



circular[®]
&co.

Plan your Packaging

A Basic Business Guide to Packaging Regulations

Introduction

How to use this handbook



The following document begins to pull together some of the ongoing legislation and directive changes across the UK. During this time of tumultuous change in the packaging, recycling and waste industries it is important for business to find clarity and understanding in order to inform their decisions.

At Circular&Co. we believe that these changes provide a fantastic opportunity to make real impact on our environment. We are not legislative experts, nor are we academic researchers. The nature of the topic also lends itself to changeability over time and so it is important to **take the information provided here as guide only.**

We do not make any claims of definition, but we have taken as much care as possible to provide references and links for further research.

Together industry, business, recycling agencies and systems can drive change, securing a positive future for how we deal with waste materials. The better we are as a community in capturing, sorting and re-using our waste packaging and materials, the more we can close the circle and make Circular Design the new standard.

Contents

We have divided this handbook into three key sections, one for each of the core elements of legislation change within the UK.

1.
Extended
Producer
Responsibility

2.
Plastic
Packaging Tax

3.
Deposit
Return
Schemes

1. Extended Producer Responsibility

When does this legislation become active:

The way UK organisations responsible for packaging must carry out their recycling responsibilities is changing. If you're affected by the new extended producer responsibility (EPR) for packaging, you must take steps to collect the correct packaging data from 1 January 2023, fee collection begins in 2024. You can use a compliance scheme to complete certain steps on your behalf. (Specifics for this depend on business size and type which is discussed in the following sections)

Reference:

www.gov.uk/guidance/packaging-waste-prepare-for-extended-producer-responsibility

Who needs to take action:

The regulations will apply to all UK organisations that handle and supply packaging **if all the following apply:**

- **An individual business, subsidiary or group**
(but not a charity)
- **An annual turnover of £1 million or more**
(based on your most recent annual accounts)
- **Responsible for over 25 tonnes of packaging in a calendar year (January to December)**
- **Carry out any of these packaging activities:**
 - » Package own-brand products to sell to UK consumers
 - » Use a third party to package and sell own-brand goods to UK consumers
 - » Use 'transit packaging' to protect goods during transport so they can be sold to UK consumers
 - » Import own-brand and third-party packaged products into the UK to sell to consumers, unless doing so on behalf of a third party (such as a supermarket)
 - » Allow third parties based outside the UK to sell packaged products or empty packaging through an online marketplace that you own
 - » Hire or loan out reusable packaging to UK third parties
 - » Make and sell empty packaging to third-party organisations that do not need to take action under the regulations

1. Extended Producer Responsibility

What Packaging Producers Need to do:

If you are a packaging producer, under the new regulations, you may need to:

- Collect and submit data on the packaging you handle and supply
- Pay a waste management fee
- Buy packaging waste recycling notes (PRNs) or packaging waste export recycling notes (PERNs) to meet your recycling obligations

Small Organisations

Annual turnover:
£1 - £2 million*

Handle & Supply:
25 - 50 tonnes
of packaging
in UK*

- Record data about all the empty packaging and packaged goods you handle and supply through the UK market from 1 January 2023
- Register for the EPR for packaging online service (registration opens for small organisations in 2024)
- Pay an annual fee to the environmental regulator from 2024
- Submit data about empty packaging and packaged goods you handled or supplied through the UK market throughout 2023

You'll need to submit your data between 1 January 2024 and 1 April 2024. If you miss the deadline, you may need to pay a penalty charge.

*You should base your annual turnover on your most recent annual accounts. Your total weight is the amount of packaging handled or supplied through the UK market in a calendar year (January to December)

Large Organisations

Annual turnover:
> £2 million*

Handle & Supply:
> 50 tonnes of
packaging
in UK*

- Take steps to record data about the empty packaging and packaged goods you handle and supply in the UK from 1 January 2023
- Register for the EPR for packaging online service from April 2023
- Pay a fee to the environmental regulator
- Buy PRNs or PERNs to meet your recycling obligations
- Submit data about empty packaging and packaged goods you handled or supplied through the UK market

You'll need to submit data every 6 months:

Example: For the period January to June 2023, submit data between 1 July 2023 and 1 October 2023.

If you miss the deadline, you may need to pay a penalty charge.

For any packaging you handle and supply that is collected by local authorities from households or street bins, from April 2024 you must pay the scheme administrator a fee, and a waste management fee.

