

Guidance Notes

on the
Producer Responsibility Obligations
(Packaging Waste) (Amendment) Regulations
2008



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Introduction

Under the Producer Responsibility Obligations (Packaging Waste) (Amendment) Regulations 2008, an obligated company is a company or group of companies who performs an 'activity' (see page 6 'Responsibilities') and meets **both** of the following thresholds:

- in the previous calendar year, handled over 50 tonnes of packaging (see below for 'what has to be counted?'); and
- in the most recent audited accounts, exceeded a £2m turnover.

The regulations aim to ensure that producers of packaging and packaging materials reduce the amount of packaging waste produced to achieve a more sustainable approach to dealing with packaging waste.

All obligated companies are required to register with:

- the Environment Agency/Scottish Environmental Protection Agency/ Northern Ireland Environment Agency; **or**
- a registered Compliance Scheme.

A compliance scheme takes on your legal obligation in meeting your recycling and recovery obligation. However, you are legally responsible for providing the scheme with your packaging data.

Companies registering directly with the agency and not registering with a scheme have a number of responsibilities to meet and should seek advice to ensure all their obligations are met.

Groups of companies that are required to register can do so either as a group through their holding company, or as individual subsidiaries (where they handle packaging). Even if the subsidiary handles less than 50 tonnes they must be covered by a registration if the group is over the turnover and tonnage threshold as a whole.

Obligated companies are required to submit details of packaging data calculated from the previous calendar year's activities, **e.g. registration in 2010, is based on activities performed between 1 Jan – 31 Dec 2009. Registration with the Agency is required by 7 April, but this deadline is for direct registrants or compliance schemes, therefore compliance schemes require their members to submit their data in much earlier.** The data submitted in that registration, forms the basis for calculating the recovery and recycling targets for that calendar year, **e.g. data submitted in April 2010 based on the calendar year 2009 will give the targets to be met by the end of 2010.**

What has to be counted?

To qualify, packaging you handle has to meet the following criteria:

- it has to be owned by you; **and**
- it has to be passed on to someone who carries out the next activity in the packaging chain or to the person who throws it away (see page 6 'Responsibilities'); **and/or**
- it has been directly imported by you.

What is obligated packaging?

Anything that is used in the containment, protection, handling, delivery or presentation of goods is considered obligated packaging. Six types of material are covered - paper, plastic, steel, aluminium, glass and wood. There is also a category of 'other' that includes things such as hessian bags, rope, jute, ceramics and cork.

Most packaging is obvious - bags, boxes, bottles (not forgetting the tops!), cans etc. Pallets and pallet wrap are also considered to be packaging as well. However, there are some exceptions allowed and some fairly grey areas.

Exceptions

- Packaging which is designed to stay with the product for its life will be regarded **as long term storage** and will not be obligated, e.g.– boxes containing tools (e.g. drill case); CD/DVD plastic 'jewel' cases; first aid kit boxes; hat boxes; photograph wallets; razor handle holders; boxes for board games; and spectacle cases.
- Packaging that is **part of the product** - BBQ foil trays (disposable BBQs); grow bags; teabag; tea lights (foil cups); toner cartridge; water filter cartridge (containing membrane); lyric book/inserts for CD; lolly stick; and kebab skewer.
- **Freight (road, rail, ship and air) containers** are not defined in the Packaging Directive or Regulations. They are however, exempt from being tertiary (transport) packaging.

