MARKET UPDATE

APRIL 2022

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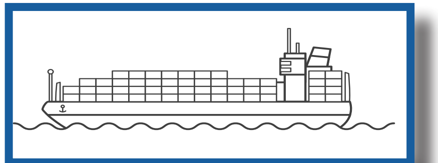
OUTLOOK & HEADLINES

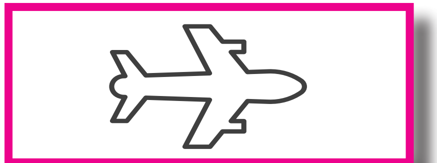
- **MARKET:** Global supply chains are experiencing further disruption as cities across Southern China including Shanghai, Shenzhen and Hong Kong continue to be locked down in the face of outbreaks of COVID-19. Air, sea and land transport options remain impacted by the Chinese authorities' zero tolerance approach to dealing with the pandemic.
- **MARKET:** Space, equipment, schedule reliability and high freight rates remain challenges in early 2022.
- **MARKET:** OPEC has warned that replacing Russian oil, should a full EU ban be implemented, would be next to impossible .
- **OCEAN:** The ongoing war in Ukraine continues to cause uncertainty and disruption across many areas of the supply chain.
- **AIR:** The air freight market is still largely driven by capacity issues and not so much by demand.
- **OCEAN:** Carriers continue to mitigate the risk of a post-CNY business downturn, by implementing a blank sailing programme in April.

OUTLOOK & HEADLINES (CONTINUED)

- **AIR:** COVID-19 outbreaks across Southern China and Hong Kong continue to restrict air freight operations.
- **OCEAN:** Despite fleet expansions and capacity increases, a normalisation in seafreight rates could be as far away as 2025.
- **AIR:** Sanctions imposed on Russian aircraft fleets are further squeezing air cargo capacity in an already constrained market.
- **OCEAN:** Container liner operators are continuing to mop up second-hand ships from non-operating owners.
- **AIR:** Indian Subcontinent is expected to witness a strong air cargo growth in the first half of 2022 but with continued pressure on capacity.

SUBJECT QUICKLINKS

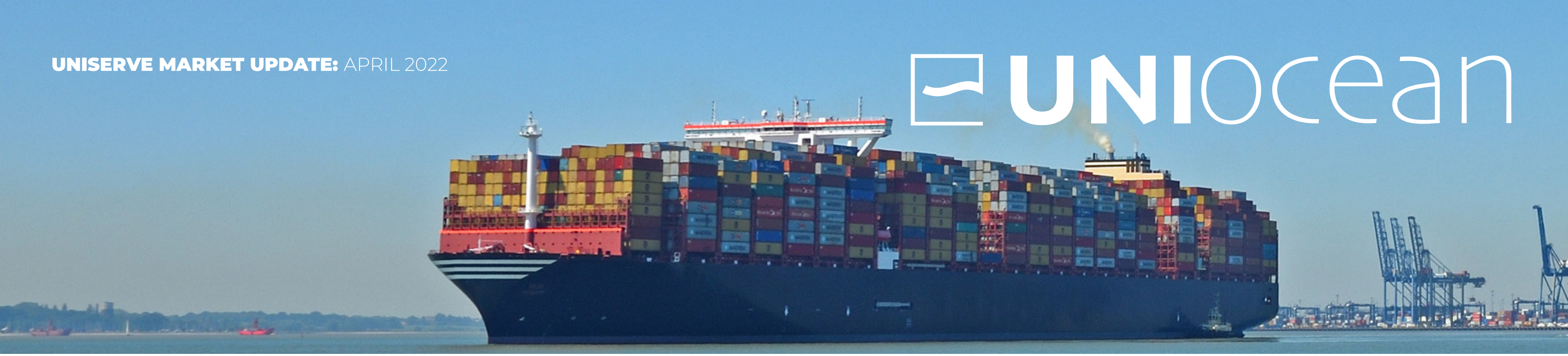

OCEAN FREIGHT


AIR FREIGHT


WAREHOUSE & DISTRIBUTION


EUROPEAN ROADFREIGHT


ENVIRONMENTAL COMPLIANCE



OCEAN FREIGHT MARKET OVERVIEW

The ongoing war in Ukraine continues to cause uncertainty and disruption across many areas of the supply chain.

