

# **Life Cycle Assessment of Courier Bags**

On behalf of New Zealand Post





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## **Executive Summary**

New Zealand Post (NZ Post) has committed to using 100% reusable, recyclable, or compostable packaging by 2025 or earlier. In support of this commitment, NZ Post engaged thinkstep-anz to carry out a Life Cycle Assessment (LCA) of possible alternatives to replace its domestic courier bags, which – at the time this study was commissioned – were manufactured in China from virgin Low Density Polyethylene (LDPE), a plastic derived from oil. This study follows international standards ISO 14044 and ISO 14067 and covers the full packaging life cycle, including three different disposal options: landfill, recycling, and composting.

## **We compared five alternative packaging options to the current courier bag**

All options we investigated are designed as single-use courier bags, intended to transport A5 sized goods. The study compares the environmental performance of the original oil-derived plastic courier bag to five alternatives:





**NZ-made recycled plastic courier bag** LDPE with 80% recycled plastic

**recycled plastic courier bag** LDPE with 80% recycled plastic

**Chinese-made**



**Home compostable courier bag** Material derived from both plants and oil (made in China)



**Kraft paper courier bag** Kraft paper flat courier envelope (made in Australia)



**Padded Kraft paper courier bag** Kraft paper courier bag padded with recycled newsprint (made in Australia)

The new courier bag also needed to perform well for non-environmental criteria, such as its functional performance and cost. NZ Post's initial market testing recognised that customers may not choose the flat, Kraft paper courier bag as it feels more like a traditional postal envelope than the original plastic courier bag it was designed to replace. The padded paper courier bag felt and behaved much more like a traditional plastic courier bag and was therefore included in this study, despite it offering better protection than a flat plastic courier bag.

We did not investigate reusable courier bags within this study because of current economic barriers for their use and logistical difficulties in returning them after use. This study intends to understand the impacts of single-use courier bags and the best available options while reusable bags are developed to make them more feasible for widespread use.

## **The NZ-made recycled plastic courier bag has the lowest carbon footprint**

The NZ-made recycled plastic courier bag has the lowest carbon footprint of all courier bags we considered. The carbon footprint of this bag is only 38 percent of the virgin plastic courier bag previously in use (6.7 g  $CO<sub>2</sub>$ -eq. per bag compared to 17.8 g  $CO<sub>2</sub>$ -eq.).

The Chinese-made recycled plastic courier bag had the second-lowest carbon footprint of all courier bags considered in this study. A full breakdown of the results can be found in [Figure 1.](#page-3-0)

Replacing virgin plastic courier bags with NZ-made recycled plastic courier bags would lead to a reduction in carbon footprint by a factor of 2.6.





<span id="page-3-0"></span>**Figure 1: Relative carbon footprint of the three major life cycle stages compared to the original bag**

We carried out a hotspot analysis on the environmental results for all courier bag options and consistently found the raw materials to be a leading source of emissions. Electricity was also a significant source of emissions for the plastic and compostable bags.

The carbon footprint for the biodegradable courier bags (the home compostable bag and both paper bags) was also found to be heavily dependent on the end-of-life treatment they received. When placed in the anaerobic environment of a landfill, these items produce methane (a potent greenhouse gas) and this can become the leading form of emissions – up to 58% of the total emissions in the case of the padded courier bag.

## **The NZ-made recycled plastic courier bag also has the lowest impact across most other environmental indicators**

We found that the NZ-made recycled plastic courier bag did not contain any notable risks across the suite of 14 environmental indicators chosen for this study. Environmental indicators were selected based on their relevance to NZ Post's stakeholders and how common they were in other LCA studies.

There were only three indicators where the NZ-made recycled plastic courier bag was not the best performing option: Material Circularity Indictor (MCI), non-hazardous waste disposal, and net use (i.e., consumption) of fresh water.

Of these indicators, the MCI was judged to be the most relevant to NZ Post's stakeholders, as it measures a product's ability to use secondary material and keep materials available in their form of highest value. The NZ-made recycled plastic courier bag offers acceptable material circularity, though it is less circular than paper-based alternatives.

For non-hazardous waste, the recycled plastic courier bag led to the creation of up to 5% more waste than the virgin plastic courier bag. This is because the recycled bag requires slightly more plastic than the virgin bag to provide the same mechanical strength. A slight increase in plastic means that there is slightly more waste throughout the life cycle, from production to end-of-life.



The higher net use of fresh water is due to the recycling process, which uses electricity from the New Zealand grid, much of which comes from hydroelectric power. Importantly, while the NZmade recycled plastic courier bag consumes more water than the Chinese-made recycled plastic courier bag, the impact of this water consumption is lower than for the Chinese-made bag due to water being more plentiful in New Zealand (on average) than in China.

Taking a holistic view, the NZ-made recycled plastic courier bag has the lowest environment footprint of all courier bags considered in this study. It performs the best in 11 of 14 indicators and not significantly worse in the remaining three indicators. Importantly, these three indicators do not attempt to measure impacts on the environment; rather, they measure things that might contribute to impact (i.e., water consumption and waste production). The NZ-made recycled plastic courier bag performs the best across all indicators that do attempt to measure potential impacts upon the environment.



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## <span id="page-7-0"></span>**Goal of the Study**

New Zealand Post (NZ Post) is looking to replace its one-way courier bags, sometimes referred to as mailers, with a new, environmentally friendlier alternative. At the time this study was commissioned in late 2019, the bags were manufactured from virgin, oil-derived plastic. While this change is being driven partly by the negative public perception of plastics, NZ Post are committed to avoiding greenwashing by using scientific analysis to substantiate whether the new option is environmentally superior or not. The new courier bag design must also perform well for non-environmental criteria, such technical performance and cost.

NZ Post commissioned thinkstep-anz to carry out a cradle-to-grave Life Cycle Assessment (LCA) to compare the environmental performance of the four potential one-way courier bag options under consideration. The four new courier bags considered are: a recycled Low Density Polyethylene (LDPE) plastic bag, a home compostable plastic bag, and two paper bags: one with recycled newspaper for padding and one flat bag. The current virgin LDPE bag has also been included within the assessment to act as a benchmark and aid in communication of the results. The masses of the courier bags were provided by Sealed Air. The results of this study are intended for public communication by NZ Post and will include comparative assertions.

This study complies with ISO 14044:2006 for life cycle assessment and ISO 14067:2018 for carbon footprinting. As this study is comparative and intended for public communication, it has undergone a critical review by a panel of three independent experts in accordance with ISO 14044:2006. The reviewers' findings can be found in [Annex A](#page-84-0) and the full review commentary is enclosed in [Annex E.](#page-91-0)



## <span id="page-8-0"></span>**2. Scope of the Study**

## <span id="page-8-1"></span>2.1. Product System(s)

The four courier bags assessed in this report are all size A5, meaning they are flexible bags designed to hold A5 items (approximately 148x210mm for flat items) although any item which can fit and be sealed within the bag may be sent. The courier bags' external dimensions vary, and specific dimensions are listed below in [Figure 2-1](#page-9-0) to [Figure 2-4.](#page-10-0) The courier bags are made predominantly from either fossil fuel derived plastic (for the plastic and home compostable bags) or paper. Each product is intended to contain and protect its contents throughout its use phase of transporting goods.

All courier bags investigated are one-way, single use bags with several different end-of-life scenarios. For all products, the impacts of disposal in landfill are considered along with an alternative scenario, either recycling or composting as appropriate. Further details of the products are listed in [Table 2-1.](#page-8-2) The masses of the courier bags vary so the products can achieve approximately the same tear resistance. For comparatively weaker materials this results in a higher thickness being required.

Care has been taken in this study to correctly distinguish between recycled and recovered material. In accordance with ISO14021:2016 only pre-consumer material which is generated in one commercial process and has been discarded, then collected, for use in another process has been referred to as recycled material. In doing so manufacturing processes which have high loss rates, only to recover the material, are discouraged.

Ecoflex is a brand name for fossil fuel derived, biodegradable material Polybutylene Adipate Terephthalate (PBAT) which is one of the main components within the home compostable bag. Similarly, Ecovio is a brand name for the compound attained in the blending Ecoflex and Polylactic Acid (PLA). Throughout this study, these compounds are referred to by their brand names to present results at the same level as other materials used during manufacture.



