

Update, July 2023: Following engagement with industry, the payment due from packaging producers for the cost of recycling their packaging has been deferred from October 2024 to 2025.

Extended Producer Responsibility

The purpose of Extended Producer Responsibility (EPR) is to:

- Encourage a circular economy. In a circular economy, resources are used for as long as possible. This means they are shared, leased, reused, repaired, refurbished and recycled for as long as possible.
- Provide a single point of compliance.
- Fund full recovery costs for packaging waste collected from local authorities.
- Deter the use of difficult to recycle packaging and promote reusable packaging.

Extended Producer Responsibility requires producers of packaging to be responsible for their post-consumer product. It means they are responsible for the cost of disposing of the packaging once the product has been consumed.

It is primarily the brand owner or the importer of filled packaging who is obligated as the producer. If packaging is imported unfilled, the UK-based filler will generally hold the obligation. Distributors are responsible for unfilled packaging supplied to exempt businesses. UK-based online marketplace operators will be responsible for the full cost of filled packaging placed on their marketplace by non-UK-based businesses. Service providers that hire or lend reusable packaging will be obligated, but only for the first time that packaging is placed on the market.

Organisations affected by the EPR for Packaging

Organisations that meet all the following criteria need to collect and report data:

- An individual business, subsidiary or group.
- The annual turnover is £1 million or more.
- Responsible for more than 25 tonnes of packaging in 2022.
- Carries out any of the packaging activities.

Guidance on which organisations are affected by the EPR for packaging is available on the Government website:

www.gov.uk/guidance/check-if-you-need-to-report-packaging-data

Guidance on what constitutes packaging activities and a definition of packaging is available on the Government website:

www.gov.uk/guidance/packaging-waste-prepare-for-extended-producer-responsibility

Classifying your organisation

The actions required of organisations depends on whether they are classified as small or large.

Guidance on the classification is available on the Government website: www.gov.uk/guidance/packaging-waste-prepare-for-extended-producer-responsibility

Household vs non-household packaging

Where the brand owner sells to distributors, the primary packaging will be classed as household packaging and so come under the obligation of the brand owner.

It will incur the collection costs, even though the relevant part of the distribution chain is business to business. The costs will be fixed (yet to be set) according to the type of material. Recycling costs will be in addition.

Action required

All organisations affected by the EPR, irrespective of their classification, will need register, and collect and report packaging data. This is regardless of whether they use a compliance agency.

Depending on the classifications, organisations may also need to:

- Pay a waste management fee and scheme administrator costs, as part of the EPR fee.
- Pay a charge to the environmental regulator.
- Get packaging waste recycling notes (PRNs) or packaging waste export recycling notes (PERNs).
- Produce 'nation data' (see 'nation data' below).

Small organisations must:

- Record and report data about all the empty packaging and packaged goods supplied or imported in the UK every 12 months. The 2023 data must be reported by April 2024.
- Create an account, from January 2024.
- Pay a charge to the environmental regulator.

Large organisations must:

- Record and report data about the empty packaging and packaged goods supplied or imported in the UK every six months. The first report, covering January to June 2023, must be completed by October 2023 and the second report by April 2024.
- Create an account for your organisation from July 2023.
- Pay a waste management fee, if applicable.
- Pay scheme administrator costs.
- Pay a charge to the environmental regulator.
- Get PRNs or PERNs.

Data reporting

Guidance on how to prepare and collect data required is available on the Government website:

www.gov.uk/guidance/how-to-collect-your-packaging-data-for-extended-producer-responsibility

Large organisations need to report six monthly. Data for the period January to June 2023 needs to be reported from July 2023. Data for the period July to December 2023 needs to be reported by April 2024.

Small organisations will need to collate the data for 2023 and submit this between January and April 2024.

Ideally all organisations should collate data from 1 January 2023. However, the Statutory Instrument was not passed until 28 February 2023 so it is not possible to enforce data collation for the first two months of 2023. Data must be collated from 1 March 2023. If no data is collated for January and February, it will be calculated pro rata from the data collated from 1 March to 31 December 2023.

Nation data

From 2024, obligated organisations must report on nation data based on 2023 packaging. Nation data covers the packaging sold by the organisation into each of the UK nations – England, Scotland, Wales and Northern Ireland.

Relevant organisations include:

- Online marketplaces where the packaging is sold by a non-UK company to UK consumers via the marketplace.
- Distributors, reporting on what they supply to a retailer or user that will be discarded by the latter.
- Service providers leasing packaging.
- Importers, for the packaging they import and discard.
- Brand Owners reporting on the packaging a distributor removes prior to sale, for example pallet/shrink wrap.

It is applicable to every organisation supplying an end user, provided the organisation meets the reporting thresholds.

It is not based on the brands being sold. For example, retailers selling multiple brands have to report what they are selling by nation.

Where a party does not meet the obligation threshold the responsibility is passed back up the supply chain.

The future

From 2025 Eco Modulation will affect the waste management fees to be paid. Eco Modulation is based on the ease of recyclability of the materials. Although fees are not yet in place it is understood that harder to recycle materials will attract higher fees.

By 31 March 2026 it will be mandatory for labels to indicate recyclability on all primary and shipment packaging. The labelling of flexible films is delayed until 31 March 2027.