

**Packaging  
Extended  
Producer  
Responsibility**

**fdf member update**

**George Atkinson**  
Policy Manager







# The UK's first, largest and leading Producer Responsibility Scheme



100% compliance record  
25 years experience  
180+ employees

## Trusted by Industry Leaders



## Statistics we're proud of

**33** million products  
in our packaging  
database

Unparalleled insights help  
members make  
sustainable choices

**66%** of packaging recycling evidence  
we bought in 2020 came from  
UK recyclers  
Rest of UK combined 48%





# Agenda

- 1. What is EPR, why is it being implemented?**
- 2. Core Aspects of EPR**
- 3. Cost Impacts & Mitigating Increases**
- 4. Updated Timeline: A look to 2022**
- 5. Q & A Session**





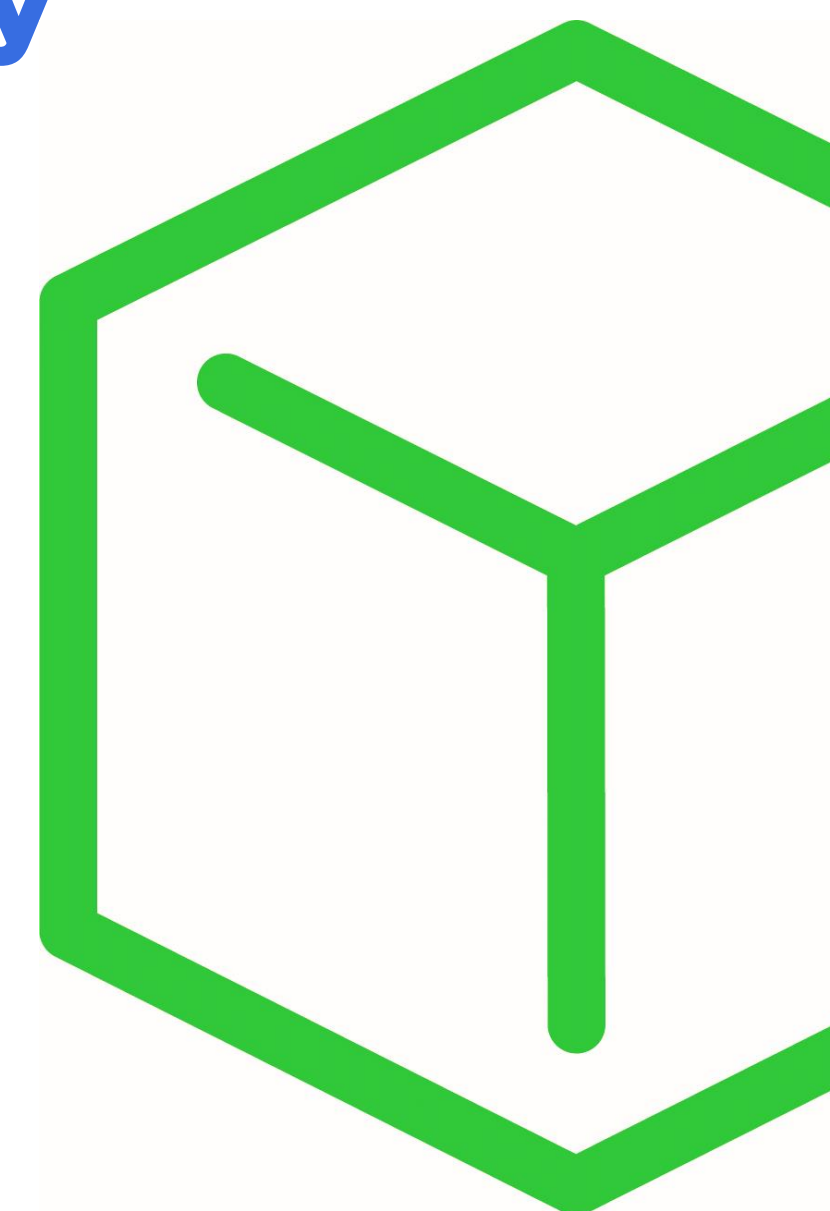
# What is EPR?

