ABInBev

EPR Journey

Brewer’s Perspective



Key assumptions

EPR…

…is a **tax**

…is a **2025 liability**

…effective from **April 2025**

…calculated based on **2024 volumes**

…to be paid solely by the **Brand Owner***



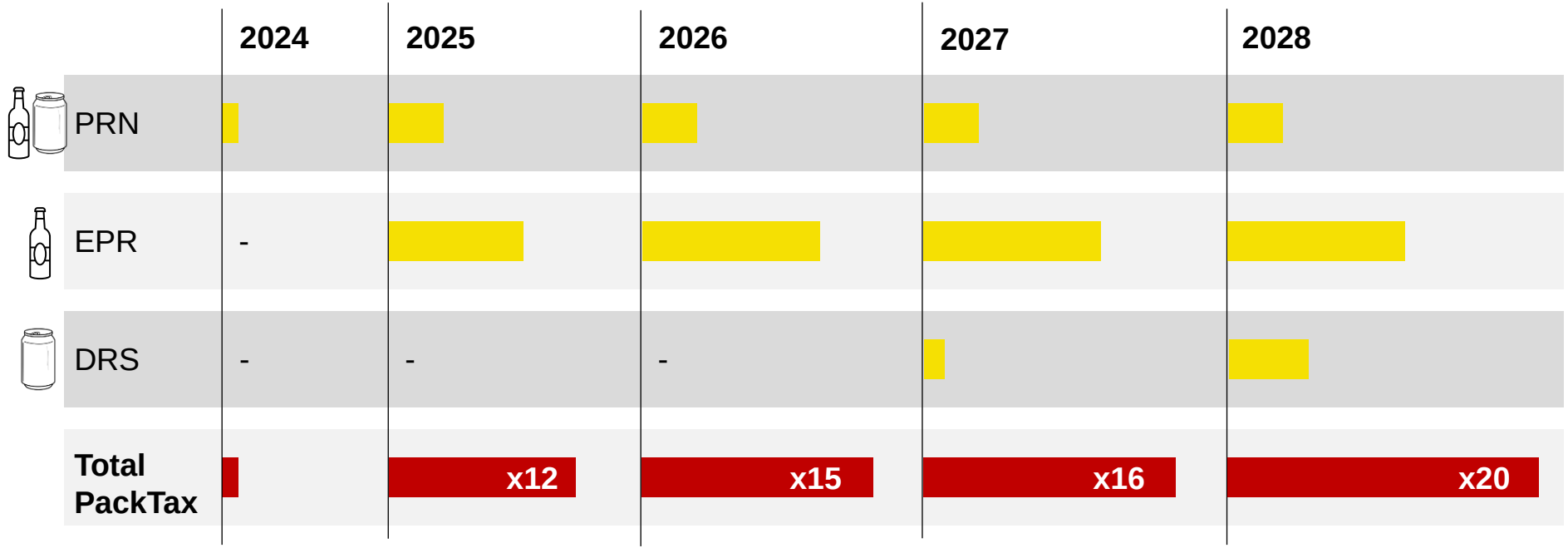




ABI

*with exceptions, depending on supply chain set up

Impact on BBG



EPR Journey

2024

AUG | SEP | OCT | NOV | DEC

DEFRA releases first set of fees – wide range and much higher than expected

DEFRA releases second set of fees – still wide range but lower than first set

DEFRA releases point estimate fees – one fee per material but higher than second set

2025

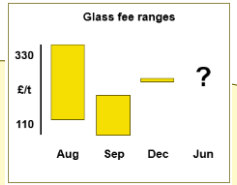
JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT

Start of EPR Assessment Year 1

DEFRA will release final EPR fees per material

BBG will receive invoice for 2025/2026 assessment year – can be paid in four quarterly installments in Nov 2025 and Jan, Apr and Jun 2026

