

6 May 2025

Extended Producer Responsibility for packaging: Notification of SI Amendment sent to the European Union and commitment to continued engagement

Today, several important steps are being taken as part of our commitment to listen and respond to feedback from across the packaging value chain.

The UK Government, on behalf of the four nations of the UK, will notify amending regulations regarding the Extended Producer Responsibility for packaging (pEPR) Regulations to the European Union in respect of Northern Ireland. This is the first step in the legislative process for these amendments. These amendments will be laid before Parliament in November 2025 so that changes can come into force ahead of year 2 of the scheme.

Throughout the development of these amendments, we have engaged with and listened to stakeholders. Your feedback has been instrumental in shaping these changes to deliver a more effective and efficient scheme. The key changes are as follows:

1. Producer Responsibility Organisation (PRO)

In response to requests for greater producer leadership in the operation of the pEPR scheme, the amending regulations will enable the appointment of a Producer Responsibility Organisation (PRO) and will allow the transfer of functions to this new organisation.

To prepare for this, alongside the regulations, we are also launching an expression of interest process. This invites potential PRO candidates to register their interest and begin agreeing on the potential role of the PRO with the four governments of the UK.

The expression of interest can be downloaded here: [Producer Responsibility Organisation Expression of Interest Application](#) which contains eligibility and selection criteria. Interested candidates should submit their completed expression to packaging@defra.gov.uk by 10 June 2025. Further details are available [here](#).

Selected potential candidates will be invited to engage with the four nations to agree on their proposals for the role of the PRO, with this engagement concluding by early September 2025. Following this, PackUK will launch the formal application process in October 2025, with planned appointment of the PRO by March 2026, after the amending regulations come into force.

2. Offsetting for Closed Loop Recycling Systems

We have introduced an offset from pEPR household disposal fees for those businesses that operate closed loop recycling systems for food-grade plastics, where materials are collected and recycled by the obligated producer, outside of local authority systems. This change seeks to incentivise producers to establish or continue to deliver closed loop systems that preserve the quality of recyclate and lead to the production of high-quality food grade plastic, in line with our intention to reduce reliance on virgin plastic.

3. Approach to Payments for Littered Packaging

In response to industry feedback, provisions relating to street binned and littered packaging waste payments are not included in the amending SI to the pEPR regulations at this time.

There is a shared commitment across the four nations to tackle the scourge of litter in our communities. The Deposit Return Scheme for Drinks Containers (DRS), that will go live in October 2027, is a proven model to significantly reduce litter. As a result, the UK Government and DAERA in Northern Ireland will not progress previous plans to extend pEPR payments to cover some of the costs of managing packaging disposed of in local authority street bins or littered on the ground until the scheme is operational and future requirements can then be reviewed.

The Scottish and Welsh Governments remain committed that pEPR should cover the full net costs of both binned and ground litter cleanup and disposal, and to its introduction in regulations as soon as practicable.

4. Approach to dual-use packaging

The pEPR scheme transfers the cost of managing household packaging, once it becomes waste, from local authorities to the producers supplying that packaging. However, some packaging which can be discarded by both consumers and businesses ('dual-use packaging') is currently captured by the household packaging definition, as it is difficult to track or evidence where it will be discarded when first supplied by a producer, particularly when supplied through a wholesaler.

We have considered international examples tackling this issue: there is no established method, that meets the expectation of UK businesses, to exempt this packaging from pEPR fees. For example, overseas schemes typically use size or volume to determine if packaging should be reported as household or non-household. Industry has raised concerns that this will not work effectively for many UK business models.

Alternatively, some countries have tried allowing individual producers to report where they anticipate their packaging is being discarded, on a product-by-product basis. This creates increased complexity and enforcement costs and has subsequently resulted in excessively high fees for any packaging remaining in the scheme.

We recognise the concerns of affected businesses, and that some businesses have put forward potential approaches. We will work with these businesses to explore their proposals at pace, including considering whether they would require regulatory amendments.

We will soon begin a series of co-design activities with key stakeholders to work up detailed proposals and, where a workable solution can be found and subject to ministerial agreement, we will look to introduce these following a formal consultation.

5. Recyclability Assessment Methodology

Following stakeholder feedback and engagement, PackUK last week published an updated version of the Recycling Assessment Methodology (RAM).

The RAM has been simplified and improved to make it easier. Key improvements include:

- Reduced complexity in assessment requirements
- Clarified guidance for greater ease of understanding
- Enhanced usability to support timely and accurate completion for the 2025 compliance period

The updated RAM V1.1 guidance is now live and can be accessed here:

[Recyclability assessment methodology: how to assess your packaging waste](#)

6. Reporting Requirements

We have also heard clear feedback from obligated producers around the time and resource requirements to assess packaging for recyclability and upload this data into the reporting system. This particularly impacted producers with mixed large packaging portfolios. To address these concerns, we are working with compliance schemes and producers on options to reduce the reporting burden. We will share further details very soon.

7. Supporting and growing the UK's existing recycling infrastructure

The UK's plastics reprocessing sector has been struggling over recent years. The four nations will therefore work in partnership to bring forward a programme of work to support its stability and growth. This includes:

- **Strengthening of the Plastics Packaging Tax:** To support use of and investment in advanced chemical recycling technologies, at Autumn Budget 2024 the government confirmed it would allow a mass balance approach for chemically recycled plastic, for the purposes of the PPT. To give clarity and certainty, the government has confirmed it intends to implement this change from April 2027 and commence the legislative process in the Finance Bill 25/26. Pre-consumer waste will also no longer be accepted as a source of recycled plastic for PPT from the same date.
- **Reforming of the Packaging Recovery Note (PRN) system:** Over the course of 2025, we will work with the value chain on reforms to the PRN system with the aim of levelling the playing field between domestic re-processors and exporters of waste. We will look at measures to stabilise the PRN market, reduce price volatility and reduce exporting of plastic waste.
- **Food Grade Plastics:** The Food Standards Agency has recently confirmed it will now act as the competent authority for food grade plastics, which will enable continued investments in reprocessing infrastructure and support businesses to meet European obligations for minimum recycled content by 2030.