KEY TOPICS

- Although several container shipping companies are expanding their fleets and capacity, a "normalization" of the hot container market may be delayed until the first quarter of 2024 – and in the worst case, an improvement in conditions may not materialize until after 2024. That's how sharply McKinsey & Co, one of the world's largest consulting firms, draws the lines on the global container market in a new analysis.
- Space, equipment, schedule reliability and high freight rates remain challenges in early 2022, and we suspect beyond as well. The good news is that there is respite in the equipment situation, where we expect that container supply will better keep pace with demand in 2022 due to increased new container production volumes. We continue to see a slow down post-CNY, and it looks like demand will take another few weeks to pick up, leading us into the end of April.
- Challenges exist around carrier blank sailings, but with our multi-carrier strategy in full swing, we are normally able to work around this. We continue to predict strong export demand from Asia for the rest of the year, particularly in the US and Europe. In order to mitigate the risk of liner equipment shortages as much as we possibly can, our International Sea Freight Division, UniOcean Lines has brought over →

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OCEAN FREIGHT MARKET REGIONAL REVIEW

KEY TOPICS

24,000 branded new containers (HQs and 20ft GPs) into service from China to Europe and the U.K.

REGIONAL REVIEW

- Let's start with an update on UK exports. For the USA, we are hearing that there is no space until May. Any rates received from the carriers are subsequently astronomical. Latin America is not far behind with similar trading conditions. The Mediterranean trade is the next big stress point and running busy. For the Middle East, Indian Subcontinent and the Far East, things are looking good. Equipment, space and pricing are all positive on these routes. In South-East Asia, Singapore port congestion remains an area of slight concern, however, the situation is improving day by day. Finally, things on the Australian and New Zealand trades have also got better, but there remains a little room for improvement.

Far East / South East Asia

- Supply chain and logistic operations out of China face further pressure over the coming weeks as a series of new lockdown measures have been put in place in Shanghai and Shenzhen.
- In March, we had the good news from Vietnam that International travel restrictions have been lifted, meaning that Vietnam is effectively re-open for business.
- The soaring prices of fuel will have a direct influence on container carriers' costs, ultimately affecting customers. At Japanese ONE and South Korean HMM, among others, an added fee on fuel is one of the options the companies intend to make use of in order to cover costs.

Indian Sub-Continent

- The seafreight market from India & Bangladesh is relatively stable in terms of space with the carriers; Pakistan is still facing challenges with schedule reliability; Sri-Lanka hit with economic crisis-imports completely restricted.
- Premium rate levels should be expected for smaller Indian ports and Bangladesh as →