Parent company, group or subsidiary

OR

Register for the EPR for packaging online service (registration opens in April 2023) as an individual organisation or on behalf of your group.

If you register as an individual organisation, your subsidiaries can register individually if they meet the turnover and tonnage requirements.

Nation Data also applies if you:

If you sell packaged goods or empty packaging in the UK, you may also need to submit 'nation data'. This is information about which country in the UK your packaging has been sold, hired or loaned in.

Sell empty packaging directly to consumers in the UK

Sell empty packaging to UK organisations that do not need to comply with the regulations

Own an online marketplace that allows other organisations to sell their empty packaging and packaged goods to UK consumers

Import packaging to the UK that you discard without selling or exporting

Hire or loan out reusable packaging

Sell any filled packaging to consumers

1. Extended Producer Responsibility

Collecting and submitting your packaging data

Your organisation should start preparing now to capture your packaging data. Your data submission must include the weight of:

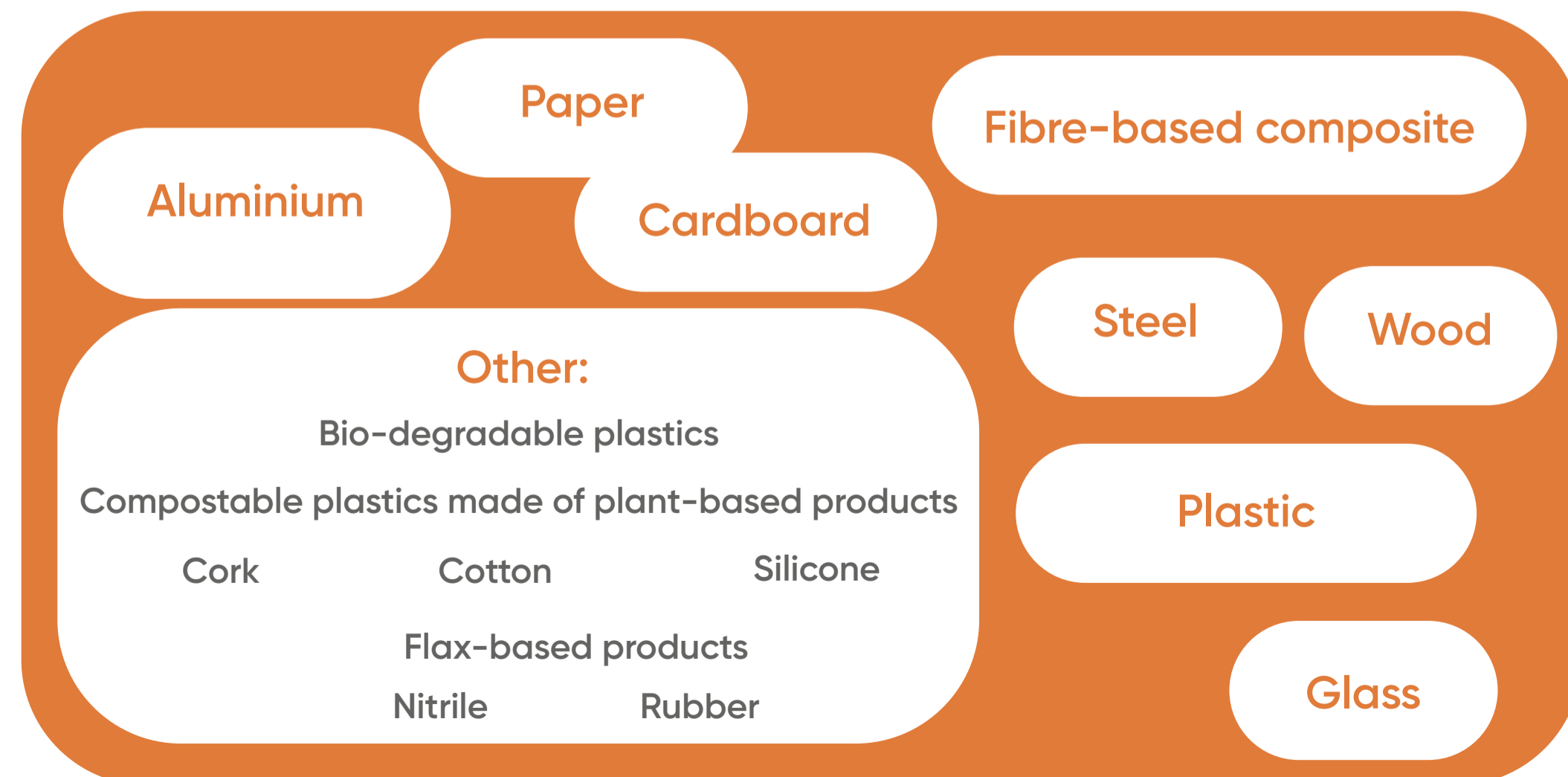
- Individual materials in the packaging you handle and supply
- Materials used in your 'primary', 'secondary' and 'transit' packaging
- Packaging likely to become household or non-household waste
- Packaging likely to end up in street bins

