

European EPR Systems Review

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European EPR Systems Review - Agenda

- EPR Systems Across Europe
 - Introduction
 - Why Does it Matter?
 - Current Programs
 - Compliance Requirements
 - Future Developments to EPR
- Future EPR Landscape in the UK
 - Reasons for Reform
 - EPR Reform Initiatives
 - Plastic Packaging Tax
 - EPR Reform
- Summary

EPR Systems Across Europe



EPR Systems Across Europe - Background



- Overall aim is to reduce the amount of waste entering landfill
- Each Member State is required to transpose the provisions of the Directives
- EU Directives have been used as a base for other countries to implement legislation
- More than 50 countries worldwide with legislation in place

EPR Systems Across Europe – Why Does It Matter?

Legal compliance & risk of penalties or fines

Consumer awareness

Brand reputation

CSR & ensuring an environmentally friendly approach to waste

EPR Systems Across Europe – Current Programs

Packaging

WEEE

Batteries

Textiles

Furniture

Paper Products

Packaging around household hazardous chemicals



EPR Systems Across Europe – Compliance Requirements

Obligations

- Who is obligated?
 - Single point of compliance
- Producer pays principal
- Sales activities can determine obligations
 - Physical presence
 - Online retailers
 - Sales to distributors and retailers



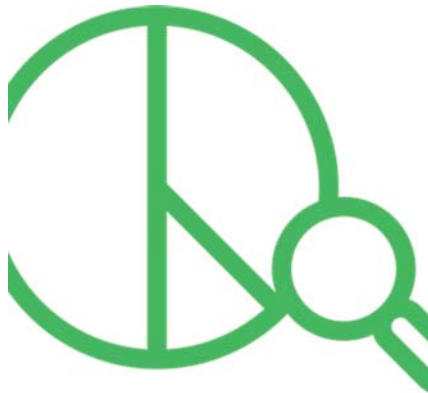
Registration

- Register with key bodies and/or authorities
 - Compliance schemes
 - Environment Agencies
- Require list of brands and detailed product information
- Separate registrations for different services



Data Submission

- Minimum thresholds
- Scoping of products and packaging
- Retrospective data
- Submission frequency
- Level of detail required



Compliance Fees

- Calculated based on the quantity of packaging and products placed on to the relevant markets
- Invoicing timelines
- Forecasted compliance fees followed by reconciling invoices



Future Developments to EPR Programs



Future Developments to EPR Programs

Implementation of the Single Use Plastic Directive

- Must be implemented by each EU member State by 3rd July 2021
- Phase out unnecessary single-use plastics
 - Focus on top 10 products found on Europe's beaches
 - E.g. Cotton buds, straws, cups and cutlery
- Exact scope per country still to be confirmed

Market Surveillance Regulation

- EU's key measures to stop unlawful competition
- Enters into force on 16th July 2021
- Responsible economic players
 - Authorised representatives based in the EU
- Redefines placing on the market
 - Online retailers are obligated in the same way as those with a physical presence

Future Developments to EPR Programs – Plastic Taxes Across Europe

Spain

- EPR expected to be extended to include textiles and toys
 - Further details to be confirmed
- Plastic tax will be €0.45/kg for single use plastic packaging
 - Legislation expected to be passed during Q1 2021

Greece

- Government is discussing implementing an environment tax under the Single Use Plastic Directive
- The scope and date of the implementation is still to be confirmed

Italy

- Intended to enter into force on 1st January 2021
- Implementation date has been pushed back due to the COVID pandemic
- Tax will be €0.45/kg
- Applies to single use plastic items composed partially or totally of organic polymers

Further Afield

- Plastic bans in the USA
 - Single use plastic
 - California, Maine, Massachusetts
- China
 - Bans on single use plastics
 - Straws, plastic bags, cutlery, hotel single use plastic items
- Thailand, Japan and Indonesia
 - Ban on single use plastic shopping bags

Future Developments to EPR Programs – Additional Data Requirements

- Data declarations will be more detailed
 - Additional information may need to be obtained from the supply chain
- Recycled content
 - Percentage of recycled material
 - Recyclability
- Colour of material
 - Black & coloured
 - Transparent
- Polymers of plastic
 - HDPE, LDPE, PET, PVC etc.
- Disruptive materials
 - Hard to recycle materials or composites
 - Products or packaging that don't have recycling channels
- Data is key to ensuring fees applied to compliance are accurate
 - Eco-modulated depending on recyclability



