC's activities; Felipe Victoria, Senior Manager for International Plastics Policy for the Ocean Conservancy provided an overview of the UN's Treaty on Plastics; and Esteban Sagel, Principal, for Chemical and Polymer Market Consultants gave an update on the polypropylene market.



Robyn Benincasa at the FPA Annual Meeting



Attendees at the Annual Meeting "Under the Sea" themed networking party



Attendees at the Annual Meeting

The conference also featured two guest speakers: Anna Palmer, Founder & CEO of Punchbowl News, Bestselling Author, and Former Co-Author of *POLITICO Playbook*; and David Robinson, an NBA legend.



Curt Begle, Berry Global, and David Robinson at the FPA Fall Conference

Thank You to our 2022 Sponsors

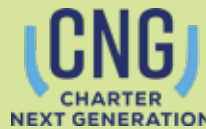
FPA would like to thank our sponsors for 2022 for their generous contributions and support in helping to make our meetings successful!



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Bronze Sponsors:

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TC Transcontinental Packaging

Wikoff Color Corporation



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Chair of the FPA Board of Directors

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Amcor Flexibles
Vice-Chair of the Board FPA Board of Directors

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Henkel Corporation
Treasurer

Curt Begle

Berry Global
Executive Committee Member at Large

Stan Bikulege

Novolex
Executive Committee Member at Large

Dhuanne Dodrill

PAXXUS, Inc.
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Printpack
Executive Committee Member at Large

David Staker

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Flint Group

Todd Becker

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Dow

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ExxonMobil Chemical Company

Sachin Desai

ProAmpac

Ken Fontaine

AMGRAPH Packaging, Inc.

Mark Forman

Belmark inc

Paul Kase

Liquibox

Kevin Kelly

Emerald Packaging, Inc.

Kevin Keneally

PPC Flexible Packaging

Jeff Koch

American Packaging Corporation

Amy Moore

Westlake Corporation

Thomas Morin

TC Transcontinental Packaging

Joe Moynihan

Mondi Jackson LLC



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Hosokawa Alpine American, Inc.

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Amcor Flexibles

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Madeleine Robinson
LPS Industries, LLC

Fredy Steng
Berry Global

Chris Thomazin
Polymer Packaging Inc.

Adrianne Tipton
Novolex

Emerging Leadership Council (ELC)

Jonathan Quinn
Pregis
Co-Chair

Adrianne Tipton
Novolex
Co-Chair



Todd Becker, NOVA Chemicals, Inc. and Stan Bikulege, Novolex



From left to right: Joe Angel, PMMI Media Group; Doug Dodrill, PAXXUS, Inc.; and Dhuanne Dodrill, PAXXUS, Inc.



From left to right: Fredy Steng, Berry Global; Madeleine Robinson, LPS Industries, LLC; Guenther Hering, Henkel Corporation; David Nunes, Hosokawa Alpine American, Inc.; and Jim Campbell, Hosokawa Alpine American, Inc.

MEMBERSHIP

Mission Statement

The Flexible Packaging Association is a strategic organization and the voice of the “value-added” segment of the U.S. flexible packaging industry. The mission includes facilitating industry advancement and providing a forum for industry leaders. This mission will be accomplished through meeting the strategic goals of:

1. Promoting and protecting the benefits, contributions, and advantages, including the sustainability of the value-added segment of the flexible packaging industry.
2. Researching, collecting, analyzing, and providing FPA members easy access to industry data and market information to help members benchmark and recognize trends and opportunities.
3. Providing representation and advocacy for the flexible packaging industry before stakeholders, including government, retailers, customers, and consumers.
4. Providing educational and networking opportunities for industry leaders.

