

Packaging Waste Explained



Background

The **European Directive on Packaging and Packaging Waste (94/62/EC)** came into force in 1994 as a result of growing concern about the environmental impact of waste. It aimed to harmonise EU management of packaging waste and tackle the impact of that waste on the environment. Its primary aim was to increase packaging waste recovery and recycling and set targets for member states. Priority was also given to reducing the amount of packaging used and encouraging packaging re-use. The Directive was revised in 2004, with new recovery and recycling targets set. See http://ec.europa.eu/environment/waste/packaging_index.htm for more information.

UK Response

Government responded in 1997 by enacting the snappily titled **Producer Responsibility Obligations (Packaging Waste) Regulations** and **Packaging (Essential Requirements) Regulations**. Both sets of regulations have since been amended, the latest of which came in to force in 2008. As well as adopting the polluter pays principle, the regulations introduced the concept of shared responsibility, by dividing the packaging supply chain into four stages or **activities**, each with its own percentage share of **obligation**. (*For more information see calculating packaging waste.*)

Do the regulations apply to me and what do I have to do?

They apply to any business that turns over £2M or more and handles at least 50 tonnes of packaging annually. As well as any packaging manufactured, converted or filled, this includes any transit wrap received or added before sale. If you meet the threshold test then you have two choices. You can either join a registered compliance scheme or meet your obligations yourself (the individual route).

Joining a compliance scheme

Joining a scheme exempts you from meeting your obligations yourself. Most businesses choose this route if they feel they lack the knowledge or time to follow the individual route. In exchange for membership and administration fees, the scheme takes on your legal liabilities and meets your recycling and recovery obligations.

However, you still have work to do. You'll be required to record the tonnage of packaging you handle, decide on the **activities** you carry out and calculate your obligation. This can be challenging and time consuming but the better schemes will offer you help. Go to <http://npwd.environment-agency.gov.uk/> for a list of registered compliance schemes in England, Scotland and Northern Ireland.

The individual route

This involves more work but gives you greater control over your obligation and costs. In addition to the data gathering and number crunching described above, you must register with the Environment Agency, provide them with details of your calculations and pay their registration fee.

You must then meet your tonnage obligations by recovering and recycling the required amount of packaging waste. You'll probably do this by trading in the **PRN** market (*more later*) before confirming compliance to the Environment Agency.

If you handle more than 500 tonnes of packaging in a year, you'll need to produce an **Operational Plan**. The Environment Agency wants to be sure you understand and can meet your obligations since failure to do so is likely to result in a substantial fine.

What is a PRN?

A PRN or Packaging Recovery Note is a certificate issued by accredited reprocessors when packaging waste is recycled or recovered. PRNs are put on the open market to be bought by obligated companies as evidence that they've met their obligation. This can be done directly, or through a compliance scheme.

Which route is best for me?

Only you can make that decision but here's some information to help you.

- The most complicated aspect of meeting the regulations is establishing the packaging you've handled, whether you were the importer, what activities you carried out and what obligations you have. You'll have to do this whether you join a compliance scheme or not but the better schemes will help you.
- The **Allocation method** can simplify this process considerably. If your turnover is between £2M and £5M then you are classed as a **Small Producer** and you can use a simple formula to determine your obligation, avoiding the need for complicated data capture and number crunching.
- **Compliance scheme membership** is convenient and provides security but this comes at a price. The 30% reduction in EA registration cost is more than swallowed up by compliance scheme membership fees and you have no control over the subsequent cost of the **PRNs** (packaging recovery notes) bought on your behalf. Government has considered making it compulsory for all obligated businesses to join a compliance scheme.
- **The individual route** means buying your own **PRNs** but this can be quite straight forward. You can establish a direct trading relationship with a PRN producer (a list of registered recyclers is available on the NPWD website), you can buy from a PRN trader or you can buy through the t2e Environment Exchange (which brings buyers and sellers together).
- If you follow the individual route and handle more than 500 tonnes of packaging you'll need to produce an operational plan. This will take a little time (especially the first time) but guidance is available from the DEFRA website.
- The **NPWD** website is one of the most usable of any government department interactive sites and makes the process of individual registration far less onerous than it was 10 years ago.