

Packaging Extended Producer Responsibility (EPR)

Frequently Asked Questions

When will EPR affect my compliance?

- Obligated businesses should begin gathering packaging data in line with EPR guidance from 1st January 2023. For large producers, the first EPR data report is due by **1st October 2023**, with the second submission – and the first for small producers – due by 1st April 2024. Obligated producers will receive their EPR fee invoices - costs in addition to PRN procurement costs - in **April 2024**.

Do EPR data submissions and fee payments replace my Plastic Packaging Tax returns?

- Complying with Extended Producer Responsibility obligations will have **no impact** on a business' obligations under the Plastic Packaging Tax. As such, businesses obligated under EPR will continue to make submissions and pay the Tax.

When do businesses pay compliance costs for packaging handled in 2022?

- Obligated businesses that helped to place packaging on the UK market in 2022 must report their activities to regulators in Q1 2023, per current rules. This reporting will determine the size of the recycling obligation a producer has for 2023, which must be satisfied through the obtaining of PRNs across 2023. In 2023, **Valpak members will continue to be billed as current, likely quarterly**.

What is the definition of large and small producers under EPR?

- Large** producer = Any business which handled/supplied **50 tonnes** or more of packaging in the previous calendar year and had an annual turnover of **£2m** or more.
- Small** producer = Any business which handled/supplied **25 tonnes** or more of packaging and had an annual turnover of **£1m** or more. Businesses not meeting one of the small producer thresholds are not obligated under EPR.

What packaging and turnover contributes to the registration thresholds for EPR?

- Any packaging handled and/or supplied in the UK** contributes to reaching the obligation threshold for EPR. This means that packaging exported from the UK, or that is a result of your business' operations overseas, does not contribute to this threshold. Similarly, any turnover registered on a business' latest filed UK accounts contributes to meeting the registration thresholds for EPR.

How do EPR obligations differ between large and small producers, and who is obligated on behalf of smaller businesses?

- Small producers = **Submit data once annually**, starting in Q1 2024.
- Large producers = **Submit data every six months** on packaging they've placed on the UK market, starting in Q3 2023, and **pay fees** towards the waste management costs of their

packaging. Large producers that supply packaging to, or perform packaging services on behalf of, small producers take on the financial obligation for that packaging also.

- All those exceeding the small producer thresholds must also, once a year, **report packaging supplied** by them to its end user directly **by which UK nation** the customer was in.

What is self-managed waste, how do I report it, and what are the benefits of it?

- Self-managed waste is **household packaging not commonly collected by local authorities for recycling** (75% or more) which an obligated producer collects and arranges for the recycling of themselves. The corresponding weight of eligible self-managed packaging is able to be **discounted from a producer's EPR fee obligation**. Businesses must report the amount of self-managed waste they collect on their EPR producer data submissions **every 6 months**.

If a brand owner imported their goods into the UK, are they obligated as the brand owner or importer?

- Being obligated as a brand owner, or as an importer makes **little difference** to a business' obligations under EPR. It does affect which data field on their EPR submission they must input their data into. In this scenario, they would report any branded packaging under the brand owner category, any unbranded packaging around the branded packaging under the importer category.

As a large producer my business is likely to need to pay both PRN and EPR fees in 2024. How do those fees differ?

- PRN fees represent a **contribution by a producer of any packaging to the costs associated with recycling**. Contributions go directly to reproprocessors or exporters accredited to issue PRNs. As PRN prices are determined by market forces, PRN contributions by producers can be **price-variable**.
- EPR fees will be set at levels that ensure producers of household packaging additionally cover the **net costs to local authorities of collecting and managing household packaging waste**. As producer funding will be distributed to local authorities by the scheme administrator dependent on costs they incurred during the previous quarter, EPR fees are **likely to be fixed** across a compliance year.

What obligations apply to producers of non-household packaging?

- Those placing non-household packaging onto the UK market will need **to report it in line with the new EPR requirements** and purchasing the PRNs in line with their subsequent recycling obligation. Primary and shipment non-household packaging **won't incur EPR fees where the obligated producer can provide evidence** to regulators that the packaging will not arise as waste in household waste streams.

How can I evidence that my primary/shipment packaging is non-household?

- Whilst unconfirmed, regulators may accept packaging specifications, details on business models, sales contracts and invoices and declarations by customers as valid evidence.

Data recording is only legally required from 1st March, how will my January and February packaging data be calculated if I don't collect it?

- **Producers that are able to collect data that is sufficient for fulfilling their EPR data reporting obligations should collect such data from 1st January**. Where producers are not able to collect sufficient data for January and February, regulators will install a method to pro-rata PRN and EPR obligations based on submitted data to account for those months. As this method remains undefined, we advise that all producers who are able to, submit data for January and February in line with the new EPR principles.

What is the new fibre-based composites material category?

- This is packaging material which is made of **paperboard or paper fibres, laminated with plastic**, and which may also have layers of other materials, to form a single unit that cannot be separated by hand. PRN obligations for this material are likely to fall under paper.

How will containers in scope of the UK's DRS systems be obligated under EPR?

- Drinks containers to be in-scope of the Scottish DRS that are placed on the Scottish market in 2023 prior to the launch of the DRS on 16th August will not have to report this packaging as placed on the **Scottish** market as part of EPR reporting. As a result, producers of this packaging **will not incur EPR/PRN fees** for this packaging in 2024.
- All other drinks containers proposed to be in-scope of the **rest of the UK's** proposed DRS systems will need to be reported via EPR but **will only incur PRN obligations** the following year up until the point DRS is launched in those nations.

Will there be new rules for labelling packaging under EPR?

- All primary consumer packaging will have new labelling requirements under EPR. By **1st April 2026**, all primary consumer packaging except flexible plastic films, will have to state **'recycle' or 'do not recycle'**. From 1st April 2027, this requirement will also apply to flexible plastic films. Use of the 'Recycle Now Loop' from OPRL has been licensed for this by government.

What is eco-modulation, and how will it affect my packaging reporting?

- EPR fees payable by producers will first be subject to eco-modulation **from April 2025** onwards. This means the characteristics of packaging placed on the UK market in 2024 will dictate the modulation factor applied to a producers' EPR fee invoices in 2025.
- Where producers use packaging that is more costly to recycle than other similar formats or is unrecyclable, this will incur higher EPR fees than similar types of packaging that are easy to recycle. At least initially, producers are not expected to report the recyclability of their packaging, only **more details on materials used, such as format**. Instead, the EPR Administrator will determine this based on the data submitted for 2024.