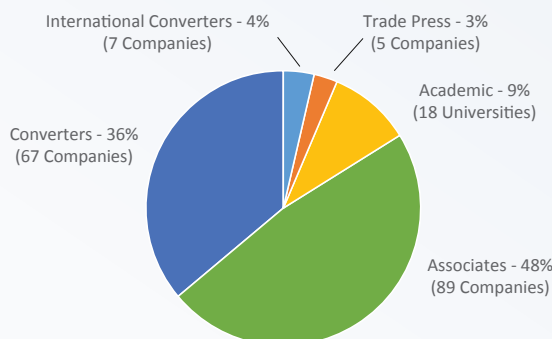
Membership

FPA’s membership, recruitment, and retargeting campaign started with its first two emails going out to nonmembers, as well as an account-based marketing campaign that achieved a higher-than-expected engagement, due to micro-targeting. The Board approved 50 top associate companies and 50 top converter companies to target for recruitment. The campaign also delivered display ads to those individuals who recently visited the FPA website. These ads will direct viewers to our “Unite for Flexibles” webpage through google ads, as well as through social media platforms, to engage nonmembers’ interest in FPA membership.

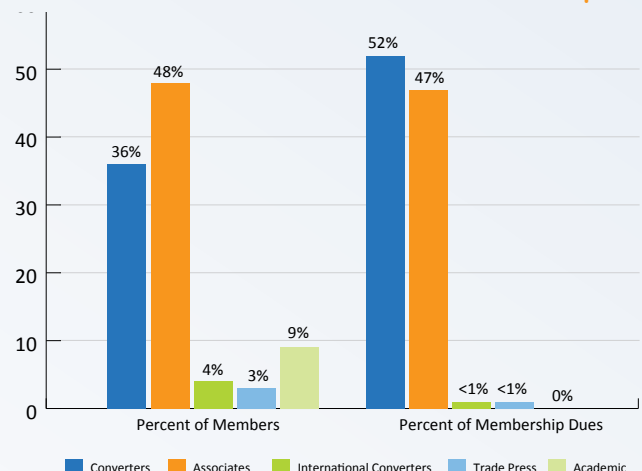
FPA attended several trade shows to recruit members, including Converters Expo, Converters Expo South, Pet Food Forum, Snacks and Sweets Expo, Global Pouch Forum, PACK EXPO International, and Labelexpo Americas.

Through FPA’s marketing campaign, trade show attendance, and important industry issues, such as the aluminum foil duties, FPA gained 11 new members since March 2022 – 6 Converter Members, 4 Associate Members, and 1 International Converter Member. No members dropped their membership during the same time period.

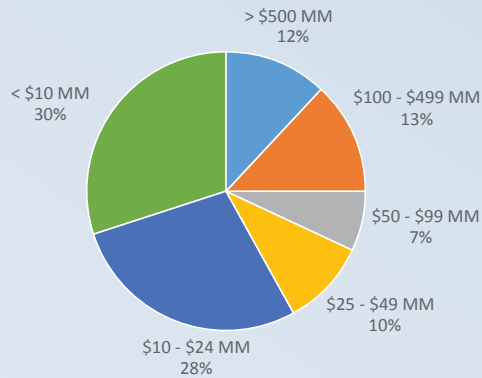
2022 Membership – 186



Breakdown of 2022 FPA Membership



Converter Member Breakdown

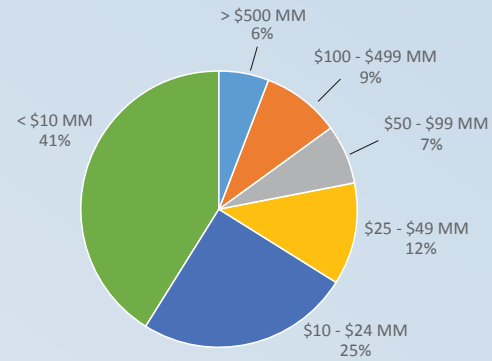


2022 FPA Membership

Converter Members

AccuFlex Packaging
 Admiral Packaging, Inc.
 Advanced Converting Works
 Advanced Web Technologies – Illinois, Inc.
 AeroFlexx
 Amcor Flexibles
 American Packaging Corporation
 AMGRAPH Packaging, Inc.
 Beacon Converters, Inc.
 Belmark inc
 Berry Global
 Brook + Whittle
 Bryce Corporation
 Catty Corporation
 Celplast Metallized Products Limited
 CL&D Graphics
 Color Ad Packaging Ltd.
 Constantia Flexibles
 C-P Flexible Packaging
 Emerald Packaging, Inc.
 FILMtech Inc.
 Flex Films (USA) Inc.
 Fres-co System USA, Inc.
 Glenroy, Inc.
 Hart Flex Pack
 Hazen Paper Company
 INDEVCO Plastics