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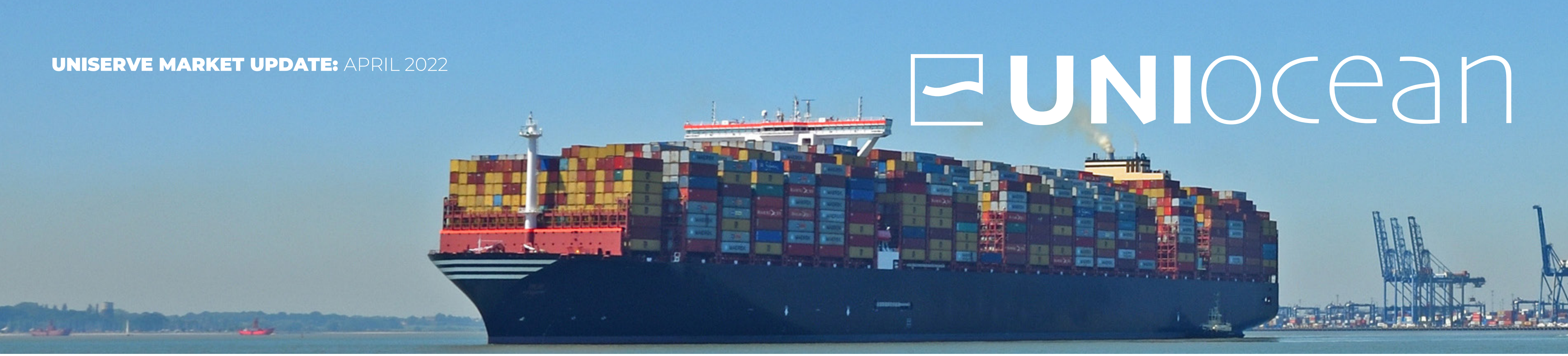

OCEAN FREIGHT MARKET REGIONAL REVIEW & CARRIER OUTLOOK

KEY TOPICS

demand exceeds vessel/equipment supply

- Equipment deficits are still being reported across many ports in India mainly 20'. In India-South, South-East ports, Kolkata & Inland container depots in North India are impacted badly. Booking on some premium services will give you priority on equipment.
- Recommendation is to load via main ports and avoid Inland container depots/ Dry Ports when possible. ICDs are a choke point for containers which often leads to delays in booking release
- Congestion is also growing in S/SE India as well as Colombo, Sri Lanka. A fuel rationing measure in Colombo is resulting in a severe lack of trucking capacity. Delays should be expected for transshipment cargo utilizing Colombo.
- COVID case counts globally have improved, but new surges have shown the potential for the variants to be highly disruptive to the supply-demand ratio hence quickly creating backlogs & shipping price escalations.
- Despite COVID-19 and the Russia-Ukraine war, India achieved the target of $400bn merchandise exports in FY21, which is a key milestone towards becoming an 'Atmanirbhar Bharath' or 'self-reliant India'. Global Data expects the trend to continue and forecasts the overall exports to grow by 4.5% in 2022 and at an average annual rate of 4.3% during 2022-2024.
- India-mainly a net importer has seen tremendous growth in exports in the past 2-3 months. This trend has now balanced on India's exports-imports volume which means equipment is leaving just as fast as it is coming in. This trend is expected to continue as supply chains shift from other manufacturing countries and to be further exacerbated by the current COVID situation in China.

Carrier Outlook

- China-based Cosco predicts massive profit growth, although the carrier only moved around 2 percent more containers last year compared to the year before. More specifically, the container line predicts a bottom-line result of roughly CNY 89.3bn (USD 14.1bn) against →

OCEAN FREIGHT MARKET CARRIER OUTLOOK

KEY TOPICS

a 2020 result of CNY 9.9bn.

- ONE, Ocean Network Express, aims to invest no less than USD 20bn in new assets before 2030, according to a strategy plan presented by the company's CEO, Jeremy Nixon. "ONE is committed to its Liner business and plans to invest more than USD 20bn by 2030. Investment is made to sustain a best in class supply chain for our customers and meet ONE's future decarbonization targets," reads the strategy.
- Ellerman City Liners are enhancing their GB Express product. April sees them launch their inaugural Vietnam call. The SC Mara will depart Ho Chi Minh City on 14th April 2022 and head straight to Tilbury. Ellerman's will provide the fastest transit time in the market, with cost-effective pricing and a very robust direct product into the UK.
- Maersk and MSC have sent the most capacity onto the Pacific Ocean. The two largest container carriers, Maersk and MSC, represent the largest non-alliance capacity increase on the route across the Pacific Ocean, where the amount of vessels has grown steadily since the beginning of 2021, writes Alphaliner.
- The container carriers, which for the last weeks have presented record-high financial results for 2021, are at the same time performing historically badly when it comes to schedule reliability, according to new data from Sea-Intelligence. In January 2022, only 30.9 percent arrived on time at ports, reads the analyst firm's Global Liner Performance report.
- Meanwhile MSC has finalised its acquisition of Bolloré Africa Logistics (BAL) for an estimated Eu5.7 billion. MSC's takeover of BAL includes all of Bolloré Group's shipping, logistics and terminals operations in Africa, as well as its terminal operations in India, Haiti and in Timor-Leste.
- The Suez Canal Authority increased the transit fees for most vessels in the Suez Canal by an average of 7% from 1st March.

AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

COVID-19 and Ukraine conflict continuing to hit air freight services and capacity.

KEY TOPICS

- In China and Hong Kong COVID-19 continues to create disruption and is compounding the challenges created by the war in Ukraine. Hong Kong's high COVID case count forced restrictions on cross-border movements with Southern China earlier last month. This situation is expected to ease through April. However, we have seen lockdowns in Southern China and any reversal of improvements there could continue to make border movement difficult. We have overcome these restrictions by sending freight directly from airports in Southern China and where possible by using feeder vessels from Southern China to Hong Kong, avoiding trucking, to meet flights from the airport. We have seen initially short lockdown plans in Shanghai lengthen, as case counts in the city and surrounding area rise exponentially. The movement of people has been severely restricted and PVG Airport remains closed. Factory output has been restricted in places and movements of goods in and around the City have been very difficult. We have overcome these restrictions by receiving freight in Hangzhou and routing departures from surrounding airports which has proved really effective so far.
- As the war in Ukraine moves into its second month, reduced capacity and higher operating costs look set to continue. We and the industry as a whole have found ways around this, however,

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AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

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costs will remain higher and available space more restricted until the situation improves.

- More passengers are taking to the skies again, so flight numbers on popular routes are edging up. Passenger baggage will continue to impact the available cargo capacity and the likely removal of approvals in the EU to move 'cargo in cabin' on passenger aircraft, indicated at the end of July, will keep rates on the higher side. We will continue to utilise our local knowledge in each region, flexibility and quick problem solving to support you.
- Chinese e-commerce giant JD.com has scheduled new cargo charter services from China to Brazil and Germany which will be operated by Angola Airlines and Capital Airlines. The new charter services, launched on March 17 and 19, respectively, will see Angola Airlines connect Hong Kong International Airport and Guarulhos International Airport in Sao Paulo two times each week.

INDIAN SUB-CONTINENT

- In the Indian Sub-Continent, the impact of the situation in Ukraine is lower, with much capacity routed via the Middle East, and the approach to COVID is more along the lines of 'living with it' now. Costs have remained high as pre-COVID capacity is still some way off. In Bangladesh, we do expect some increase in costs as we move towards the end of April and EID at the start of May. Sri Lanka's capacity and pricing have stabilised, although the Country has real economic challenges.
- India's ongoing ban on international flights has been removed and the country is now →

India's ongoing ban on international flights has been removed and the country is now welcoming international commercial flights.

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AIR FREIGHT MARKET UPDATE – REGIONAL REVIEW (CONTINUED)

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welcoming international commercial flights carrying passengers for non-essential and tourism-based travel. Over 60 international airlines serving travellers from 41 countries across the globe will resume weekly flight services to major destinations throughout India. There are also plans to ramp up flights on Virgin Atlantic between London and New Delhi by June 2022There is no respite in international air-freight charges even as India resumed scheduled international flight operations, after being suspended nearly two years ago. Russia's invasion of Ukraine has forced airlines to take longer routes to avoid restricted airspace.

- Inventory-to-sales ratios remain at low levels which necessitates ongoing re-stocking with strong impetus from economic growth and rising global trade.
- The congestion that has plagued ocean cargo over the past year is not expected to reduce significantly in the near term, with predictions that this would last through 2022 and will lead to elevated need for airfreight. Shippers are anticipating that their freight procurement budget would increase by 25% or more this year.