#### <span id="page-8-2"></span>**Table 2-1: Details of assessed courier bags**





<span id="page-9-0"></span>

Source: Sealed Air



**Figure 2-2: Home compostable courier bag dimensions**





**Figure 2-3: Padded paper courier bag dimensions**

<span id="page-10-0"></span>

**Figure 2-4: Flat paper courier bag dimensions**

Source: Sealed Air



## <span id="page-11-0"></span>**2.1.1. Packaging for the Courier Bags**

Packaging for the courier bags aid transportation during both freight and retail handling. Courier bags are bunded into packs of 10 to 25 units (depending on the bag thickness) and then put inside plastic bags/liners (referred to as "secondary packaging" within the results section). The bundles are then put into cardboard boxes which are stacked on wooden pallets to transport the bags from the manufacturer to the retailer (referred to as "tertiary packaging" within the results section). A breakdown of the packaging used for each courier bag can be found in [Table 2-2.](#page-11-2)



<span id="page-11-2"></span>

## <span id="page-11-1"></span>2.2. Product Function(s) and Functional Unit

The functional unit is a single, disposable courier bag for use as protection of any A5 sized goods during distribution. All components which are required to allow the successful functioning of the courier bags, even those not included during use such as adhesive sealing strips or secondary packaging, are included within this study.



The impacts of goods stored within the courier bag are assumed to be associated with the goods and therefore excluded from this study.

The courier bags are manufactured for and delivered to New Zealand Post whose customers then use them within New Zealand Post's courier network for the protection of goods in transport before being disposed of by the consumer who received the bagged goods. At the end of the courier bag's functional life, the bag is assumed to either be landfilled or recycled/composted.

## <span id="page-12-0"></span>2.3. System Boundary

This study has a 'cradle-to-grave' scope, looking at the extraction of raw materials through to end-of-life, specifically:

- Manufacturing of the raw materials: virgin LDPE (for the current bag used for comparisons only), recycled LDPE, kraft paper, recycled newspaper, and home compostable plastic.
- Transport of raw materials to the packaging manufacturer.
- Manufacturing of the courier bag.
- Average transport of the courier bag to NZ Post's warehouse(s) and retailers before use.
- Average transport of the courier bag through NZ Post's infrastructure (i.e. when it is used to transport a package for the customer).
- End-of-life disposal of the courier bag, covering:
	- 1. Landfill (for all bag options)
	- 2. Recycling (for the LDPE bags and paper bags)
	- 3. Composting (for the home compostable bag only)

As this investigation focusses solely on the packaging itself, it does not account for the product within the courier bag during the use phase. The five main stages of the investigation can be seen in [Figure 2-5.](#page-12-1)



#### <span id="page-12-1"></span>**Figure 2-5: System boundary flow diagram**

The investigation excludes the biogenic carbon dioxide sequestration and release which occurs during over the life of the paper and constituents within the home compostable bag. Biogenic carbon dioxide has been excluded due to the relatively short life expectancy of the products. However, production of biogenic methane is considered, given its potency as a greenhouse gas.



ISO 14067:2018 requires biogenic carbon to be reported, and this is included in [Annex C](#page-88-0) along with a breakdown of greenhouse gas emissions by type (fossil fuels, biogenic, land use, etc.).

## <span id="page-13-0"></span>**2.3.1. Time Coverage**

Data collection for the assessment occurred between January and March 2020. The reference year for this study is 2020.

## <span id="page-13-1"></span>**2.3.2. Technology Coverage**

The data collected and assumptions made are intended to represent the packaging industry's best practices in 2020. While primary data were collected for the masses and materials of all bags and components in this study, secondary data from the GaBi Database is used for bag manufacture.

## <span id="page-13-2"></span>**2.3.3. Geographical Coverage**

The geographical coverage is representative of New Zealand Post's supplier's supply chains. This study is intended for courier bags used in New Zealand only, not for courier bags that are shipped overseas.

## <span id="page-13-3"></span>2.4. Allocation

## <span id="page-13-4"></span>**2.4.1. Multi-output Allocation**

Multi-output allocation follows the requirements of ISO 14044, section 4.3.4.2. When allocation becomes necessary during the data collection phase, the allocation rule most suitable for the respective process step is applied and documented along with the process in Chapter [3.](#page-21-0)

Allocation of background data (energy and materials) taken from the GaBi 2020 databases is documented online at [http://www.gabi-software.com/support/gabi/gabi-database-2020-lci](http://www.gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/)[documentation/](http://www.gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/)

## <span id="page-13-5"></span>**2.4.2. End-of-Life Allocation**

End-of-life allocation addresses the question of how to assign impacts from virgin production processes to material that is recycled and used in future product systems. This is important when a product system uses recycled content or is recycled at end-of-life. The approaches used follow the requirements of ISO 14044, section 4.3.4.3.

While there are many possible approaches to end-of-life allocation, there are two main approaches commonly used in LCA studies: the cut-off approach and the substitution approach (GHG Protocol, 2011). Each approach is described in [Figure 2-6.](#page-14-2)





#### <span id="page-14-2"></span>**Figure 2-6: Flow diagrams for cut-off and substitution end-of-life allocation methods**

This study uses the cut-off method as it is considered the most appropriate for packaging material due to its low economic value and often poor recovery rates. In order to test the sensitivity of the results to this end-of-life allocation method assumption, a study has been conducted in section [4.3.2.](#page-70-0)

## <span id="page-14-0"></span>2.5. Cut-off Criteria

Using expert judgement, the following materials and processes have been excluded:

- Packaging of incoming consumables
- Inbound transport of packaging materials
- Printing of labels onto courier bags
- Disposal of shipment packaging

The above exclusions are justified due to their low relative mass or energy contributions to the system. For all other processes within the system boundary, all available energy and material flow data have been included in the model. In cases where no matching life cycle inventories are available to represent a flow, proxy data have been applied based on conservative assumptions regarding environmental impacts.

The choice of proxy data is documented in Chapter [3.](#page-21-0) The influence of these proxy data on the results of the assessment has been carefully analysed and is discussed in Chapter [5.](#page-74-0)

## <span id="page-14-1"></span>2.6. Selection of LCIA Methodology and Impact Categories

New Zealand Post identified climate change, plastics in the environment, and toxicity as the three indicators of greatest relevance to its stakeholders. These indicators are discussed further below. A larger set of indicators has also been included to help identify and avoid burden shifting between environmental impact categories.

## **Carbon footprint**

Carbon footprint is used as the headline environmental indicator within this study as climate change is of high public and institutional interest and often deemed to be the most pressing



environmental issue of our time. Within this study, carbon footprint is measured using the Global Warming Potential impact category with current IPCC characterisation factors taken from the 5<sup>th</sup> Assessment Report (IPCC, 2013) for a 100 year timeframe (GWP100) as required by ISO 14067:2018. It should be noted that there is no scientific justification for selecting a 100 year timeframe over other timeframes.

#### **Keeping materials in circulation and out of the natural environment**

Leakage of plastics into the environment, while extremely important to New Zealand Post's stakeholders, is out of scope of this study as this is still an emerging area of assessment within LCA and there is not yet a single widely-adopted impact assessment method. That said, all courier bags being investigated in this study are considered by thinkstep-anz to be low-risk products as they are delivered to a person's home or business which presumably has appropriate means for disposal. Quantifying the risk of plastic leakage into the environment was attempted using the "Plastic Leak Project" methodological guidelines and data produced by Quantis (Quantis & EA, 2020). However, while the Plastic Leak Project reinforced the view that courier bags are low risk items, the quantifications for plastic entering the environment were deemed too imprecise to be used for comparative statements within this study.

The Material Circularity Indicator (MCI) from the Ellen MacArthur Foundation (2015) has instead been used as it measures the degree to which a product system keeps materials in circulation at their highest form of value. While the MCI is one of the leading methods to quantify the circularity of a product, it does have limitations. For instance, it assumes there is a market for all materials collected for recycling. However, the current market for post-consumer soft plastics is small and if all the available material were collected then a significant proportion would have to be diverted from landfill.

## **Toxicity**

Human toxicity is evaluated using the USEtox™ characterisation model. USEtox™ is currently the best-available approach to evaluate toxicity in LCA and is the consensus methodology of the UNEP-SETAC Life Cycle Initiative. The precision of the current USEtox™ characterisation factors is within a factor of 100–1,000 for human health (Rosenbaum, et al., 2008). This is a substantial improvement over previously available toxicity characterisation models, but still significantly higher uncertainty than the other impact categories in this study. As a result, toxicity is used to assess 'substances of high concern', but absolute results should not be asserted.

#### **Other indicators**

The full set of impact assessment categories and other metrics considered are shown in [Table](#page-16-0)  [2-3](#page-16-0) and [Table 2-4.](#page-17-0) Ozone depletion potential – which has historically been included in many LCA studies – is not considered in this study. No ozone-depleting substances are emitted in the foreground system under study. Ozone-depleting substances are also increasingly rare in global supply chains, given that the 1987 *Montreal Protocol on Substances that Deplete the Ozone Layer* has been effective in eliminating the use of CFCs, the most harmful chemicals, while complete phase out of less active HCFCs will be achieved by 2030. As a result, it is expected that the ozone layer will return to 1980 levels between 2050 and 2070.



