

EXTENDED PRODUCER RESPONSIBILITY (EPR) FOR PACKAGING




What is Extended Producer Responsibility?



Extended Producer Responsibility (EPR) is a concept where manufacturers and importers of products bear a significant degree of financial and sometimes physical responsibility for the environmental impacts of their products throughout the product life-cycle.

As a policy tool, EPR for packaging typically mandate responsibilities for producers for the end of life management of their product packaging. Obligated companies pay financial contributions for the types and amounts of packaging they put on the market, which serve to cover all or parts of the costs for collecting, sorting, transporting and recycling packaging waste and informing consumers.

ASIA AT A GLANCE

EPR Legal Basis	Countries
EPR legal framework for packaging is in place and with specific implementation guidelines	
EPR legal framework is in place (e-waste and/or packaging) but <u>no specific implementation guidelines for packaging</u>	
No EPR legal framework in place	

CHINA

In late 2016, China issued the Implementation Plan for the Extended Producer Responsibility (EPR) System. The plan focusses on electrical and electronic products, automotive products, lead-acid battery, and beverage paper-based composite packaging. The scope of the responsibility covers the carrying out of ecological design, using recycled raw materials, unifying recycling, and enhancing information disclosure. It is expected that, by 2020, a framework for the EPR policy will be taking shape, and relevant laws and regulations should be finalised by 2025.

An amendment to China's Solid Waste Law was approved on 29 April 2020 by the National People's Congress (NPC), which requires the government to establish an EPR system for electrical and electronic products, lead storage batteries, and automotive power batteries. The producers of covered products will be required to establish a recycling system for used products that matches the sales volume of the products as well as responsible for public awareness of the recycling systems they set up. While the focus is on EPR for electrical and electronic equipment waste, the amendment stated that manufacturers, sellers and importers of products and packaging that are included in the compulsory recycling catalogue should recycle the products and packaging in accordance with relevant state regulations. The amended law has taken effect on 1 September 2020.

INDIA

The concept of EPR was first introduced in the Solid Waste Management Rules (2016) and the Plastic Waste Management Rules (2016). However, both set of rules do not provide any specific guideline on how EPR would be implemented at the local level and specific targets that have to be adopted by companies.

In June 2020, the Ministry of Environment, Forest and Climate Change released the draft Uniform Framework for Extended Producer Responsibility (Under Plastic Waste Management Rules 2016) seeking stakeholder comment by end-July 2020. The draft EPR framework provided more details on how producers, importers and brand owners can be held accountable for their plastic (and plastic packaging) and suggested three different models: (i) introducing a system of plastic credits (ii) establishing Producer Responsibility Organisations (PROs) and (iii) setting up a fee-based mechanism, with provisions to impose penalties on producers if they fail to meet their targeted collection. The draft framework propose to give manufacturers five years to achieve waste management targets, starting with 30% in the first year and moving up to 90% in the fifth year after the rules are notified. All stakeholders involved in the waste management process (producers, civic bodies, collectors, recyclers, etc.) will be registered under a new national registry through an online portal.

INDONESIA

The legal framework for an EPR system is in place, but implementation has yet to happen. The Solid Waste Management Act of 2008 prescribes waste management as the responsibility and authority of the government, including local governments, with public and business participation. Articles 12 – 15 of Government Regulation No. 81/2012 define the EPR concept further. Under Article 12, producers, individuals, and communities must take responsibility for packaging waste recovery through reuse, recycling, and recovery. Article 13 obligates producers to recycle waste by planning a program to recycle waste dumped from industries and/or caused by their activities using degradable raw materials and/or recollecting waste from products or packaging for recycling. It also stipulates that producers can appoint another party to recycle waste. Article 14 of the same law explains the reuse of waste by producers and the recollection of waste from products or packaging for recycling.

Article 15 provides the means and procedures for establishing the EPR by spelling out the processes and ministries that must be involved in the drafting of the roadmap.

At the end of 2019, the government released the Roadmap of Waste Reduction by Producer which alluded to EPR principles being applied in order to achieve outcomes identified. In response, on August 2020, several members of the Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE) have established a voluntary industry-led Packaging Recovery Organization (PRO) to ramp up their recycling efforts and reduce plastic packaging waste in the country.

