

THE BEVERAGE CARTON INDUSTRY POSITION ON EXTENDED PRODUCER RESPONSIBILITY (EPR)

Extended Producer Responsibility legislation to increase recycling and enable a Low-Carbon Circular Economy

Effective and enforced waste management and Extended Producer Responsibility (EPR) legislation for packaging is needed to increase recycling performance. EPR legislation has become a key component in government policy for the transition to a more circular economy and to their climate change response. In recent years, EPR legislation has been designed to improve collection and recycling rates, prevent litter, and support the recycling advancements of various materials. Recycling of course has a climate benefit and can be a significant enabler of a low-carbon circular economy, particularly if recycling policy is adopted with measures to decarbonise packaging materials.

Countries with the highest levels of recycling all have legislation in place that formalises requirements for municipal waste collection, treatment, disposal and recycling.¹ In addition, EPR policy for packaging, where it exists, has proven to be an effective tool for increasing recycling rates – though EPR needs to be applied to all consumer packaging types, not just plastics.

Our approach reflects our commitment to shared responsibility and circular economy principles

Beverage cartons help keep liquid foods like milk and juice safe, while improving access to nutrition for hundreds of millions of citizens around the world every day. As the population increases – nearly reaching 10 billion people by 2050 – our collective ambition is to ensure citizens, everywhere have access to healthy and safe liquid foods.

Our products aid to solve one problem, but we need to ensure that they do not contribute to another by becoming litter or waste, a situation our increasingly strained planet cannot sustain. To avoid this situation, there needs to be adequate waste management systems and recycling infrastructure in place.

Today, on average, one in four of our cartons worldwide and one in two cartons in Europe are recycled into new products. In fact, the programmes we are involved with, including voluntary initiatives, have resulted in the collection for recycling of about 40 percent of all cartons, globally. While, in most cases, these voluntary initiatives have created new opportunities and a better livelihood for people in low-income communities, the recycling rates remain low and can only be scaled with supporting government policies, effective legislation and industry driven activities.

¹ In most countries, municipal waste largely originates from households with contributions from commercial and institutional sources. It should exclude waste from municipal sewage, construction and demolition. Source: [OECD](#)

Our members have been a committed partner in developing and implementing several Extended Producer Responsibility (EPR) Schemes for packaging waste and we support solutions which engage all relevant stakeholders to ensure improved recycling.²³

We work with other industry partners to ensure that recycling solutions for all components of our cartons are in place. As an industry alliance, our network includes the Carton Council North America, Action to Accelerate Carton Recycling (AARC) in India, EXTR:ACT in Europe and various voluntary Producer Responsibility Organizations (PROs) in Asia and South America – concerted efforts to foster recycling, scale-up recycling solutions and drive initiatives to increase beverage carton collection.

Our recommendations

We offer our views on the essential regulatory measures related to packaging waste, EPR and Circular Economy policy to ensure packaging contributes to a low-carbon circular economy. These recommendations will move countries to zero waste leakage into the environment, protecting public health and the environment, becoming more resource efficient and meeting climate objectives.

Packaging waste and EPR regulation should build on learnings gained from packaging collection and recycling programmes in many industrialised and emerging markets but also ensure packaging contributes to reducing climate impact and thus to a low-carbon circular economy. In our view, there are five critical success factors to be considered:

1. Effective waste management legislation is in place and enforced;
2. EPR policies for packaging are applied to all consumer packaging types;
3. Ambitious, progressive but realistic recycling targets are set to ensure that EPR policy is effective;
4. Legislation recognises the shared responsibility among all actors in the recycling value chain, following net-cost principle per type of material; and
5. Legislation is in place to incentivise the use of recyclable and low-carbon packaging and the development of a secondary raw material market.

Effective waste management legislation sets the foundation for recycling

The countries with the highest levels of recycling all have legislation that formalises requirements for municipal waste collection, treatment, disposal and recycling.⁴ This legislation should be in place before considering specific regulations for packaging.

