

EPR IMPLEMENTATION IN THE PHILIPPINES

UNWRAPPING SUSTAINABLE PACKAGING WITH PROMOTION OF CIRCULAR DESIGN IN THE PHILIPPINES

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ABOUT PCX SOLUTIONS

We're on a mission to accelerate the transition to a circular economy and **build a future where no plastic ends up in nature.**

PCX Solutions is a non profit organization that works with governments around the world on **Extended Producer Responsibility (EPR)** schemes; helps companies understand their plastic footprint, implement reduction strategies and comply with legislation; and manages a fully transparent, third-party audited **Plastic Pollution Reduction Standard** to ensure the impact and responsibility of plastic waste projects.

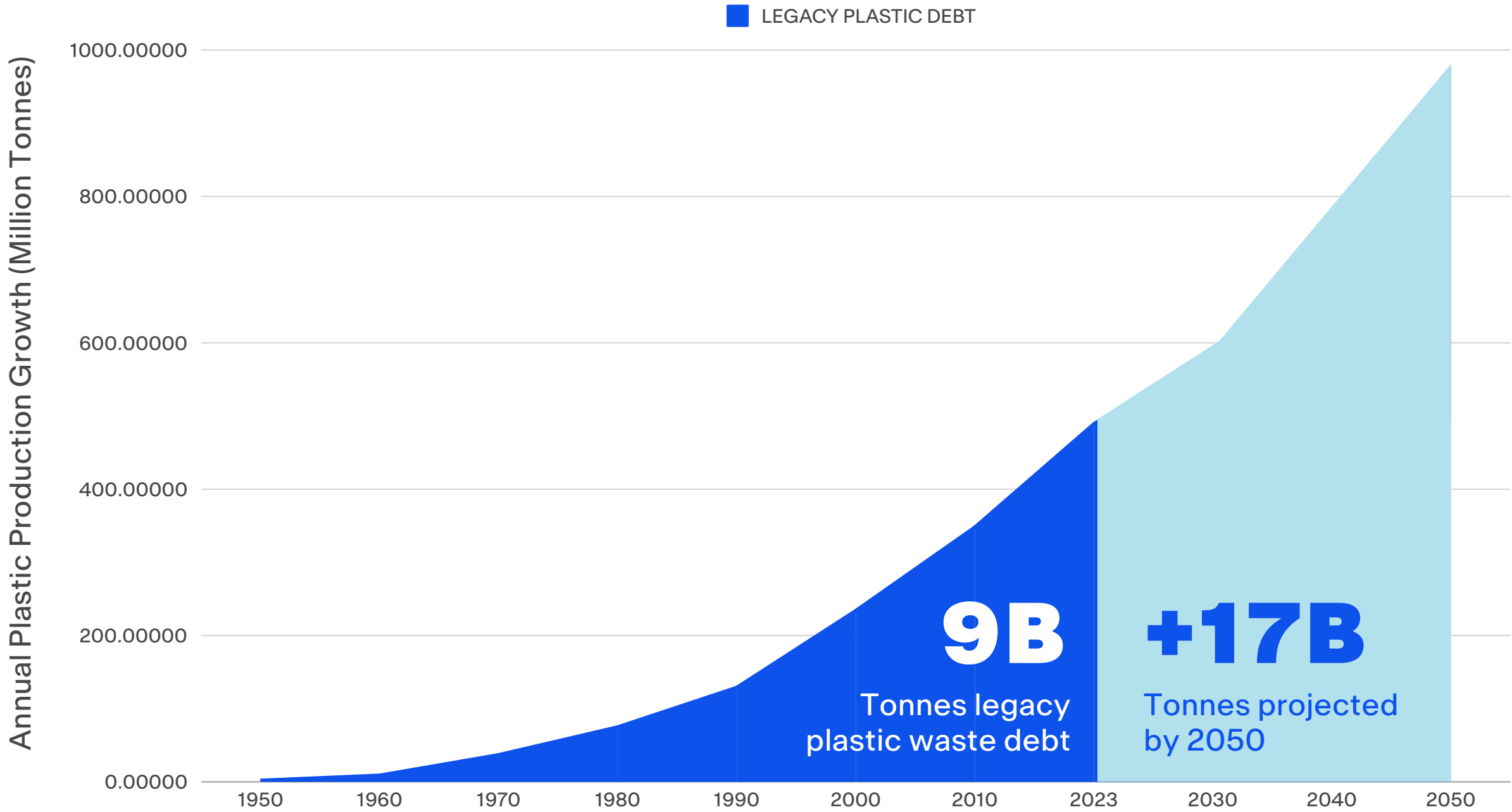


OUR IMPACT TO DATE

As of Q4 2024



PLASTIC HAS BEEN AN IMPORTANT INNOVATION BUT HAS BEEN MISMANAGED



72%
Dumped into garbage dumps or nature



19%
Incinerated



9%
Recycled



5%
Growing to 19% of global emissions

GLOBAL TREATY

Opportunity: Plastic Credits as innovative financing mechanism and compliance mechanism under EPR