JAPAN

Japan introduced an EPR system for packaging in 1995 via the Promotion of Sorted Collection and Recycling of Containers and Packaging (“Packaging Recycling Act”). The act mandates fee payments from all manufacturers using containers and wrapping for shipping their products, retailers and wholesalers using containers and wrapping for selling merchandise, manufacturers of containers, importers who import and sell merchandise in containers or wrapping, and importers of containers. The fees, which must be paid per kg of packaging material, are assessed on a yearly basis.

The Act mandates the separate collection of packaging types like plastic containers and wrapping, PET bottles, glass and paper containers and wrapping. Excluded from this are beverage cartons lined with aluminium. In order to fulfil the recycling obligation, the designated producers can collect and recycle waste packaging that conform to the specified sorting standards by themselves, or outsource the recycling to a **Producer Responsibility Organisations (PROs)**, the Japan Containers and Packaging Recycling Association (JCPRA).

A system for reducing waste packaging was introduced by the 2006 revision of the act. In this system, enterprises that use large volumes of packaging (“large-volume packaging users”) under certain designated business categories are required to report their activities to reduce waste packaging to the national government. When their activities are insufficient, the national government can give recommendations or orders.

MALAYSIA

There is no legal basis for an EPR system for packaging or any other waste streams in Malaysia. Existing practice of EPR is limited through voluntary participation and has been focused on e-waste instead of packaging waste. In 2020, Malaysia submitted a Circular Economy Roadmap to Asia-Pacific Economic Cooperation (APEC). Under the Plastic Pact in the roadmap, ‘EPR schemes’ was mentioned as one of the actions and goals, along with ‘improvement of product design’, ‘adoption of effective plastic waste management’, etc.

PHILIPPINES

There is currently no EPR system in place in the Philippines. There is limited up-to-date data to support policy and decision for an EPR. Existing data reports focus mainly on the solid waste in different waste streams and material types, but fails to differentiate packaging waste quantities and types. Bills seeking to legislate EPR are currently pending in the Senate and Congress. Senate Bill No. 1331 or the Extended Producers Responsibility Act of 2020, authored by Senator Cynthia Villar, seeks to institutionalize the practice of EPR in waste management through the amendment of Republic Act 9003: Ecological Solid Waste Management Act of 2000.

SINGAPORE

The Resource Sustainability Act (RSA), enacted in 2019, sets out regulatory measures targeting waste streams (including packaging) with high generation and low recycling rates. The RSA includes both e-waste and packaging waste in the same legislative act, but only electronic waste is subject to an EPR (to be implemented by 2021). The RSA establishes a mandatory packaging waste reporting scheme which is to be implemented by 2021 (revised from 2020 to 2021 because of the impacts of COVID-19). Companies are required to submit mandatory packaging report and 3R plans by 31 Mar 2022, to report the amount and type of packaging they are putting on the market and detail how they plan to reduce, reuse and recycle these packaging materials. This data will likely be used as a baseline for the development of the EPR for packaging.

Under the Zero Waste Masterplan 2019, EPR will also be extended to packaging waste by 2025. The National Environment Agency (NEA) will also be implementing a Deposit Refund Scheme (DRS) for beverage containers by 2022 as the first phase of the EPR approach for packaging waste management.

Since 2007, the Singapore Packaging Agreement (SPA), a voluntary joint initiative by the National Environment Agency (NEA), industry, and other groups calling for a reduction of packaging waste, has been in place to provide flexibility for the industry to adopt cost-effective solutions to reduce waste.

SOUTH KOREA

The Korean government introduced its EPR system in 2003 and is applied to four packaging materials (paper packaging, glass bottles, metal cans, and plastic packaging) and other product types (e.g. lubricants, batteries, tires, fluorescent lamps, buoys for farming marine products, sheet film for baled silage and racks of synthetic resin mats). The Ministry of Environment sets a mandatory recycling ratio for each EPR product category, and producers that fail to comply must pay the recycling fee commensurate with the unmet portion of the target.

The Korea Resource Circulation Agency (KORA) is the system operator within the EPR system. It manages the financial flows to support collection, sorting and recycling. It receives its budget from the Korea Packaging Recycling Cooperatives (KPRC), which collects fees from obliged companies. KPRC was founded in 2013 as a merging of different cooperatives, which had existed since 2003 and originally covered different packaging waste types. The Ministry of Environment provides the policy and legal framework. The supervision of KPRC and KORA are covered by the Korea Environment Corporation (KECO).