Effective general waste legislation should:

- Set minimum requirements for waste collection, treatment, disposal and recycling.

² Extended Producer Responsibility (EPR) integrates the environmental costs associated with goods throughout their life cycles into the market price of products. Source: [OECD](#)

³ The GRACE position builds on that of the Consumer Goods Forum. Source: [CGF](#)

⁴ In most countries, municipal waste largely originates from households with contributions from commercial and institutional sources. It should exclude waste from municipal sewage, construction and demolition. Source: [OECD](#)

- Define roles and responsibilities of national and local governments, industry, waste operators and consumers.
- Establish a recycling target for household waste.
- Mandate the separation of recyclable and non-recyclable waste at the source.
- Require municipalities to separately collect recyclable and non-recyclable waste from households.
- Require industry to ensure recycling solutions for their products and packaging are in place.
- Provide resources and administrative capabilities to ensure enforcement.
- Integrate existing informal waste collection into formal collection systems in a manner that combines environmental objectives with social and health needs.

Only governments can ensure that these ground rules are firmly in place. Putting in place waste legislation that includes these requirements is a big step, but enforcing it is the most difficult. Governments need to allocate resources to ensure that legislation is enforced, and infrastructure is built.

EPR legislation to increase recycling of all packaging -- and address climate impact

In our experience, EPR policies for specific products or waste streams **only work when general waste management legislation is firmly established and enforced as described above.** In these cases, governments may consider introducing EPR legislation for specific product categories or waste streams such as for packaging.

EPR legislation for packaging tends to focus on reducing and recycling packaging waste. Up to the present day, governments have continued to employ packaging waste regulations as policy instruments to prevent littering and drive the uptake of secondary materials into new products and packaging. While a focus on recycling is certainly necessary, more can be done to address the climate impact of packaging materials.

EPR legislation for packaging can only be effective at both increasing recycling and reducing the climate impact of packaging materials if:

- Packaging regulation applies to all consumer packaging types without exception, which creates economies of scale and a level playing field among producers and packaging manufacturers.
- Substitution to low-carbon packaging materials is established as a basic requirement and the regulation encourages the uptake of sustainably sourced renewable materials for packaging.
- It is mandatory to collect all packaging separately from household waste.
- Material-specific recycling targets should be set in close dialogue with industry.
- Costs assigned to producers are directly proportional to what they can influence and control.
- It is based on learnings gained in pilot programmes.
- Deposit return systems as a means for post-consumer packaging collection should only be considered after a thorough impact assessment (environment benefits and cost relative to EPR schemes) and where effective and enforced national waste management legislation is in place.
- Recycling is defined as a shared responsibility among consumers, government, and the private sector.

Where there is no comprehensive regulatory framework for recycling in place, pilot programmes can provide important insights and inform the policymaking process.

Recycling is a shared responsibility

All forms of legislation should recognise that recycling packaging waste is a shared responsibility among governments, consumers, and the private sector.

- **National governments** should set the conditions and responsibilities for each actor into legislation, provide adequate enforcement and measure progress as described above, based on traceable documentation.
- **Local authorities** should secure separate collection of packaging wastes at the source and ensure treatment and safe disposal of residual waste.
- **Consumers** should separate waste at the source (e.g. at the household).
- **Producers of packaged goods and retailers** should contribute to the development of a robust collection and sorting infrastructure and participate in raising consumer awareness for recycling;
- **Materials suppliers and packaging manufacturers** need to ensure recycling technologies and capacities are in place for the packaging produced.

About GRACE

GRACE – the Global Recycling Alliance for Beverage Cartons and the Environment – was founded in 2019 to promote the environmental benefits of beverage cartons and similar paper-based packaging, advocate for an effective public policy framework and support measures to significantly increase their collection and recycling globally.

The founding partners are BillerudKorsnäs, Elopak, SIG Combibloc, Stora Enso and Tetra Pak.

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