The Sri Lankan crisis has been driven by a shortage of foreign currency leading to low imports of essential items

Sri-Lanka Economic Crisis Update

- The meltdown has been driven by a shortage of foreign currency, which has led to a reduction in the imports of essential items. Sri Lanka depends heavily on imports, whether it's for essentials like food, sugar, daal, petroleum, paper, medicines, cement and much, much more. The shortage of foreign currency has hit these imports badly, so badly, in fact, that the Sri Lankan government has had to cancel all examinations for schools for millions of children simply because they didn't have paper. There have been long queues

AIR FREIGHT MARKET UPDATE – CARRIER NEWS

KEY TOPICS

of people waiting to buy food and fuel. Angry protests have also broken out on the streets.

- Since 2010 Sri Lanka witnessed a sharp rise in foreign debt, reaching 88% of the country's GDP by the year 2019. The onset of the COVID-19 pandemic induced global recession accelerated the crisis and by 2021 the foreign debt rose to 101% of the nation's GDP causing an economic collapse.
- Sri Lanka is facing power cuts lasting up to 13 hours per day amid a dwindling supply of fuel. The island nation with huge debt obligations and low foreign reserves is struggling to pay for imports.
- Diesel was no longer on sale across Sri Lanka on Thursday, crippling transport as the crisis-hit country's 22 million people endure record-long power blackouts. Petrol was on sale but in short supply, forcing motorists to abandon their cars in long queues.
- India has provided a $2.4-bn package of financial assistance in February and March. It is also appointing experts to assist Sri Lanka's economic recovery, and for various joint projects.

Carrier News

- **Lufthansa Cargo** expects global market capacity will be approximately 10% down as a result of the Ukraine invasion. Speaking at a press conference, Lufthansa Cargo chief executive Dorothea von

Global airfreight capacity could be down as much as 10% as a direct result of the conflict in Ukraine.

Boxberg said this is because of restrictions for global fleets. Russian carriers are restricted by airspace sanctions by the European Union, UK and US, European carriers are not able to fly over Russia and Ukraine, while, Japanese carriers are flying around the Russian airspace and

AIR FREIGHT MARKET UPDATE – CARRIER NEWS

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Middle Eastern airlines have seen no changes.

- **China Airlines** has switched over to 'prioritize cargo over passengers.' The Taiwanese carrier has focused its efforts on expanding its cargo portfolio to compensate for losses from the passenger business.
- **Cathay Pacific Cargo** has ramped up its focus on regional services as its long-haul operations are still constrained by flight crew quarantine requirements. The Hong Kong-based airline in February saw its cargo traffic decline by 53.3% to 240.5m in cargo tonne kms as its long-haul freighter operations were limited. In January, the carrier axed freighter flights to Europe and reduced capacity to several other long-haul destinations as the Hong Kong government introduced stricter crew quarantine requirements.
- **Cathay Pacific Cargo** will also restart freighter flights to Europe after an absence from the trade lane of more than three months. The carrier will add a twice-per-week B747 freighter flight from Hong Kong to Frankfurt – operating on Wednesdays and Saturdays – starting on April 13. From Frankfurt the airline will offer onward road feeder services to several other European destinations.
- **EVA Airways Corporation**'s (EVA Air) board of directors have approved the conversion of three Boeing 777-300ER passenger aircraft to freighter configuration. This is according to a Taiwan Stock Exchange announcement on March 14. Israel Aerospace Industries (IAI) will be undertaking the conversion, according to the stock exchange document. The unit price for each conversion is up to $40m and the total transaction price is up to $120m.
- **IAG Cargo** has restarted its London Heathrow to Sydney route for the first time since early 2020, as Australia reopened its borders to vaccinated passengers all over the world. Starting 27 March, IAG Cargo will utilise a B787-9 widebody aircraft with the capacity to transport up to 13 tonnes of cargo (10 compatible pallets) on a daily rotation. The route will travel via Singapore.

