

The Baker McKenzie logo is displayed in white, bold, sans-serif font. It consists of the word "Baker" on the top line and "McKenzie." on the bottom line. The background of the slide features a dynamic, abstract design of flowing, translucent blue and purple waves that sweep across the frame from the top left towards the bottom right.

**Baker  
McKenzie.**

# **Annual Compliance Conference**

16 - 18 June 2026



**Navigating circular economy  
regulation in the EU, US and  
Latin America**  
Wednesday 17 June



# Speakers



**Graham Stuart**  
(Chair) Partner  
London



**Elisabet Cots**  
Partner  
Barcelona



**Giovanni Tomasoni\***  
Partner  
Sao Paulo

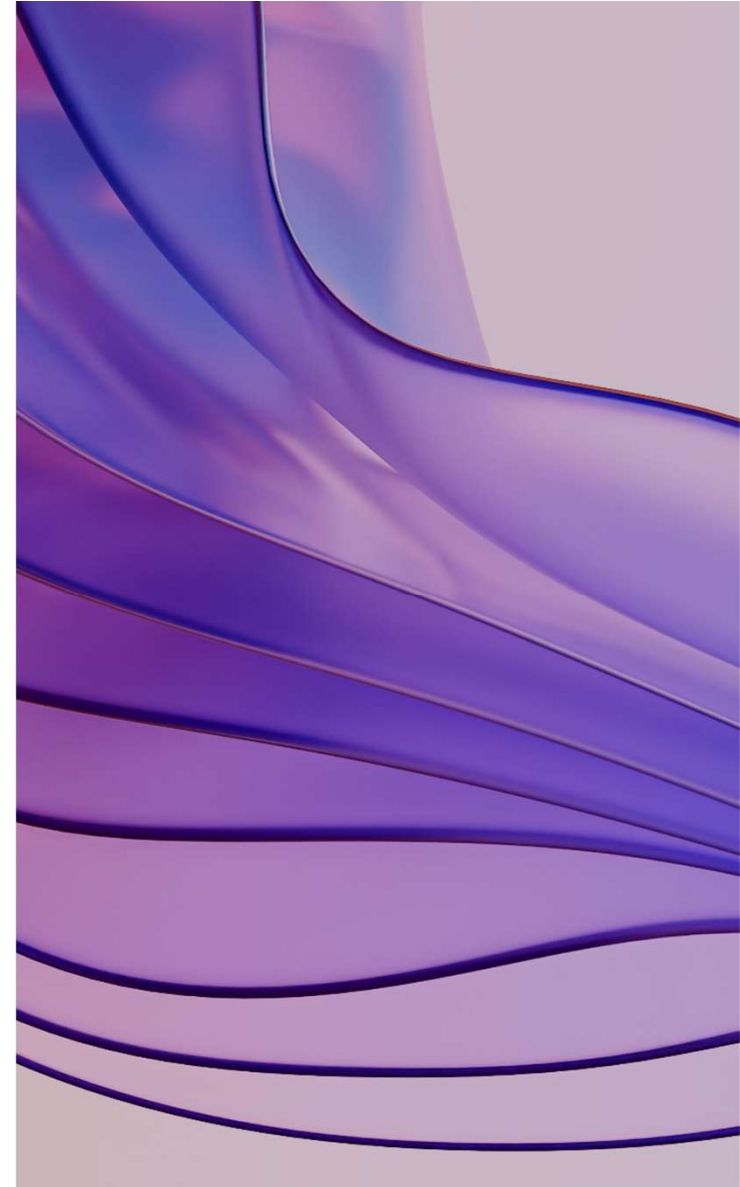


**Jessica Wicha**  
Counsel  
Chicago



**Andreas Neumann**  
Senior Associate  
Frankfurt

\*Trench Rossi Watanabe and Baker McKenzie have executed a strategic cooperation agreement for consulting on foreign law.





# Sustainability as an EU strategy for competitiveness



## Shift in the EU sustainability framework

Broader strategy for competitiveness, industrial resilience and security of supply



## Key milestones shaping this shift

- Budapest Declaration (November 2024)
- Clean Industrial Deal (February 2025)



## Main topics

- Decarbonisation as industrial policy
- Circularity as strategic priority
- From ambition to implementation and simplification

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# Fragmentation in EU law



## Fragmentation has long defined the EU circular economy framework

- Historically based on EU Directives → requires national transposition
- Result is patchwork of national regimes, e.g., different registration requirements, reporting formats, enforcement approaches, etc.