PPRS GLOBAL REACH

7 Countries

20 Project Partners

35 PPRS Registered Projects

Philippines
Vietnam
Thailand
Indonesia
India
Argentina
Nigeria

Ghana
New Zealand
Türkiye
Cambodia

POLLUTION IN THE PHILIPPINES

**0.75 MILLION MT
OF MISMANAGED
PLASTIC ENTERING
THE OCEAN EVERY YEAR**

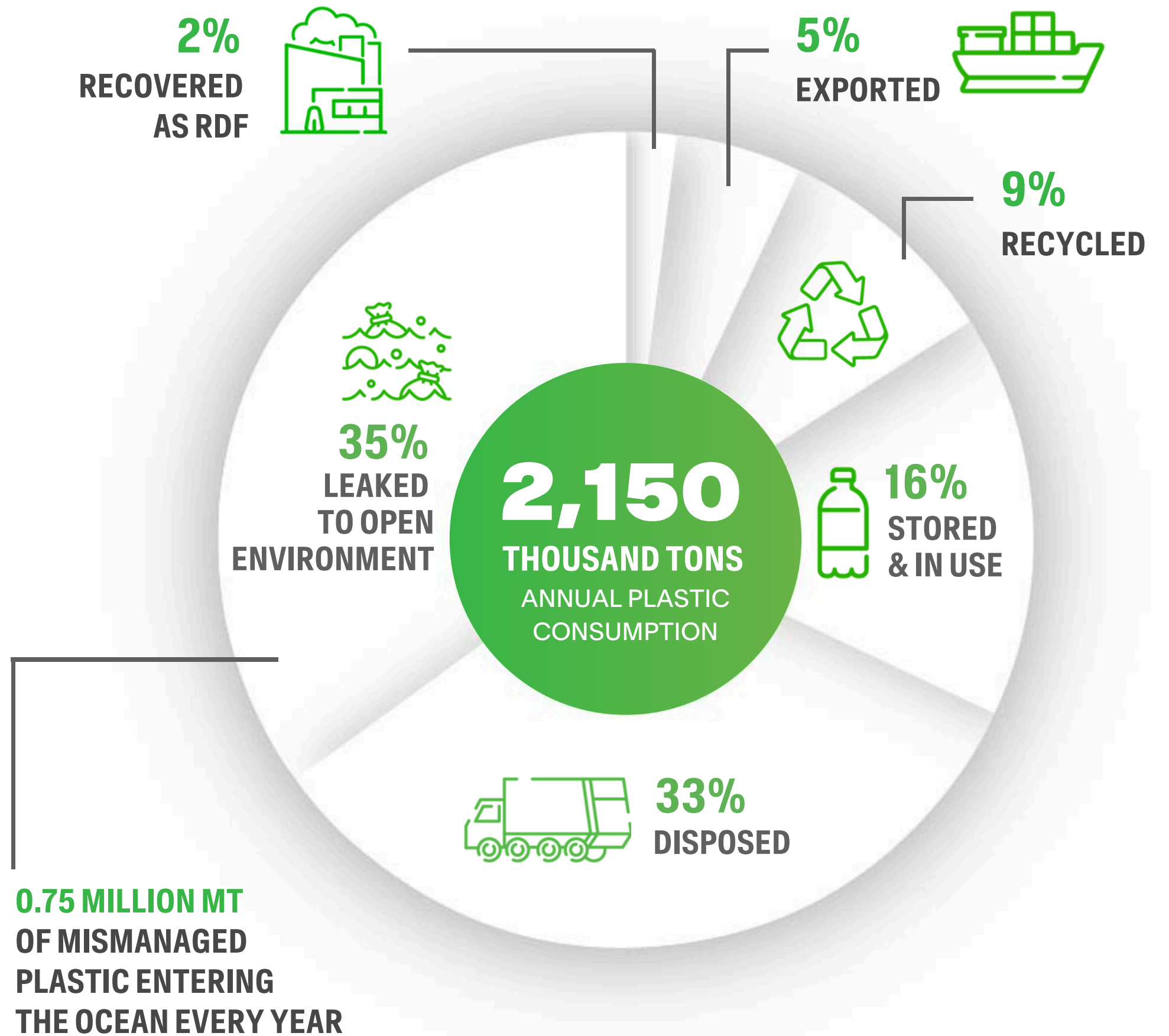


Figure 1. Flow of plastic materials in the Philippines in 2019 (WWF Philippines, Inc., cyclos GmbH, & AMH Philippines, Inc., 2020)

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KEY STRUCTURAL CHALLENGES IN PH

World Bank Group (2021). Market Study for the Philippines: Plastics Circularity Opportunities and Barriers. Accessed through

<https://www.worldbank.org/en/country/philippines/publication/market-study-for-philippines-plastics-circularityopportunities-and-barriers-report-landing-page> on 10 Oct 2024



High Logistics Cost + Archipelagic



High Electricity Costs



Heavy, low-value and hard to recycle flexible packaging



Informal recycling industry



Low Tipping Fees



Recycling industry dominated by SMEs



Fluctuations in virgin resin and oil prices



Lack of recycled content requirements; no design for recycling standards



Lack of infrastructure and challenging economics



Fragmented waste management