## <span id="page-16-0"></span>**Table 2-3: Impact category descriptions**







## <span id="page-17-0"></span>**Table 2-4: Life cycle inventory indicators**







It shall be noted that the above impact categories represent impact *potentials*, i.e., they are approximations of environmental impacts that could occur if the emissions would (a) actually follow the underlying impact pathway and (b) meet certain conditions in the receiving environment while doing so. In addition, the inventory only captures the fraction of the total environmental load that corresponds to the functional unit (relative approach). LCIA results are therefore relative expressions only and do not predict actual impacts, the exceeding of thresholds, safety margins, or risks.

As this study intends to support comparative assertions to be disclosed to third parties, no grouping or further quantitative cross-category weighting has been applied. Instead, each impact is discussed in isolation, without reference to other impact categories, before final conclusions and recommendations are made.



## <span id="page-19-0"></span>2.7. Interpretation to Be Used

The interpretation (Chapter [5\)](#page-74-0) addresses the following topics:

- Identification of significant findings, such as the main process step(s), material(s), and/or emission(s) contributing to the overall results
- Evaluation of completeness, sensitivity, and consistency to justify the exclusion of data from the system boundaries as well as the use of proxy data.
- Conclusions, limitations and recommendations.

Note that as no product outperforms all of its alternatives in each of the impact categories, some form of cross-category evaluation is necessary to draw conclusions regarding the environmental superiority of one product over the other. Since ISO 14044 rules out the use of quantitative weighting factors in comparative assertions to be disclosed to the public, this evaluation will take place qualitatively and the defensibility of the results therefore depend on the author's expertise and ability to convey the underlying line of reasoning that led to the final conclusion.

## <span id="page-19-1"></span>2.8. Data Quality Requirements

The data used to create the inventory model shall be as precise, complete, consistent, and representative as possible with regards to the goal and scope of the study under given time and budget constraints.

- Measured primary data are considered to be of the highest precision, followed by calculated data, literature data, and estimated data. The goal is to model all relevant foreground processes using measured or calculated primary data.
- Completeness is judged based on the completeness of the inputs and outputs per unit process and the completeness of the unit processes themselves. The goal is to capture all relevant data in this regard.
- Consistency refers to modelling choices and data sources. The goal is to ensure that differences in results reflect actual differences between product systems and are not due to inconsistencies in modelling choices, data sources, emission factors, or other artefacts.
- Reproducibility expresses the degree to which third parties would be able to reproduce the results of the study based on the information contained in this report. The goal is to provide enough transparency with this report so that third parties are able to approximate the reported results. This ability may be limited by the exclusion of confidential primary data and access to the same background data sources.
- Representativeness expresses the degree to which the data matches the geographical, temporal, and technological requirements defined in the study's goal and scope. The goal is to use the most representative primary data for all foreground processes and the most representative industry-average data for all background processes. Whenever such data were not available (e.g., no industry-average data available for a certain country), bestavailable proxy data were employed.

An evaluation of the data quality with regard to these requirements is provided in Chapte[r 5](#page-74-0) of this report.



## <span id="page-20-0"></span>2.9. Type and Format of the Report

In accordance with the ISO requirements (ISO, 2006) this document aims to report the results and conclusions of the LCA completely, accurately and without bias to the intended audience. The results, data, methods, assumptions and limitations are presented in a transparent manner and in sufficient detail to convey the complexities, limitations, and trade-offs inherent in the LCA to the reader. This allows the results to be interpreted and used in a manner consistent with the goals of the study.

## <span id="page-20-1"></span>2.10. Software and Database

The LCA model was created using the GaBi Software system for life cycle engineering, developed by Sphera Solutions, Inc. The GaBi 2020 LCI database (service pack 40) provides the life cycle inventory data for the raw and process materials obtained from the background system.

## <span id="page-20-2"></span>2.11. Critical Review

As this study is intended to provide comparative assertions that may be made available to the public, ISO14044:2006 requires that it undergo a critical review. This critical review has been conducted by a panel of independent parties at the end of the study:

- Andrew D Moore, Life Cycle Logic (Fremantle, Western Australia)
- Helen Lewis, Helen Lewis Research (Austinmer, New South Wales, Australia)
- Kimberly Robertson, Catalyst Ltd (Rotorua, New Zealand)

The Critical Review Statement can be found in [Annex A.](#page-84-0) The Critical Review Report containing the comments and recommendations by the independent expert(s) as well as the practitioner's responses is available in [Annex E.](#page-91-0)



## <span id="page-21-0"></span>**Life Cycle Inventory Analysis**

## <span id="page-21-1"></span>3.1. Data Collection Procedure

The primary data collected in this study includes the mass and material composition of the courier bags. Primary data was collected by New Zealand Post's supplier Sealed Air. Secondary data from the GaBi LCA Database was used for all manufacturing operations.

## <span id="page-21-2"></span>**3.1.1. Product Composition**

The material composition of the investigated courier bags can be seen in [Table 3-1.](#page-21-4) Due to the sensitive nature of the compositions of some bags, [Table 3-1](#page-21-4) displays only high-level information. An exact breakdown of composition and mass can be found in [Annex B.](#page-87-0)



#### <span id="page-21-4"></span>**Table 3-1: Material composition of the courier bags**

## <span id="page-21-3"></span>**3.1.2. Manufacturing**

This section describes the processes modelled for the manufacture of each courier bag. For all courier bags detailed below, it is assumed that all domestic transportation occurs by trucking and all international transportation occurs by sea freight.

## **Virgin LDPE Courier Bag**

The virgin LDPE bags consist of a single layer of plastic film mixed with a colouring pigment. The virgin LDPE resin and pigment are both sourced from within China, compounded and extruded together in a single process to form the plastic film. The colouring pigment is added at a 4% rate, by mass, and consists of 50% titanium dioxide and 50% virgin LDPE.

The produced film then has the desired imagery and information printed on its surface before being folded and heat sealed along its edges to form a bag. Offcuts which are produced in both the extrusion and trimming processes are recycled by being used in the next manufacturing cycle.





**Figure 3-1: Virgin LDPE bag manufacturing stages**

## **Recycled LDPE Courier Bag (NZ)**

The bags with recycled content are identical in design to the virgin LDPE bags. However, they have a slight increase in film thickness to account for any decrease in physical performance as a result of the LDPE recycling process.

The recycled granulate which makes up 80% of the courier bag by mass is sourced from postindustrial soft plastic offcuts that would otherwise be sent to landfill. 80% of the total recycled granulate is sourced from New Zealand and the remaining 20% is imported from Australia. To produce the recycled granulate, the plastic offcuts are first shredded and washed before being melted, extruded and granulated.

A process similar to the production of a virgin LDPE bag is used to form the bag. As a result of the recycling stage, there is an additional compounding and granulating stage in production. Recycled LDPE granulate, virgin LDPE granulate, and colouring pigment are mixed with a 20:4:1 ratio, respectively. The colouring pigment is the same as the one used in the virgin LDPE bag and consists of 50% titanium dioxide and 50% virgin LDPE by mass.

The produced film then has imagery and information printed on its surface. The printed film is then folded and has its edges heat sealed to form a bag. Trimmed offcuts in the extrusion and forming processes are recovered for use in the next manufacturing cycle.





<span id="page-23-0"></span>**Figure 3-2: Recycled LDPE courier bag manufacturing stages**

## **Recycled LDPE Courier Bag (CN)**

In the case of a courier bag made from 80% recycled LDPE in China, the material is assumed to all be sourced from within China instead of a New Zealand Australian mix. While the materials used originate from different locations to the NZ manufactured recycled LDPE bag, there is no difference assumed in the manufacturing process described previously and seen in [Figure 3-2.](#page-23-0)



### **Home Compostable Courier Bag**

Similar to the previous plastic bags, the home compostable bag is made from a single extruded plastic film but consists of a mixture of biodegradable compounds. The thickness of the home compostable bag is the greatest of all the films to account for its lower tear resistance. The home compostable bag is assumed to be produced in a similar process as the recycled LDPE bag and is manufactured in China.

A single compounding stage is used to homogenise Ecoflex granulate, Ecovio granulate, corn starch and a colouring pigment (titanium dioxide) before it is extruded as a film. The produced film then has any desired imagery and information printed on its surface. The printed film is then folded and has its edges heat sealed to form a bag. Offcuts produced at any stage are sent to landfill.

An overview of the manufacturing stages for the home compostable bag can be seen below in [Figure 3-3.](#page-24-0)



<span id="page-24-0"></span>**Figure 3-3: Home compostable courier bag manufacturing stages**

#### **Flat Paper Courier Bags**

The flat paper bags are manufactured in Victoria, Australia. Kraft paper is purchased in sheets before having the envelope blanks cut out. The blanks are then folded and sealed with a



combination of EVA and PVA adhesives to form an envelope. The final stage of production is adding the additional strip of adhesive which the user later utilises to seal the envelope. To maintain the functionality of the sealing strip, it is protected by a siliconized strip of paper.