Associate Member Breakdown



Inland Packaging
 Integrated Plastics Packaging
 JBM Packaging
 Kendall Packaging Corporation
 Liquibox
 Louisiana Plastic Industries
 LPS Industries, LLC
 Max Katz Bag Company, Inc.
 Minipak SAS
 Mondi Jackson LLC
 Nosco
 Novolex
 PAC Worldwide Corporation
 PAXXUS, Inc.
 Phenix
 Plastic Packaging Technologies, LLC
 Poly Print, Inc.
 Polymer Packaging, Inc.
 Polymerall Flexible Packaging
 PPC Flexible Packaging
 Prime Packaging, LLC
 Printpack
 ProAmpac
 Rol-Vac, LP
 Sealed Air Corporation
 Sealstrip Corporation
 Sonoco Flexible Packaging
 Southern Graphic Systems LLC
 St. Johns Packaging Ltd.

MEMBERSHIP

SteriPax
Südpack Oak Creek Corporation
SunFlex Packagers Inc.
Taylor Prime Labels & Packaging Group
TC Transcontinental Packaging
Technipaq, Inc.
TekniPlex, Inc.
Traco Manufacturing, LLC dba Traco Packaging
Verdafresh, Inc.
Vonco Products, LLC
Zacros America, Inc.

International Converter Members

Emirates Printing Press, L.L.C.
Hotpack Packaging Industries LLC
Markenburger International Foods Corporation
Paharpur 3P
Peliculas Plasticas S.A. de C.V.
Polykar
Productos Alimenticios Bocadeli S.A. de C.V.

Associate Members

ACS Group
ACTEGA
ALLIEDFLEX Technologies, Inc.
Ampacet Corporation
Avery Dennison Corporation
B&B Packaging Technologies L.P.
Bamberger Polymers, Inc.
Bobst North America Inc.
Bostik, Inc.
Charter Next Generation
Chemours Company FC LLC
Chevron Phillips Chemical Company LP
CleanPlanet Chemical, Inc.
Cloeren Incorporated
Clysar, LLC

CMD Corporation
Coim USA, Inc.
Comexi North America, Inc.
Cosmo Films Limited
Davis-Standard, LLC
Dow
DuPont
Duraco Specialty Materials
Dürr Systems, Inc.
Earthfirst® Biopolymer Films by PSI
Elplast America
Energy Sciences, Inc.
eProductivity Software
ExxonMobil Chemical Company
Flint Group
Formosa Plastics Corporation, U.S.A.
Frain Industries
Fujifilm North America Corporation,
Graphic Systems Division
Gulfpac Americas Inc.
H.B. Fuller
Harper Corporation of America
Henkel Corporation
Hosokawa Alpine American, Inc.
HP, Inc.
INX International Ink Co.
ISOFlex Packaging
Karlville
Koenig & Bauer Flexotecnica
Kuraray
Lako Tool & Manufacturing, Inc.
LyondellBasell
MacDermid Graphics Solutions
Mamata Enterprises, Inc.
Maxcess International
Mica Corporation
Michelman

Mid South Extrusion
Miraclon, Home of Kodak Flexcel Solutions
Mitsubishi Chemical America, Inc.,
Polyester Film Division
Morchem, Inc.
NDC Technologies
Nordmeccanica, NA
Nordson Corporation - PPS
NOVA Chemicals, Inc.
Paper Converting Machine Company (PCMC)
Pearl Technologies Inc.
PolyExpert Inc.
Polyplex USA, LLC
Preco, Inc.
Pregis
Presto Products Company
FRESH-LOCK® Closure BU
Profol
Reifenhauser Inc.
RKW North America, Inc.
SABIC
Screen GP Americas, LLC
Ship & Shore Environmental, Inc.
Shoplogix
Siegwerk
SKGC – Americas
Smart Plastic Technologies LLC
Sun Chemical Corporation
Sung An Machinery Company, Ltd. (SAM)
Tape Source LLC
Terphane LLC
Toppan USA, Inc.
Toyo Ink America, LLC
Transcendia
UBE America Inc.
UTECO North America, Inc.
Westlake Corporation