A woman in a green long-sleeved shirt is shown in profile, focused on sorting through a large pile of waste. She is wearing white gloves and using a long-handled tool. In the background, another person in a red shirt and a striped beanie is also working with the waste. The setting appears to be an indoor recycling or waste management facility with concrete walls and overhead lighting.

PHILIPPINE EXTENDED PRODUCER RESPONSIBILITY

EPR QUICK FACTS

Who is Obligated?

Large Enterprises and MSMEs with combined asset value of over 100M PhP

Generators of post-consumer plastic packaging waste

Which Materials?



Flexibles



Rigids



Plastic Bags



Polystyrene

What Strategies can be used?

UPSTREAM STRATEGIES TO REDUCE FOOTPRINT

- Adoption of reusable packaging or redesign
- Inclusion of recycled content
- Adoption of refilling systems
- Viable reduction rates
- Information, Education, Communication
- Labelling to facilitate recovery and diversion

DOWNSTREAM STRATEGIES TO RECOVER FOOTPRINT

- Waste recovery schemes (redemption, buy back, offsetting)
- Diversion of recovered waste into value chains
- Transporting of recovered waste to appropriate diversion facilities
- Clean-up of waste leaked to coastal areas, roads, etc.
- Establishment of infrastructure for diversion of recovered waste
- Partnership with LGUs, communities, and IWS

