

SOURCE REDUCTION AND SMALL FORMATS

EPR Requirements for Personal Care Product Packaging

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Why This Matters Now

Source reduction, or using less packaging material to begin with, is both a regulatory requirement and a fee consideration under Extended Producer Responsibility (EPR) laws in the U.S. and the Packaging and Packaging Waste Regulation (PPWR) in the EU.

Small-format flexible packaging and multimaterial formats, like sachets, single-use amenities in flexible or composite formats, and laminated tubes, are among the formats least likely to meet emerging recyclability standards, and where recyclability informs eco-modulated fees, may face higher exposure to fees.

What “Source Reduction” Means

Source reduction refers to reducing the amount of packaging material introduced to the market. This is distinct from recycling, which addresses packaging after it becomes waste. EPR laws treat source reduction as upstream prevention, meaning the most effective way to reduce packaging waste is to generate less of it.

In practice, source reduction requirements can take several forms, including restrictions on unnecessary or excessive packaging, incentives to shift to refillable or reusable formats, bans on specific single-use formats where alternatives exist, and fee structures that reward lighter or simpler packaging.

What the Mandates Require

California’s SB 54 sets the most specific source reduction targets among U.S. EPR laws: a 10 percent reduction in single-use plastic packaging and food service ware by 2027, 20 percent by 2030, and 25 percent by 2032, measured against a 2023 baseline. Within those targets, defined portions must be achieved through reuse, refill, or elimination of plastic components. CalRecycle’s permanent implementing regulations took effect May 1, 2026, with full program implementation scheduled for January 1, 2027.

The PPWR requires that all packaging be designed to minimize weight and volume, caps empty space in transport and e-commerce packaging at 50 percent by 2030, and prohibits specific single-use cosmetic and toiletry formats, including small toiletries used in hotels.

Other state EPR programs do not yet set numeric source reduction targets but use eco-modulated fees to incentivize lighter, simpler, and more recyclable packaging.

U.S. Source Reduction Requirements

Several states have written source reduction requirements directly into their EPR laws. Others have created indirect incentives through eco-modulation, which adjusts producer fees based on packaging design choices.

In California, source reduction is embedded into SB 54's eco-modulation framework, and packaging that exceeds necessary weight or volume is not expected to receive fee relief. Under SB 54, producer-reported data (including data on post-consumer recycled content [PCR]) is subject to third-party verification requirements established by CalRecycle.

Minnesota's Packaging Waste and Cost Reduction Act requires the Minnesota Pollution Control Agency to establish statewide performance targets for waste reduction and reuse, informed by a statewide needs assessment currently underway. In 2025, Maryland and Washington enacted EPR laws that share key structural elements with Minnesota's, and source reduction provisions may develop similarly as those programs mature.

Oregon, Colorado, and Maine do not yet have explicit source reduction mandates, but eco-modulation in all three state programs creates an indirect incentive. Packaging that is not recyclable, is unnecessarily heavy, or uses virgin materials will carry higher fees than packaging that meets recyclability and PCR thresholds.

The PPWR's Source Reduction Requirements

- Packaging must be designed to minimize weight and volume while maintaining functionality. Under the PPWR, marketing or consumer preference is not recognized as justification for excess packaging weight or volume.
- The PPWR prohibits packaging formats designed to artificially inflate perceived product volume, such as double walls, false bottoms, and oversized secondary packaging, unless protected by design rights.
- By 2030, transport and e-commerce packaging cannot exceed 50 percent empty space. Sales packaging must minimize empty space.
- Specific single-use cosmetic and toiletry formats are restricted, beginning in 2030. The PPWR explicitly lists small, single-use cosmetic and toiletry products used in hotels as a prohibited category.
- Producers must cover the full lifecycle cost of their packaging through eco-modulated EPR fees. Packaging with lower recyclability grades will generate higher fees.

How EPR Can Affect Packaging Design

EPR creates both compliance obligations and fee incentives tied to packaging characteristics.

Design considerations include:

- **Lightweighting.** Reducing the weight and material volume of packaging directly lowers the base on which EPR fees are calculated in most state programs. It can also reduce material costs.
- **Material simplification.** Multimaterial packaging (e.g., laminates, composite tubes, mixed-material pumps) is harder to recycle and consistently penalized under eco-modulation. Mono-material formats where feasible (all-polyethylene flexible packaging, for example) may receive more favorable recyclability scores and lower fee exposure across both U.S. and EU programs.
- **Concentrated and refillable formats.** Source reduction requirements and single-use restrictions create structural incentives for concentrated formulas (which require less packaging per use) and refillable formats (which reduce the volume of packaging entering the waste stream). The PPWR actively promotes refillable packaging and requires that large retailers endeavor to dedicate 10 percent of their sales area to refill stations by 2030. Under California's SB 54, defined portions of the state's source reduction targets must be achieved through reuse, refill, or elimination of plastic components.
- **PCR content.** All active U.S. EPR programs include eco-modulation incentives for incorporating post-consumer recycled content. The PPWR mandates minimum PCR content in plastic packaging.

Source Reduction Requirements at a Glance

	EU PPWR	U.S. EPR Programs
Source reduction mandate	Required; packaging must minimize weight and volume	Required in California; emerging in Minnesota and other states via eco-modulation and program targets
Unnecessary packaging formats	Double walls, false bottoms, and formats that inflate perceived volume are prohibited	No explicit federal or state prohibition; penalized indirectly through eco-modulation
Empty space limits	Transport and e-commerce packaging capped at 50% empty space by 2030	No equivalent requirement
Single-use format restrictions	Specific formats banned by 2030, including hotel cosmetic and toiletry amenities	California sets specific source reduction targets; other states address single-use formats primarily through eco-modulation*
Reuse, refill, and elimination	Large retailers must endeavor to dedicate 10% of sales area to refill stations by 2030	California SB 54 requires at least 2% reuse/refill by 2027, 4% reuse/refill by 2030, and 10% reuse, refill, or elimination by 2032
EPR fee incentives	Eco-modulated fees reward lighter, simpler packaging	Eco-modulation in all active state programs rewards recyclability and lightweighting
PCR content	Mandatory minimums for plastic packaging	Incentivized through eco-modulation; mandatory in California and Washington under separate laws

* Several states have enacted laws outside their EPR frameworks that restrict specific single-use personal care product formats. California, New York, Illinois, and Washington have all enacted laws phasing out single-use plastic toiletry bottles in hotels and other lodging establishments, with effective dates beginning in 2023.

Primary Sources

[EU Packaging and Packaging Waste Regulation \(PPWR\)](#), [CalRecycle SB 54 implementation](#), [Minnesota Packaging Waste and Cost Reduction Act](#), [Maryland Producer Responsibility Program](#), [Washington Recycling Reform Act](#), [Washington RCW 70A.245](#), [California AB 1162](#), [New York S543/A5082](#), [Illinois Small Single-Use Plastic Bottle Act](#), (P.A. 103-0934).

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