Grey Areas

Are considered packaging	Not considered packaging
o Biodegradable Packaging	
o Carrier Bags	o Carrier Bags sold to the end-user as a product (e.g. bag for life).
o CD cases for promotional goods if for a limited offer, e.g. internet access.	o CD cases for a free music CD would be deemed long term storage.
o Coat hangers that are supplied with goods or the option to have the hanger is given.	o Hangers sold as a product .
o Cores, reels and spools where used to handle, deliver and protect the goods as they enter a manufacturing process.	o Cores, reels and spools that are not supplied to the next stage in the packaging chain, or to the end user. These are often those used between processes on a factory floor.
o Cups – disposable, in which drinks are provided (e.g. tea/coffee)	o Cups (plastic) supplied with bottles/cans/package drink.
o Glue – this needs to be declared when applied at conversion or pack/fill stage. At other stages it will be included in the overall weight of the packaging material.	
o IBCs and IBC liners are considered to be packaging.	
o Ink should be declared separately when applied at the conversion or pack/fill stage but later activities should be included in the overall weight of the product.	
o Jewellery/watch boxes	o Jewellery /watch Boxes in exceptional circumstances may not be considered packaging, where it is specifically designed and bespoke and may be long-term storage.
o Labels that perform a presentation function to the end user of the product, such as those with a description of the product; with a picture of the product; or with the company name.	o Labels containing a barcode only; barcode plus number; Hazchem label only.
o PC Games/software cardboard boxes are not considered long-term storage.	
o Plant pots are generally packaging	o Plant pots that are biodegradable and are intended to be planted with the plant or where sold containing a plant intended to stay in the pot, e.g. a house/patio plant.
o Postal packaging – if the contents are acquired as part of a contract (e.g. mail order goods, catalogues which have been paid for, free catalogues that have been requested, including on approval).	o Where the contents of the package are not part of a sales contract (e.g. unsolicited mail, correspondence, statements and invoices).
o Roll cages are the viewed the same as pallets, unless used for internal supply.	
o Silica gel bags (desiccants) perform a protection function.	
o Sterile medical packaging performs a protection function.	
o Stillages (e.g. metal open crates used in automotive industry are not considered to be freight containers and are obligated on their first trip.	

There will always be some instances where agreement will not be reached on whether a specific item qualifies as packaging or not and in these cases the Environment Agency will seek to clarify their interpretation. Ultimately it will be down to the Environment Agency to contest in court and for a company to defend its reasons for its definition.

In January 2009 the Environment Agency published a document 'Agreed positions and technical changes – packaging'. This summarises the Methodologies and Protocols acknowledged by the Agencies and used by specific industry sectors to calculate packaging obligations. The document is intended for internal use so that the Agency Officers are able to enforce and regulate consistently, however it is available to others, but as it will be updated to take account of changes it should be regularly checked. Therefore, should you need to seek any further guidance or clarification on any issues, please speak with the Biffpack team and this document can be referred to, to ensure that you receive the most up-to-date guidance. This document consolidates and replaces any guidance previously given in 'Explanatory Notes, Packaging Compendium'.

Accuracy

The accuracy of the data supplied is required to be 'as accurate as reasonably possible'. This means that the Agencies are looking for your data to be obtained by sampling and recording rather than from estimates and assumptions.

The Agencies believe that it is possible in the long-term for all packaging weights to be recorded and units supplied counted, Producers should be mindful of this goal and work towards it. It is expected that all obligated companies will achieve year-on-year improvements in the completeness of their data.

Obligated companies will be expected to have in place auditable systems which link unit packaging weights to sales records and in the case of imported packaging for which they are the final user, purchase records. Data should increasingly be based upon a robust sampling regime, which may be supplemented by reliable data obtained from suppliers, however, any data from suppliers should be verified from time to time and be supported by a description of how it was obtained.

Some businesses with large product ranges or significant imports may not be able to account for every item. In this case extrapolations from other data may be acceptable - but they should always be justifiable. If you are uncertain, consult your compliance scheme or the Environment Agency.

All activities (e.g. importing, pack/filling and selling, etc.) must be accounted for. This is a fundamental requirement and any omission will not be accepted.

Groups must account for all obligated subsidiary companies that are registered with the group. The Agencies will expect to be provided with, on request, disaggregated data for each subsidiary when monitoring.

Handling of packaging in Northern Ireland

The Regulations requires a person to determine if they are a Producer by assessing the amount of packaging they handle in the UK (Great Britain and Northern Ireland). If a Producer handles over 50 tonnes of packaging in Northern Ireland and also handles over 50 tonnes of packaging in Great Britain, then they will require two separate registrations with the relevant authorities. However, if that Producer handles less than 50 tonnes in one or both locations, only one registration is required with the Agency where their business is based. The single registration will cover packaging handled in both GB and NI.