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WAREHOUSING & DISTRIBUTION UPDATE

KEY TOPICS

Warehousing

- In a report issued by real estate consultant Knight Frank, it has been identified that an additional 12 million sq. ft of logistics space could be required by 2025. E-commerce continues to grow driving the capacity requirements in line with location-driven by the trend for faster delivery services. The report details that online sales will reach £152bn by 2026 and drive space for last-mile fulfilment space to around 10 million sq. ft over the next five years.
- However, with the current supply chain disruption combined with increased e-commerce demand agents Cushman & Wakefield in October forecast that available warehouse space in the UK market could run out within a year.
- To create space for the ever-increasing demand many are looking towards urban logistics, with the conversion of empty retail spaces and car parks as an alternative solution.
- In addition to the effects of the pandemic, lockdowns and Brexit, forecasts of inflation rates rising to 7.4% and growing costs for rent, energy and labour continue to have a detrimental financial impact on an already stretched industry. The UK market is also seeing a sharp rise with average rents set to rise 8.7% in 2022, moving into double digits in areas where there is limited supply and higher demand.

Transport

- The Chancellor's announcement of a cut to fuel duty by 5p per litre has been welcomed, fuel currently equates to approximately a third of the annual operating cost of an HGV, around £2,000 a year. However as oil prices remain volatile, fuel prices and inflation continue to increase the financial pressures across the transport sector.

Logistics Skills

- Skills shortages continue to impact the transport and logistics industry, a key point raised at the UKWA National conference. Due to unprecedented growth in the warehouse and logistics sector warehouse job postings have more than doubled since the pandemic and 81% of employers are struggling to attract staff.
- Whilst cultivation of new talent in the sector is required, training, technology and sustainability are all playing a part in the attraction of logistics staff.

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EUROPEAN FREIGHT TRANSPORT MARKET UPDATE

KEY TOPICS

The impact of inflation and the Russian invasion of Ukraine on fuel prices has hit logistic providers with great force.

Fuel Hikes

- The impact of inflation and the Russian invasion of Ukraine on fuel prices has hit logistic providers with great force, Uniserve included. Costs have increased heavily with surcharges becoming ever more apparent from our logistical partners. This current economic climate has led to volatile changes in our own operational costs and to remain sustainable, we will be announcing a fuel surcharge across our services to alleviate the strain upon our supply chain processes.
- It is hoped that some of these burdens suffered upon the supply chain will be eased in the UK, after the chancellor's Spring statement. Rishi Sunak has stated fuel duty will be cut by 5 pence per litre for a 12-month period, with calculations estimating this to save an average of £2356 per HGV.
- These measures are not enough still, the CBI has already reported that 80% of manufacturers expect to raise their prices in the next three months. Businesses are already cost-stripping, with margins being squeezed suddenly and severely – with costs to your supply chain only going in one direction. The soaring expenses have caused distress on a →

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EUROPEAN FREIGHT TRANSPORT MARKET UPDATE

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continental basis, even leading to strikes arising in some countries due to public concern.

Spanish strikes

- As of Monday 14th March, truck drivers throughout Spain have called for a national strike in the face of the growing fuel costs and poor working conditions. Some reports have suggested that 85% of domestic hauliers are participating in this strike, this has resulted in widespread disruption to the Spanish supply chain. Many shipments remain uncollected due to picket lines and a lack of hauliers, in some cases, there have also been cases of drivers being assaulted while attempting to work.
- This has caused the majority of short-sea container movements to remain stagnant, due to a limited number of domestic hauliers to transport cargo from distributions centres to the ports. Groupage and full trailer load services remain more reliable and consistent but expect some issues to arise when trying to arrange any movement of shipments outside of Barcelona through our services.

