

A woman with dark hair tied back, wearing a bright green long-sleeved shirt, safety glasses, and black gloves, is leaning over a large white sack filled with plastic waste. She is sorting through the waste, which includes various plastic bottles and containers. In the background, there are blue metal frames and a blue barrel, suggesting an industrial or recycling facility setting.

The Plastic Packaging Tax

Is your business prepared for this new taxation?
A useful guide to answer your questions on the
New Plastic Packaging Tax.

acopia[®]

What is the Plastic Packaging Tax?

The Plastic Packaging Tax (PPT) is a new tax to encourage the use of recycled rather than new plastic within plastic packaging.

What is the Plastic Packaging Tax?

The Plastic Packaging Tax will apply to plastic packaging manufactured in, or imported into the UK, that does not contain at least 30% recycled plastic.*

The tax will be calculated by the amount of taxable plastic within the content.

Any plastic packaging which does not contain at least

30% recycled plastic

will be charged a tax of



Imported plastic packaging will also be liable to the tax, whether the packaging is unfilled or filled.

* There are a few exceptions.

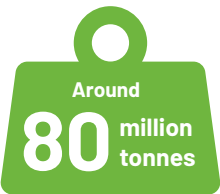


Why is the Plastic Packaging Tax necessary?

While recycling is growing more popular, we still produce excessive plastic waste. Researchers predict that, unless we change our behaviour.

Consequently, there has been significant pressure on governments worldwide to impose taxes on plastic use to change behaviour and encourage increased use of recycled plastic within businesses.

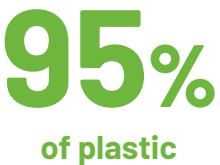
Some key plastic facts:



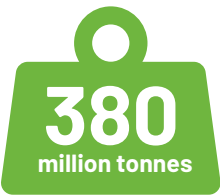
of plastic packaging is produced globally each year, and this is expected to **triple by 2050**.



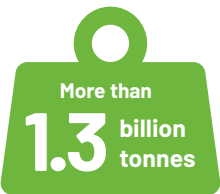
end up in the oceans each year due to most plastic packaging has a very short use, **a considerable threat to marine life as well as the human food chain.**



is destined for single-use, according to the UN-backed Principles for Responsible Investment, while less than a fifth of the world's plastic waste is recycled.²



of plastic produced worldwide, highlighted by Research by McKinsey, **just 16% of plastic waste is recycled to make new plastics, while 40% is sent to landfill, 25% to incineration and 19% is dumped.**¹



of plastic could enter the environment globally by 2040¹ according to a recent UK study



there will be **more plastic than fish in the world's oceans.**

¹ <https://www.mckinsey.com/industries/chemicals/our-insights/no-time-to-waste-what-plastics-recycling-could-offer>

² Creating a circular economy for flexible plastic packaging | WRAP

There is an urgent need for sustainability

There is no future in limited resources.

Conversely, the role that packaging plays in reducing product waste can result in a positive environmental impact on a global scale.

“Flexible plastic packaging represents a nearly a quarter of all UK consumer plastic packaging. But only 6% is currently recycled.”²

We are currently witnessing a global drive towards greater sustainability, with an emphasis that everyone, from businesses to consumers, has a part to play. Consumers actively want organisations to practice social responsibility, therefore making eco-friendly packaging an imperative in business operations.

The UK Government’s smart sustainable plastic packaging (SSP) challenge is aiming to dramatically reduce plastic waste by 2025. It has up to £60 million to invest in projects to help make the UK a leader in smart and sustainable plastic packaging. In addition, there are initiatives like the UK Plastics Pact uniting businesses across the entire plastics value chain, with UK governments and NGOs uniting to reduce plastic waste and packaging and encourage a stronger recycling system.

“We are creating a circular economy for plastics, capturing their value by keeping them in the economy and out of the natural environment... Together we will ensure that plastic packaging is designed so it can be easily recycled and made into new products and packaging and, with the support of governments, ensure consistent UK recycling is met.” UK Plastics Pact³

A UK survey by INCPEN & WRAP on citizens’ attitudes & behaviours relating to food waste, packaging and plastic packaging highlighted some key facts:

- 🌱 Public concern over packaging has almost doubled
- 🌱 Public support for packaging that is 100% recyclable
- 🌱 High public understanding of the role and value of packaging in preventing food waste.⁴

³ The UK Plastics Pact | WRAP

⁴ UK survey 2019 on citizens’ attitudes & behaviours relating to food waste, packaging and plastic packaging: Summary report template (wrap.org.uk)

A large landfill of plastic waste at sunset. A yellow bulldozer is visible in the background, pushing a pile of trash. The sky is orange and pink, with birds flying. The foreground is filled with a massive pile of plastic bags and debris.