**Packaging Waste Regulations 1997 (PRN system) established to address different objectives & issues to those faced by gov. and industry today**

## **Issues highlighted include:**

- Packaging supply chain only required to contribute to recycling costs
- Inconsistent funding for local authorities to collect waste
- Online retailers are not fully obligated to fund recycling
- PRN markets can be volatile, limited transparency over funding usage
- Ineffective consumer communications to drive behaviour

**The system is being redesigned to make producers financially responsible for the costs associated with waste management of items placed on the UK market**



# The Packaging Reforms

**4 core initiatives will transform UK packaging producer responsibility**

## Packaging Waste Regs 'EPR' Reform

UK-wide

Producers' financially responsible for funding the total costs associated with dealing with packaging waste

## Deposit Return Scheme for single-use drinks cans/bottles

Scotland separate from Rest of UK

Deposit added to item price, claimed back by consumer upon return of empty can/bottle, promoting recycling

## Consistent Collections for households & businesses

England (each UK nation separately)

All households and businesses to have at least the same basic set of materials collected for recycling

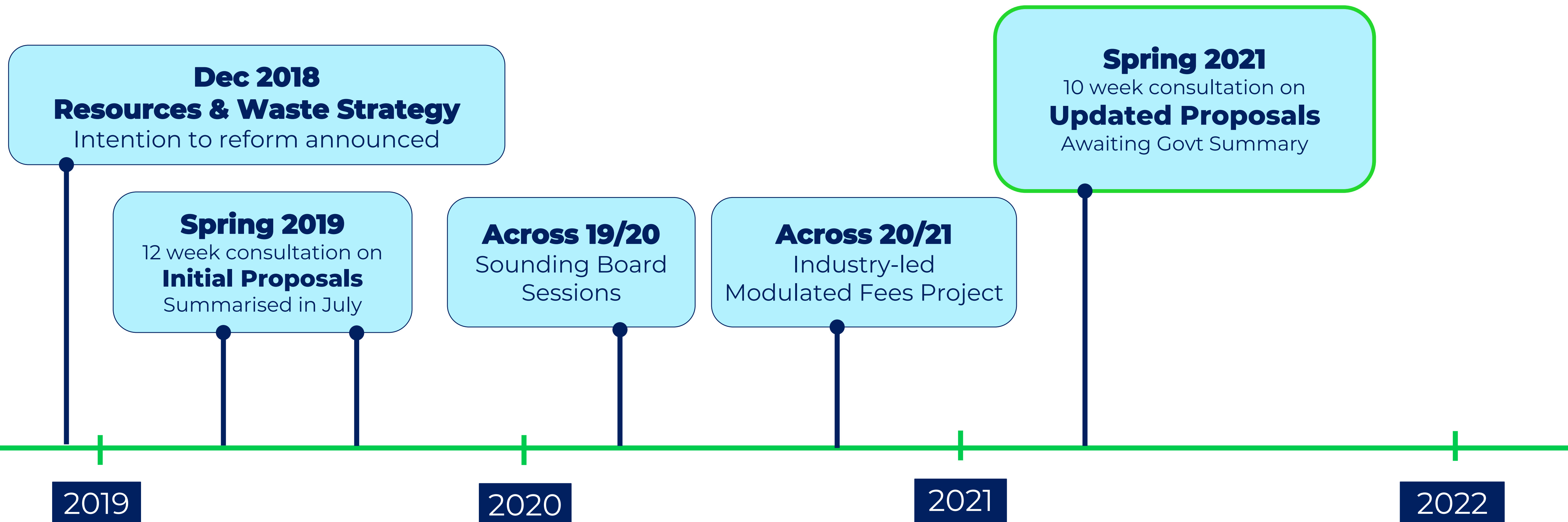
## Plastic Packaging Tax

UK-wide

£200 per tonne tax on newly produced/imported plastic packaging that doesn't contain 30% recycled content

# The State of Play

## Where are we in the EPR reform process?



# Full Net Cost Recovery

EPR expands producers' responsibility to fund packaging waste management

Full Net Cost Recovery proposed from 2024

## EPR



- +£ Litter Management
- +£ National recycling communications
- +£ Managing packaging within residual waste

**£230m**

PRN System Revenue  
2020 estimate



**Annual Industry Contribution**

**£2.7bn**

Government's 1<sup>st</sup> Year  
EPR System estimate



# What packaging will EPR contributions cover the waste management of?

EPR full net cost recovery will apply to all packaging not in the scope of DRS

Drinks packaging subject to DRS-specific fees



Household



Consumer goods packaging (+ consumer delivery pckg)

Business Waste payments may differ to Household Household-like C&I



Consumer goods packaging arising from businesses



Materials used to transport items & present goods

Offsetting to be permitted - packaging waste you self arrange & fund the management of can be netted off your EPR bill



