



The Packaging Waste Regulations Guide (22/23)



What are The Packaging Waste Regulations?

The Packaging Waste Regulations were introduced in 1997 and have evolved into the Producer Responsibilities Obligations (Packaging Waste) Regulations 2007, which are still used today.

It is a legislation in the UK that asks businesses that produce or use packaging to contribute towards the cost of the recovery and recycling of it. These obligations are based upon the principle of collective responsibility with the aim of reducing the amount of packaging that ends up in landfill. It also means that businesses have a better understanding of their environmental impact and take responsibility for it. This is achieved through the Packaging Recovery Note (PRN) System.

What are Packaging Recovery Notes (PRNs)?

A Packaging Recovery Note (PRN) is a document that proves that a certain amount of packaging materials have been recycled or recovered by a company. Companies that have to obligate are known as 'obligated producers' and must recover and recycle a proportion of the packaging they have handled in a full compliance year. This ensures that they are helping the UK work towards recycling targets and is achieved by purchasing PRNs.

A lot of packaging is exported overseas to be recycled. Exporters of waste can become accredited to issue evidence through Packaging Export Recovery Notes (PERNs). These have the same value as PRNs and are used in the same way.





Who needs to buy PRNs?

Not every business who handles packaging must purchase PRNs. The UK Packaging Waste Regulations state that companies must meet both of the following criteria to have to obligate:

- **Have a turnover of more than £2 million for the previous financial year.**
- **Handle over 50 tonnes of packaging waste in the previous financial year.**

Business that need to comply with the regulations are known as ‘Obligated producers’. These are required by law to register, calculate their obligation, and buy PRNs to prove they have recycled and recovered packaging materials. This applies to any business that meets the criteria, from supermarkets to manufacturers. However, charities do not have an obligation under the regulations.

The number of PRNs a company needs to buy depends on the amount of activity they have carried out on each material they qualify for. These must be issued by an accredited recycler or exporter of waste. Companies are then awarded one PRN for every tonne of packaging waste they process or export for reprocessing.

There are six different types of materials that businesses need to buy PRNs for. These include:



Glass



Paper



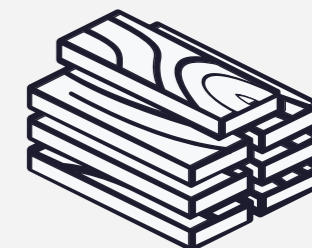
Plastic



Aluminium



Steel



Wood

How does the PRN market work?

The value of PRNs fluctuate throughout the year as it is an open market. The market is based on supply and demand of the product, not the value of the material. Factors such as buying patterns, socio-economic events, and commodity prices are all considered with the annual recycling targets set by the government to determine the price of the PRNs for different materials.

The availability of different materials and how difficult it is to collect and recycle is also factored into the prices. For example, if a material is rarely recycled, the PRN becomes more expensive. Due to the everchanging nature of recycling rates, prices can fluctuate constantly.

What happens to the funds from PRNs?

Any profits from the sale of PRNs are put back into projects to ensure that all recycling targets set in the UK are met. The money made needs to benefit and encourage recycling so companies could buy new recycling equipment or help finance waste collections.

In 2021, the revenue from PRNs totalled around £140 million, with the sale of PRNs for plastic being the biggest contributor to this. Most of this money went towards developing infrastructure and capacity. The revenue was also put into a reduction in prices and the development of new markets.

How can I stay up to date with PRN prices?

Keeping up with monthly PRN prices is a great way to make sure you're buying them at the best price. It will also give you a useful insight into how the market is fluctuating. Our newsletter, WasteWorld, provides a bi-weekly update on the PRN market so you know the prices of each PRN you need to buy.

Other good places to view previous monthly PRN prices is t2e and LetsRecycle. t2e has market prices dating back to 1998 and LetsRecycle is also useful to track previous PRN prices, with their data going back to 2001.





Average PRN Prices (Jan - Dec 2022)

