

A photograph of a wine glass filled with white wine on a table. In the background, a person's hand is visible, possibly holding a bottle. The scene is dimly lit with a blueish tint.

Enotria&Coe[®]

**EXTENDED PRODUCER
RESPONSIBILITY (EPR)
SCHEME BRIEFING**

June 2025

Intro

In January 2025, new packaging legislation was passed by the government to bring in an Extended Producer Responsibility (EPR) scheme, which obligates businesses to pay full net costs of collecting and recycling the packaging they place into the market.

KEY TAKEAWAYS

- **Extended Producer Responsibility (EPR) Scheme:** From January 2025, UK-based producers and suppliers must cover the full cost of collecting and recycling household packaging waste, with billing starting in October 2025 based on 1st January 2024 to 31st December 2024 sales tonnage (relating to sales volumes).
- **Scope & Exemptions:** Household packaging waste is included, whilst commercial packaging waste should be exempt. However, DEFRA has not currently set up a provision to account for the commercial waste exemption and therefore commercial waste cost is currently included in the scheme roll out. DEFRA has called for a consultation to define the exemption; however, due to the legislative calendar, this is unlikely to take effect for at least 2 years.
- **Financial Impact:** Fees depend on material type and weight, with harder-to-recycle materials carrying higher costs. DEFRA's current fee estimates may change, making budgeting difficult for businesses.
- **Industry Concerns:** Lack of clear guidelines will result in double charging for commercial waste. Businesses are working with trade bodies to clarify regulations and will update customers once final costs are confirmed.





WHAT IS EPR?



Disposal of packaging waste is currently covered under the Packaging Waste Producer Responsibility Regulations. Under the existing legislation, UK-based producers and suppliers contribute to 38% of the recycling costs, with local authorities picking up the remainder of the costs.



Under the Extended Producer Responsibility Scheme, the full cost of collecting and disposing/recycling "Household" packaging waste will be transferred to UK-based producers, importers or distributors.



As the name implies, "Household" packaging waste refers to waste that is disposed of in the home or kerbside. Commercial (non-household) packaging waste should be exempt from EPR fees, as it is already accounted for and paid for through contracts with waste collectors. However, DEFRA has not currently defined how to account for commercial waste and therefore these costs will be included in the scheme. DEFRA has called for a consultation to define the exemption; however, due to the legislative calendar, this is unlikely to take effect for at least 2 years.

AIM?

- By making businesses wholly responsible for their packaging waste, businesses will have a greater financial incentive to use recyclable materials and reduce unnecessary packaging.
- Modulated fees will also be introduced to charge increased fees for plastics and other harder-to-recycle materials.

WHO DOES THIS APPLY TO?

- As Enotria&Coe is an **importer and distributor** of wines and spirits in the UK, we are responsible for covering the cost of disposing all packaging we directly import into the UK, excluding goods that do not pass through our warehouse.
- **UK-based producers and brand owners** (e.g. the majority of spirits/beers/soft suppliers and English wine producers) that we work with are responsible for covering the costs themselves, which they will then likely pass on to customers through purchase prices.
- For **Ex-cellar orders** (goods that are delivered directly to our customers from producers, so do not pass through our warehouse), the guidance from DEFRA is that the named importer on the importation documents is responsible for EPR. This will apply to the majority of off-trade sales and a small proportion of large volume on-trade sales.

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FEES

DEFRA issued their latest illustrative pricing matrix on 20th December 2024, but final fees will not be published until 27th June 2025.

- EPR fees relate directly to the packaging materials used, with heavier and/or less recyclable materials, such as glass, carrying a higher cost than lighter materials. DEFRA's latest pricing matrix from December 2024 increased glass disposal fees by 37% versus previously published fees. **The final fees will represent a material tax cost increase that has to be passed on.**
- However, DEFRA has confirmed that December's illustrative fees should not be relied upon for business planning purposes, which makes it extremely difficult for companies like us to budget for EPR ahead of the final fees being **confirmed on 27th June 2025.**



LOOKING FORWARD & WHAT DOES IT MEAN FOR YOU, OUR CUSTOMER?

We are working with trade bodies, including the WSTA, to agree an industry-wide interpretation of the legislation, including fees and guidelines for determining commercial waste.

Whilst we very much support its aim to incentivise more sustainable packaging design, increase re-use and recycling, and boost collection rates, we are deeply concerned about its impact in practice on the wines and spirits industry in the scheme's current state, as there is a lack of clarity on the details of the plan and the associated costs. As these are not due to be confirmed until after the scheme goes live, it makes it extremely difficult for us to ascertain the impact on our customers and our business.

As a result of the lack of clarity, we did not feel it was appropriate to include the EPR charge in our April 1st Price List and to charge our customers before the costs are finalised. However, following further clarity on the scheme and obligations on 27th June 2025, we will need to incorporate this government packaging tax into our pricing. We will keep customers informed of any changes to prices, in-line with our Terms & Conditions.

DEFRA has published limited information about the EPR scheme so far, and the information that has been shared is very confusing, which has led to some suppliers offering contradictory commentary and guidance or, in some cases, costs being applied prematurely. We have therefore done extensive research and worked closely with the WSTA to help provide our customers with as much clarity as possible:

- We have been advised by the WSTA and our EPR compliance scheme that we are not in a position to confirm EPR costs per bottle until **27th June 2025**.
- Similarly, DEFRA currently has not provided guidance on how applicable On-Trade customers can apply for exemptions. Therefore, we are not in a position to advise our customers on this matter at this time.

This new legislation will likely significantly impact industry, so please accept our sincere thanks for your understanding and support as we navigate these changes together.

For more information about the Extended Producer Responsibility Scheme and how it might affect your business, please visit the WSTA and DEFRA websites:

<https://wsta.co.uk/policy-advice/extended-producer-responsibility/>

<https://www.gov.uk/guidance/extended-producer-responsibility-for-packaging-who-is-affected-and-what-to-do>

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