# Who will need to pay EPR fees?

EPR refocuses which businesses are required to contribute

## ~~Shared Producer Responsibility~~

~~Different roles in supply chain have different portions of responsibility to buy PRNs/fund recycling~~



## Single Party responsibility for all packaging waste management costs

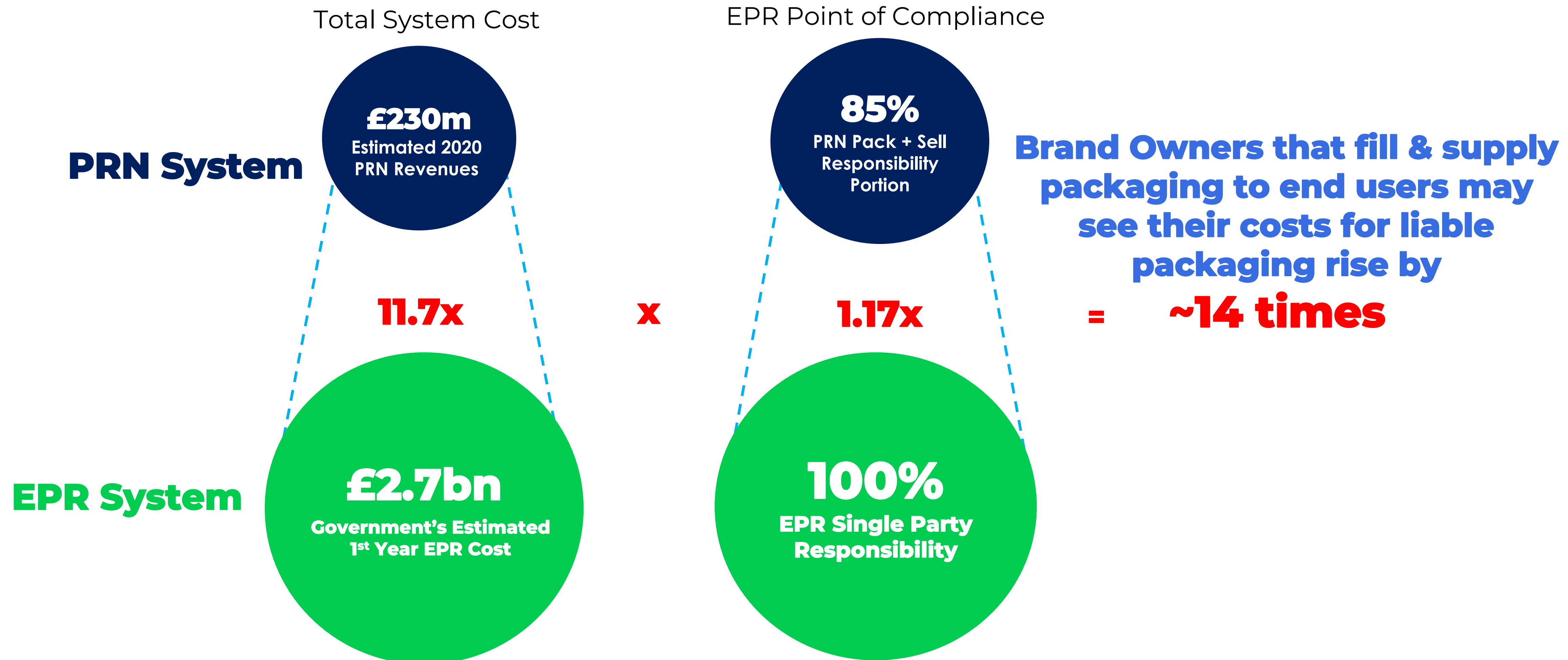


+ Current £2m turnover/50 tonne exemption thresholds may be halved



# EPR Cost Increases in Perspective

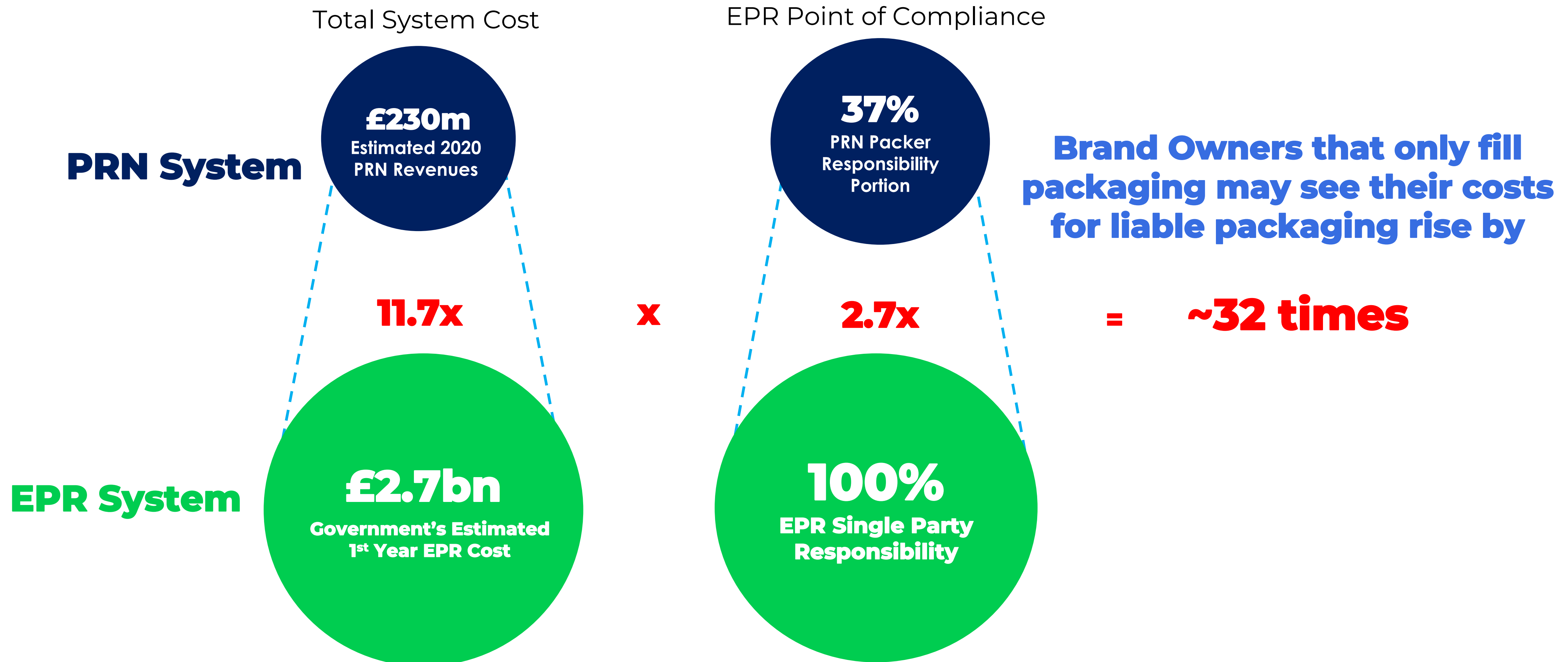
Under EPR, fewer businesses will be required to cover more costs





# EPR Cost Increases in Perspective

Under EPR, fewer businesses will be required to cover more costs





# EPR Producer Fee Modulation

**Packaging Recyclability will affect your costs**

## EPR's 'Modulated Fees' will increase or decrease EPR payments

- Likely to depend your packaging's recyclability, to incentivise recyclable materials & designs

**Those using unrecyclable, not recycled or hard to recycle packaging will likely be required to contribute more into the EPR system**

## EPR payments expected to be subject to modulation from 2024

- 2024 payments will be based on packaging sold in 2023

**Modulation parameters unlikely to be confirmed soon**

- Industry project to propose a system due to report in 2022





# Additional Reform Proposals



## More detailed packaging reporting

- Fibre based composites reporting category expected in 2023
- All new reporting format from Jan 2024
- **All sellers to report packaging sales by nation from 2023**

## Mandatory, Binary Recycling Labelling

- Primary and consumer delivery packaging by 2024/25, films later
- TBA: approved set of labels, or a mandatory single label

## Mandatory Takeback of Disposable Paper Cups

- Covers large sellers of filled paper cups by 2023, all sellers by '25
- Takeback irrespective of brand or purchase destination

## Packaging EPR Compliance System

- Single Administrator vs. Compliance Schemes-based approach
- Decision to be communicated soon ahead of admin. tender



# Proposed Implementation Plan

## Dual Obligation for HH packaging across 2023

### PRN system continues throughout 2023

Shared responsibility to contribute to recycling costs of all packaging across 2023

Jan 2023

Jan 2024

PRN System

Phase 1

EPR System

Phase 2

### Partial EPR across 2023 concerns household packaging only

Single party responsibility for net household packaging waste collection costs (roughly £250-300m)

