

Media statement

June 1, 2021 For immediate release

Time for a re-think over complex EPR business waste proposals

National trade bodies representing the packaging, retail, manufacturing and recycling sectors in the UK have today (June 1 2021), published an open letter to the Secretary of State for Environment, Food and Rural Affairs, the Rt Hon George Eustice MP, calling for a re-think over Defra's proposals for dealing with business waste under the new Extended Producer Responsibility (EPR) regime.

The letter calls on Defra to consider new options for its proposals for the future collection and treatment of packaging waste from businesses across England. It expresses concerns that the options presented for consultation under the Resources and Waste Strategy are too complex and could drive unintended outcomes – including inflating costs to consumers.

Executive Director of the ESA, Jacob Hayler, said: "Our sector remains hugely supportive of the ambition of Defra's waste reforms under the Resources and Waste Strategy (RWS). Maximising the capture of recyclable material not just from households, but businesses too, is essential for the Government to hit its sixty-five per cent recycling target by 2035, and the proposed new Extended Producer Responsibility (EPR) regime will help fund the infrastructure and services needed to achieve this.

At least some of the cost of this new regime will be passed through from producers to consumers – perhaps adding £100 to their annual shopping bills – so it's important that any additional cost directly drives recycling performance outcomes and not administration. That is why we, alongside the many organisations which countersigned our open letter to the Secretary of State today, are concerned that Defra's current set of options around EPR payments are overly complex and may drive undue costs or other undesirable outcomes.

To simplify things and drive performance, not paperwork, we recommend extending local authority waste services to micro-businesses that create household-like waste in the short term, and to establish a specific work-stream to investigate and design more simple reforms that extend to business waste producers more widely.

Designing a fair, transparent and robust regime for EPR payments to businesses is one of the most challenging aspects of the RWS reforms, but we welcome the opportunity to work with government to design a scheme that works for producers, businesses, consumers and the environment."

Notes to editors:

- A. The <u>Environmental Services Association</u> (ESA) is the trade association representing the UK's resource and waste management industry. Our members are directly transforming the way the UK's waste is managed in pursuit of a circular economy and are leading the sector in an effort to decarbonise recycling and waste management operations.
- B. The ESA works with all levels of government, regulators and the public to deliver sustainable waste and resource management solutions for the UK. You can find out more about us and our members in our <u>Annual report</u> for 2019/20.
- C. A full copy of the letter is appended below.

Secretary of State for Environment, Food and Rural Affairs
Defra, Seacole Building
2 Marsham Street
London
SW1P 4DF
[An open letter – By email]

1st June 2021

Dear Secretary of State,

Maximising the impact and effectiveness of the packaging reforms

The Environmental Services Association (ESA), its members and those countersigned below remain very supportive of both the ambition and scale of the reforms contained within Defra's Resources and Waste Strategy (RWS), which hold the potential to deliver a more circular economy and support the national pursuit of net-zero carbon emissions.

Funding the collection and treatment of packaging waste from municipal sources and microbusinesses, through a new extended producer responsibility regime, will play an important role if Defra is to achieve its ambitious recycling targets.

In practice, these changes to the funding mechanism will, at least partly, be passed through to consumers, resulting in a £100 average annual increase to household shopping bills. It is therefore critical that any costs within the system are only incurred if they directly drive the desired outcomes.

We are concerned that the payment options for the management of packaging waste arising from businesses currently under consideration in the EPR consultation are not sufficiently developed to be implemented in the proposed timeframes and recommend that a post-consultation work-stream is dedicated to refining workable proposals.

We also believe that focusing first on delivering consistency of collections and EPR for households and micro-businesses is the optimum way to deliver quick recycling performance improvement.

The Government rightly aims to drive up recycling rates from non-domestic settings, but the three options presented for consultation highlight the complexity of achieving this. The current proposals contain many sound principles but attempting to accommodate the plethora of current business arrangements has created some highly complex policy proposals we believe may undermine the objectives of Extended Producer Responsibility. We therefore propose the following:

1. Extend local authorities' household recycling services to include micro-businesses that produce similar types and quantities of waste as households.

2. Establish a dedicated work-stream focused on driving complexity out of payment proposals

and explore how the reforms could apply to business waste producers more widely.

Ongoing dialogue between Government and industry is essential to ensuring the RWS reforms' success. The business waste payment system is the most challenging aspect of these reforms and we look forward to continuing to work with your officials to maximise the quantity and quality of UK recycling, whilst creating green jobs and delivering investment across the country.

Yours sincerely,

Jacob Hayler, Executive Director of the Environmental Services Association (ESA), on behalf of ESA members and those countersigned below.

Tom Giddings, General Manager - Aluminium Packaging Recycling Organisation (Alupro)

Charles Jarrold, Chief Executive - British Printing Industries Federation (BPFI)

Jon Clark, General Manager - British Printing Industries Federation - Cartons

Graham Backhouse, General Manager - British Printing Industries Federation – Labels

Nadiya Catel-Arutyunova, Sustainability Policy Adviser - British Retail Consortium (BRC)

Simon Weston, Director of Raw Materials - Confederation of Paper Industries (CPI)

lan Wright, Chief Executive - Food and Drink Federation (FDF)

Martin Kersh, Executive Director - Food service Packaging Association (FPA)

Paul Vanston, CEO - Industry Council for Packaging and the Environment (INCPEN)

Robert Fell, Director and Chief Executive - Metal Packaging Manufacturers Association (MPMA)

Dick Searle, Chief Executive - Packaging Federation

Simon Ellin, Chief Executive - Recycling Association

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