Packaging EPR and its impact on Brewers

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ECOSURETY



Agenda

1 Intro
2 EPR core principles
3 Required actions
4 Financial obligations
5 Recyclability Assessments
6 Cost mitigation



WE’RE ON A MISSION TO RID THE WORLD OF UNNECESSARY PACKAGING

We’re a packaging compliance scheme with a clear purpose - **to accelerate change towards an environmentally and socially sustainable world**.

It pushes us to make a better impact, to challenge the status quo and to seek collaborative opportunities where we can make positive, meaningful change happen.

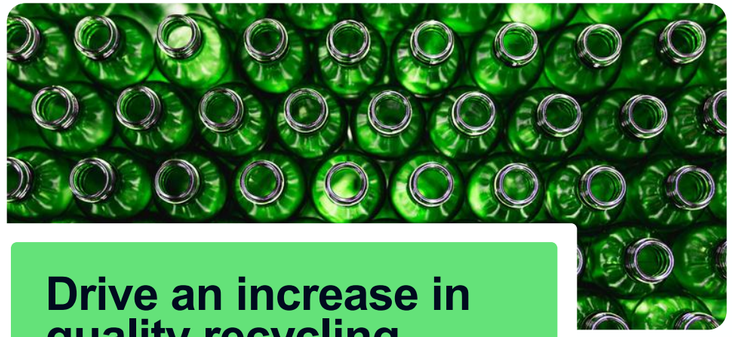


Making an impact - our key objectives:



Influence better packaging being placed on the market

We will help brands produce more recyclable packaging with more recycled content and/or reducing single-use packaging.



Drive an increase in quality recycling

We will influence an increase in more packaging being recycled, and an increase in the volume of circular recycling



Drive the adoption of reusable packaging

We will influence an increase in long-term adoption of reusable formats

Driving change and innovation

2018

#LeedsByExample

Campaign to improve on-the-go recycling

£1M fund to reduce impact of packaging, batteries and WEEE

The Ecosurety Exploration Fund

2019

Certified B Corporation — This company meets the highest standards of social and environmental impact

First B Corp certified compliance scheme

Voluntary recycling scheme for coffee pods



2020



The Ecosurety Hub

Collaborative fund to stimulate UK recycling of flexibles

2022



Bristol Refill Cup Scheme launch

Flexible Plastic Fund

2023



FlexCollect pilots interim report released

New data insights to support strategic decisions



Hubbub reuse campaign



Department for Environment Food & Rural Affairs

PACKUK Making material change

Appointed to DEFRA EPR steering group advising scheme administrator

Driving reuse systems



2024

wasteaid

Fundraising for WasteAid

Recycler collaborations to increase infrastucture

Extended Producer Responsibility

The core principles of packaging EPR



Encourage a circular economy

Producers are more responsible for packaging waste to encourage:

- Less packaging
- Easily recyclable packaging
- Reusable packaging



Single point of compliance

100% of the packaging obligation sits with either the:

- Brand owner
- Importer
- Packer/filler
- Distributor
- Service provider
- Online marketplace



Full cost recovery

For packaging waste collected by local authorities from:

- Households
- Street bins



Eco-modulation of fees

Producer fee modulation on household packaging waste:

- Financially deter difficult to recycle packaging
- Promote reusable packaging

Identify if your organisation is small or large

Annual packaging handled	Annual turnover: £1m - £2m	Annual turnover: > £2m
25 - 50 tonnes	Small organisation	Small organisation
> 50 tonnes	Small organisation	Large organisation

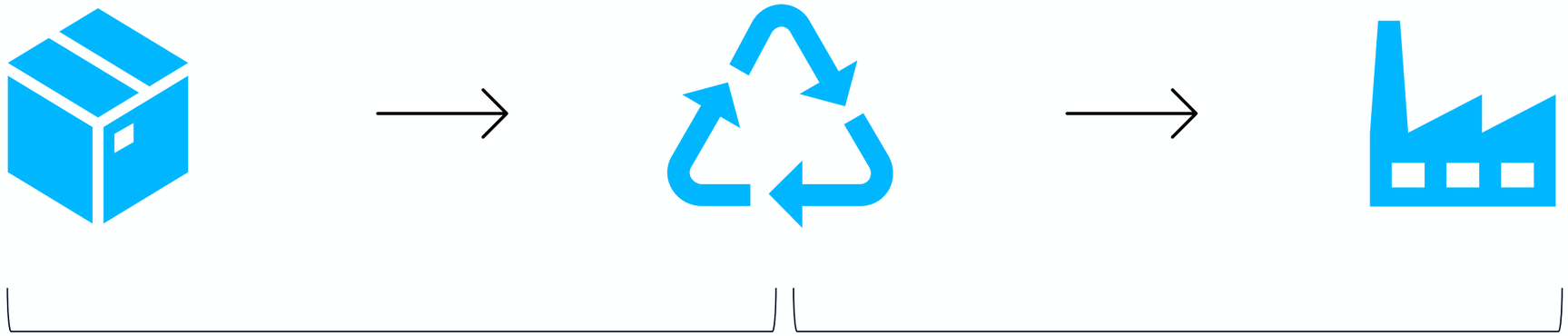
Small organisations only have data reporting requirements whilst large organisations have data reporting requirements and financial obligations.