## Practical impact for companies

- No single EU system in practice
- Multiple parallel compliance processes
- Barriers to the Single Market
- Increased cost, complexity and legal uncertainty

# Shift toward harmonisation – but no full uniformity



## Clear shift toward harmonisation

- Move from EU Directives to EU Regulations (e.g., Batteries Regulation, ESPR, PPWR)
- Goal: reduce divergence & enable Circular Single Market
- Circular Economy Act: next step toward alignment and scale

## But: no full uniformity

- Member State flexibilities remain
- Differences in implementation & enforcement

## Key takeaway for companies

- Trend toward convergence
- But compliance remains multi-jurisdictional
- Managing fragmentation vs. harmonisation remains critical



# Latin America

## Circular Economy landscape

### EU influence on LATAM policy direction:

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- EU Packaging & Packaging Waste Regulation (PPWR), CSRD disclosure requirements, and ecodesign frameworks are increasingly shaping LATAM policy.
- Especial influence on target-setting methodology, reporting standards, and recycled content mandates.

### Focus on EPR:

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- Circular Economy agenda is primarily translated into Extended Producer Responsibility (EPR) for packaging and specific waste streams: recycled-content mandates and traceability obligations.

### From policy to execution:

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- LATAM is moving EPR from high-level principles into operational targets and producer-financed systems.



# Latin America

## Circular Economy landscape

### Brazil as a regional bellwether:

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- Brazil is implementing waste policies since 2010 and has recently operationalized shared responsibility (PNRS) on plastic through Decree 12,688/2025, with individual/collective models, national targets (recovery + PCR incorporation), and compliance anchored in reporting and traceability.
- Regulatory framework still being detailed (verification methodology, reporting platforms, target adjustments expected through 2027).

### Chile:

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- REP Law (Ley 20,920/2016) operational since 2023 for packaging. PRO-based system with collection and recycling targets. Closest to EU-style model in the region.

### Colombia & Mexico – Advancing but fragmented:

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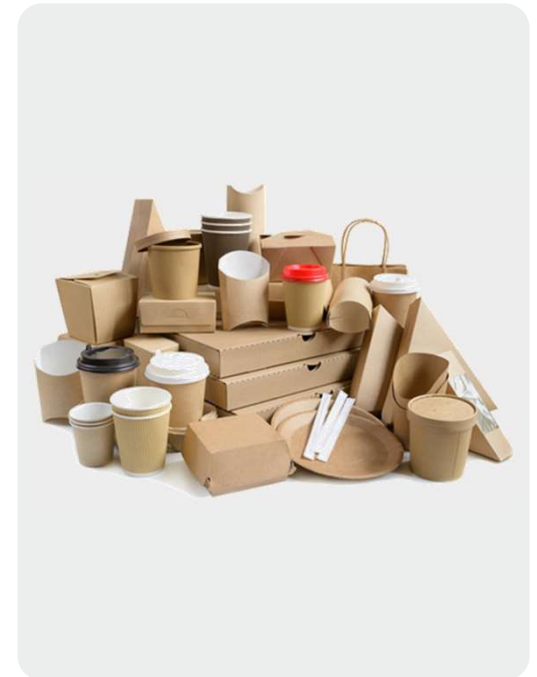
- Colombia: EPR moving toward operational targets and third-party verification.
- Mexico: Circular economy discussions advancing at federal level. Some state-level EPR initiatives.