**Figure 3-4: Flat paper courier bag manufacturing stages**

## **Padded Paper Courier Bags**

The padded paper bags are manufactured in Victoria, Australia in a similar way to the flat paper bags above. The kraft paper is purchased in sheets before having the envelope blanks cut out. Scrap newspaper is trucked in from a facility 50 km away before being shredded on site. To ensure the shredded newspaper remains evenly distributed within the courier bag walls, the cut envelope blank has PVA adhesive applied to the interior surface. The blanks, with shredded newspaper, are then folded and sealed with EVA adhesive to form an envelope. The final stage of production is adding the additional strip of adhesive which the user later utilises to seal the envelope. To maintain the functionality of the sealing strip, it is protected by a siliconized strip of paper.





#### **Figure 3-5: Padded paper courier bag manufacturing stages**

#### <span id="page-26-0"></span>**3.1.3. Distribution**

After manufacture, courier bags are transported to NZ Post distribution centres through a combination of trucking and sea freight (if they are manufactured outside of New Zealand). The courier bags are then trucked to customers during the use phase and then again to end-of-life treatment. While the international travel distances vary between products, the trucking distances travelled within NZ remains consistent for the use phase. The only exception to distribution in the end-of-life scenarios is in the case of home composting, where no further travel is required. The breakdown of the distribution distances from the manufacturers to NZ Post's facility are found in [Table 3-2.](#page-27-2) All shipping distances have been calculated as the distance between the port of



Auckland and either the port of Shanghai or the port of Sydney using the online sea route distance calculator: [http://ports.com/sea-route/.](http://ports.com/sea-route/) A national trucking distance of 150km for all courier bags has been selected as this is the distance between the port of Auckland and the NZ Post sorting facility in Hamilton.

<b>Courier Bag</b>	distance (km)	<b>International shipping National trucking distance</b> to NZ Post (km)
Virgin LDPE bag	11,578	150
Recycled LDPE bag (NZ)	<b>NA</b>	150
Recycled LDPE bag (CN)	11,578	150
Home compostable bag	11,578	150
Flat paper bag	2,463	150
Padded paper bag	2,463	150

<span id="page-27-2"></span>**Table 3-2: Distribution distances of bags to reach the NZ Post facility**

## <span id="page-27-0"></span>**3.1.4. Use**

The use phase is modelled as trucking from NZ Post to the consumer, estimated as 75km.

## <span id="page-27-1"></span>**3.1.5. End-of-Life**

All products have two end-of-life scenarios depending on the material they are made from. The first scenario assumes the courier bags are sent to landfill. The second scenario is recycling or, in the case of the home compostable bag, composting.

In the landfill scenario, plastic bags are considered inert. The impacts from landfilling inert material are a result of the 25km of trucking to the landfill and the further processes which are involved with physically landfilling the product.

Landfilling of the home compostable and paper materials are modelled using a customised landfill model built by thinkstep-anz. While neither the home compostable bag nor paper bags are inert, they do not completely breakdown in landfill. The degree of degradation of the paper bags is assumed to be 49% of its mass in all cases (Australian Government, 2019a) with the remaining 51% of the paper bags being sequestered.

As the compostable plastic and paper break down in the absence of oxygen when placed in a landfill, they form a mixture of carbon dioxide and methane known as landfill gas. The landfill gas production and capture rates are significant due to the potency of methane as a greenhouse gas. In this model there is a 1:1 ratio of the degraded material mass into  $CO<sub>2</sub>$  and methane gas. The carbon content of the degradable portions (excluding pigments and adhesives) of the two bags are 59.2% and 45% for the compostable bag and paper bags, respectively.

The methane capture rates for specific landfills can range from 0% (uncovered landfill with no gas collection) to near 100% (covered landfill with highly effective gas collection). Large, modern landfills within New Zealand typically have high rates of gas collection, though older and smaller landfills can have limited or no gas collection. For landfills that do capture gas, instantaneous collection efficiencies can range from 50% to near 100% (Barlaz, et al., 2009). When weighted over the lifetime of the landfill, collection efficiencies range between 55% and 91% (Barlaz, et al., 2009).



The baseline results within this body of this report apply weighted national average gas collection rates for New Zealand. The weighted national average methane capture rate has been calculated as 53% by the author, based on a list of landfills with/without landfill gas collection (Ministry for the Environment, 2019), the estimated population served by each landfill, and an assumed lifetime landfill gas collection effectiveness of 85% (Hyder Consulting Group, 2007).

In comparison, GaBi's standard landfill datasets assume a gas capture rate of 50% in Europe, and 64% in the United States (Sphera, 2020).

After capture, it is assumed that 25% of all landfill gas is flared with the remaining 75% used for energy recovery in an alternator/generator (Carre, 2011). For the remaining methane which escapes, 10% is assumed to be oxidized to form  $CO<sub>2</sub>$  as it permeates through the soil cover of the landfill.

Any products which are to be recycled are modelled using the cut-off method described previously. As a result, the only impacts from recycling are due to the transportation of material to a recycling facility which is assumed to be 25km away for all products.

To model the composting of the home compostable bag, a commercial windrow process has been used. The impacts arising from diesel, electricity and machine oil use in commercial composting has a minimal impact does not significantly change the impacts of composting (Anderson, 2010) and therefore commercial composting is an appropriate conservative proxy. No transport distance is associated with the home composting as the process is assumed occur on their property.

In the process of composting, 90% of the mass of the product is assumed to degrade and the remaining 10% stays sequestered as organic material (Greene, 2007). As composting is assumed to be conducted in an aerobic environment, only 0.9% of the degraded carbon is released as methane (IPCC, 2006).

## <span id="page-28-0"></span>3.2. Background Data

## <span id="page-28-1"></span>**3.2.1. Fuels and Energy**

A mixture of national and regional averages for both fuel inputs and electricity grid mixes were obtained from the GaBi 2020 databases. [Table 3-3](#page-29-0) shows the most relevant LCI datasets used in modelling the product systems. Electricity consumption was modelled using national and regional grid mixes which account for importation of electricity from neighbouring regions where appropriate.

Documentation for all GaBi datasets can be found at [http://gabi-software.com/support/gabi/gabi](http://gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/)[database-2020-lci-documentation/](http://gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/)

The proxy column is used to indicate whether a dataset accurately represents the desired material or process. A No\* indicates the use of a geographical proxy where the region of manufacture is expected to have little influence on its environmental profile. A Yes\* indicates the use of a geographical proxy where the region of manufacture is expected to materially influence its environmental profile.

Note that all GaBi datasets have their upstream energy (and any upstream energy present in their upstream materials) updated at least annually. In addition, all GaBi datasets are updated whenever the technology or geographical mix of the producers of a product changes significantly.



<span id="page-29-0"></span>**Table 3-3: Key energy datasets used in inventory analysis**



As electricity was consistently found to be an emissions hotspot the breakdown of each country's electricity grid mix can be found below in [Table 3-4.](#page-29-1) As New Zealand's electricity grid can change between years, a sensitivity study was conducted in section [4.4.](#page-71-0)

<span id="page-29-1"></span>







#### <span id="page-30-0"></span>**3.2.2. Raw Materials and Processes**

Data for upstream and downstream raw materials and unit processes were obtained from the GaBi 2020 database. [Table 3-5](#page-30-1) shows the most relevant LCI datasets used in modelling the product systems. Where inputs where modelled with components, the components' datasets and relative percentages are included. Documentation for all GaBi datasets can be found at [http://gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/.](http://gabi-software.com/support/gabi/gabi-database-2020-lci-documentation/)



#### <span id="page-30-1"></span>**Table 3-5: Key material and process datasets used in modelling**





\* The GaBi/FEFCO kraft paper dataset has been modified to reflect the carbon footprint of the paper supplier, Opal Paper Australia. The carbon footprint of their paper products is 2.50 kgCO<sub>2</sub>e/kg (Paper Australia Pty Ltd, 2019). No adjustments have been made for other indicators due to a lack of data.



[Table 3-6](#page-32-0) to [Table 3-10](#page-34-1) show the key mass and energy flows from cradle-to-gate for a single courier bag. It is assumed that all energy inputs to the system are lost as waste heat.

<span id="page-32-0"></span>



**Table 3-7: Key material datasets for the manufacturing of the LDPE courier bags (NZ & CN)**





**Table 3-8: Key material flows for the manufacturing of the home compostable courier bag**



**Table 3-9: Key material flows for the manufacturing of the flat paper courier bag**





<span id="page-34-1"></span>**Table 3-10: Key material flows for the manufacturing of the padded paper courier bag**



#### <span id="page-34-0"></span>**3.2.3. Transportation**

Average transportation distances and modes of transport are included for the transport of the raw materials, operating materials, and auxiliary materials to production and assembly facilities.

The GaBi 2020 database was used to model transportation. Transportation was modelled using global transportation datasets. Fuels were modelled using Australian data as a proxy for New Zealand. The default parameters were used for all transportations processes except distance and utilisation (in the case of end-of-life transportation). Utilisation for end-of-life treatment transport was set to a value of 0.5 (50%).

