

# EPR



Extended producer responsibility (EPR) is an environmental policy approach used by governments to ensure that companies who put packaging on the market – referred to as the producer – pay for its collection, sorting, and recycling after use.

To stop packaging waste and pollution, we need to create a circular economy for packaging. However, there is often an economic barrier to overcome as the collection, sorting, and recycling of packaging typically costs more than the value generated from the recycled materials.

This is why CCEP supports the Ellen MacArthur Foundation's [statement on EPR](#) and the EU Commission's minimum requirements for EPR. It is a proven way to provide the right level of 'dedicated, ongoing' funding to support the scaling of packaging collection and recycling solutions so that packaging no longer ends up in the environment

## Our approach to EPR

CCEP supports the Consumer Good Forum design principles for [Optimal EPR](#) as well as for [Ecomodulation of EPR fees](#). Eco-modulation means that EPR fees should consider the cost to collect and sort each packaging format for recycling based on the recyclability and material type as well as the overall 'net cost' of the collection, sorting and recycling. This ensures that each material 'pays its own way' and cross-subsidisation of packaging materials is avoided.

### What does 'net cost' mean?

EPR systems should operate on a net cost basis, meaning the EPR fees should reflect the revenue that is generated by the sale of materials for reprocessing. The market value of a given material may relate to its recyclability but not necessarily; market values are driven by many factors, including the prices of virgin alternatives (source: Consumer Goods Forum)

An additional benefit of eco-modulation is that it provides an incentive to increase the recyclability of packaging formats. CCEP recognises that circularity starts with **designing for recyclability** and we are committed to making our packaging 100% recyclable by 2025.

How EPR schemes are designed and implemented are critical to their effectiveness. **In markets where waste management infrastructure exists**, CCEP supports the principle of 'mandatory, fee-based EPR schemes, in which all industry players introducing packaging to the market provide funding dedicated to collecting and processing their packaging after its use.' In these markets, beverage packaging return schemes are the most efficient form of EPR scheme<sup>1</sup>.

However, this approach may not be appropriate for all packaging formats in all markets so local context is critical to the design of the optimal EPR scheme in each market.

**In markets without comprehensive waste management infrastructure**, CCEP advocates for legislation that drives multi-stakeholder action (we call this extended stakeholder responsibility or ESR) based on optimal EPR principles and that supports both formal and informal collection. In these markets, an equal partnership between government and the private sector is critical to drive the necessary establishment of waste management infrastructure and consumer education on the segregation of waste on which optimal EPR design depends.

1. Ellen MacArthur Foundation – Extended producer responsibility, a necessary part of the solution to packaging pollution and waste