Identify your required actions

	De minimis	Small organisation	Large organisation
Registration with online portal	✕	✓	✓
Data reporting	✕	✓ (Annual)	✓ (Bi-annual)
Nation data reporting	✕	✓ (if seller)	✓ (if seller)
PRN obligation On all obligated packaging from 2025	✕	✕	✓
Waste management fees Household and street bin waste only. From 2025.	✕	✕	✓

Organisations under the de minimis have no direct data reporting requirements, but they may need to supply data to obligated organisations in their supply chain.

WMFs vs PRNs



Waste Management Fees (WMFs)

Covers the cost of the collection of the materials

These fees are paid to the scheme administrator who will distribute funds to Local Authorities

Packaging Recycling Notes (PRNs)

Covers the cost of reprocessing the material

These are generally purchased via a compliance scheme or purchased directly from a recycler

EPR: Waste Management Fees

Waste Management Fees are new fees to cover the cost of kerbside collection of recycling for local authorities:

- Applicable to all household and commonly street binned packaging
- Not chargeable for DRS eligible packaging (as will have DRS set up fees)
- Invoiced for the first time in 2025 based on 2024 POM
- 2025 – base fee only, 2026 – will include modulated fees

Material	Rate (in £ per tonne)
Aluminium	435
Fibre-based composite	455
Glass	240
Paper or board	215
Plastic	485
Steel	305
Wood	320
Other	280

Source: Illustrative Base Fees – December 2024 – Defra/PackUK

How to determine household packaging

All primary and shipment packaging should be reported as household packaging unless the following can be evidenced:

The packaging is supplied directly to a business or public institution, either because the business or public institution is the end user of the goods or because the business or public institution supplies the goods to an end user with all of the packaging removed

Or

It is packaging for a product, where the product is designed only for use by a business or a public institution, and the packaging for that product is not reasonably likely to be disposed of in a household bin or a public bin. Packaging that satisfies one test but not both, is treated as household packaging

Source: Environment Agency - Regulator's agreed positions and technical interpretations 5.1