<b>Mode / fuels</b>	<b>Geographic Dataset</b> <b>Reference</b>		<b>Data Provider</b>	<b>Reference Proxy?</b> Year
Truck	GLO	Euro $0 - 6$ mix, $20 -$ 26t gross weight / 17.3t payload capacity	Sphera	2019 No
<b>Truck</b>	<b>GLO</b>	Euro $0 - 6$ mix, up to Sphera 7.5 t gross weight / 2.7t payload capacity		2019 No
<b>Container Ship</b>	<b>GLO</b>	Container ship, 5,000 Sphera to 200,000 dwt payload capacity, ocean going		2019 No
<b>Diesel</b>	AU	Diesel mix at filling station	Sphera	2016 No*
<b>Heavy Fuel</b>	AU	Heavy fuel oil at refinery $(2.5wt.\% S)$	Sphera	2016 No*

**Table 3-11: Transportation and fuel datasets**



## <span id="page-35-0"></span>**3.2.4. End-of-Life and Recovery**

The processes used to model the different end-of-life options for the courier bags after delivery to consumers can be seen in [Table 3-12.](#page-35-1)



#### <span id="page-35-1"></span>**Table 3-12: End-of-life processes**


# **4. Results Analysis**

This chapter contains the results for the impact categories and additional metrics defined in section [2.6.](#page-14-0) It shall be reiterated at this point that the reported impact categories represent impact potentials, i.e., they are approximations of environmental impacts that could occur if the emissions would (a) follow the underlying impact pathway and (b) meet certain conditions in the receiving environment while doing so. In addition, the inventory only captures that fraction of the total environmental load that corresponds to the chosen functional unit (relative approach).

LCIA results are therefore relative expressions only and do not predict actual impacts, the exceeding of thresholds, safety margins, or risks.

The results for the Material Circularity Indicator have been calculated using an updated version of the tool prepared by James Goddin, one the original tool's co-creators (Goddin, 2020). The updated version now accounts for bio-based materials, which was out of scope in the original version (Ellen MacArthur Foundation, 2015). Importantly for this analysis, the default full-system recycling efficiencies have been applied (which is only 22% for plastics). New Zealand Post could theoretically put in place systems to improve these recycling efficiencies, which would then improve the MCI score; however, this is left for an area of future work and out of scope of the current analysis.

It is important to note that the kraft paper for the flat paper and padded paper courier bag is sourced from Opal's Maryvale Paper Mill (formerly Australian Paper) in Victoria, Australia. The kraft paper has been modelled using data for average European kraft paper manufacture from the European Corrugated Packaging Association (FEFCO, 2019). The carbon footprint of the GaBi/FEFCO dataset is 0.46 kg CO<sub>2</sub>e per kg of paper versus Opal's 2.50 kg CO<sub>2</sub>e per kg of paper (Paper Australia Pty Ltd, 2019). A manual correction factor for the additional fossil fuel carbon emissions has been applied, meaning that the carbon footprint results correctly reflect the real supply chain. However, all remaining indicators are modelled using the GaBi/FEFCO data. This large difference in carbon footprint suggests that a much larger share of Opal's energy comes from fossil fuel sources rather than renewable sources. The outcome of this is that most of the other environmental indicators for the flat paper and padded paper bags are likely underestimated, and the real paper bags would likely have higher impacts than those reported in this study. This is particularly true for abiotic depletion of fossil fuels (ADPF) and also for indicators that are affected by fossil fuel combustion, such as photochemical ozone formation potential (POFP), acidification potential (AP) and eutrophication potential (EP).



# 4.1. Assessment Results



#### <span id="page-37-1"></span>**Table 4-1: GWP and MCI assessment results for each potential courier bag**

\*Results for relative results are compared to a virgin LDPE bag landfilled at end-of-life.



#### <span id="page-37-0"></span>**Figure 4-1: Relative GWP impact for each courier bag compared to the virgin LDPE bag**



[Figure 4-1](#page-37-0) displays the relative GWP, measured in carbon dioxide equivalent emissions ( $kgCO<sub>2</sub>$ eq.), for each courier bag when compared to the virgin LDPE bag. The scale of [Figure 4-1](#page-37-0) has been limited to a maximum of 350% of the virgin LDPE bag, landfilled at end-of-life, for ease of interpreting the comparative performance of the best courier bag alternatives. The impacts from the paper bags, under both end-of-life scenarios, exceed the 350% limit and have been highlighted orange; their impacts can be found in [Table 4-1.](#page-37-1) For a breakdown of the [Figure 4-1](#page-37-0) impacts into the three main life cycle stages – manufacturing, transport and end-of-life – please refer to the executive summary.

[Table 4-2](#page-38-0) quantifies the benefits gained by New Zealand Post if they were to switch to the recycled LDPE courier bag, since it is the highest performing bag. The benefits have been compared to the remaining investigated bags and is with respect to reductions in GWP. Multiple scenarios are given to show how the reductions in GWP change depending on the compared scenarios. As discussed in section [4.3.2,](#page-70-0) the most appropriate end-of-life allocation method has been deemed to be the cut-off method. Therefore, if the courier bags were switched from virgin LDPE to New Zealand manufactured rLDPE a global warming potential reduction of at least 2.6 times could be claimed.



#### <span id="page-38-0"></span>**Table 4-2: Relative GWP reductions compared to the rLDPE Bag (NZ)**

\*All comparisons utilise the same end-of-life allocation method for consistency

#### **4.1.1. Remaining indicators**

Due to the many indicators included within this study, a traffic light system has been implemented to address the remaining indicators, as shown in [Table 4-3.](#page-40-0) Results are presented as a percentage relative to the impacts for the virgin LDPE bag, landfilled at end-of-life to allow for easy interpretation across a broad range of results. To increase readability, any values with an impact less than the virgin LDPE bag has green text, those with a value of between 100% and 130% in orange text and greater than 130% in red text. A breakdown of the absolute results for the indicators below can be found in [Annex D.](#page-89-0)

From [Table 4-3,](#page-40-0) there are only two indicators where the New Zealand manufactured rLDPE bag is not the best performing bag (along with MCI, as shown in the previous section). These indicators are non-hazardous waste disposed and net use of fresh water.

In the instance of non-hazardous waste disposed, the rLDPE bag has an impact of 105% when landfilled in comparison to the virgin LDPE bag. The difference in performance is due to the increased mass of the bag necessary to account for any decrease in performance resulting from recycling the LDPE granulate.

Increased net use of fresh water is caused by the use of electricity from the New Zealand grid for producing recycled plastic. This electricity has a significant share of hydroelectric generation,



resulting in greater water consumption through evaporation. Importantly, the impact of this increased water consumption relative to local water scarcity – as measured by the Water Scarcity Footprint – is lower than for the conventional LDPE bag. Put another way, the rLDPE bag manufactured in New Zealand consumes more water than the conventional LDPE bag, but the impact of this water consumption is lower due to water being less scarce in New Zealand (on average) than in China.



#### **Table 4-3: Results of remaining indicators**

<span id="page-40-0"></span>



# 4.2. Hotspot Analysis

Hotspot analysis has been conducted to identify the processes that contribute to significant impacts for global warming potential and human toxicity. Only processes that contribute ≥0.1% of the impacts are included in [Table 4-4](#page-43-0) to [Table 4-7](#page-46-0) for ease of readability. Processes that contribute ≥5% are highlighted in orange, while processes that contribute ≥2% are highlighted in yellow. Processes that contribute <0.01% yet are included due to having impacts of ≥0.1% in another scenario are greyed out to ease readability.

Further detail per impact category is discussed in the following sections.

## **4.2.1. Global Warming Potential**

While the raw materials used to create the various courier bags vary greatly, they are consistently seen to be one of the leading hotspots for GWP. The raw materials contribute a larger proportion of the emissions when the bags are recycled at end-of-life as recycling leads to fewer emissions than landfilling for all courier bags. However, end-of-life remains a hotspot for the home compostable bag as composting releases the carbon embodied within the product which is derived largely from fossil fuels.

When landfilled, the plastic products which are relatively inert show few resulting emissions. However, the paper and home compostable bags, which can degrade, show a significant release of emissions when placed in landfill. The high emissions from landfilling are due to the production of methane which occurs when the products break down in an anaerobic environment to produce methane, a greenhouse gas approximately 25-30 times more potent than carbon dioxide over a 100-year time horizon.

Electricity is seen to be a hotspot for the plastic products due to the melting of granulate before the compounding and extrusion processes. The significance of electricity for the overall impacts varies between products and depends mainly on the electrical grid mix and the number of melting stages which occur. Electricity in China or Australia has a higher level of carbon dioxide emissions per kWh than New Zealand electricity due to renewable electricity comprising a smaller proportion of their national grids. The higher carbon dioxide emissions result in a higher impact occurring for the same process when comparing production in New Zealand to the alternative locations.

