



EXTENDED PRODUCER RESPONSIBILITY

FEBRUARY 2024

HISTORY OF UK PACKAGING WASTE REGULATIONS

In August 1997, the UK witnessed the introduction of the Producer Responsibility Obligations Regulations, marking a significant milestone as the country's first producer responsibility legislation. Such legislation implemented Packaging Waste Recovery Notes (PRNs), which provided evidence for the tonnage of packaging waste that had been recycled to a required standard.

This historic move was viewed as successful, as recycling rates soared from 25% to an impressive 63.9% by 2017. These regulations not only met but exceeded all packaging waste recycling targets set by both the UK and the European Union^{vi}. Moreover, the burden of compliance for businesses remained relatively modest, with PRN funding only representing 3-7% of the total costs of post-consumer waste management, with taxpayers shouldering the majority of expensesⁱⁱ.

In 2019, following the lead of several other European countries, the UK government initiated efforts to reform these regulations, with a primary aim of shifting more accountability onto companies for the management of the packaging they introduce into society. This reform entails that packaging producers will assume full responsibility for all costs associated with packaging, spanning from collection and sorting to recycling and disposal.

WHY IS EPR BEING INTRODUCED?

Introduction of EPR can be seen to come into place after the UK, alongside 195 other countries, signed the 2015 Paris Agreement. This was a 'landmark, agreement to combat climate change and intensify collective efforts and investments in order to achieve a sustainable, low-carbon future, and to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levelsⁱⁱⁱ.

Packaging, especially plastic packaging, is posing a great risk to ecosystems and communities. At least 14 million tons of plastic end up in the ocean every year, making up 80% of all marine debris found^{iv}. Microplastics are of particular concern due to the negative effects on marine and freshwater environments, aquatic life, biodiversity, and possibly to human health^v. The UK can be seen to have one the largest plastic waste per capita globally, producing 34.2 kilograms per capita in 2017^{vi}.

WHO WILL EPR IMPACT?

EPR attempts to combat this pollution crisis by adopting the 'Polluter Pays' principle, essentially meaning that polluters are to bear the costs of managing pollution to prevent damage to human health and the environment, or, as DEFRA states, 'a producer's responsibility for a product is extended to the post-use stage^{vii}. Financial responsibility for recycling and disposal of packaging will no longer be spread across the supply chain but imposed on a single business who is responsible for placing that packaging on the market.

A company may be responsible if they are classed as a large organisation (they handle a minimum 50 tonnes of packaging materials annually and have an annual turnover or £2 million) and are one of the following:

- Brand Owner: Supply packaged goods labelled with your own brand within the UK.
- Importer: Import products from outside the UK that are in packaging.
- Pack Filler: Placing goods into unbranded packaging.
- Distributer: Supply empty packaging to other small businesses.
- Service Provider: If you hire or loan out reusable packaging e.g., wooden pallets.

- Online Market Place: Operates a website/app that allows non-UK businesses to sell their goods within the UK.

Large organisations are obligated to pay fees towards packaging recycling (PRNs), report packaging data twice a year and pay modulated fees if packaging is supplied to households.

You're classed as a small organisation if either of the following apply:

- Your annual turnover is between £1 million and £2 million and you're responsible for supplying or importing more than 25 tonnes of empty packaging or packaged goods in the UK.
- Your annual turnover is over £1 million and you're responsible for supplying or importing between 25 tonnes and 50 tonnes of empty packaging or packaged goods in the UK.

Small organisation are not liable to pay disposal fees but do have reporting obligations once annually. Organisations that have an annual revenue of less than £1 million or supply less than 25 tonnes of packaging are not impacted my EPR.

	£1-£2 million	>£2 million
>50 tonnes	Small Organisation	Large Organisation
25 – 50 tonnes	Small Organisation	Small Organisation

WASTE REPORTING

EPR requires large organisations to report what type of waste their packaging will become:

- Household: This includes primary (point of sale) and shipment packaging. You will need to provide evidence to discount any primary or shipment packaging which is supplied to and removed by another business.
- Non-household: This includes secondary (outer) and tertiary (transit) packaging.
- Public bins: This includes packaging that is most commonly disposed of outside the household, such as take-away food and drink packaging, chewing gum wrappers, cigarette cartons, and packaging for single portions of food.
- Drinks containers: This requires separate reporting of the quantity and weight of drinks containers, categorised by household and non-household.
- Reusable: Reusable packaging only needs to be reported for the first time it's supplied.
- Self-managed: This includes any waste that is collected from customers to be recycled. Reporting must include weight, material, nation collection and nation delivery.

If you are a large organisation you are required to register for the EPR portal 'Report Packaging Data' (RPD). Data will need to reported every 6 months. Initially data collected for the period January to June 2023 was due to be reported before 1st October 2023 and data collected for the period July to December 2023 to be reported before 1st April 2024. You should have made your best efforts to meet these deadlines but no enforcement action will be taken about late submission as long as your data is submitted by 31st May 2024.

If you are a small organisation, you must collect your 2024 data and submit it by April 2025.





COSTS AND MODULATED FEES

The EPR system is supported by two main additional costs: The current PRN (packaging waste recycling note) and PERN (packaging waste export recycling note) systems, which provide evidence of recycling tonnage to offset producers' packaging waste obligations.