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# US EPR requirements

State patchwork focused on packaging & single-use plastics

- No federal requirements; 7 states have passed laws: CA, CO, OR, ME, MN, WA, MD
- Several other states considering similar laws: e.g., MA, NJ, NY, TN
- Key requirements:
  - Packaging data reporting & fee payment → fund municipal recycling
  - Eco-modulated fees (OR, CO, CA, WA) & reduction targets (CA) → improve recyclability and source reduction
- Onus is on “**covered producers**” – tends to be hierarchical, but typically the brand owner of the product





# US EPR requirements

## Compliance obligations



- “Covered products” vary among states
  - CA: single-use packaging and plastic single-use food service ware
  - OR: packaging material and food service ware
  - WA: packaging and paper products
- Typically implemented by **Producer Responsibility Organization (“PRO”)**
  - Circular Action Alliance (“CAA”) selected as PRO in all states except ME



# US EPR requirements

## Compliance considerations

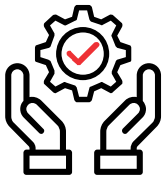


- 2025: first meaningful compliance deadlines (OR, CO)
- **May 31, 2026:** EPR deadlines starting to harmonize – data due to CAA for all states except ME (but only “simplified” reporting for MN, MD and WA)
- Litigation challenging OR, CO and CA (**new!**) EPR packaging laws
- *Natl Assoc. of Wholesaler-Distributors v. OR DEQ et al. (D. Or. July 30, 2025)* - Challenging OR EPR packaging law
  - Preliminary injunction for NAW members
  - Trial scheduled to commence in July 2026



# US EPR developments

## Company responses



Growing company interest and focus

- Deadlines coming due
- Invoices being issued – **significant fees**

Ensuring teams and systems are in place to reliably collect data for accurate reporting

Assessing which products fall within scope

- **“Covered products”** definitions and **regulatory exemptions** (e.g., B2B) vary by state

Closely watching state litigation



# Key pressure point: Supply chain transparency



## From product rules → data challenge

- Compliance depends on supplier data (materials, substances, recycled content)
  - But in practice: data often incomplete or inconsistent, limited standardisation, restricted access (technical / commercial)
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## Responsibility vs. reality

- Manufacturers rely on suppliers
  - But remain fully responsible for compliance
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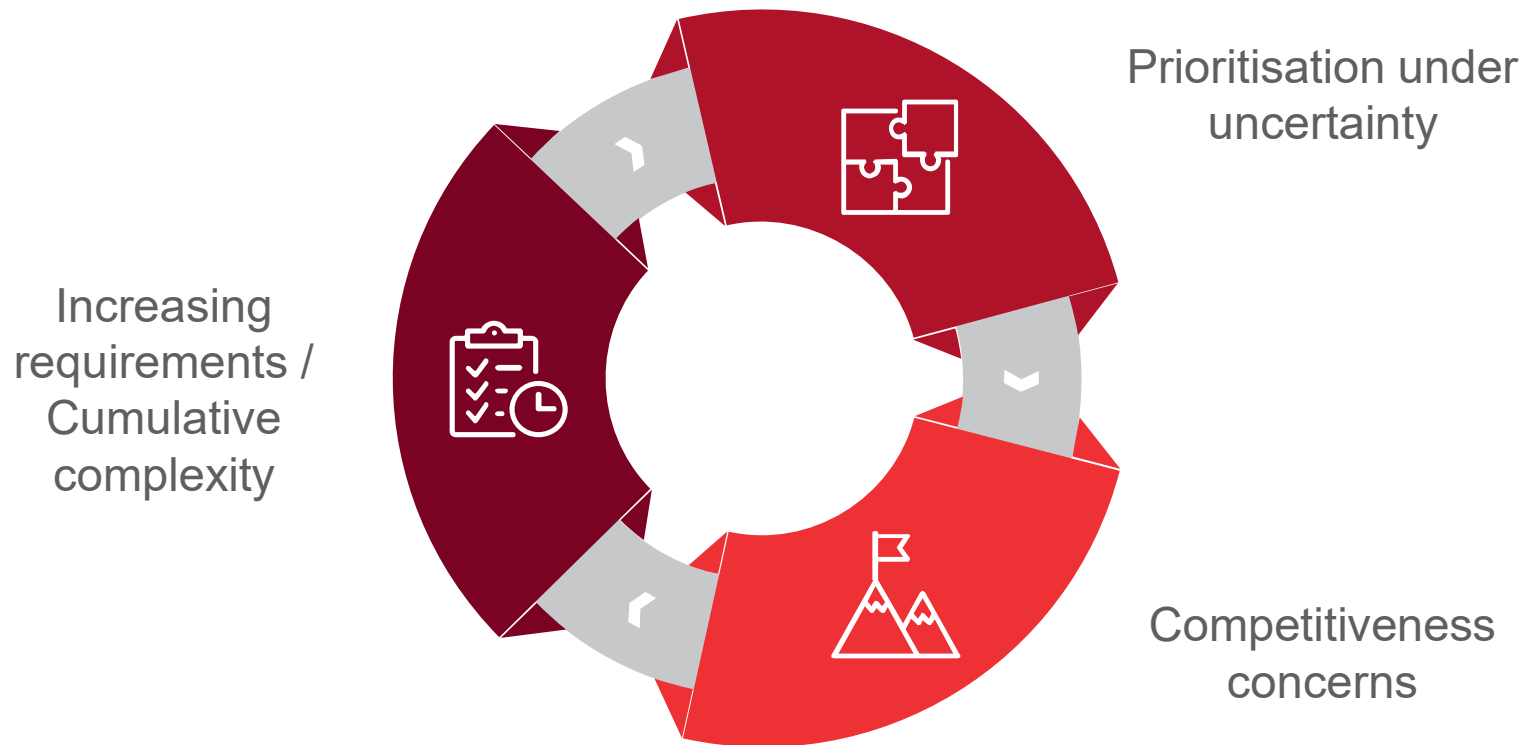
## Emerging approach