While the inclusion of recycled LDPE reduces the impacts associated with raw material extraction, it does lead to an increase in electricity consumption due to the additional melting stage within the recycling process, described in section [3.1.2.](#page-21-0) This is seen in the NZ made recycled LDPE bag where electricity is the second largest source of emissions. For the recycled LDPE bag manufactured in China, electricity consumption is the leading source of emissions due to the more carbon intensive electrical grid.

## **4.2.2. Human Toxicity Potential**

Overall, the human toxicity of the products is predominantly due to the manufacture of virgin synthetic material and electricity production. With a trend similar to the relation between GWP and location of generation, electricity sourced from regions with a higher dependence on fossil



fuels has a higher human toxicity than electricity from regions such as New Zealand which utilise more renewable sources.

Virgin LDPE is a leading source of human toxicity within the plastic bags which is to be expected due to the various stages of refining and processing required to turn crude oil into LDPE. For the paper bags, the majority of the human toxicity is a result of the EVA hotmelt adhesive used to seal the flap of the bag.

The main source of human toxicity within the home compostable bag is the PET proxy for PBAT used in Ecoflex and Ecovio. The validity of this proxy along with the impacts of utilising different proxy materials instead of PET are investigated further in a scenario analysis in section [4.4.](#page-71-0)

## **4.2.3. Material Circularity Indicator**

The results of the material circulatory indicators are all as expected. Bags which include recycled material and those which can be most effectively recycled at end-of-life performed best. Only the LDPE and paper are assumed to be able to be recycled with components such as the adhesive and pigment being lost. All biological materials are assumed to be from regenerative sources and therefore perform better than virgin materials from non-renewable sources such as the virgin LDPE. While the home compostable bag utilises some biogenic material, the main component – Ecoflex – is a fossil fuel derived product.

It is important to note the MCI results are presented using the default recycling efficiencies from the updated version of the MCI tool released by James Goddin of Hoskins Circular (formerly of Granta Design and co-creator of the original MCI tool) in 2020 (Goddin, 2020). This newer version incorporates biological materials (which were excluded from the original 2015 release) following a methodology update made in 2019. Importantly, these default recycling efficiencies are low (22% for plastics and 45% for metals). That said, they are broadly reflective of wholesystem recycling efficiencies for municipal recycling systems similar to those used in New Zealand, as evidenced by the Australian Packaging Covenant Organisation's *Packaging Material Flow Analysis 2018* (Madden & Florin, 2019). This article found a full-system recovery rate of 32% for plastics and 54% for metals, excluding losses from the recycling process itself. If recycling losses were included, the full-system recycling rate would fall below 30% for plastics and below 50% for metals, which would give values close to those in the updated MCI tool.

The relevance of the above paragraph for New Zealand Post is that the circularity of a recycling system greatly depends on the effectiveness of the system itself. If New Zealand Post were to set up its own system collecting its own bags, it is likely that it could dramatically increase this whole-system recycling efficiency.



<span id="page-43-0"></span>

## **Table 4-4: Life cycle hotspot analysis for Global Warming Potential of products landfilled at end-of-life (kg CO2-eq.)**





## **Table 4-5: Life cycle hotspot analysis for Global Warming Potential of products recycled at end-of-life (kg CO2-eq.)**





## **Table 4-6: Life cycle hotspot analysis for total Human Toxicity Potential of products landfilled at end-of-life (CTUh)**



<span id="page-46-0"></span>

## **Table 4-7: Life cycle hotspot analysis for total Human Toxicity Potential of products recycled at end-of-life (CTUh)**





#### **Table 4-8: Life cycle hotspot analysis for Acidification Potential of products landfilled at end-of-life (kg SO2-eq.)**





## **Table 4-9: Life cycle hotspot analysis for Acidification Potential of products recycled at end-of-life (kg SO2-eq.)**





#### **Table 4-10: Life cycle hotspot analysis for Eutrophication Potential of products landfilled at end-of-life (kg PO<sup>4</sup> 3- -eq.)**





#### **Table 4-11: Life cycle hotspot analysis for Eutrophication Potential of products recycled at end-of-life (kg PO<sup>4</sup> 3- -eq.)**





#### **Table 4-12: Life cycle hotspot analysis for Photochemical Ozone Formation Potential of products landfilled at end-of-life (kg NOx-eq.)**





## **Table 4-13: Life cycle hotspot analysis for Photochemical Ozone Formation Potential of products recycled at end-of-life (kg NOx-eq.)**





**Table 4-14: Life cycle hotspot analysis for Abiotic Depletion Potential (Elements) of products landfilled at end-of-life (kg Sb-eq.)**





## **Table 4-15: Life cycle hotspot analysis for Abiotic Depletion Potential (Elements) of products recycled at end-of-life (kg Sb-eq.)**





## **Table 4-16: Life cycle hotspot analysis for Abiotic Depletion Potential (Fossil fuels) of products landfilled at end-of-life (MJ)**





## **Table 4-17: Life cycle hotspot analysis for Abiotic Depletion Potential (Fossil fuels) of products recycled at end-of-life (MJ)**





## **Table 4-18: Life cycle hotspot analysis for Primary Energy Demand (Non-renewable) of products landfilled at end-of-life (MJ)**





**Table 4-19: Life cycle hotspot analysis for Primary Energy Demand (Non-renewable) of products recycled at end-of-life (MJ)**





**Table 4-20 Life cycle hotspot analysis for Primary Energy Demand (total renewable and non-renewable) of products landfilled at end-of-life (MJ)**





**Table 4-21: Life cycle hotspot analysis for Primary Energy Demand (total renewable and non-renewable) of products recycled at end-of-life (MJ)**





**Table 4-22: Life cycle hotspot analysis for Water Scarcity Footprint of products landfilled at end-of-life (m<sup>3</sup> )**





**Table 4-23: Life cycle hotspot analysis for Water Scarcity Footprint of products recycled at end-of-life (m<sup>3</sup> )**





**Table 4-24: Life cycle hotspot analysis for Hazardous Waste Disposed of products landfilled at end-of-life (kg)**





## **Table 4-25: Life cycle hotspot analysis for Hazardous Waste Disposed of products recycled at end-of-life (kg)**





**Table 4-26: Life cycle hotspot analysis for Non-hazardous Waste Disposed of products landfilled at end-of-life (kg)**





## **Table 4-27: Life cycle hotspot analysis for Non-hazardous Waste Disposed of products recycled at end-of-life (kg)**





#### **Table 4-28: Life cycle hotspot analysis for Net Use of Fresh Water of products landfilled at end-of-life (kg)**





## **Table 4-29: Life cycle hotspot analysis for Net Use of Fresh Water of products recycled at end-of-life (kg)**



# 4.3. Sensitivity Analysis

The baseline scenario for this study has been defined to best reflect the most realistic situation for the packaging systems. To account for areas of uncertainty and different methodological choices, several scenario analyses have been carried out.

## **4.3.1. New Zealand's Electricity Grid Mix**

A sensitivity analysis has been conducted to determine how the impacts of the products may change with the annual variation of New Zealand's grid mix. The inclusion of the annual national electricity generation quantities was completed by taking information of New Zealand's electricity grid composition from the Ministry of Business, Innovation and Employment (MBIE, 2020) and then constructing new datasets for the annual grid mixes. Due to the inclusion of additional modelling changes, the original 2016 electricity grid mix provided by Sphera is seen as the most reliable dataset.

The sensitivity analysis of the electricity grid mix was only conducted on the New Zealand made rLDPE courier bag as this is the bag where the New Zealand electricity grid mix has the highest contribution to its overall impacts. Therefore, any change in impacts seen for the New Zealand made rLDPE bag will be lower for the other courier bags. The electricity sensitivity analysis also only looks at the changing GWP impacts as this has been deemed the most important indicator for the study.

As seen below in [Figure 4-2,](#page-69-0) the changes to the overall GWP for the rLDPE courier bag landfilled at end-of-life can vary by up to +5.6%, relative to the 2016 New Zealand national electricity grid mix used in this analysis. The results of the sensitivity analysis show that 2016 was a good year for the New Zealand grid and that the impacts of the rLDPE courier bag are slightly sensitive to annual changes in the electricity grid. However, as the difference between the 2016 and 2019 years is only 2.3%, the 2016 electricity data provided by Sphera is seen as appropriate for use is this study.



<span id="page-69-0"></span>



## <span id="page-70-0"></span>**4.3.2. End-of-Life Allocation Method**

The baseline scenario in this report uses the cut-off method for allocation of recycled materials between product life cycles. This means that the impacts of previous and future uses of recycled materials are not considered within the system boundary. The analysis in this section applies the substitution approach instead. As a general rule, the cut-off method favours products with high recycled content irrespective of the recycling rate at end-of-life, whereas the substitution method penalises products that do not produce enough recycled content at end-of-life to manufacture themselves again (i.e., products are penalised if they have a net deficit of recycled content over the full product life cycle).