Foreign holding companies

The Regulations rely on the Companies Act 2006 to determine who is a holding company and who is a subsidiary. The Regulations apply to activities carried out and operators present in Great Britain. Therefore a foreign holding company is not recognised and cannot register and any subsidiary companies present in the UK will have to register individually.

Responsibilities

Under the Regulations the 'SHARED RESPONSIBILITY' approach has been adopted to ensure that all companies who handle the packaging prior to its becoming waste take a proportion of the responsibility for its potential environmental impact.

There are four 'ACTIVITIES' in the packaging chain, each of which takes responsibility for a percentage of the packaging:

Activity		Responsibility
Raw Material	Manufacturer of packaging raw material	6%
Converter	Turns the raw material into packaging (see below)	9%
Pack / Filler	Places goods into packaging	37%
Seller	Supplies packaging on to the final user or consumer	48%

Together, these apply 100% responsibility to all packaging. A company has to perform at least one of these functions to be obligated.

- for a can of baked beans, the manufacturer of the steel takes a 6% responsibility for the weight of the can, the company that turns the steel into a can takes 9%, the company that puts the beans in the can takes 37% and the supermarket that sells the can takes 48%.
- for a box of copier paper, the manufacturer of the cardboard takes 6% responsibility for the weight of the cardboard box, the company that turns the cardboard into the box takes 9%, the company that puts the paper in the boxes takes 37%, the stationary company who sells the box of copier paper to a business takes 48%.

The regulations do not demand that companies recover a proportion of the actual packaging they have handled. It simply means that companies have to own 'proof of recovery' (PRNs - see page 7) of an equivalent proportion of their responsibility percentage(s) multiplied by the national recovery and recycling targets set annually by DEFRA.

Therefore, a company who manufactures 'y' tonnes of cardboard in a given calendar year will have a responsibility to have proof of recovery of 'y' x 6% x the recovery target for that year.

A company can perform more than one activity on packaging, e.g. a company that places products inside packaging that their customer removes has both a PACK/FILLER AND SELLER RESPONSIBILITY for the packaging.

Conversion Activity

Further clarification has always been sought from the Agencies, as there are many different types of processes that may be classed as conversion. If you do not find the answers you are looking for in the examples below, then please do not hesitate to contact the Biffpack team to discuss it further.

Carrying out the converter and pack/filler activities at the same time – Where the converter and pack/filler activities take place at the same time for the same packaging, the producer only picks up the pack/filler obligation. This does not occur very often, however some examples may include the packing of crisps where the bags are formed from a continuous roll of film at the same time that the crisps are being added to the bags. Another example may include the flow-wrapping of baked goods and the sealing of products between two layers of thermo-formable films.

Assembly – where packaging is assembled from several component manufacturers, the component manufacturers supplying to the pack/fillers will be regarded as the converter and NOT the pack/filler.

Glass Etching – if etching is carried out as an integral part of the bottle formation, the etching process is the final conversion stage. Any frosting/etching undertaken as a subsequent activity to the bottle formation is not the final conversion stage.

Pre-forms – The person who blows the bottle to its final shape and size is considered to be the last converter and will therefore have the converter's obligation.

Air filled plastic pillows – the converter is the business blowing air into and heat-sealing the pillows.

Importing into the UK

The definition of an Importer is '**the first UK business to take ownership**'. All packaging directly imported into the UK must be reported in the correct table showing the correct flow of packaging.

The Environment Agency has clarified their position with regard to Bonded Warehouses and who should pick up the Importer obligation – the obligated party is restricted to 'the first owner of the goods in the UK' – NOT the person who takes the goods out of the bonded warehouse as they had previously stated.

Other Activities

Service Provider – if you hire out packaging for others to use, you are obligated for both the pack/filling and selling obligation on this. It is classed as a separate activity alongside the four main activities, but is reported in the same way as pack/filling and selling.

End User – if you are the final user of goods purchased from a UK supplier then you do not pick up an obligation on this packaging, as your supplier and businesses further up the chain will have done so.

Internal Supply – where you wrap or pack goods to send to another part of your business (it must be within the same legal entity, **not** within a group of companies) then this packaging can be discounted.