- Combine supplier data with stronger contracts, enhanced questionnaires, targeted verification / testing
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**Key takeaway: Compliance is a data & supply chain management challenge**

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# Key pressure points



# Trends in LATAM

How clients are responding



- **Compliance readiness gap** → fragmented requirements across jurisdictions. Align with EU frameworks but keep distinct regional features.
- **EU-driven compliance** → proactively alignment with EU standards and guidelines.
- **EPR engagement & Compliance models** → opportunity to differentiate from competitors. Expansion of EPR scope beyond packaging.
- **Waste pickers integration** → legal requirement + reputational imperative (ESG).
- **Supply chain traceability & Data demands** → implementation of verification methodologies and infrastructure.



# Key near-term legal issues for companies



Compliance infrastructure: PRO governance, verification, reporting readiness.

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Recycled content mandates & traceability across supply chains.

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Greenwashing risk: environmental claims regulation tightening in Brazil and the region.

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Cross-border coordination: multinationals must map obligations across LATAM jurisdictions to avoid duplication and gaps.



# Global plastics treaty (United Nations)

Why it matters for Circular Economy and EPR

## Goal:

- A legally binding global instrument addressing plastic pollution across the full life cycle (production → design → waste).

## Where negotiations stand:

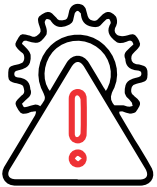
- Latest concluded session (INC 5.2, Geneva August 2025): no consensus; treaty not finalized.
- Next substantive negotiating date: September / October 2026 (INC 5.4).

## Practical implication for countries & business:

- If/when agreed, the treaty is expected to:
  - Pull national rules in the same direction → design requirements, chemicals restrictions, reporting discipline, single-use phase-outs.
  - Raise pressure for EPR alignment globally.

# Global plastics treaty (United Nations)

Why it matters for Circular Economy and EPR



## Key fault lines (why outcome remains uncertain):

- Disagreements on whether the treaty should cover plastic production limits and chemicals of concern. Also concerns about process transparency.
- **US:** Favors national-level discretion; opposes global caps on production; current administration skeptical of multilateral binding commitments.
- **EU:** Supports ambitious, legally binding treaty covering full plastics life cycle, aligned with circular economy agenda.
- **Developing countries:** Emphasize “just transition” balancing environmental protection with economic development → e.g., waste picker policies, technology transfer, financial mechanisms.



# US EPR developments

What does the future hold?



Outcome of state litigation?

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Risk of expanding state patchwork of EPR laws

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Do states/municipalities have the infrastructure to manage these waste streams?