8. Improving Efficiency & Effectiveness of Local Authority Packaging Services

There are some high performing local authority packaging collection and recycling services across the UK, most notably in Wales, and in some other parts of the UK including South Oxfordshire, Three Rivers District Council, Stratford-upon-Avon, Antrim & Newtownabbey, Scottish Borders and North Ayrshire. However, there is widespread room for improvement.

The current arrangements will put in place a range of measures to drive improved performance and ensure the efficiency and effectiveness of the services provided. These include:

- Introducing an Improvement Action Process (IAP), through which the poorest performing local authorities are supported to deliver better recycling outcomes. PackUK – the pEPR Scheme Administrator - will run an IAP pilot in the summer of 2025 to test proposed approaches and tailored to specific needs.

- Using financial disincentives to respond to continued poor performance: for example, PackUK has the power to make deductions of up to 20% of pEPR payment where local authorities, subject to an IAP, continue to fail to provide an effective waste management service and are not doing what they could reasonably be expected to do to improve their service. This deduction will be applied to the assessment year following such a determination.

We have heard industry feedback and recognise interventions may be required to further refine pEPR.

The four nations of the UK will therefore consider further measures to support and incentivise improved efficiency and effectiveness of local authority services to manage packaging waste. This will focus on how we ensure that investment through pEPR supports local authorities to deliver improved outcomes and value for money. In developing these measures, we will work with our respective cross-government departments. In England this is the Ministry of Housing, Communities and Local Government, where we will look to align with any broader work on local government outcomes.

We will work with local government and businesses, the PackUK Efficiency and Effectiveness Technical Advisory Committee and the PackUK industry-led Steering Group to develop these proposals.

We will establish opportunities through the financial and broader policy levers of pEPR to better incentivise LAs to:

- Collect and sort higher quantities and quality of materials for recycling.
- Reduce costs to efficient levels whilst securing these outcomes.

Updates covering England Scotland and Northern Ireland

While we continue to work in close partnership with all four nations of the UK in the implementation of pEPR, this is a devolved policy competence and there are several areas that each nation will progress either collaboratively or individually in addition to the improvements set out above.

1. Deposit Return Scheme for Drink Containers

Today, UK Deposit Management Organisation Limited (UK DMO) has been announced as operator of the Deposit Return Scheme (DRS) for single-use plastic and metal drinks containers across England, Northern Ireland and Scotland. The appointment has been made by the UK Government and DAERA, effective from 2nd May 2025. In Scotland, Scottish Ministers have decided that UK DMO should be designated as the DRS scheme

administrator and a Designation Order is subject to approval by the Scottish Parliament. UK DMO is a business-led, not for profit organisation.

The Deposit Return Scheme in England, Northern Ireland and Scotland will launch in October 2027, which will drive our efforts to stop litter filling up our streets, rivers and oceans.

We will continue to work closely across the sector, and now with UK DMO, to ensure the smooth implementation of the DRS for businesses and consumers and to resolve any issues as they arise. We will also maintain regular one to one engagement with retailers, producers and interested groups to monitor progress towards rollout.

UK DMO will now begin engaging with partners, business, including retailers and drinks producers consumer and environmental groups to design and operate the scheme.

We encourage you to visit the UK DMO website and register your interest in getting updates at www.ukdmo.co.uk.

The Welsh Government is developing a DRS to suit its context in which already high levels of recycling are being achieved.

2. Supporting Glass Reuse

Reuse has a significant role to play in moving to a circular economy. The pEPR Regulations already create incentives for businesses to consider reuse: producers are only required to report and pay household disposal cost fees for reusable packaging the first time it is placed on the market. Additionally, at the end of its life, reusable packaging can be offset against household disposal cost fees if they are sent for recycling by the producer.

A producer with a high performing reuse system can therefore avoid the majority of the disposal costs resulting from the pEPR Regulations.

As part of the circular economy transition, Defra will do more to support industry to increase reuse and refill, with a particular focus on glass as a highly reusable material. This is an important part of how we support the future of the UK glass industry in the context of pEPR.

Initially, following engagement with industry, Defra will focus policy development on-trade glass bottle reuse, reuse in closed environment settings such as events (e.g. festivals, stadiums) and public sector establishments (e.g. hospitals). Glass reuse has the potential to support significant emission reductions and industry is already making significant progress in

this area with a range of schemes and trials that are already in place or being planned. Defra intends to continue discussions with the sector and support transition towards glass reuse.

In the autumn, we will launch a call for evidence focusing on measures to support and incentivise reuse.

The Welsh Government is seeking to achieve widespread reuse of glass in its development of a DRS for Wales.

Updates covering England

1. A Circular Economy Finance Coalition

To capitalise on the regulatory certainty provided by pEPR, combined with Simpler Recycling and the Deposit Return Scheme for Drinks Containers, Defra is committed to work with the finance sector and other jurisdictions to boost investment in the transition to a circular economy.

Together with the Dutch government and the Lord Mayor of London, Defra has established a Circular Economy Finance Coalition. This will explore ways to boost investment in critical infrastructure and technologies. The Coalition will map and quantify finance gaps and investment opportunities; and hand-in-hand with the international finance sector, it will develop practical steps to help generate investment in the Circular Economy.

Thank you to you and your members for their continued constructive engagement to support the effective implementation of these reforms.

Yours sincerely,



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