Second-hand or re-used packaging – where you have received goods in packaging for which you are the final user, you may re-use that packaging for supply of other goods and this will not attract an obligation as the obligation that packaging will have been picked up in its previous supply. However, if you have directly imported these goods then you must ensure you have first of all picked up the importing obligation whether or not it is new or second-hand when it enters the country.

Proof of Recovery – PRNs

The Environment Agency has developed a system of Packaging Recovery Notes (PRNs) to provide a recognisable, auditable trail of evidence of recovery. These notes are issued by the reprocessor (the steel mill, glass smelter or waste to energy plant) and they can issue a PRN for every tonne of packaging waste they reprocess.

Obligated companies, or compliance schemes on their behalf, must obtain sufficient PRNs to meet their targets. These PRNs are traded and so have a market value - the cost of obtaining them is passed on by compliance schemes to their members. Packaging waste exported for recovery can be used to produce Packaging Waste Export Recovery Notes (PERNs). These have the same status as PRNs.

Weighbridge tickets from waste contractors showing a company has had waste collected for recycling are **not** accepted as evidence.

PRNs are issued relating specifically to the material that has been recycled - paper, glass, aluminium, steel, plastic and wood. Recovery processes like energy-from-waste are not material specific but can be used to meet your obligation.

PRNs can only be issued for the recovery of Packaging Waste, therefore, if you are currently recycling some of your waste, you **will not** be able to deduct this from your obligation. You would have to investigate whether this material has a value and if there is the possibility of obtaining PRNs.

Franchise Obligation for Licensors and Pub Operating Businesses

From January 2005 an obligation was placed on Franchisors. However, for clarity the term Franchisor has been further defined by two terms, 'Licensor' and 'Pub Operating Business' (combined are referred to as 'head organisations'), the definitions for which are below. The Franchisor will be obligated for packaging supplied by their franchisees and pubs (further referred to as 'members') that was supplied to them as part of their Licence or Operating Agreement.

The head organisation itself will have to meet the turnover threshold, but the tonnage threshold will be the aggregate of itself and its members. Schedule 9 of the Regulations also recognises that the head organisation may have difficulties in obtaining the necessary packaging information relevant to its members' activity. The head organisation is expected to use its 'best endeavours' to obtain such information, but where it has been unsuccessful despite using its 'best endeavours' it must still produce the information using its 'best estimate'.

Licensor & Licence Agreements

A person is a **licensor** where he is a party to a licence agreement in or under which he grants a licence to use a trademark to another.

A "**licence agreement**" means an agreement or number of related agreements in or under which the licensor grants the licensee a licence that allows the licensee to use a trade mark as the name under which the licensee sells from premises goods that are associated with that trade mark, and includes an obligation (whether expressed as a positive or as a negative obligation) on the licensee that relates to the presentation of those premises;

Obligated Packaging under a Licence Agreement

If a Head Organisation grants one or more of its members to use a trademark under their licence agreement, then the obligated packaging shall include:

- packaging or packaging materials that bear a trademark; and
- packaging associated with goods that bear a trademark.

Also packaging or packaging materials, where a member is obliged to-

- purchase goods in packaging;
- purchase goods and associated packaging to be used to contain or protect such goods or to facilitate the handling of or for the presentation of such goods.
- purchase packaging or packaging materials to be used to contain or protect such goods or to facilitate the handling of or for the presentation of such goods

from the head organisation or, where the head organisation has negotiated some or all of the terms of the supply, a supplier nominated or authorised by the head organisation under the licence agreement.

Summary for Licensors

Under the new Regulations, a Licensor is obligated for packaging around products sold by its Licensee where those products have been supplied to the Licensee under the terms of the licence.

Pub Operating Businesses

A person is a Pub operating Business where:

- he is a party to a pub operating agreement in or under which he grants a lease or tenancy of premises to another; **and***
- the premises to which the pub operating agreement relates—*
 - in England or Wales, are used by the tenant in order to carry on the licensable activity of—
 - the sale by retail of alcohol for consumption on the premises or both on and off the premises; or

- (bb) the supply of alcohol by or on behalf of a club to, or to the order of, a member of the club or both, for consumption on the premises or both on and off the premises,
and in respect of which a premises licence is in force; or
(ii) in Scotland, are used by the tenant for the sale by retail or supply of alcoholic liquor for consumption on the premises or both on and off the premises, and in respect of which a relevant licence is in force, or such premises are occupied by a registered club.