[Figure 4-3](#page-70-1) and [Figure 4-4,](#page-71-1) below, show there is some change to the absolute impacts for the different courier bags, as was expected. These changes in impacts are most prevalent in the courier bags which utilise the highest percentage of recycled material and when the courier bags are recycled at end-of-life. While the sensitivity analysis shows there are changes across the products, in no instance does the order of preference change for GWP. As such, the current cutoff end-of-life methodology is deemed appropriate and the conclusion that the New Zealand manufactured recycled LDPE courier bag has the lowest carbon footprint of all courier bags in this study holds true.



<span id="page-70-1"></span>**Figure 4-3: Comparison of GWP depending on end-of-life allocation method – landfilled** 





<span id="page-71-1"></span>

## <span id="page-71-0"></span>4.4. Scenario Analysis

As there was no dataset available within the GaBi Databases for polybutylene adipate terephthalate (PBAT), which is commonly produced under the trade name Ecoflex, this report uses polyethylene terephthalate (PET) as a proxy. PBAT is also blended with polylactic acid (PLA) to form Ecovio. PET was chosen as the proxy for PBAT as they are both fossil fuel derived polymers produced using dimethyl terephthalate (DMT), making PET the most similar chemical available within the GaBi Database.

An analysis was conducted to test the results of the home compostable bag against the proxy used to model the Ecoflex and Ecovio. The possible alternative proxies for PBAT are listed [below](#page-71-2) in [Table 4-30.](#page-71-2)

#### <span id="page-71-2"></span>**Table 4-30: Potential proxies for PBAT**



To assess how the potential impacts of the home compostable bag change with the proxy selected for PBAT, the results for both GWP and human toxicity were calculated for all options.


[Figure 4-5](#page-72-0) and [Figure 4-6](#page-73-0) display the impacts of the investigation for GWP and human toxicity, respectively.

The Global Warming Potential for the home compostable bag is seen to vary from 54-78 g CO2 eq/bag as the PBAT proxy is changed – a significant variation. However, given that the GWP of the home compostable bag is significantly larger than that for the other plastic bags, the variations within the home compostable bag do not change the conclusions of this study. None of the PBAT proxy scenarios change the performance of the compostable bag to be better or worse than a competing product.

Since identifying the courier bag with the lowest GWP is the main intention of the study, the use of PET as a proxy for PBAT is considered sufficient.

Due to the results for human toxicity having a high uncertainty (section [2.6\)](#page-14-0), comments are made on the relative impacts of the different materials, but quantitative comparisons are deliberately limited. As seen in [Figure 4-6,](#page-73-0) the different PBAT proxies have a large impact on the overall human toxicity of the home compostable bag.

For PLA and PBS, the source of human toxicity from the chemicals is due to releases of heavy metals such as zinc, mercury and lead to agricultural soil. For the remaining fossil fuel based chemicals, the human toxicity is a result of the possible release of mercury to air and both arsenic and chromium to fresh water. As mentioned above, although the proxy for PBAT chosen can greatly vary the overall human toxicity of the home compostable bag, due to GWP being the headline indicator of this study, the proxy is considered sufficient.



<span id="page-72-0"></span>





#### <span id="page-73-0"></span>**Figure 4-6: Human Toxicity Potential of home compostable bag as PBAT material changes**



#### **Table 4-31: Difference in home compostable bag impacts arising from choice of PBAT proxy**



## **Interpretation**

### 5.1. Identification of Relevant Findings

The LCIA results and hotspot analysis show:

- Courier bags manufactured in New Zealand from 80% recycled LDPE have the lowest Global Warming Potential and Human Toxicity Potential of all options considered within this study. Overall, the 80% recycled LDPE courier bags have the lowest impacts across all environmental indicators included within this study, except for non-hazardous waste disposed and net use of fresh water. Importantly, both indicators are inventory indicators and do not consider potential environmental impacts. When impacts are considered (e.g. Water Scarcity Footprint instead of net use of water), the New Zealand made recycled LDPE bags perform best.
- The raw materials are the main source of impact for bags made from virgin sources.
- The location of recycling is the main determining factor for the performance of recycled materials, due primarily to that location's energy mix.
- Landfilling is a high impact process for bags which can degrade, but not very significant for inert plastic bags.

Scenario analysis shows:

- The performance of the home compostable bag does depend on the material used as a proxy for Ecoflex (and Ecovio) due to no suitable secondary data being available for this material in the GaBi Databases. However, the conclusions of this study do not change with any of the four alternatives considered.
- Annual fluctuations in New Zealand's annual electrical grid mix have no significant implications for the overall impacts of the products.

### 5.2. Assumptions and Limitations

A number of assumptions were made in this study, as described in sections [2](#page-8-0) and [3.](#page-21-0) Where possible, a conservative approach has been applied, including proxies rather than cutting off elements where there was uncertainty. The minor flows which were excluded from the study using cut-off criteria are assumed to have negligible impact on the outcome of the study.

Landfilling has been identified as a leading source of emissions for bags which can degrade. As discussed previously, landfilling emissions arise due to the production and subsequent release of methane to the atmosphere. As the methane capture rate will vary from landfill to landfill, the absolute emissions will depend on where the user disposes of their courier bag. However, as the products which can degrade have higher impacts than the LDPE bags before landfill impacts are considered, the methane capture rate will not alter the conclusions of this study.

While the padded paper envelope performed worse that the flat paper envelope across most indicators including Global Warming Potential, it should be noted that it is a functionally superior product and offers greater protection to goods stored within it.

As discussed in Chapter [4,](#page-36-0) the dataset used for modelling the kraft paper within the padded and flat courier bags has been modified to reflect the higher carbon footprint of the supplier. However,



these changes have not been extended to cover the other indicators within this study due to a lack of data. As these changes should only increase the impacts of the paper bag, due to a higher dependence on fossil fuels in manufacturing, the current modelling is conservative as it reflects the best case scenario for the paper courier bags. Because both paper bags already perform worse than the recycled LDPE bag across nearly all indicators, the changes in impacts should not alter the conclusions of this study.

### 5.3. Data Quality Assessment

Inventory data quality is judged by its precision (measured, calculated or estimated), completeness (e.g., unreported emissions), consistency (degree of uniformity of the methodology applied) and representativeness (geographical, temporal, and technological).

To cover these requirements and to ensure reliable results, first-hand industry data in combination with consistent background LCA information from the GaBi 2020 database were used. The LCI datasets from the GaBi 2020 database are widely distributed and used with the GaBi 6 Software. The datasets have been used in LCA models worldwide in industrial and scientific applications in internal as well as in many critically reviewed and published studies. In the process of providing these datasets they are cross-checked with other databases and values from industry and science.

#### **5.3.1. Precision and Completeness**

- ✓ **Precision:** All material weights are based on measured data. All background data for manufacturing, transport and end-of-life are sourced from GaBi Databases with the documented precision.
- ✓ **Completeness:** Each foreground process was checked for mass balance and completeness of the emission inventory. Completeness of foreground unit process data is considered to be sufficient. All background data are sourced from GaBi databases with the documented completeness.

#### **5.3.2. Consistency and Reproducibility**

- ✓ **Consistency:** To ensure data consistency, all primary data were collected with the same level of detail, while all background data were sourced from the GaBi databases.
- ✓ **Reproducibility:** Reproducibility is supported as much as possible through the disclosure of input-output data, dataset choices, and modelling approaches in this report. Based on this information, any third party should be able to approximate the results of this study using the same data and modelling approaches.

#### **5.3.3. Representativeness**

 $\checkmark$  **Temporal:** All primary data were collected for the year 2020. All secondary data come from the GaBi 2020 databases and are representative of the years 2016-2019. As the study intended to compare the product systems for the reference year 2020, temporal representativeness is considered to be good.



- ✓ **Geographical:** All primary and secondary data were collected specific to the countries or regions under study. Where country-specific or region-specific data were unavailable, proxy data were used. Geographical representativeness is considered to be sufficient.
- $\checkmark$  **Technological:** All primary and secondary data were modelled to be specific to the technologies or technology mixes under study. Where technology-specific data were unavailable, proxy data were used. Technological representativeness is considered to be sufficient.
- ✓ **Equivalence:** All of the courier bags are designed to contain A5 sized goods and have been considered functionally suitable to replace the virgin LDPE courier bag by New Zealand Post as a prerequisite. Therefore, the different products within this study are considered to be appropriately equivalent, with the exception of the padded paper courier bag that is functionally superior.

### 5.4. Model Completeness and Consistency

#### **5.4.1. Completeness**

All relevant process steps for each product system were considered and modelled to represent each specific situation. The process chain is considered sufficiently complete and detailed with regards to the goal and scope of this study.

#### **5.4.2. Consistency**

All assumptions, methods and data are consistent with each other and with the study's goal and scope. Differences in background data quality were minimised by exclusively using LCI data from the GaBi 2020 databases. System boundaries, allocation rules, and impact assessment methods have been applied consistently throughout the study.