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Federal EPR regime would bring preferred harmonization, but highly unlikely



# What to watch next: Implementation phase



## Delegated and implementing acts

- From broad regulations to concrete obligations
- Especially under ESPR



## Circular Economy Act (Q3 2026)

Twofold goal: lower environmental pressures and increase economic resilience (reducing reliance on virgin materials and unstable supply chains)



## Simplification initiatives

Half of the proposals in the 2026 Commission Work Programme are simplification proposals (e.g., Omnibus VIII: environmental legislation)



# Future trend: Shift toward data-driven enforcement



## Transparency as enforcement tool

- Public registers (e.g., LUCID) create immediate visibility
  - Enforcement driven by: regulators, competitors, marketplaces & business partners
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## Data consistency becomes critical

- Focus shifts from “Are you registered?” to “Do your numbers make sense?”
  - Increasing data matching, audits & monitoring
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## Targeted enforcement pressure

- Key risks: free-riding / non-registration, incorrect role allocation, inconsistent or underreported data
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**Key takeaway: Inability to demonstrate consistent, auditable data is a compliance risk**

# Questions

The background features a large white circle on the left side. To the right of the circle, there are several overlapping, wavy, semi-transparent shapes in shades of purple and blue, creating a layered, fluid effect. The overall composition is modern and abstract.



# Tomorrow's sessions

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## **Tariffs and other key global customs trends, tips & updates**

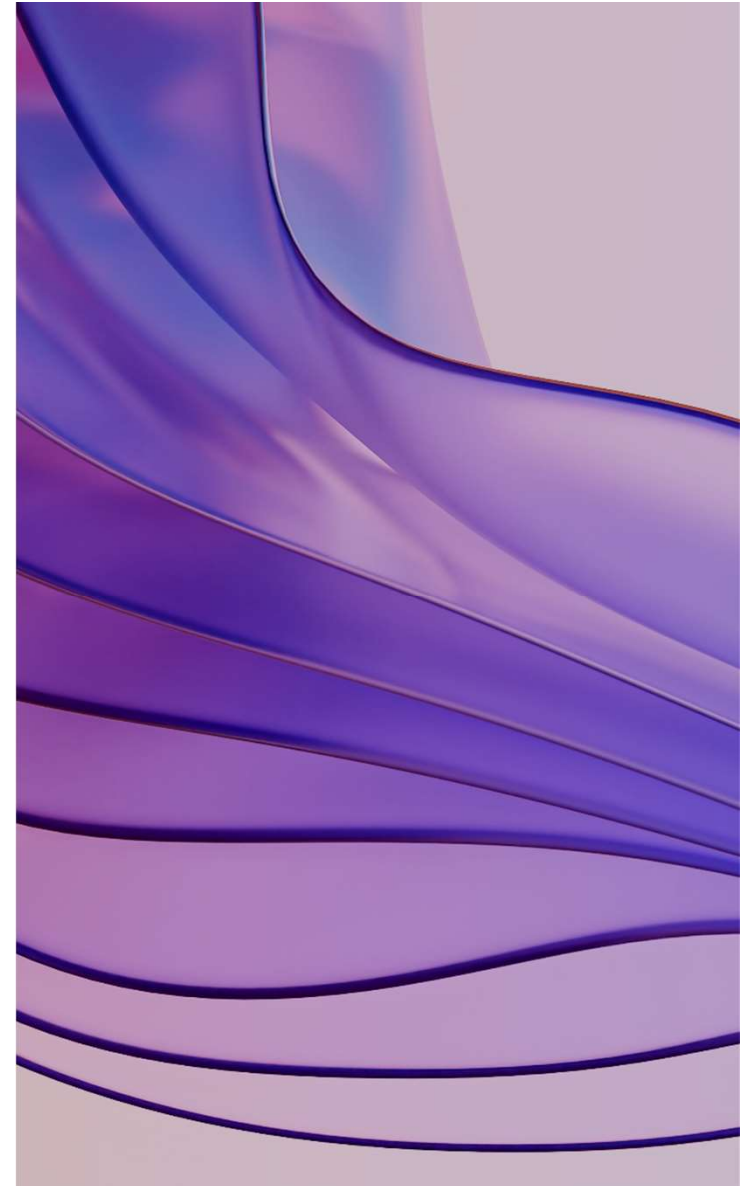
2:30 – 3:30 pm BST | 3:30 – 4:30 pm CEST | 9:30 – 10:30 am EDT

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## **Cyber trends and risk mitigation**

4:30 – 5:30 pm BST | 5:30 – 6:30 pm CEST | 11:30 am – 12:30 pm EDT

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