Challenges



Fee related

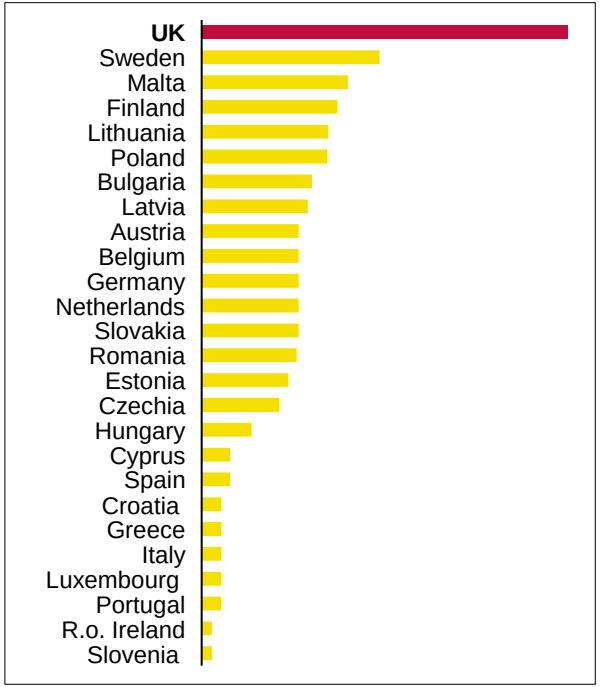
- Magnitude of fees
- Variable ranges
- Multiple announcements
- Fees per Type of Packaging

Non-fee related

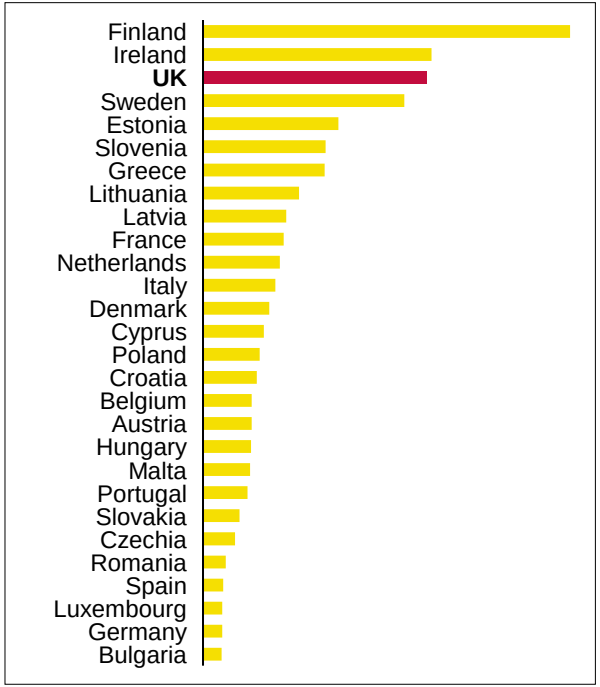
- Accounting treatment
- Transparency/Ring-fencing
- Retrospective tax?
- Distribution agreements
- Customer negotiations
- On-trade double-counting

EPR in the UK vs other European countries

EPR Glass - £/tonne



Excise 5% Beer - p/pint



Why is EPR in the UK that high?

- Higher share of kerbside collection vs other countries
- 100% of costs covered (vs 60-80% in other countries)
- Inclusion of black bag collection
- Local waste management contracts
- Inefficient waste management system
- Weight-based fee calculation

Accounting treatment of EPR

Relied on:

- Legal assessments (internal & external)
- Trade association analysis
- Defra:
  - Meetings
  - Guidance & examples
  - Newsletters
  - Further clarifications

Defra Note (November 2024):