EPR OBLIGATIONS



REGISTER AND PHASE IN:
EPR PROGRAM



FOOTPRINT REDUCTION
RECOVERY AND DIVERSION



AUDIT &
REPORT

1

2

3

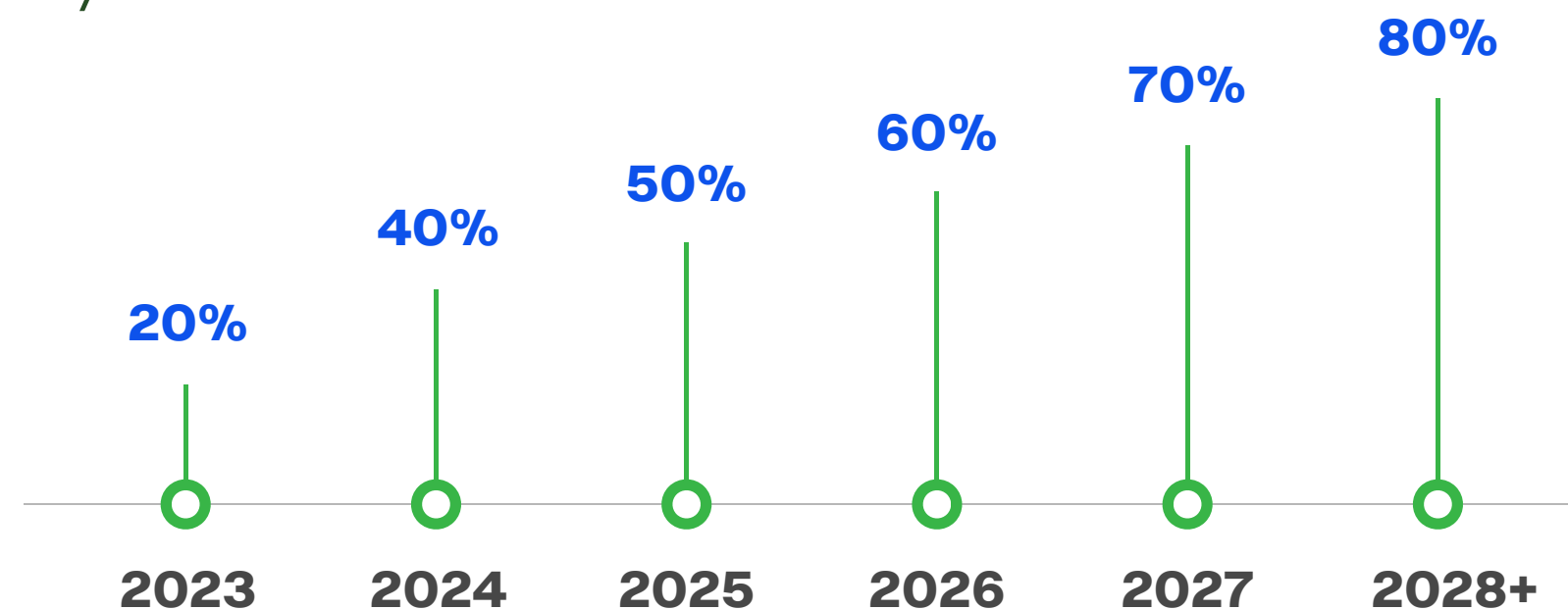
Modes of EPR Program:

- Reduction of non-environmentally friendly packaging
- Recovery Programs

Modalities:

- Individual
- Collective
- PRO

Recovery and Diversion Targets



EPR Compliance Audit Report (ECAR)

EPR RESULTS 2023 - TOTAL PH



2,130

Approx Number of Obligated Enterprises

947

Registered businesses
*as of August 2024



486M KG

2023 Total Audited and Reported Plastic Packaging Footprint

Estimated Class Breakdown **44% FLEXIBLES**
56% RIGIDS



\$14.5M USD*
163M KG

Impact in Diverted Waste from 2023 under EPR

2023 Diversion Rates **46% FLEXIBLES**
24% RIGIDS

Note: The figures presented above are as of August 2024 and based on the submitted ECARs. These are still subject to further validation by DENR-EMB.

* Estimated using 5000 PhP as an average cost of waste recovery and diversion of 1 MT of post-consumer waste.

EPR RESULTS 2023 - PCX SOLUTIONS



104

Member Obligated Enterprises

3

Member Voluntary Enterprises



63M KG

2023 Total Audited and Reported Plastic Packaging Footprint

Estimated Class Breakdown

48% FLEXIBLES
52% RIGIDS



\$1.8M USD*
20M KG

Impact in Diverted Waste from 2023 under EPR

2023 Diversion Rates

41% FLEXIBLES
24% RIGIDS

* Estimated using 5000 PhP as an average cost of waste recovery and diversion of 1 MT of post-consumer waste.

PCX SOLUTIONS EPR PROGRAM



STEP 1

FOOTPRINT & DISCLOSURE

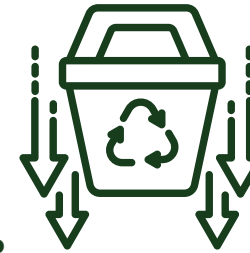
Company calculates footprint, with defined scope, type of plastic and location.
3rd party auditor verifies footprint.
Mandatory or voluntary disclosure.



STEP 2

STRATEGY & LEADERSHIP

Company sets plastic responsibility strategy based on footprint and disclosure & EPR requirements and / or voluntary action.



STEP 3

UPSTREAM REDUCTION

Companies to perform mitigation actions to reduce their footprint, e.g. through elimination, minimization, use of recycled content, alternative materials and circular systems.

