

# Paying dividends

Extended producer responsibility obligations will have implications for waste companies collecting and recycling packaging. Dentons trainee **Vincent Leung** says firms should prepare their businesses to meet these new challenges



**R**ecent discussion of new extended producer responsibility (EPR) obligations for packaging waste has centred on how such proposals may impact producers of plastics and other packaging waste when the scheme is introduced in 2023. Less attention, however, has been paid to the waste management companies responsible for collecting and recycling such packaging at the end of the sustainability life-cycle.

The conclusion of Defra's consultation on the new EPR proposals highlights that waste companies are equally important participants in the new regime – if not as producers, then as administrators, collection agents and, ultimately, the recyclers of such packaging.

The consultation proposes setting specific recycling targets for six packaging materials (including plastics and card), aiming for an overall recycling rate of 73 per cent by 2030, and 56 per cent for plastics. Given that, in 2018, only 43.8 per cent<sup>1</sup> of all plastic packaging was recycled, a significant increase in recycling efforts will need to occur for this ambitious target to be met; waste companies will be a key part of facilitating this.

Certain proposals within Defra's consultation highlight the importance of waste management companies as intermediaries, responsible for providing those services at a low cost to businesses and producers, and optimising their delivery. The suggested functions that waste management companies would perform here tie in with the EPR's overall objectives of driving access to recycled materials for producers, and generally increasing demand for recycled materials.

There are, however, logistical and financial challenges that waste management companies must overcome. First, an increase in the amount of packaging being recycled mandates greater or more efficient recycling plants capable of handling

larger quantities of packaging. Additional bins must be provided for producers of waste, and these must be collected, which means more collection rounds and, probably, a requirement to expand existing vehicle fleets. Potential investment costs and other financial burdens of such service provision to businesses and producers should not be underestimated – especially as the majority of proposals in the consultation envisage these services being provided at low cost to waste producers.

While it is true that waste management companies can – and do – sell recycled plastics back into various industries, it remains to be seen whether the economic burdens will prove too great for it to be sustainable.

Despite these challenges, many leaders within the waste industry appear to have made strides to remain ahead of the curve. For instance, recent investment in newer, more efficient technologies capable of converting larger quantities of polyethylene terephthalate (PET) plastic waste in shorter timescales suggest those in the industry are aware of the challenges that the new EPRs may bring, and are adopting longer-term strategies to 'future-proof' their businesses.

Beyond the logistical and economic challenges, however, lies an important goal: driving the UK's circular economy and decreasing reliance on single-use, disposable packaging. Though expensive, waste companies should be encouraged to look into preparing their businesses to meet these new challenges. It will pay dividends when the EPR scheme goes live in 2023 and, perhaps more importantly, for future generations to come. ●

#### Reference:

1. *UK statistics on waste, Department for Environment, Food and Rural Affairs, [bit.ly/CIWMSept21stats](https://bit.ly/CIWMSept21stats)*