### Full EPR from 2024

Single party responsibility for full net waste management costs of all (non-DRS) packaging  
1<sup>st</sup> full EPR bill in April 2024  
Estimated £2.7bn/year



# Reform Timelines

## What is still to be decided/announced?

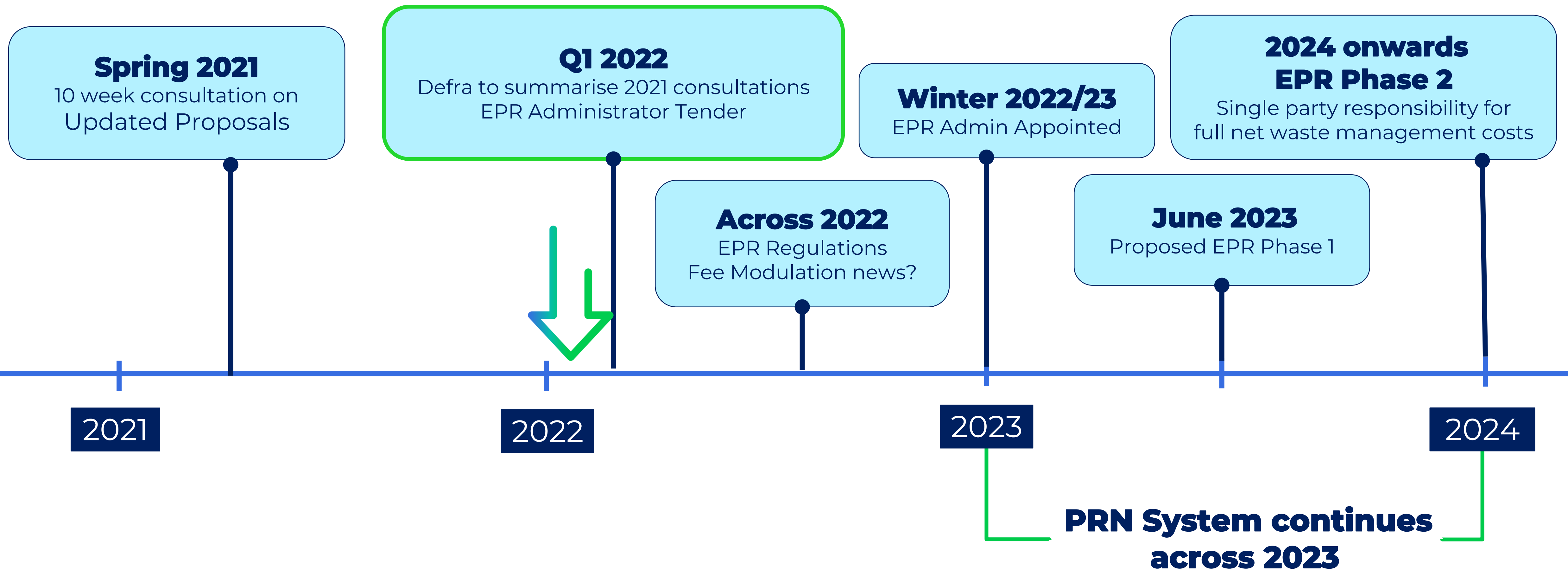
- Proposal to include **business pckg waste** in EPR wasn't warmly received
- FDF-BRC-INCPEN investigating feasibility of partnering on an **EPR administrator** bid
- Is the Scottish DRS delay a precursor to **EPR delay**?
- Nation specific recycling labelling?
- EPR Compliance: **Schemes** to be included under final design?
- Approach to SME packaging





# Reform Timelines

## A look to 2022





# Valpak 1-2-1 EPR Clinics

## Understand EPR's implications specific to your business

Join the **350+ businesses** that have had a personalised session to date!

We're utilising the power of **Valpak Consulting** to construct **industry-leading EPR and DRS per tonne cost estimates**

Combine our cost estimates with your data to **reveal your potential financial exposure**

Delivered by our team of trained specialists to help you plan & get ahead of EPR reform

Valpak's  
Strategic  
Account  
Managers

Dom



Ross



Steph



Lee

Open to all, free to Valpak members  
Organize your session : [info@valpak.co.uk](mailto:info@valpak.co.uk)





# Thank you

## Upcoming Valpak Webinars for FDF members

1<sup>st</sup> March: Plastic Packaging Tax Update

24<sup>th</sup> March: Deposit Return Schemes Update

## Questions?

**George Atkinson**

Policy Manager



a Reconomy Group company