



## What Extended Producer Laws Mean for Business

EPR laws are expanding across the U.S., shifting recycling responsibilities to producers and reshaping how businesses manage packaging and compliance.

If the acronym “EPR” hasn’t crossed your radar yet, it probably will soon. A policy approach that assigns producers responsibility for the end-of-life of products, extended producer responsibility laws are being put in place to help promote waste reduction and incentivize product design that minimizes environmental impacts.

According to the [Sustainable Packaging Coalition](#), most EPR programs for packaging either encourage or require producers of packaging products to join a collective producer responsibility organization (PRO). The PRO, which is usually a non-profit organization, develops a producer responsibility plan and manages the producer responsibility program.

### Here’s how it works:

- The EPR program’s producers pay fees to the PRO.
- The PRO then distributes the funds to cover the costs required by program legislation.
- Costs generally provide funding for the end-of-life management of covered products (collection, sortation, processing).

- Covered products are either defined in legislation or in the producer responsibility plan, and are the specific items or materials that must be managed within the program.

The Coalition says 12 states have introduced packaging legislation this year and that a total of seven EPR bills have been passed.

### What are Extended Producer Laws?

Over the past two decades, lawmakers have expanded EPR laws beyond hazardous items like electronics and paint to cover everyday waste such as plastic packaging and paper. The goal is to shift recycling costs away from taxpayers and place them on the companies that put these materials into the marketplace.

By requiring producers to fund or manage end-of-life programs, states hope to strengthen recycling systems and push manufacturers toward more sustainable product design. These programs come with strings attached, particularly for the

manufacturers, distributors and retailers that make and/or sell products. The programs come with new fees, reporting requirements and compliance work that consume both time and money.

Trade groups like the [National Association of Wholesaler-Distributors \(NAW\)](#) have come out strongly against the EPR model, arguing that it creates unnecessary burdens for its members and that it doesn’t factor in the complexity of the modern supply chain. “...many EPR laws shift the burden away from these key decision-makers and enact mandates and fines on parts of the supply chain that have little to no control over decisions to design, reduce, reuse or recycle a product,” NAW explains.

“EPR laws that enact regulatory and punitive financial burdens on wholesalers and distributors are ineffective policies ignoring the key players in any circular economy,” it continues, “[and] shielding consumers and companies that would have the greatest impact on sustainability and consumer behavior.”

### Supporters & Detractors

EPR has skeptics who worry about added costs for business and supporters who see it as a way to improve recycling. In [Recycling Today](#), for example, James T. Asali of law firm Chamberlain Hrdlicka makes the case for EPR laws and points out that just 5%-6% of plastic scrap is currently being recycled in the U.S. The rest of it is either sent to a landfill, incinerated or leaked into the environment. “Even renewably sourced paper, which is an ideal replacement for unnecessary plastic packaging as it is recyclable up to 25 times, is not close to reaching its potential,” he writes.

Asali says more than 40 countries and provinces globally have “tracked more than three decades of success” with EPR programs, and that those programs support packaging recycling rates of as high as 80%. “Nationwide, states are considering [EPR] programs and laws that, when properly designed and implemented, have a proven track record of significantly increasing recycling rates,” he writes, “saving municipalities millions of dollars, as well as reducing waste.”

### Something Needs to be Done

If Gartner’s latest predictions are accurate, the nation’s packaging waste problem is not going away on its own. By the end of this year, Gartner expects 90% of public sustainable packaging commitments to remain unmet because companies continue to rely on plastics and single-use packaging. And by 2028, it

says 75% of organizations with stated sustainable packaging targets will sunset voluntary goals and adopt legislative guidelines instead.

“With packaging rules rapidly evolving, CSCOs must shift their focus to meeting [EPR] requirements, which will demand new investments in data management, package design and compliance resources,” said Gartner’s John Blake in a recent [press release](#). He adds that many organizations are “currently unprepared” for the new EPR requirements, and they don’t have the data management tools and resources needed for compliance.

“Longer term,” Blake concludes, “[EPR] legislation can lead to significant costs for PRO fees and fines, alternative materials, and supply chain adjustments.”