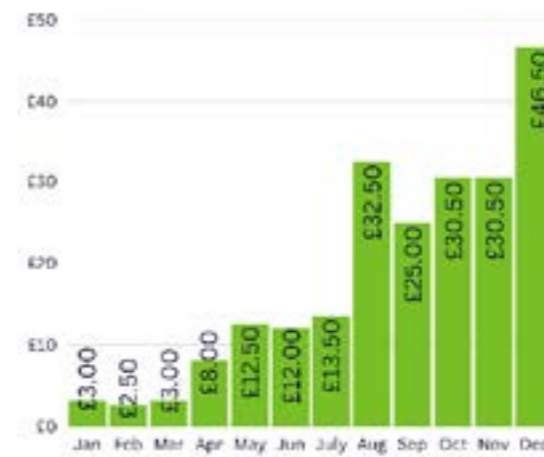
Glass (Remelt) Price Average 2022



Glass (Aggregate) Price Average 2022



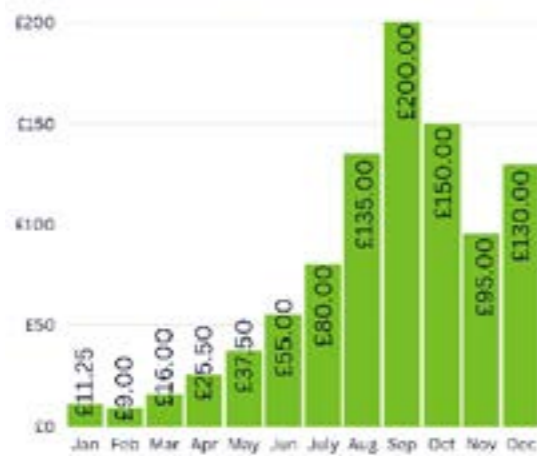
Paper Price Average 2022



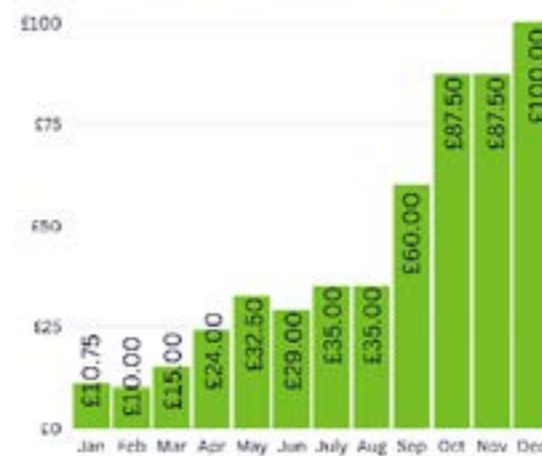
Wood Price Average 2022



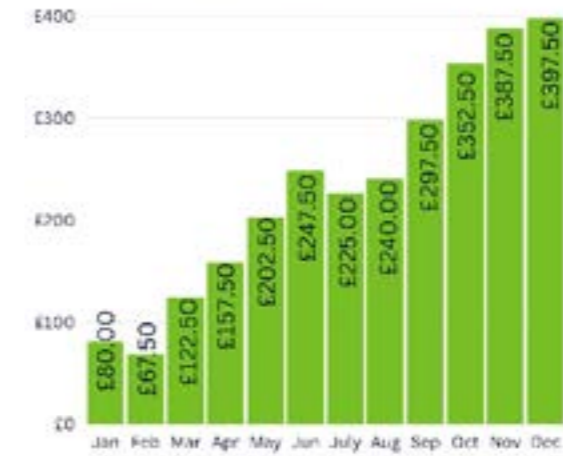
Aluminium Price Average 2022



Steel Price Average 2022

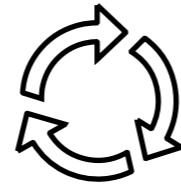


Plastics Price Average 2022



Which types of packaging need counting in your obligation?

1 Reused packaging



Reused packaging does not need counting in your obligation. This is because it is a packaging item that has been used previously and counted for in your current or previous obligation that you are then using again. For example, you have brought a new plastic pallet box to ship your goods to your customers and you count it in your plastic obligation when you first use it. If you then collect it and use it again, you don't need to count for it, unless you use it to export or import your goods.

2 Recycled packaging



Recycled packaging is another item that often causes confusion, but it does need to be counted in your obligation. However, only its first use will need to be reported. If you reuse the recycled packaging, any subsequent uses won't need to be recorded.

3 Pallets



Pallets also need counting in your obligation even if the pallet is recycled or part of a rental scheme such as CHEP or LPR. Like recycled packaging, pallets can often be used multiple times. So if you use your pallets again, they will fall under the reuse policy.

4 Essential packaging, stickers and information



Essential packaging, stickers and information provide advice about the product on the packaging. Stickers and labels such as those that provide information about a product's lifespan, are not obligated. However, bags, zip ties, and packaging that hold instructions and guides, will need calculating.

5 Metal crates and containers



Metal crates and containers are also an obligated material. This includes structures that protect goods when they are transported. Metal frames that are used to support materials also need calculating. These are often used more than once, so the reuse policy will apply for all subsequent uses.

6 Exported packaging



Exported packaging must be counted when used to package goods at the point of export. However, the weights of these materials is taken off your business' obligation.

7 Buying packaging



Buying packaging from abroad can help lower your packaging buying costs, however this material will need counting for as imported material and allocated for its intended use.

Calculating and reporting

To calculate your obligation you must multiply the packaging placed on the market in the previous year by responsibility percentage and then multiply this figure by the national business target. You will then be provided with a fixed tonnage obligation at the start of the year that you fulfil by funding the equivalent tonnage of packaging recycling.

To monitor fulfilment of the national targets you have a legal obligation to report this data to the relevant enforcement agency. All of the information that you provide will be stored on the National Packaging Waste Database (NPWD) and reported to the European Commission.

Obligations

Raw material manufacturer	→	6%
Converter	→	9%
Packer/filler	→	37%
Seller (retailer)	→	48%

How much could you be saving with Flame UK?

When choosing if you should use a compliance scheme it is vital to understand if your staff have all the required skills to calculate and submit your data. It is also crucial to assess if they have the time available to keep up to date with calculating the data, which can be difficult due to the fact that it is a yearly obligation.

If you do need help creating a compliance plan for your business our team of experts can help you calculate your obligation and procure your PRNs at the best possible rate. We start this process by providing you with specific market data and prices for your obligation as well as a customer report informing you of how your scheme compares to the market rates. It is a really simple process, all you need to do is submit an online request. We will have your comparison over to you within a couple of days. We then meet with every customer to establish a detailed roadmap, identify gaps in analysis and review previous procedures.

We understand that our role in helping your business to obligate is critical and if you partner with Flame UK as your compliance scheme provider we will keep the process simple and cost-efficient. As a bespoke provider of packaging waste compliance, we provide an efficient reporting system at the lowest possible overall cost to each customer.

Contact us to find out how we can help you comply with the regulations in a cost-effective way.

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