Future EPR Landscape in the UK



Future EPR Landscape in the UK – Reasons for Reform

- **System established in 1997**
 - Meet a different set of objectives and issues to those faced by the Government today
- **Issues highlighted with PRN system**
 - Inconsistent funding for local authorities to collect waste
 - Online retailers are not obligated to fund recycling
 - Volatile PRN prices, lack of transparency over funding usage
 - Ineffective consumer communications to drive behaviours
 - Lack of scrutiny of export markets
- **Existing regulations need to be replaced**
 - Apply **extended producer responsibility**
 - Government seeking powers to enact reforms in the Environment Bill



Future EPR Landscape in the UK – Reform Initiatives

- Packaging EPR Reform features 4 core initiatives

Packaging Waste Regulations ‘EPR’ Reform UK-wide Producers’ to become financially responsible for funding the total costs associated with dealing with packaging waste	Consistent Collections Framework England All local authorities to collect at least the same basic set of recyclable materials from households and businesses
Deposit and Return Schemes England, Wales & N. Ireland (Scotland separately) Small ‘deposit’ added to drinks can/bottles upon purchase, consumers claim deposit back upon return, promoting recycling	Plastic Packaging Tax UK-wide £200 per tonne tax on plastic packaging produced or imported that does not contain at least 30% recycled content

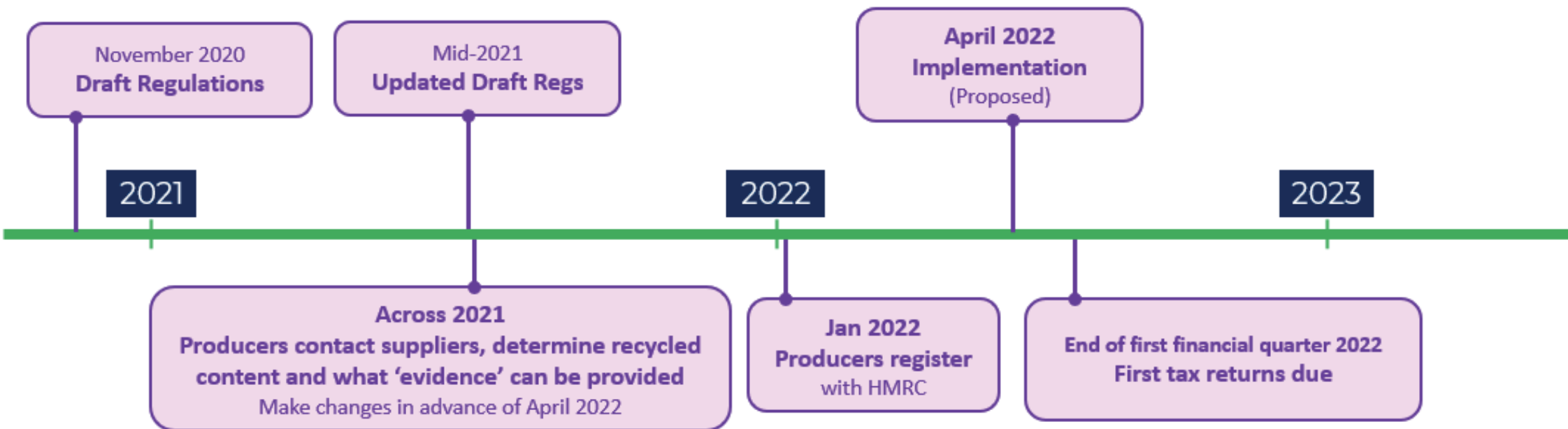
- **Plastics tax effective from April 2022**
- Other initiatives go live across 2023/2024
 - New proposals expected March 2021

Future EPR Landscape in the UK – Plastic Packaging Tax (1/2)

- Applies from April 2022
 - All plastic packaging made in the UK or imported
 - Doesn't use 30% recycled content
- £200 per tonne
- 30% threshold applies to each component of plastic packaging
- Plastic products used for storage and/or transportation in scope
- UK based converters and importers will be obligated
- Producers and importers of less than 10 tonnes per year are exempt
- Tax applies in addition to PRN or EPR compliance costs
- Quarterly returns to HMRC starting end of financial Q1 2022
- Businesses must provide evidence of recycled content or packaging will be taxed