Will NOT specify *when* or *how* to account for EPR fees

Different accounting standards AND no specific guidance

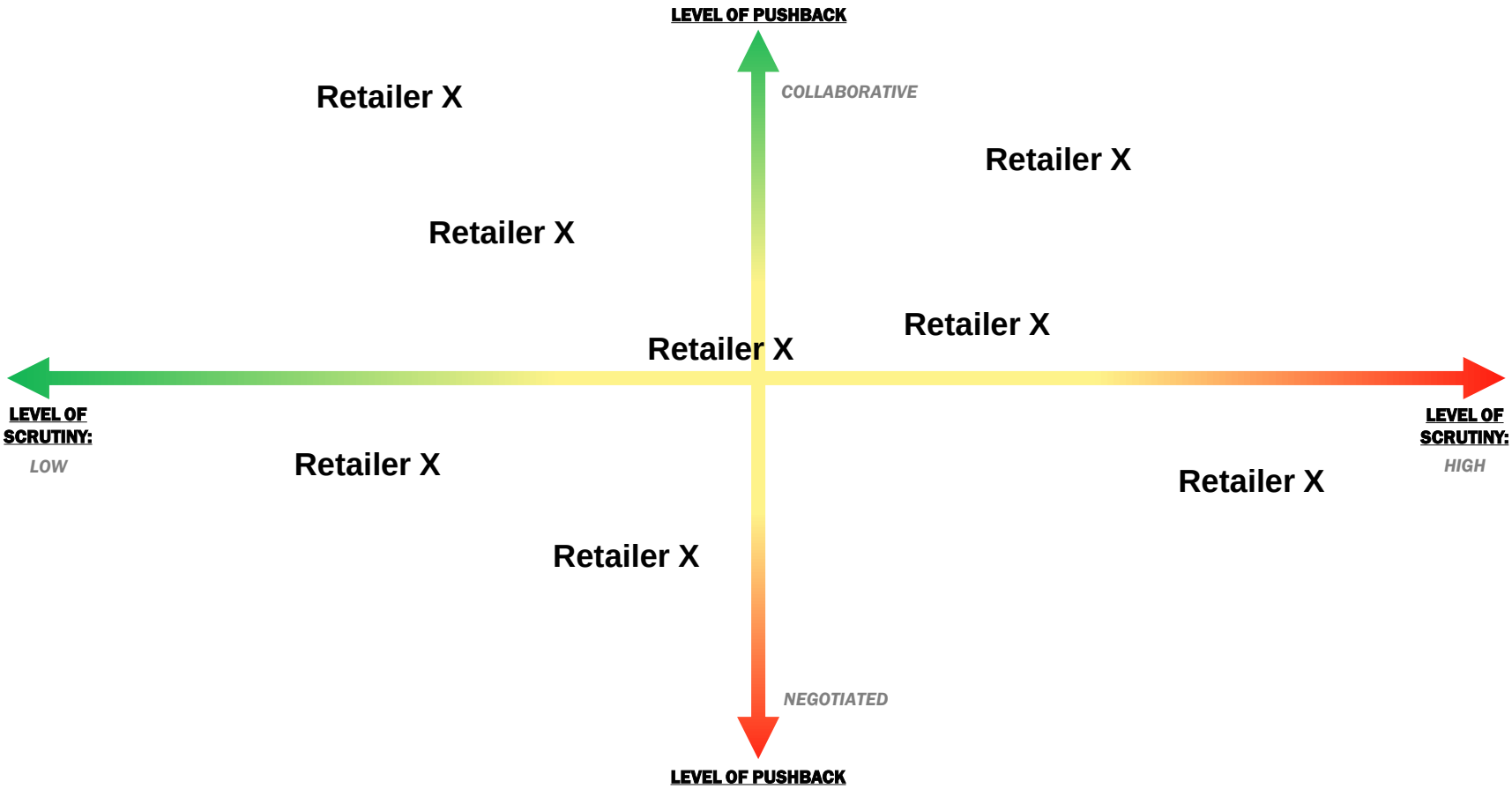
EPR fees and recycling obligations being:

.....accrued in a producer's accounts in the year the fees were charged;