**There is no future
in limited resources.**

Conversely, the role that packaging plays in reducing product waste can result in a positive environmental impact on a global scale.

How will the tax achieve significant change?

The Plastic Packaging Tax is a cornerstone of the UK government's policy and commitment to environment impact and sustainability.

It is estimated that as a result of the tax the use of recycled plastic in packaging could increase by around 40%.

This is equal to carbon savings of nearly 200,000 tonnes in 2022 to 2023, based on current carbon factors.

Recycled plastic in packaging could increase by around

40% as a result of the tax

The overall aim of the tax is to:

*"Provide a clear economic incentive for businesses to use recycled plastic in the manufacture of plastic packaging, which will create greater demand for this material and in turn stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfill or incineration."*⁵

PPT will also strive to deliver improvements in the way the UK manages waste plastic and to encourage more sustainable approaches to products and packaging. In addition, it hopes to support changing behaviour in consumers to recycle and reuse products.

"We cannot recycle our way out of plastic pollution. Given the scale and urgency of the problem, a set of economic incentives to cut the production of new plastic while promoting reuse and recycling is urgently needed to stop plastic pollution at source and accelerate the move towards a circular economy."
Ariadna Rodrigo, Sustainable Products Campaigner, Zero Waste Europe.⁶

⁵ <https://www.gov.uk/government/publications/introduction-of-plastic-packaging-tax-from-april-2022/introduction-of-plastic-packaging-tax-2021>

⁶ https://zerowasteurope.eu/wp-content/uploads/2018/09/PlasticsTax_FINAL.pdf

Who will the Plastic Packaging Tax affect?

PPT will have a significant impact on organisations across a wide range of industries, from packaging and industrial manufacturing to consumer goods, pharmaceutical and food and drinks.



The tax is aimed at:

- 🕒 UK producers of plastic packaging
- 🕒 Importers of plastic packaging
- 🕒 Business customers of producers and importers of plastic packaging
- 🕒 Consumers who buy goods in plastic packaging in the UK

It is estimated that it will affect approximately 20,000 producers and importers of plastic packaging.

Are you liable for PPT?

Any business that imports into the UK, or manufactures in the UK, plastic packaging or products contained in plastic packaging will be liable to register for PPT.

You must register even if your packaging does not require you to pay any tax.

There are four exemptions from the tax, regardless of how much recycled plastic they contain.

These include:

1. "Immediate packaging", in relation to a medicinal product, has the meaning given by regulation 8(1) of the Human Medicines Regulations 2012
2. Transport packaging used on imported goods.
3. Packaging used as aircraft, ship and rail stores
4. Components that are permanently designated or set aside for use other than as packaging

Rebates on tax payments should apply if you pay PPT on material which is then exported. Plus, there are also measures planned to ensure that smaller businesses are not unfairly affected.

What does the Plastic Packaging Tax mean for your organisation?

With significant financial and administrative implications for organisations, it is imperative that you spend time understanding the requirements of the tax and your responsibilities ready for the start of Plastic Packaging Tax from 1 April 2022.

Prepare now

PPT will naturally create a requirement for additional systems and processes to collate data for compliance, pricing, contracts, and supply chains.

You might want to assess the potential impact of PPT across your organisation and consider a range of initial and on-going actions to get PPT-ready, including:

- Familiarise yourself with the new rules and obligations
- Assess supply chains and work out who will be responsible for accounting for PPT
- Establish training needs for staff and systems for compliance
- Initiate registration with HMRC
- Research alternative packaging options
- Develop reporting framework for tax returns
- Administration for tax return completion, filing and payment
- Factor for additional records and return amendments
- Plan for annual registrations and de-registrations
- Assess any changes to contracts and pricing
- Develop stakeholder communication and prepare reputational management strategy

The Plastic Packaging Tax

Starts from: 1 April 2022 **Don't delay Act now!**

How can you reduce your tax liability?

The choices you make will affect your PPT liability. By making more sustainable choices, such as recycling more and using less packaging, you will pay less tax. For instance:

- While plastic pallet wrap cannot be reused again for its primary purpose, if it is virgin plastic (such as Acopia iWrap), it can 100% be recycled and reused
- As plastic packaging such as pallet wrap is lightweight, if you use plastic pallet wrap that weighs 50grms, that calculates at 1p tax

What are the benefits for your organisation from reducing your plastic packaging?