Wikoff Color Corporation
Windmoeller & Hoelscher Corporation
XSYS Global

Academic Members

California Polytechnic State University
Clemson University
Conestoga College
Fox Valley Technical College
Government Institute of Printing Technology,
Mumbai
Indiana State University
La Roche College
Michigan State University School of Packaging
Missouri University of Science and Technology
Monterrey Institute of Technology
and Higher Education
Murray State University
Pittsburg State University
Rochester Institute of Technology
Rutgers, the State University of New Jersey
San José State University Packaging Program
University of Florida
University of Wisconsin – Stout
Washington State University

Trade Press Members

BNP Media/Flexible Packaging Magazine
Converting Quarterly
Industry Intelligence Inc.
Packaging Impressions
Packaging World

WHAT'S TO COME

2023 will most certainly be another year of packaging legislation at the state level and we look forward to potential harmonization legislation at the federal level for packaging legislation, as well as a successful resolution to the aluminum foil duties case; a new and better *State of the U.S. Flexible Packaging Industry Report* for the new year as well as new research on emerging technologies; and continued promotion on the sustainability benefits of flexibles with new educational resources.



© 2022 American Licorice RED VINES® Pouch
Manufacturer: Emerald Packaging, Inc.
www.empack.com



© 2022 GreenPod Compostable Coffee Pod Lidding
Manufacturer: C-P Flexible Packaging
www.cpflexpack.com

Advocacy

FPA worked hard both as an association and through coalitions to support good EPR legislation and will support several states in their approaches, while offering model state bills to others with troublesome bills. Implementation of EPR bills already passed will begin in earnest, with FPA making our voice heard; and work will continue on PFAS legislation and regulation, with FPA looking to fix legislation passed in Rhode Island last year that wrongly included processing aids in the ban. At the federal level, the 1st quarter of the year will be spent continuing efforts from the last two quarters of 2022, working on convincing the Administration that new duties on aluminum foil from South Korea and Thailand are unwarranted. FPA will be introducing this and other industry priorities (i.e., harmonization of state packaging and labeling laws) to many new faces in the 118th Congress.



© Hidden Valley® Treat-sized Ranch Packets
Manufacturer: ProAmpac
www.proampac.com

Sustainability

Infrastructure investment for flexible packaging recycling will be key to circularity goals for the industry, including advancement and end-markets for mechanical recycling as well as new chemical recycling systems, particularly for PCR content. As emerging technologies impact packaging operations, FPA is conducting research with PMMI to create best practices for brands, equipment manufacturers, material suppliers and converters on transitioning between flexible materials, whether it be multi-material to mono-material, film to paper, PCR content or compostable structures.

Promotion

In conjunction with our current influencers and the ELC Education Committee, FPA will be revamping our Perfect Packaging website and adding educational messaging and resources surrounding the benefits of flexible packaging to consumers – specifically for plastic film recycling and reducing food waste. There will be a new section on “Let’s Talk Flexible Packaging,”™ which will include engaging activities and experiments for teachers to use for educating on film recycling and reducing food waste; a FAQ document; an informational video; and social media posts.



© 2022 Betsy Farms Holiday Edition Chicken & Duck Jerky
Manufacturer: PPC Flexible Packaging
www.ppcflex.com

Industry Data

FPA will continue to revamp our *State of the U.S. Flexible Packaging Industry Report* survey and report to add more insights and value to the data and to deliver the report in a more dynamic way. Incentives will be added in 2023 for participants in all our surveys to drive more participation and more meaningful results. This will include individual rewards and corporate recognition.



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Recyclable Pouch
Manufacturer: Glenroy, Inc.
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FPATM

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