### 5.5. Conclusions, Limitations, and Recommendations

#### **5.5.1. Conclusions**

- The analysis shows the courier bag produced in NZ from recycled granulate is the highest performing product across the majority of the environmental indicators investigated in this study (12 out of 14) for both end-of-life treatment scenarios.
- The electricity grid utilised for the manufacturing processes is an important factor in determining the emissions of the recycled LDPE bags.
- Bags which are made from compostable materials have far higher life cycle emissions when placed in landfill at the end of their usable life. This is due to using largely fossil fuel derived plastic that is biodegradable.

#### **5.5.2. Limitations**

• Based on all the possible proxies investigated, it is likely the PBAT used within the home compostable bag will be a leading source of the bag's emissions. However, there is no reason to suggest the PBAT will perform better than the PET proxy used and so the conclusions drawn remain true.



- As discussed in Chapter [4,](#page-36-0) with the exception of GWP, the environmental impacts of the paper manufacturing have not been completely captured. However, as the impacts will be higher than currently modelled, there will be no changes to the conclusions made by this study.
- This study has been undertaken with the intention of identifying the possible environmental impacts for two different end-of-life treatment options potentially available to consumers. On average, a mixture of the two end-of-life treatment options will occur depending on the recycling recovery rates in the consumer's region. Varying recycling rates will produce real world impacts within the limits of the two sets of results provided; however, this is out of the scope of this study.

#### **5.5.3. Recommendations**

Based on the findings of this study, NZ Post should consider replacing its virgin LDPE courier bags with bags manufactured from recycled LDPE. Due to the lower emissions of the national electrical grid, it is also recommended that the bags be manufactured in New Zealand.



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## **List of Acronyms**





# **Glossary of Terms**

#### *Life cycle*

A view of a product system as "consecutive and interlinked stages … from raw material acquisition or generation from natural resources to final disposal" (ISO 14040:2006, section 3.1). This includes all material and energy inputs as well as emissions to air, land and water.

#### *Life Cycle Assessment (LCA)*

"Compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle" (ISO 14040:2006, section 3.2)

#### *Life Cycle Inventory (LCI)*

"Phase of life cycle assessment involving the compilation and quantification of inputs and outputs for a product throughout its life cycle" (ISO 14040:2006, section 3.3)

#### *Life Cycle Impact Assessment (LCIA)*

"Phase of life cycle assessment aimed at understanding and evaluating the magnitude and significance of the potential environmental impacts for a product system throughout the life cycle of the product" (ISO 14040:2006, section 3.4)

#### *Life cycle interpretation*

"Phase of life cycle assessment in which the findings of either the inventory analysis or the impact assessment, or both, are evaluated in relation to the defined goal and scope in order to reach conclusions and recommendations" (ISO 14040:2006, section 3.5)

#### *Environmental Product Declaration (EPD)*

"Independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products."

#### *Product Category Rule (PCR)*

"Defines the rules and requirements for EPDs of a certain product category."

#### *Functional / Declared unit*

"Quantified performance of a product system for use as a reference unit." (ISO 14040:2006, section 3.20)

*Functional unit* = LCA/EPD covers entire life cycle "cradle to grave".

*Declared unit* = LCA/EPD is not based on a full "cradle to grave" LCA, common in construction product EPDs.

#### *Allocation*

"Partitioning the input or output flows of a process or a product system between the product system under study and one or more other product systems" (ISO 14040:2006, section 3.17)

#### *Foreground system*

"Those processes of the system that are specific to it … and/or directly affected by decisions analysed in the study." (JRC, 2010, 97) This typically includes first-tier suppliers, the manufacturer itself and any downstream life cycle stages where the manufacturer can exert



significant influence. As a general rule, specific (primary) data should be used for the foreground system.

#### *Background system*

"Those processes, where due to the averaging effect across the suppliers, a homogenous market with average (or equivalent, generic data) can be assumed to appropriately represent the respective process … and/or those processes that are operated as part of the system but that are not under direct control or decisive influence of the producer of the good…." (JRC, 2010, 97- 98) As a general rule, secondary data are appropriate for the background system, particularly where primary data are difficult to collect.

#### *Closed-loop and open-loop allocation of recycled material*

"An open-loop allocation procedure applies to open-loop product systems where the material is recycled into other product systems and the material undergoes a change to its inherent properties."

"A closed-loop allocation procedure applies to closed-loop product systems. It also applies to open-loop product systems where no changes occur in the inherent properties of the recycled material. In such cases, the need for allocation is avoided since the use of secondary material displaces the use of virgin (primary) materials."

(ISO 14044:2006, section 4.3.4.3.3)

Critical Review

"Process intended to ensure consistency between a life cycle assessment and the principles and requirements of the International Standards on life cycle assessment" (ISO 14044:2006, section 3.45).



### **Annex A Critical Review Statement**



### **Critical Review Statement**



#### **Scope of the Critical Review**

The critical review process has been conducted following the international standards for life cycle assessment: Critical review processes and reviewer competencies ISO/TS 14071:2014.

The aim of the critical review process is to ensure that:

- The methods used to carry out the study followed the international standards:
	- o ISO 14040:2006 International Organisation for Standardisation (ISO), Environmental management – Life cycle assessment – Principles and framework, Genève, Switzerland.
	- o ISO 14044:2006 International Organisation for Standardisation (ISO), Environmental management – Life cycle assessment – Life Cycle Interpretation, Genève, Switzerland.
	- $\circ$  ISO 14067:2018 Greenhouse Gases Carbon Footprint of Products Requirements and Guidelines for Quantification. International Standard Organization (ISO), Genève, Switzerland.
- The methods used to carry out the LCA are scientifically and technically valid
- The data used are appropriate and reasonable in relation to the goal of the study
- The report is transparent and consistent with the aims of the study

The critical review covered all aspects of the LCA, including data appropriateness and reasonability, calculation procedures, life cycle inventory, impact assessment methodologies, characterisation factors, calculated life cycle inventory and life cycle inventory analysis results, and interpretation.

#### **Review process**

The review was:

- Undertaken by a panel of interested parties
- Performed at the end of the study
- Performed on the report: 'Life Cycle Assessment of Courier Bags' for New Zealand Post (version 1.7, dated 8 March 2021).

The review included an assessment of the life cycle inventory model (as detailed in the report) and of the individual datasets (as detailed in the study report).

The study was reviewed according to the above scope. Reviewer comments were tabled; classified as general, technical or editorial; and provided to the study authors. All reviewer comments were addressed through the review process. For details of the review please refer to the critical review comments in Annex E Review Commentary section of the report.

#### **General evaluation**

The study is a comprehensive Life Cycle Assessment of New Zealand Post single-use courier bags. The scope of the study was found to be appropriate to achieve the stated goals. It included comprehensive sensitivity analysis of key assumptions and methodological choices to increase the confidence in the findings of the study. Overall, the study was performed in a professional manner.

#### **Conclusions**

The reviewers found the overall quality of the final version of the study to be of a very high standard. The study has been carried out in conformance with ISO 14040:2006, ISO 14044:2006 and ISO 14067:2018. The study is reported in a comprehensive manner and includes transparent documentation of the goal, scope, inventory data, modelling methodology, results and conclusions.

#### **Independent external expert reviewers**



## **Annex B Confidential Data**

Confidential details have been removed from this public report, but were provided to the review panel.



## **Annex C ISO 14067 Results**

The results presented in the body of this report exclude biogenic carbon. The results presented in [Table 6-2](#page-88-0) follow ISO 14067 and include biogenic carbon, with withdrawals and emissions of biogenic carbon presented as a net "GWP100 Biotic" value below. As a result of slight differences in methodology within the GaBi software for each indicator, the total GWP below differs slightly from the body of this report.



#### <span id="page-88-0"></span>**Table 6-2: GWP100 results following ISO 14067**



## **Annex D Additional Indicators**









**Table 6-4: Remaining indicator potential impacts for recycled and composted courier bags**



## **Annex E Review Commentary**

The dialogue between the reviewers and the LCA practitioner during the panel review has been transparently documented below in accordance with the critical review requirements of ISO 14044:2006 and ISO 14071:2014.















































<sup>&</sup>lt;sup>2</sup> Ermolaev, Evgheni, Cecilia Sundberg, Mikael Pell, and Håkan Jönsson. 2014. 'Greenhouse Gas Emissions from Home Composting in Practice'. Bioresource Technology 151 (January): 174–82. https://doi.org/10.1016/j.biortech.2013.10.049.



<sup>1</sup> Andersen, Jacob Kragh, Alessio Boldrin, Thomas Højlund Christensen, and Charlotte Scheutz. 2010. 'Greenhouse Gas Emissions from Home Composting of Organic Household Waste'. Waste Management 30 (12): 2475–2482.










































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