THAILAND

Explicit EPR laws on packaging waste remain in the drafting stage and have yet pass into law. One example is the Strategic Plan on Packaging and Packaging Waste Management (draft), which attempts to minimize the large volume of packaging waste each year via an integrated waste management and lifecycle approach. This plan will provide measures for all relevant parties to handle waste generated from each stage of the packaging lifecycle, including the design process, production, consumption, treatment, and disposal.

Industries have shown commitment to support government initiatives and policy directions to achieve sustainable production and consumption targets. Thailand Institute of Packaging and Recycling Management for a Sustainable Environment (TIPMSE) is a non-profit organization that was officially established by the industrial clubs under the Federation of Thai Industries, associations and member from packaging and consumer products manufacturers.

Other than exploring EPR to finance waste management systems, Thailand has also introduced the “Private Investment in State Undertaking Act (PISU Act)” to allow private sector funding in the waste sector.

VIETNAM

EPR has not been fully implemented in Vietnam yet. However, legislation has passed that provides the legal basis for the initiation of an EPR system in the country. The Law on Environmental Protection (LEP) 2005 enacted in July 2006 introduced the EPR concept in Vietnam, it was amended in 2014, but it lacks specific implementation guidelines.

Under the draft revision of the LEP, five groups of products will be subjected to EPR: batteries and accumulators, electric and electronic devices, tires, lubricants, and packaging. Producers can participate in EPR either individually or collectively under the Product/Packaging Responsibility Organization (PRO) or the Vietnam Environmental Protection Fund (VEPF). Producers and importers who do not adopt EPR are subject to fines to avoid free-riding. The draft LEP proposes regulations such as volume-based waste fees by using different waste bags for three types of waste (organic, recyclable, other) and deposit and return schemes to support waste separation and increase recycling.

In 2019, to push an EPR system for packaging, several multi-national companies teamed up to establish Packaging Recycling Organization Vietnam (PRO Vietnam) that should eventually become the Producer Responsibility Organisation (PRO) of an EPR system for packaging. The National EPR Platform created in March 2020 by the Ministry of Natural Resources and Environment (MONRE) serves as a working group to facilitate EPR schemes in Vietnam, amongst others for packaging waste. The working group currently consists of different administrative units of MONRE, private sector associations, civil society organisations and international organisations. In June 2020, PRO Vietnam signed a MoU with the International Union for Conservation of Nature (IUCN) to jointly design and implement pilot projects for circular economy and support the EPR National Platform.

Apart from EPR as a funding mechanism, the government has also introduced policies (such as enabling private funding for public projects as well as household waste collection fees) to finance the waste management infrastructure and operations.

ANALYSIS

There are different policy instruments that can be applied to set up an Extended Producer Responsibility (EPR) system for packaging.

- Giving consumer goods companies and/or retailers the **responsibility to take back** their products’ packaging after the packaging turns into waste. The obliged companies need to provide adequate collection systems and information to consumers to return packaging, and be responsible for the recycling of the packaging waste once returned. Such take-back responsibilities are typically accompanied by quantified targets for separate collection and recycling of waste types. Companies can fulfil this responsibility individually by putting in place their own collection, sorting and recycling channels, or, through the delegation of this responsibility to a joint Producer Responsibility Organisation (PRO).
- Another common form of policy instrument is for obliged companies to pay an **advanced disposal or recycling contributions** for each packaging unit they put on the market. The advanced contributions serves to finance collection, sorting and recycling of the packaging once it turns into waste. These contributions are usually collected and managed by a PRO.

- A specific form of EPR is the **deposit-refund systems** (DRS). When consumers buy a beverage container, they pay a deposit on it at the point of sale. The deposit consists an amount of money in addition to the normal product price. Once consumers bring the empty bottle to the designated collection/return points for recovery, the deposit money will be refunded.

In many ASEAN countries, consumer goods companies have embarked on an industry-led EPR model and have established voluntary Packaging Recycling/Recovery Organisations (PROs) to foster collection and recycling of packaging waste.

- Philippines: PH Alliance for Recycling and Materials Sustainability (PARMS)
- Thailand: TH Institute of Packaging and Recycling Management for a Sustainable Environment (TIPMSE)
- Vietnam: Packaging Recycling Organisation VN (PRO Vietnam)
- Indonesia: Indonesian Packaging Recovery Organisation (IPRO), initiated by Packaging and Recycling Alliance for Indonesia Sustainable Environment (PRAISE)
- Malaysia: Establishment in progress

Food Industry Asia (FIA) will continue our advocacy and engagement around developing and implementing suitable EPR and related policies in the region, and to align and drive the industry's position and agenda.

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