The scheme administrator will use your 2023 data to calculate your waste management fees for the financial year 2024 to 2025.

The regulator will use your 2023 data to calculate the amount of PRNs and PERNs you must buy to cover your recycling obligations for the 2024 calendar year.

From 2025, the scheme administrator will adjust your waste management fees depending on the cost of recycling the materials used in the packaging you handle and supply.

Categories of Material you need to report on:



Primary Packaging

The individual container that you store goods in to sell to consumers – the sales unit

EXAMPLE:
Peas in steel tins with paper labels: The primary packaging is 'steel tin' and 'paper label'.

Secondary & Shipment Packaging

Packaging for grouping several 'sales units' for selling or shipping. Shipment packaging is a type of secondary packaging for shipping sales units to consumers.

EXAMPLE:
Six tins of peas placed in a cardboard box, then cardboard box sent to a retailer or shipped to the consumer in a mailbag: The secondary packaging is 'cardboard box', the shipment packaging is the mailbag.

Transit Packaging

Packaging is used to group secondary packaging units together to protect them while being transported or handled. Transit packaging does not include road, rail, ship and air containers.

EXAMPLE
8 boxes of tinned peas are placed into a larger cardboard box that is sealed with parcel tape and put onto a wooden pallet to be transported: The transit packaging is 'cardboard box', 'parcel tape' and 'wooden pallet'.

Household and non-household packaging waste

The packaging that ends up (or is likely to end up) as household and non-household waste.

The scheme administrator will treat all primary and shipment packaging as household waste, unless you have clear evidence that some or all of the packaging is unlikely to become household waste.

2. Plastic Packaging Tax

When did legislation become active:

April 1st 2022. Applies to companies that import in the UK or manufacture in the UK certain amounts of 'finished plastic packaging' components. The tax came into force on 1 April 2022 and is charged at a rate of £200 per tonne.

Reference:

<https://www.gov.uk/guidance/check-if-you-need-to-register-for-plastic-packaging-tax>

Who does this legislation apply to?

Companies will need to pay Plastic Packaging Tax if you have manufactured or imported plastic packaging components which contain less than 30% recycled plastic.

Packaging should only contain recycled plastic where it is permitted under other regulations and food safety standards.

You need to register for the Plastic Packaging Tax if you:

- Expect to import into the UK or manufacture in the UK 10 tonnes or more of finished plastic packaging components in the next 30 days
- Have imported into the UK or manufactured in the UK 10 tonnes or more of finished plastic packaging components since 1 April 2022 – **this will change on 31 March 2023, when companies will need to look back over the last 12 months on the last day of the month**

What must companies do?

Check which packaging is subject to Plastic Packaging Tax and the definitions of finished components and substantial modifications, to find out if the packaging you manufacture or import is subject to the tax. Work out the weight of the packaging you manufacture or import to find out if you must register for the tax.

- **Find out how to register [here](#).**
- **Check which records and accounts you must keep and how to carry out due diligence.**
- **Find out if you can get tax relief on exported and converted components [here](#).**
- **Submit your return [here](#).**

'If you have manufactured or imported 10 or more tonnes of plastic packaging since 1 April 2022, you may need to register for the tax.'

3. Deposit Return Schemes

What is a Deposit Return Scheme?

A deposit return scheme, also known as DRS, is a surcharge on a product when purchased, followed by a rebate when that product is returned. DRS is a simple way of incentivising the recycling of drinks containers in order to stop them from ending up as litter. For example a small deposit added on to the price of a reusable coffee cup, which is then returned to the customer when they return that reusable.