Besides the obvious one – that it's better for the environment – there are many benefits from choosing more sustainable plastic packaging options. These include:

- Reducing the amount of product package waste and cutting back on packaging-related costs
- Eliminating the use of toxic materials in the production of packaging
- By recycling virgin plastic, your organisation can make financial gains back (receiving £100-£200 per tonne) and reduce any cost of product storage, handling and disposal

- A partnership approach with a local recycling firm can deliver financial benefits – and also demonstrate that you're doing your bit for the environment
- Improving your brand image and benefiting from improving your reputation with your stakeholders by promoting recycling and reuse and sending less packaging to landfill

Prevention

Reducing resources used in manufacture, ensuring products last for a long time and using less material.

Preparing for re-use

Repairing, cleaning, refurbishing and checking.

Recycling

Plastic recycling is always improving. Plastic packaging can have a new lease of life in building and construction or as furniture, a bag or footwear.

Other recovery

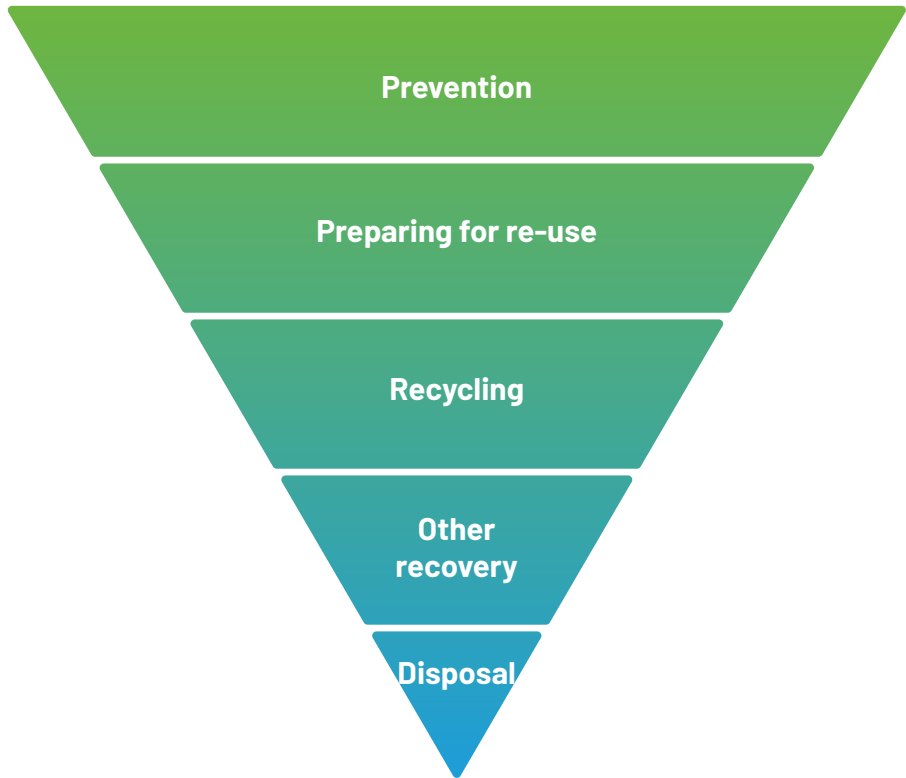
At the end of its life plastic packaging can be submitted to energy from waste schemes.

Disposal

Landfill or incineration without energy recovery

Source – British Plastics Federation

The Waste Pyramid



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Making Sustainable Choices

At Acopia we take pride in being a sustainable organisation and promoting our eco-friendly values in everything that we do.

We know the importance that customers place on recyclable packaging, and we can help you make the sustainable packaging and process choices that are right for your organisation.

Packaging has become a big issue and sometimes a concern for consumers. Large eCommerce companies are often 'called out' by consumers who receive their online orders in wasteful packaging.

First and foremost, we can help you make sense of the confusion across the industry and with consumers around the issues of plastics - and guide you towards solutions which provide real benefits to the environment and to your business. We then support you to make immediate and long-term changes on your packaging in preparation for PPT. By packaging efficiently, you can cut costs, but you can show you care about your environmental impact, improving your brand reputation.