Italian Strikes and Terminal Delays

- Further strikes were also provoked in Italy, as the Trasportiunito trade union called on hauliers to begin a national strike to denounce the rising fuel costs and request further government support for transport companies. The strikes lasted four days, between 14th and 18th March, triggering residual delays for Italian consignments.
- This is on top of the intermodal delays faced earlier in the month, with reports suggesting the Segrate terminal, among others, was blocked due to a non-departure of trains. The lack of trains should be temporary as capacity increases within Italy as vessel lines and intermodal carriers seek to take on additional routes.

Congestion at Turkey and Bulgarian Crossing

- The Ukraine crisis has had various other knock-on effects on the supply outside of the surging fuel costs, one of these being heavy congestion noted at Turkey and Bulgarian crossings – particularly at Kapikule. Mile-long queues

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EUROPEAN FREIGHT TRANSPORT MARKET UPDATE

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have been formed, causing increased transit times for hauliers. As refugees flee from Eastern Europe, these delays look set to continue for the foreseeable future.

- Some hope remains for Turkish consignments, however, as the Republic of Turkey State Railways (TCDD) has begun to work with Europe for high standard railway management. Current evaluations have proposed to eliminate issues encountered at border crossings, with plans to help drive increased operational capacity and ensure more efficient transportation of people and cargo, on the way.

P&O Ferries Debacle

- P&O were at the heart of public outrage and widespread anger after they suspended all sailings on 17th March and informed their employees, that they had been made redundant 'with immediate effect' – prompting port delays as a result. P&O were a major freight carrier, handling a third of the goods trade between Britain and the EU. The Calais to Dover crossing was particularly affected, with many delays caused by their announcement, with hauliers having to scramble to other routes and ferry lines to cross the channel.
- We have taken measures to ensure our movement of goods is not heavily impacted by the P&O fiasco, moving to other vessel lines and routes to protect our customer's shipments and provide smooth transit times.

Plastic Packaging Tax

- From 1st April, every business that manufactures or imports ten tonnes or more of plastic packaging within a 12- month period, will have to be registered with HMRC to account for a new tax. This will include plastic packaging that has already been filled with goods and we recommend that businesses make it clear throughout their supply chain who will be responsible for the payment of this new tax. Under the new regulations, manufacturing, importation, or adaptation can all be potential taxable charges.

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COMPLY DIRECT OVERVIEW

DEFRA publish long awaited EPR for packaging consultation response

KEY TOPICS

- On 26 March 2022, The Department for the Environment Food and Rural Affairs (DEFRA) published their response to the second consultation on EPR for packaging which closed on 4 June 2021. You can read about what the consultation proposals encompassed in our summary for packaging producers here.
- The key elements included in the proposed reform of the current packaging waste regulations (established in 1997) were to make producers responsible for the full net cost of managing to package once it becomes waste, as well as set more ambitious packaging waste recycling targets for producers and introducing clear and consistent labelling on packaging for recyclability.
- The most recent consultation focused on the government's proposals for the introduction of EPR (extended producer responsibility) and received a total of 1,241 responses across all relevant stakeholder groups; 28% of responses came from local government, 24% from packaging designers/manufacturers/converters and distributors, and 24% from product manufacturers/brands and retailers. You can access the full response analysis here.

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COMPLY DIRECT OVERVIEW

KEY TOPICS

- The full consultation response from DEFRA can be accessed here and we have provided a summary below of the salient decisions for packaging producers and the re-processing sector to be aware of.

EPR implementation (Extended Producer Responsibility)

- Following the EPR delay announcement in early March, DEFRA has confirmed that EPR will now be implemented in a "phased manner" from 2024, instead of 2023. Specifically, this will incorporate partial EPR implementation from April 2024 relating to packaging waste managed by local authorities, and regulations will be introduced for producers to pay the costs of managing household packaging waste. Full implementation of EPR will happen in 2025 with the introduction of modulated fees based on packaging recyclability. DEFRA states in their response that this approach will "simplify and de-risk delivery".
- In relation to packaging waste collected from businesses and organisations paying for the collection of waste, the government have promised to continue exploring payment methods for this, with a plan to establish a task force, including cross-sector representation, to develop the evidence, and undertake analysis and identify options. Furthermore, In England and Northern Ireland, payments for packaging waste that is littered will not be introduced, however, Scotland and Wales are planning to obligate producers for these costs and will set their own proposals in a timely manner.