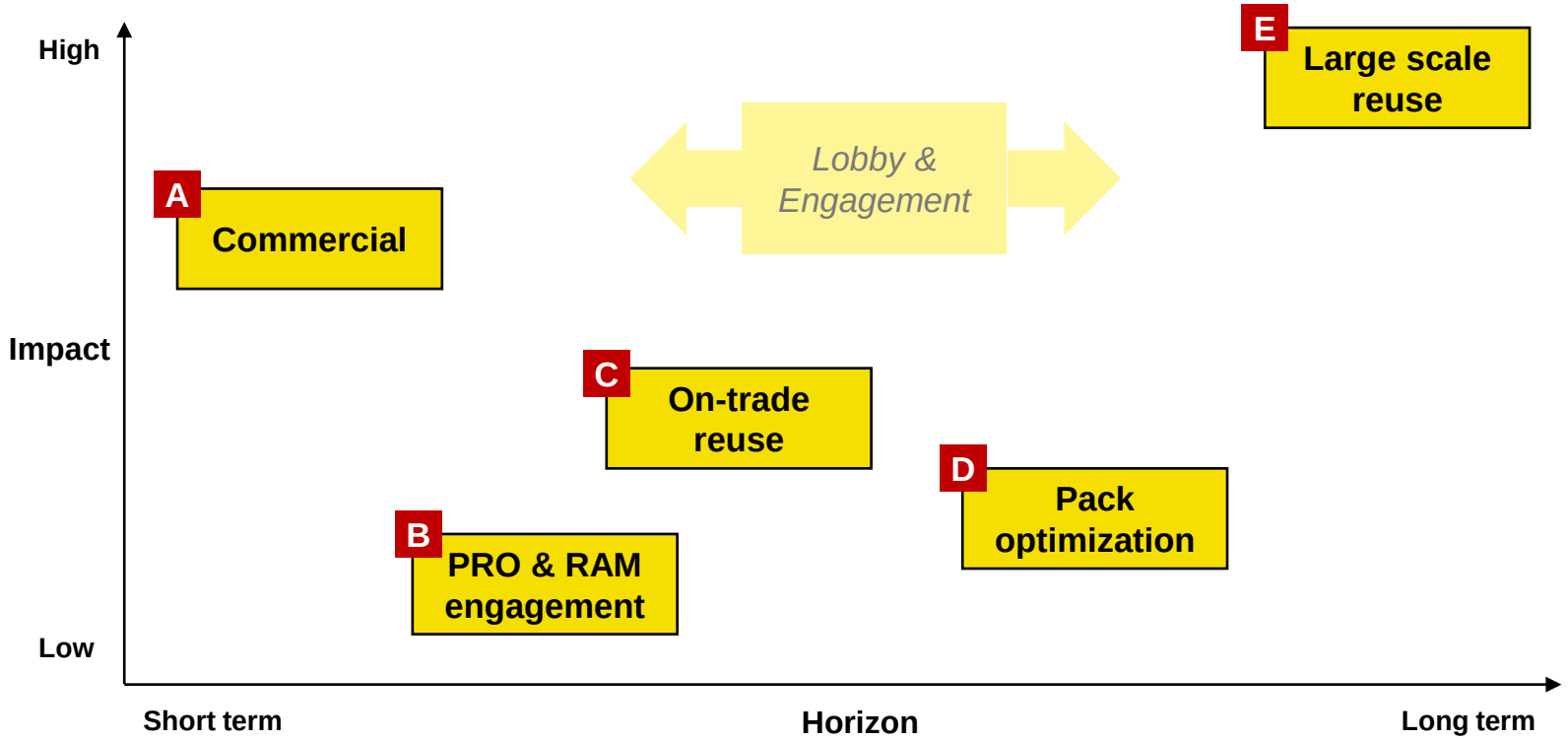
…..and NOT the year the packaging was placed on the market.

Recalculation mechanism?

HOW OUR UK RETAIL CUSTOMERS NEGOTIATED EPR…



Overview of potential mitigation actions



Thank you