PRN obligation under EPR







PRN split under old legislation

Bottle manufacturer
Manufacture = 6%
Conversion = 9%

→

Brewer
Pack/fill = 37%

→

Retailer / on trade
Sell = 48%

PRN single point of compliance

Bottle manufacturer
Manufacture = 0%
Conversion = 0%

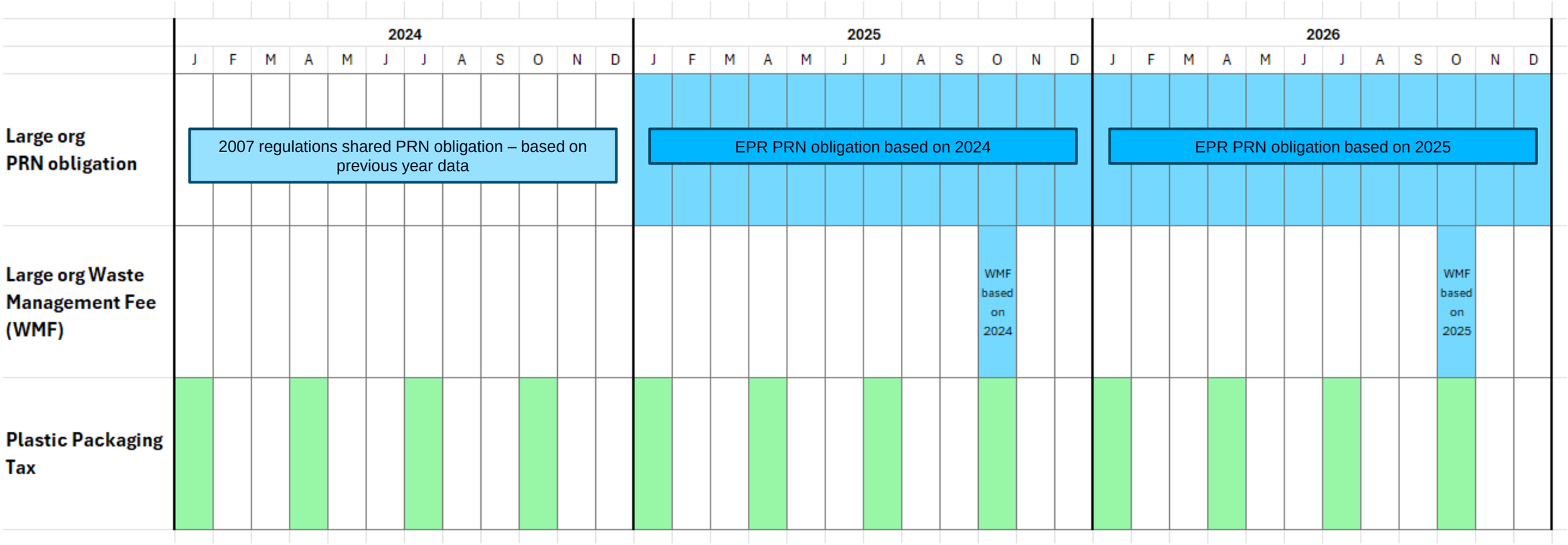
→

Brewer
Brand owner = 100%

→

Retailer / on trade
Sell = 0%

Large organisation financial obligations timeline



In July/August 2023 Defra announced that EPR fees and single point of compliance PRN obligations are delayed until 2025 and existing shared responsibility PRN obligations would continue until 2025.

Drinks container cost comparison – beer/cider example

Glass bottle

330ml bottle (ex. lid, label)



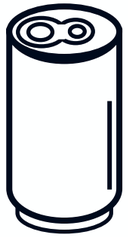
200g

PRN forecast cost / unit:	2p
WM fee / unit:	5p
DRS fee / unit:	*N/A*

Total compliance cost/unit: 7p

Aluminium can

330ml can



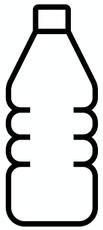
15g

PRN forecast cost / unit:	*0.2p*
WM fee / unit:	*N/A*
DRS fee / unit:	*~2p*

Total compliance cost/unit incl. DRS: 2.2p

Plastic (PET) bottle

330ml bottle (ex.lid, label)



15g

PRN forecast cost / unit:	*0.3p*
WM fee / unit:	*N/A*
DRS fee / unit:	*~2.2p*

Total compliance cost/unit incl. DRS: 2.5p

Sources: PRN fees: Ecosurety analysis (2025 medium scenario), WM fee: illustrative base fees, Dec 2024, DRS fee: Ecosurety analysis of comparable European DRS systems completed in 2024

Recyclability Assessment Methodology (RAM)

What will Red, Amber and Green fees be?

At the Circular Economy Joint Stakeholder Engagement Forum, on 1st April, DEFRA set out their proposed approach to modulation of fees for the first 3 years – 2026-2028.

Red factor will increase each year

Green "discount" is calculated based on excess raised from all red materials – only 2026 has been indicated

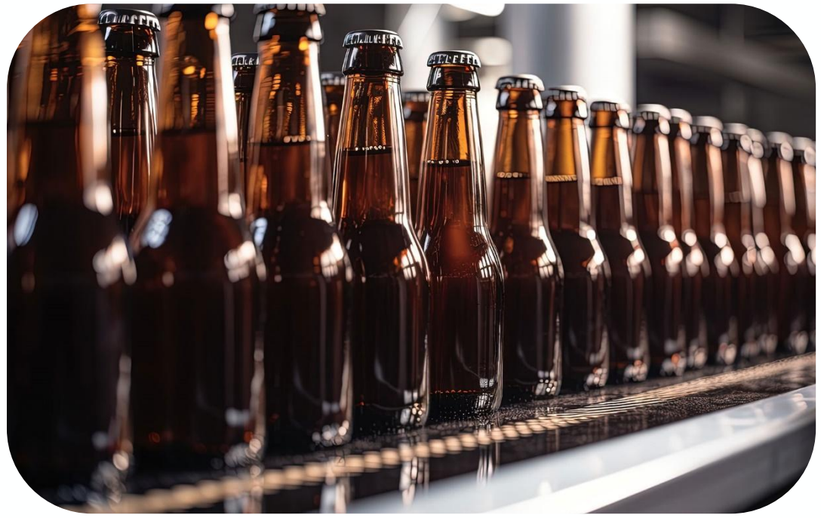
2026				2027				2028			
Red:	**1.2**	x	base fee	Red:	**1.6**	x	base fee	Red:	**2**	x	base fee
Amber:	1	x	base fee	Amber:	1	x	base fee	Amber:	1	x	base fee
Green : ~0.925		x	base fee	Green:	??	x	base fee	Green:	??	x	base fee

RAM classifications for glass: categories of “red” and “amber” triggers

Non-standard glass	Colour	Non-glass attachments or inserts	Ceramic swing stoppers
Decorative, mirrored or heat-resistant glass	Not clear, green, blue or amber	That can’t be separated – e.g. pumps, dispensers	

What can producers do to improve outcomes for packaging under EPR?

What actions can mitigate the EPR impact on glass packaging?



Light-weighting



Re-use



Any questions?

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