EPR Costs

- Following financial analysis, DEFRA has confirmed a change to the annual overall obligated producer cost under EPR, which is now expected to reduce by £1billion, from £2.7billion estimated in the previous consultations, to £1.7billion as of the response publication on 26 March 2022.
- The government believes this will drive a significant incentive for producers to reduce packaging and increase its recyclability, therefore, reducing the costs they incur under EPR.

EPR Scheme Administrator

- A Scheme Administrator (SA) is expected to be appointed in 2023 and be fully operational from 2024. The Scheme Administrator is set to be classified within the public sector; however, the →

COMPLY DIRECT OVERVIEW

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government will ensure considerable involvement from the industry as they recognise this is crucial for the body to operate successfully.

De-minimis

- The current de-minimis for producer recycling obligations and disposal cost payments will be retained at £2m turnover and 50 tonnes of packaging handled each year. However, a lower threshold of £1m turnover and 25 tonnes of packaging handled each year will be put in force and producers meeting those thresholds will be required to report packaging placed on the market under EPR.

Recyclability labelling

- Until the UK has infrastructure and evidence that compostable and biodegradable packaging can be collected and composted independently, all packaging of this composition will be required to display a label stating, 'Do not recycle'.

PRN System

- The PRN system is set to continue as it operates currently relating to all packaging until at least 2026. This has been decided to ensure there is a robust system to demonstrate recycling obligations have been met as the UK phases to full EPR. Household packaging will incur an additional disposal fee payable to local authorities, the cost of which will be set by the new scheme administrator.
- As a result of retaining the current system, the government have released a consultation on reforms to this for system improvement. The consultation seeks views on proposals to address the identified issues and improve overall effectiveness, including suggestions from the Advisory Committee on Packaging (ACP) and other industry bodies. The consultation closes on 21 May and full details can be viewed on the government website here.

EPR Recycling Targets

- The government have increased the recycling targets for several materials from those initially proposed at the consultation stage. You can view the table of targets for confirmation and comparison on page 16 of the government's response document HERE.

COMPLY DIRECT OVERVIEW

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- The government have justified that its decision to amend the targets is taking into account "final policy decisions on the scope of DRS in England, Wales and Northern Ireland and decisions on other policies that will impact packaging recycling rates such as the recycling consistency measures in England".

Deposit Return Scheme (DRS) Update

- In addition, the consultation response document confirmed some DRS decisions. Read about what a DRS is and the previous consultations here. Firstly, England and Northern Ireland will be omitting glass from their systems, but Wales will continue with an all-in DRS which includes glass. This was considered when the government set the recycling targets for packaging under the scope of EPR Regulations.
- Furthermore, all single-use beverage containers from 50ml to 3litres in size will be in-scope of DRS in England, Northern Ireland and Wales.
- We expect the government to publish a full response to the 2021 DRS consultation imminently.
- It should be noted that materials in the scope of DRS will not be obligated under EPR.
- If you have any imminent queries regarding the consultation, please contact our policy team at consultation@complydirect.com

Comply Direct can help businesses to prepare for EPR

- We can help businesses prepare for EPR impacts. Our EPR Impact Assessment service is designed to support obligated packaging producers with an understanding of the effects EPR will have on their business, including financial, data and reporting aspects. You will also gain expert recommendations on how to prepare and identification of what mitigation options are available to your business to reduce the impacts. Contact our solutions team for a no-obligation proposal at marketing@complydirect.com uniserve

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