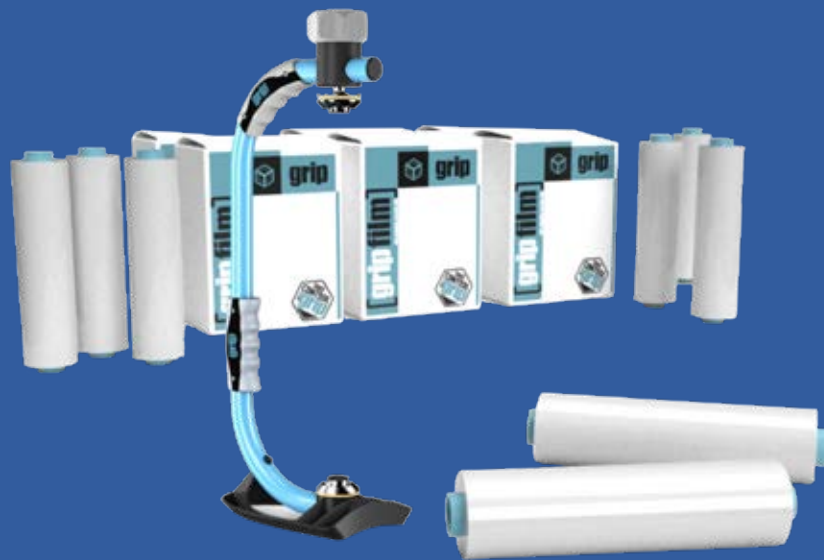
High performance machine pallet wrap with unparalleled single-use plastic savings

We can help you choose eco-friendly and more sustainable plastic packaging solutions from our range of plastic packaging options, including:



Grip Film system

This is a high performance, pre-stretched pallet wrap that reduces plastic wastage by 40% and costs by up to 25%. An innovative eco-friendly wrapping solution that is quick, easy, safe, and offers a cost-effective option to wrapping pallets every single time.



iWrap machine pallet wrap

iWrap is another high-performance machine pallet wrap with unparalleled single-use plastic savings compared to any other pallet wrap on the market today. It has benefited brands such as IKEA, Waitrose and ASDA, helping to reduce their plastic use. iWrap can:

- Reduce your plastic waste problem
- Reduce your cost spend on every pallet wrapped
- Reduce cost to your customers
- Reduce time wasted in re-wrapping pallets due to inconsistently performing films
- Remove the challenge with damaged goods due to poorly wrapped pallets
- Reduce your carbon footprint
- Reducing your transport cost

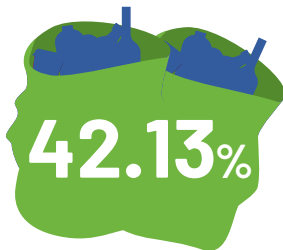


By packaging efficiently, you can cut costs, but you can show you care about your environmental impact, improving your brand reputation

What savings can you make?

One client we are working with has seen game-changing benefits with **42.13% less plastic going to landfill** as well as a reduction of **2,467.2 kgs of cardboard used each year.**

Savings achieved with eco-friendly machine pallet wrap:



less waste plastic going to landfill



a reduction in manual handling



more pallets wrapped per tonne of film



less roll changes per year



per roll change = 68hrs to 8 days of working hours



kgs of waste cardboard saved per year



pallets shipped per year massively reducing their carbon footprint



saved on the cost of film alone

**Use less plastic.
Pay less tax.**



The time to act is now

We only have one earth and every one of us has a responsibility to unite to help propel change.

Now more than ever, corporations and communities are realising the threat that climate change poses and how we must work harder to prevent further damage to the environment.

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Be proud to go green.

Your customers will be expecting this.

About Acopia

Acopia has been supporting leading brands with 45 years of experience and expertise.

From foundations that are built on solid ethics and a commitment to continued excellence, we help businesses with packaging, process improvement and supply of essential and everyday consumables across industry and retail.

Our strapline, All Together Better, reflects our collective, collaborative approach to business as well as the comprehensive range of products and services we offer. Our packaging products and consumables are sourced locally and globally, stored and delivered at point of need, with the sole aim of sourcing the best possible solutions for your specific needs, at a very competitive price.

Why not get in touch for free help and advice and find out how Acopia can help you get prepared for Plastic Packaging Tax.

Acopia and its affiliates do not provide tax, legal or accounting advice. This plastic packaging tax guide has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

Talk to us today about a Plastic Audit – your first step to plastic and cost reduction.

Contact us on **033 033 300 21** or **sales@acopia.co.uk** to book your audit.

acopia.co.uk



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