Future EPR Landscape in the UK – Plastic Packaging Tax (2/2)

- Plastic Packaging Tax Timeline & Actions



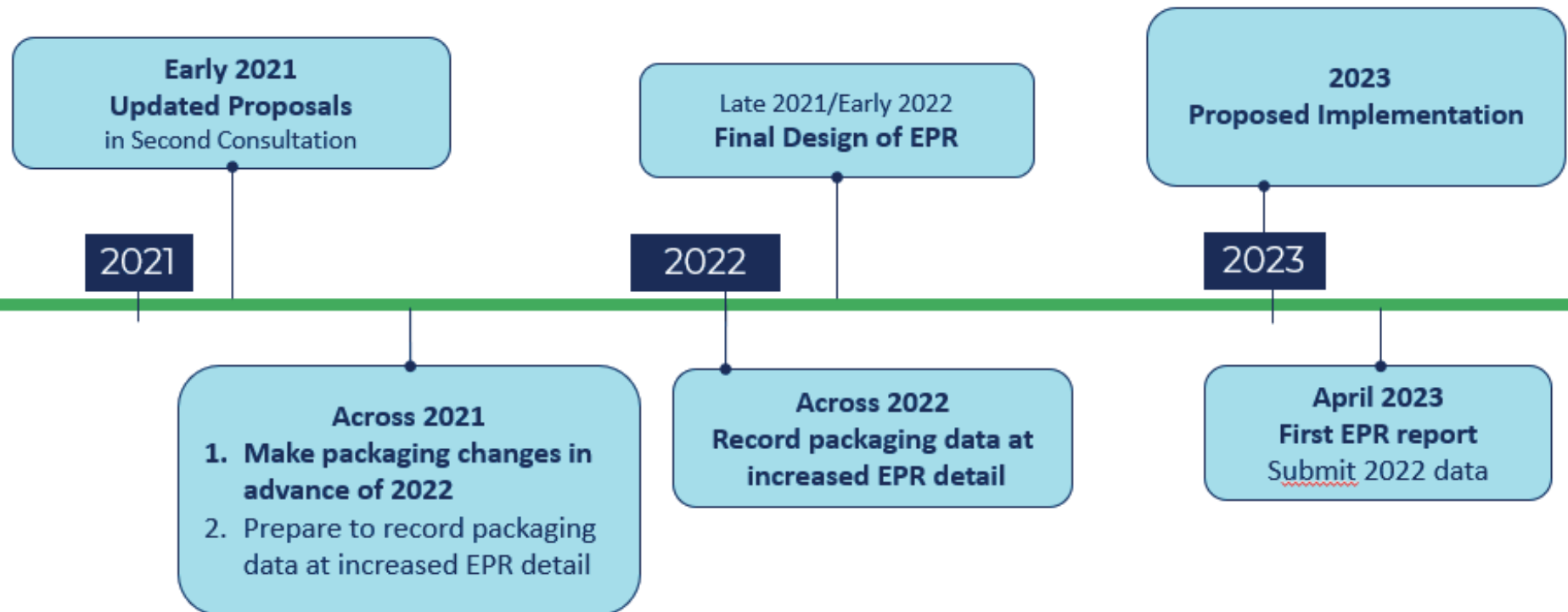
- Timeline dependent on implementation date and HMRC reporting structure

Future EPR Landscape in the UK – EPR Reform (1/2)

- What packaging is covered?
 - **Household and household-like**
 - Producers will fund its recovery and recycling
 - **Commercial and Industrial (C&I)**
 - Producers will fund C&I recycling via a separate system
- Who needs to comply?
 - May retain shared producer responsibility, or;
 - Directly obligate a single producer
 - UK brand owner or importer of non-UK
 - **De-minimus may be decreased**
 - Further details to come in March
- How much will producers pay?
 - Producers to fund recovery and recycling of all consumers facing packaging
 - **Modulated fees**
- Much more detailed packaging reporting
- Mandatory on pack recyclable/non-recyclable labelling
- Increased monitoring and system enforcement
- Governance structure of packaging EPR

Future EPR Landscape in the UK – EPR Reform (2/2)

- Packaging Waste Regulations Update
 - Timeline & Actions



Summary



Summary



**Lots of regulatory
changes to come**

Data will be key

Costs

**Engagement of
consumers**



Thank You for Your Time

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