



EPR policy

Packaging Extended
Producer Responsibility



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Packaging Extended Producer Responsibility.

For the first time in 25 years, the government and devolved administrations are overhauling the UK's Packaging Waste Regulations. Anticipating the impacts of EPR, both administrative and financial, is for any affected business.

EPR will require businesses placing packaging on the UK market to cover the costs of dealing with packaging waste at the end of its life.

This differs from current producer responsibility requirements, which only ask for producers to make a contribution towards packaging recycling.

The changes are likely to see packaging producers pay around £1.7bn a year, up from around £200-£400m a year currently. The proposals are also changing which businesses must cover this cost - resulting in some businesses packaging producer responsibility costs potentially rising by as much as 30 times.

What will EPR fund?

Certain businesses will be required to fund 100% of the costs associated with the waste management of packaging they place onto the UK market.

The **full net cost recovery** will see industry fund the costs of operations that collect and sort packaging waste. Initially, EPR will only cover household collection and sorting costs. Alongside these costs, producers will still have to contribute to recycling costs via the Packaging Recovery Note (PRN) system.

EPR will also require industry to fund new national recycling and anti-littering communications, the management of litter bins and the costs of managing packaging placed in general household waste.



Who'll be required to fund it?

Only a single business in the packaging supply chain will need to pay into the EPR system, differing from current rules where the entire supply chain contributes.

Current rules require the entire supply chain, from manufacturers to retailers, to contribute towards recycling costs. Currently, the closer a business is to supplying packaging to the end user, the greater their responsibility is to fund its recycling.

EPR's single party responsibility is likely to fall on certain businesses:

- UK **brand owners**
- **Importers** of non-UK branded packaging,
- UK-based businesses that fill unbranded packaging
- UK-based **online marketplaces** through which non-UK businesses sell packaged goods to UK consumers
- **Suppliers** of unfilled packaging to businesses/brands below certain exemption thresholds.



Only businesses performing these roles that had £2m turnover and handled over 50 tonnes of packaging last year need to pay into the EPR system.

Compliance cost increases in perspective.
Requiring more packaging waste management costs to be funded by a smaller number of businesses means packaging compliance costs could rise significantly.

Costs for brands that do not sell their products directly to consumers **could rise by over 10 times** (their current financial responsibility is only 37%, as opposed to EPR's 100% system).

Total system cost

£500m
 Estimated 2022
 PRN Revenues

3.4x

£1.7bn
 Estimated 1st
 year cost or EPR

Point of compliance

37%
 PRN pack
 responsibility

2.7x

100%
 Single party
 responsibility

x

**= ~9
 times
 cost
 increase**

Recyclability will be key.

Moving towards the use of recycled materials and easily recyclable packaging designs will be incentivised through EPR fee eco-modulation. This will see the fees payable by obligated businesses differ according to the specific types or formats of packaging they use – the harder, more costly to recycle, the higher the fee paid.

Businesses will also be encouraged to establish take back systems for their packaging; the tonnage of eligible packaging returned can be subtracted from their EPR bills if they get it recycled.



Other areas of EPR reform.



A new administrative body

will be set up to oversee the delivery of EPR reform. This body will set the rates of fees payable to local authorities for their household packaging waste management costs. As a result of funding local authority costs, this body will be grounded within the public sector. It'll also be overseeing the rollout of national recycling ad campaigns and the reporting of national recycling performance.

Mandatory binary recyclability labelling

is proposed to help consumers dispose of packaging in the correct manner, generating a stream of more plentiful, less contaminated, recyclable waste. The Recycle Now mark, along with an instruction to 'Recycle' or 'Do not recycle' will be required on primary and shipment packaging from April 2026.

Disposable cup takeback

is expected to be made mandatory for sellers of filled disposable paper cups from October 2025, irrespective of brand or where the drink was purchased. Only retailers with more than 10 employees are required to provide takeback facilities for consumers.

More detailed packaging reporting

will be required to enable the introduction of EPR fee eco-modulation. This reporting is likely to be by factors affecting the recyclability of packaging, for example by polymer or format for plastics. There will also be an additional data reporting burden on sellers and distributors to show packaging placed on the market by **UK nation.**

**Implementation
timeline.
It has recently been
announced that
producers won't be
paying EPR fees atop
PRN contributions
until October
2025. However,
EPR reporting
is going live
in Q3 2023.**

#beprerepared

Whilst the decision to delay extending the financial responsibilities of producers has been delayed until 2025, producers must still complete more detailed reports on their packaging on a more regular basis from 2023.

New EPR fees payable by producers from 2025, will be based upon the reports of 2024 packaging that is placed on the UK market.

Comply with Valpak

As the UK's first, largest and leading packaging compliance scheme, we're well placed to help businesses navigate the complex world of EPR.

We not only have the data knowledge and systems in place to assist with the varying requirements of this legislation, but also the experience to handle compliance on our customers' behalf.

To find out more about how we can help your business to prepare for Extended Producer Responsibility, please contact us.



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