

Procter & Gamble
Producer Responsibility for Packaging

WHEREAS product packaging is a significant consumer of natural resources and energy, and a major source of waste and greenhouse gas (GHG) emissions. More than half of U.S. product packaging –37 million tons – is discarded in landfills or burned rather than recycled.

Packaging comprises nearly one-third of all U.S. landfill waste. Nestle Waters North America says plastic bottles are the largest contributor to its carbon foot print; Coca-Cola Co. reports packaging is the largest part of the carbon footprint of several products. A recent analysis of U.S. Environmental Protection Agency data estimates that the energy needed to produce and dispose of products and packaging accounts for 44% of total U.S. GHG emissions. Decaying paper packaging in landfills forms methane, whose greenhouse warming potential is 72 times more potent than CO₂. Metal and plastic packaging has large embodied energy and emissions profiles because of the high costs of producing those packages from mining/smelting and petroleum respectively.

Extended Producer Responsibility (EPR) is a corporate and public policy that shifts accountability for collection and recycling from consumers and governments to producers. For instance, Coca-Cola, PepsiCo and Nestle Waters North America have each made public commitments to recycle a majority of beverage containers sold over the next six to eight years.

In many other countries, consumer packaged goods companies are responsible for post-consumer packaging. Companies operating in Europe and Canada are required to pay some or all costs for packaging collection and recycling. More than half of Organization for Economic Cooperation and Development member countries have EPR packaging systems in place. In Ontario, Canada, producers pay half of packaging collection and recycling costs. EPR programs in Austria, Belgium and Germany recover far higher rates of packaging than the U.S. EPR laws in 24 U.S. states already mandate producer responsibility for collection and recycling of consumer electronics.

Producers control design and marketing decisions, and so are best positioned to reduce the overall environmental impact of product packaging and internalize costs. Increased recycling of packaging can yield strong environmental benefits, leading to more efficient use of materials, reduced extraction of natural resources, and fewer GHG and toxic emissions. EPR mandates can create new economic markets for packaging. Increased economic incentives to recycle more types of packaging will keep it from flowing into waterways and oceans where it imperils marine life.

BE IT RESOLVED THAT Shareowners of Procter & Gamble request that the board of directors issue a report at reasonable cost, omitting confidential information, by February 1, 2012 assessing the feasibility of adopting a policy of Extended Producer Responsibility for post-consumer product packaging as a means of reducing carbon emissions and air and water pollution resulting from the company's business practices, and describing efforts by the company to implement this strategy.

Supporting Statement: Proponents believe policy options reviewed in the report should include taking responsibility for post-consumer package recycling, and participating in development of producer financed and managed EPR systems.