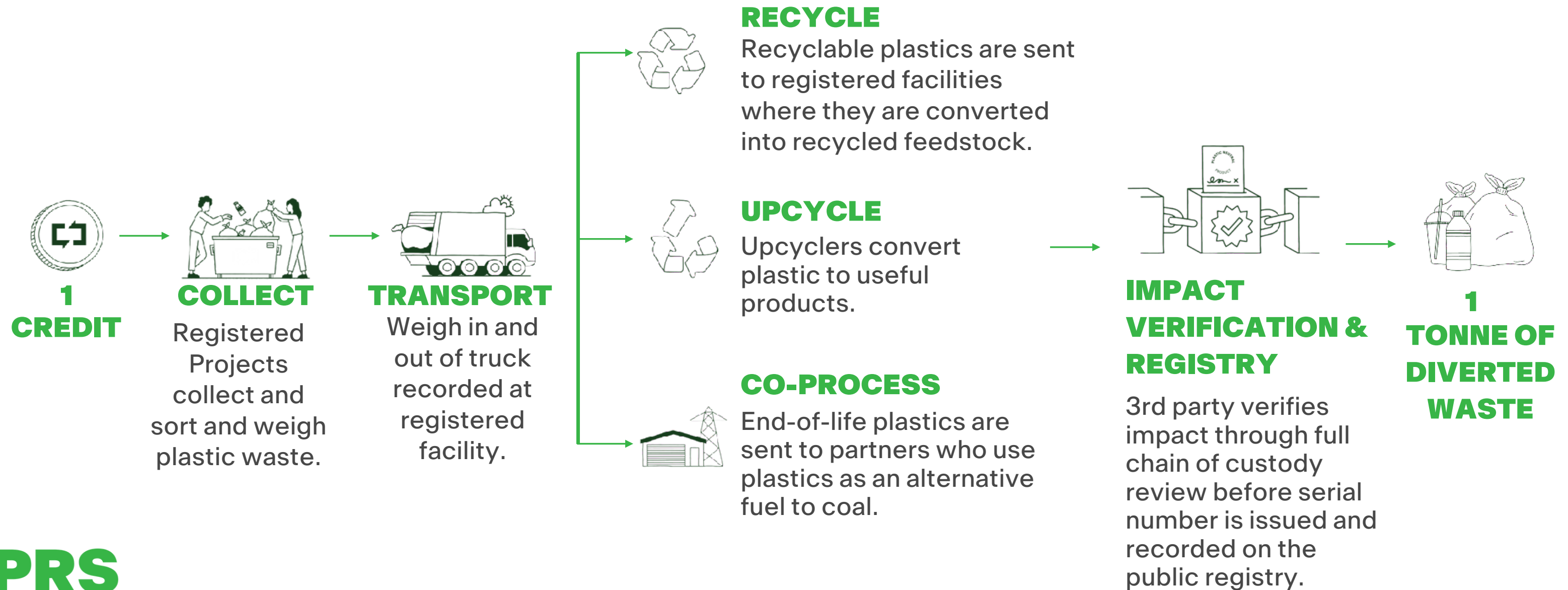


STEP 4

DOWNSTREAM INVESTMENT

Companies to support clean up and downstream projects which adhere to a robust standard with environmental and social safeguards, traceability, transparency, and additionality assurance, as beyond value chain action.