Scotland have legislated for DRS. A similar deposit return scheme for drinks containers has been proposed for the rest of the UK but not yet been implemented.

The Deposit and Return Scheme for Scotland (Details still being discussed for England, Wales and Northern Ireland)

Scotland is introducing a deposit return scheme (DRS). This means when you buy a drink in a single-use container you will pay a 20p deposit, which you get back when you return your empty bottle or can. The scheme is designed to encourage the return of empty single-use containers for collection for recycling. It will help to tackle climate change, increase quantity and quality of materials collected for recycling, and decrease litter.

When does this legislation become active?

January 1st 2023 for registration, Scheme goes live August 16th 2023.

Who needs to take action?

Companies (producers, retailers and wholesalers) that produce or import drinks for sale in Scotland that are sold in scheme containers. (Scheme containers are any single-use container made from PET plastic, glass, steel or aluminium sized between 50ml and 3 litres)

Reference:

www.sepa.org.uk/regulations/waste/deposit-return-scheme/

**1st January
2023**

Producers can register with SEPA.
(SEPA is the regulator for the
deposit return scheme)

**16th August
2023**

The scheme goes live across
Scotland.

3. Deposit Return Schemes

What are the details of the Scottish DRS?

The Regulations

The Deposit and Return Scheme for Scotland Regulations 2020 set out the legal requirements of the scheme. They apply to drink producers, drink importers and anyone marketing or offering for sale drinks in Scotland packaged in a single-use container made from PET plastic, glass, steel or aluminium sized between 50ml and 3 litres. In the regulations these are called scheme articles. You may also see them being referred to as scheme containers.

The role of producers and retailers

If you produce or import drinks for sale in Scotland that are sold in scheme containers, you must register to be part of the scheme. If you sell drinks in scheme containers to consumers in Scotland, you will have to make sure they are from a registered producer and charge the deposit on each drink. You may also have to operate a return point or offer a takeback service.

A **scheme article** is a drink that is packaged in a single-use container made from PET plastic, glass, steel or aluminium, sized between 50ml and 3 litres.

Drink producers, importers, wholesalers and retailers all have obligations under The Deposit and Return Scheme for Scotland Regulations 2020.

Producer Obligations:

A producer is a drinks brand owner or an importer of drinks into the UK market.

You are considered a drink producer if:

- You are the **brand owner of a scheme article** that is branded in the UK;
- You **import scheme articles** that are branded by a brand owner outside the UK; you fill and seal scheme containers with a drink at the point of sale to a consumer, for example, a cowler.

Find out about your producer obligations [here](#).

Retailer Obligations:

A retailer is someone who sells drinks to consumers. If the consumer is in Scotland, any retail sale to them is covered by the deposit return scheme, even if the location of that sale is outside of Scotland e.g. online.

You are considered a retailer if:

- You **market, offer for sale or sell a scheme article** to a consumer in Scotland. This includes any person who sells online, face-to-face or in a hospitality setting;
- You operate an **online marketplace that facilitates delivery of drinks in scheme containers** to consumers;
- You **own a vending machine or operate/control** the premises where a vending machine stands.

Find out about your retailer obligations [here](#).

Wholesalers Obligations:

A wholesaler is someone whose customers are not expected to consume the drinks they buy themselves but sell them on.

You are considered a wholesaler if:

- You market, offer for sale or sell a scheme article that you have not produced or imported yourself and are not selling to a consumer. This includes any third-party reseller and not just those who operate from warehouses.
- Wholesalers may also be producers and retailers and would be expected to comply with all obligations identified for those groups.

Find out about your wholesaler obligations [here](#).

Scheme Administrators

A scheme administrator is responsible for the day-to-day management of Scotland's Deposit Return Scheme. Once approved by Scottish Ministers, they are legally able to act on behalf of one or more producers to fulfil their legal obligations as detailed in The Deposit and Return Scheme for Scotland Regulations 2020.

A producer can either choose to nominate the scheme administrator to fulfil their obligations for a small fee or make their own arrangements to meet them, including registering directly with SEPA.

[Circularity Scotland Ltd](#) are currently the only approved scheme administrator. They are an industry-led, privately owned and not-for-profit enterprise. You can find out more about Circularity Scotland and their role as the scheme administrator on their website.