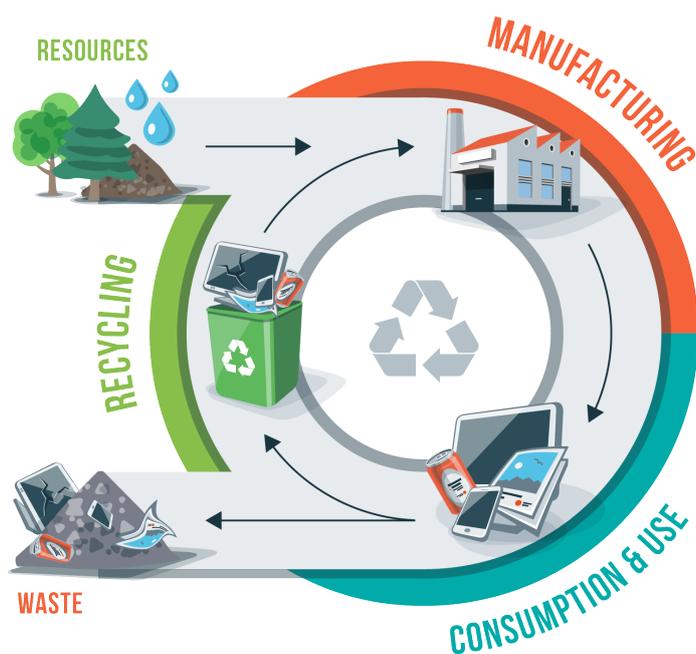
You can get PRNs/PERNs from accredited re-processors and exporters. Re-processors are responsible for recycling packaging waste. By getting PRNs and PERNs, you work towards meeting your recycling targets.

The modulated fees under EPR are designed to cover the cost of collection and disposal of household waste by local authorities. Such fees will vary depending on the recyclability of the packaging that is placed on the market. Complex packaging with multiple layers, non-recyclable components, or mixed materials can be challenging to recycle efficiently. By simplifying packaging and using fewer materials, the recycling process becomes more straightforward and cost-effective. This leads to higher recycling rates, reduced sorting and processing costs, and lower EPR costs for producers. Therefore, producers are incentivised to design more sustainable products, which are more easily reused or recycled at end-of-life. Modulated fees have been deferred for 1 year, scheduled to start in October 2025 and the prices have not yet been confirmed.

Third party compliance schemes can help organisations to meet EPR requirements by: getting PRNs/PERNs; reporting packaging data; and paying registration fees. However, a compliance scheme cannot make modulated fee payments on behalf of an organisation.

INCREASING CIRCULARITY

The overall goal is that EPR will help to shift society from a linear to more circular economy where resources are reused, reducing packaging pollution, and less virgin materials are utilised, reducing the exploitation and subsequent damage to the environment.



EPR AROUND THE WORLD

One example of EPR can be seen in Germany, a well-established system that is generally considered successful through the implementation of a 'Green Dot System' which dates back to 1991. One significant success can be seen through substantial increases in recycling; in 2019 more than 94% of packaging placed on the German market was collected for recycling, with over 71% being recycled. In addition, per capita waste packaging generation was 47 kilograms compared to an EU average of 63 kilograms^{viii}. Despite criticism regarding system complexity and fee transparency, there is no denying that Germany's EPR system can be utilised as a model for other countries.

A second EPR system can be observed in South Korea, implemented in 2001. In a country where more than 95% of natural resources are imported^{ix}, circularity is widely pushed by financial motive as well as environmental. Total recycling of packaging waste (PET, glass, cans and styrofoam) reached nearly 80% in 2008. Alongside this the number of products holding environmental certification (official approval as a product that consumes the minimum amount of resources and discharges the lowest amount of pollutants during production) has increased from 326 in 2001 to 6005 in 2008^x. Regardless of criticism concerning the strength of enforcement and monitoring in cases on non-compliance, South Korea has made significant efforts to address EPR many years before other nation states.

- i. https://consult.defra.gov.uk/extended-producer-responsibility/extended-producer-responsibility-for-packaging/supporting_documents/23.03.21%20EPR%20Consultation.pdf
- ii. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063588/epr-final-impact-assessment.pdf
- iii. <https://unfccc.int/most-requested/key-aspects-of-the-paris-agreement#:~:text=At%20COP%2021%20in%20Paris,a%20sustainable%20low%20carbon%20future.>
- iv. <https://www.iucn.org/resources/issues-brief/marine-plastic-pollution#:~:text=Over%20400%20million%20tons%20of,waters%20to%20deep%2Dsea%20sediments>
- v. <https://www.sciencedirect.com/science/article/abs/pii/S2352186418302748#preview-section-references>
- vi. <https://www.statista.com/statistics/972810/plastic-packaging-waste-generated-per-capita-countries-uk/>
- vii. <https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england>
- viii. <https://link.springer.com/article/10.1007/s42824-023-00076-8#:~:text=In%202019%2C%20over%2094%25%20of,packaging%20waste%20generated%20in%20Germany.>
- ix. <https://www.unep.org/resources/report/korea-environmental-policy-bulletin-extended-producer-responsibility-epr>
- x. <https://www.unep.org/resources/report/korea-environmental-policy-bulletin-extended-producer-responsibility-epr>