PCX SOLUTIONS EPR PROGRAM



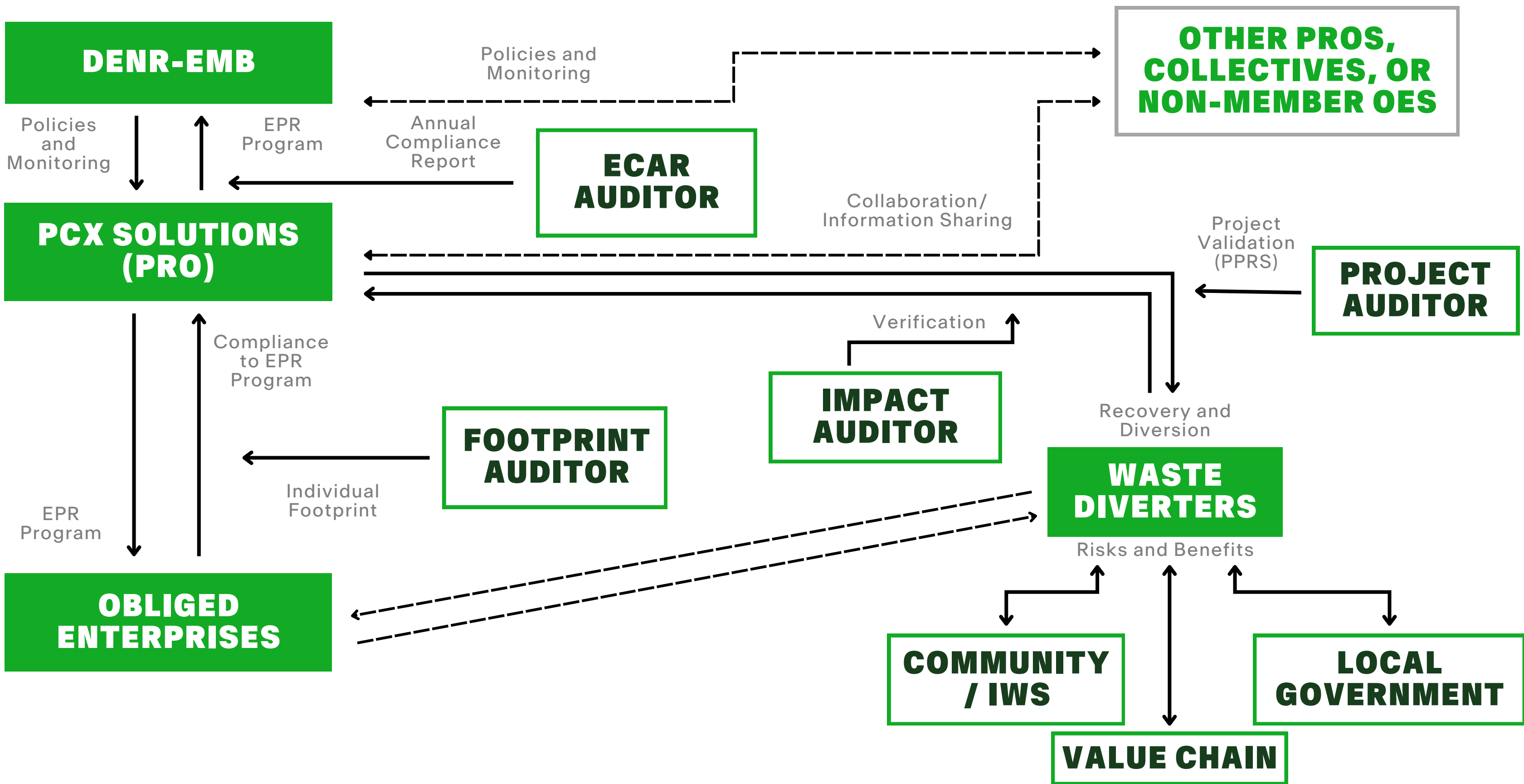
3RD PARTY VALIDATION OF PROJECTS

- Sound Environmental Process
- Environmental and Social Safeguard Systems
- Additionality and Ownership
- Traceability and Transparency

3RD PARTY VERIFICATION OF IMPACT + PUBLIC REGISTRY

- per Metric Ton
- issuance after delivery and verification

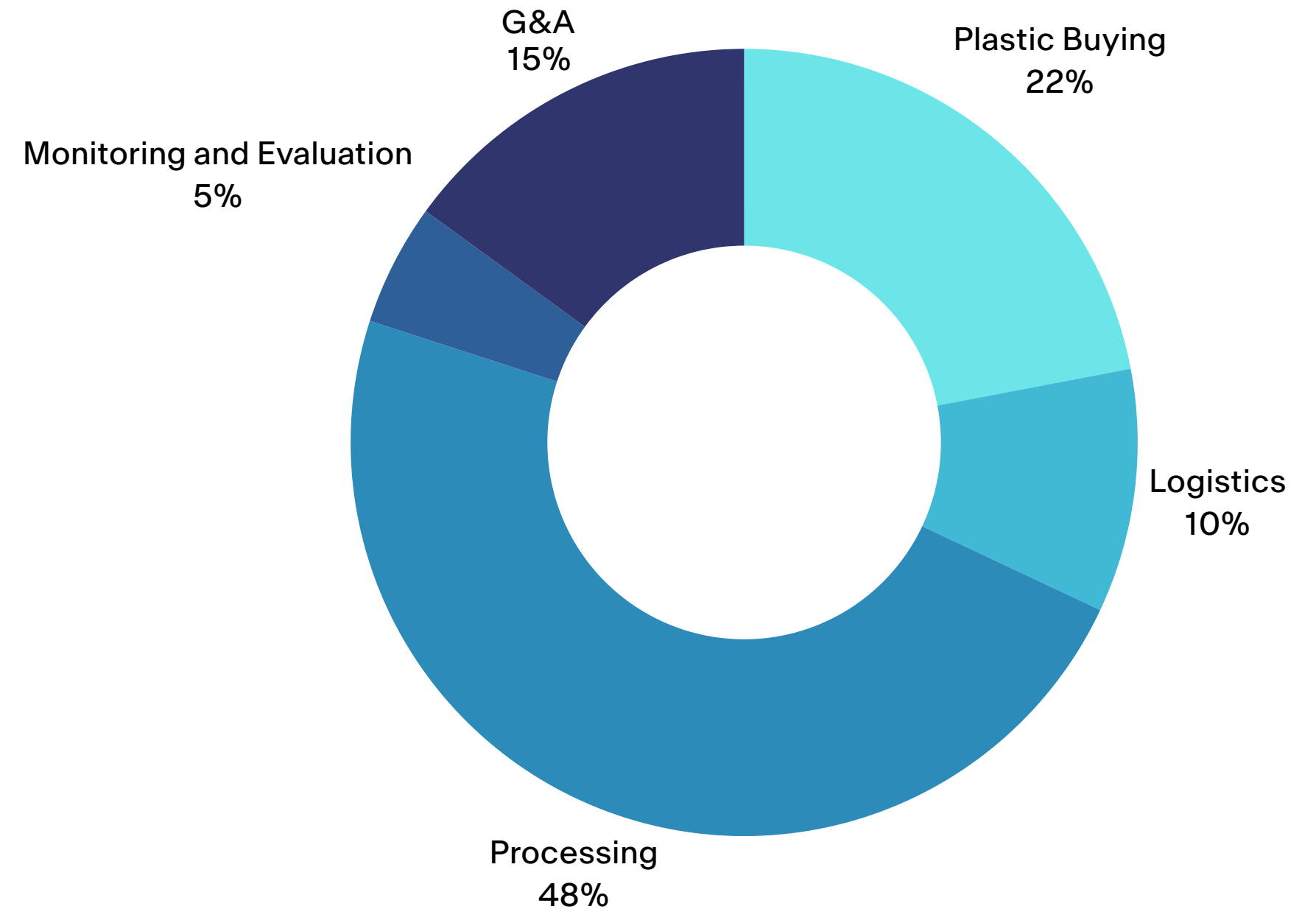
PCX SOLUTIONS PRO ECOSYSTEM



PCX SOLUTIONS ECOSYSTEM

EXAMPLE 1: PROJECT PARTNER - ALING TINDERA

Launched in 2020, Aling Tindera sites have sprouted around the country. This translates to more women micro-entrepreneurs being empowered as sustainability champions and more communities being actively involved in the clean-up of plastic waste.



PCX SOLUTIONS ECOSYSTEM

EXAMPLE 2: OBLIGED ENTERPRISE - L'ORÉAL



Commitments: Global Initiatives and Localization

- L'Oréal for the Future
- Catalyst for change

EPR Program and Compliance Reporting

- Collaboration and Awareness
- PCX EPR Program and Compliance
- Building of the ecosystem

Plastic Packaging Footprint Reduction

- Green Parcel Program
- Weight optimization, increasing recyclability
- sustainable printing and ban on lamination of cardboard
- Disassembly at end-of-life

Plastic Packaging Footprint Recovery and Diversion

- 100% recovery and recycling of plastic packaging going above compliance targets



<http://bit.ly/48AaOwM>

EXTENDED PRODUCER RESPONSIBILITY IN THE PHILIPPINES

EARLY LEARNINGS AND INSIGHTS FOR EMERGING MARKETS BATTLING PLASTIC POLLUTION

PRIORITY SOLUTIONS

- ✓ Plastic Packaging Footprint Methodology and Scope
- ✓ Qualification and Verification of Recovery and Diversion
- ✓ Dealing with Legacy Plastic
- ✓ Public Registry
- ✓ Reporting and Auditing Standards
- ✓ Upstream and Midstream Measures under EPR
- ✓ Infrastructure Investments
- ✓ Fiscal Incentives for Going Beyond Compliance
- ✓ Social Inclusion of Informal Waste Worker Sector and Just Transition
- ✓ Inclusion of MSMEs
- ✓ Other Materials and Essential Plastics



WHAT IF WE CAN BE THE GENERATION THAT SOLVES THE PLASTIC POLLUTION CRISIS?

Thank you!

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