Obligated Packaging under a Pub Operating Agreement

Packaging and packaging materials shall be obligated where they contain goods that are the subject of the obligation, which have either been purchased from the head organisation or from a party nominated or authorised by the head organisation under the pub operating agreement, whether or not the goods have been packed or filled in the packaging or packaging materials when they are purchased by the member.

Summary For Pub Operating Businesses

A pub operating business will be obligated for packaging and packaging materials supplied by their tenanted pubs in a similar way to their own managed houses, but the obligation will only be on packaging supplied to them by the pub operating business or authorised 3rd party as part of their agreement.

Small Producer Allocation

From January 2005 Small Producers (companies with a turnover between £2-5 million) have been given an alternative to gathering the packaging data in order to calculate their obligation. This is intended to help simplify data gathering for small businesses and reduce the burden. This will enable businesses in the £2-5m turnover bracket to opt to use a 'tonnes per million pounds of turnover' formula instead of having to calculate their data 'as accurately as reasonably possible'. In addition, this simplified obligation will only apply for a single material, whichever is deemed to be the predominant type of packaging they use.

For 2010, the allocated tonnage per £1 million turnover is 29 tonnes.

For example a company with a turnover of £3.2 million would have an obligation of 92.8 tonnes ($£3.2 \times 29t = 92.8$, which rounded to the nearest whole tonne is 93 tonnes) and declare it to be in plastic, if, for instance, most of their packaging was polythene.

However, companies who fluctuate around £5 million turnover will need to ensure that they still gather data if they are likely to go above the threshold in the following year. Companies who opt to use this allocated tonnage must choose to do so for a minimum period of 3 years, unless their turnover exceeds £5 million during that time, in which case they will have to revert to the previous data collation method.

A separate page has been introduced into the Data Form to report this data. If 'Allocation' is the preferred method for calculating the obligation, then the company will no longer need to report their data in the tables as before.

If a subsidiary of a group (where the holding company is above £5 million turnover) is a Small Producer and wishes to use the allocated tonnage then it will have to calculate the obligation for the rest of the group in the usual way and then add the 'allocation obligation' to the 'calculated obligation' and enter the aggregated obligation in Table 4. A holding company and its subsidiaries making a group registration, as a small producer should provide an allocation based on aggregated turnover and predominant packaging material type.

The Environment Agency fee for Small Producers opting to use the allocation method is £345, instead of the normal £564 – this is due to the Agencies believing there is a reduced demand on their compliance monitoring.

Leased Packaging

From January 2005 an obligation is placed on those who hire out or lease packaging for others to use. The Lessor picks up both the Pack/Filler and Seller obligation on this packaging, which ensures that the full 100% obligation is picked up on the piece of packaging. The Activity is known as 'Service Provider' and carries an 85% responsibility (basically 37% pack/filling and 48% selling obligations).

There is no obligation on the party that hires the packaging and uses it to supply their goods.

The Data Form

The Data Form that producers are required to complete in the submission of packaging data to either a compliance scheme or the Agencies form part of the Regulations (Schedule 4). It is a requirement for all businesses registering to be able to complete the form and understand how the figures in the form relate to the packaging they handle as the Agencies will expect the data to be auditable.

THE DATA MUST BE REPORTED IN METRIC TONNES ONLY

The Data Form comprises of six main data boxes, each relating to specific activity.

Table 1	Relates to all 'Activities' carried out in the UK
Table 2a	Relates to all export activity carried out on UK sourced packaging by the obligated company
Table 2b	Relates to all export activity carried out on UK supplied packaging by a third party on products supplied by the obligated company
Table 3a	Relates to imported packaging to which a further packaging activity is performed in the UK e.g. Pack/Filling or selling (not including exports)
Table 3b	Relates to imported packaging for which you are the end user or consumer
Table 3c	Relates to imported packaging, which is subsequently exported whether or not further 'Activities' were performed

In addition, there are a number of further boxes.

Main Activity	The box relates to the main Packaging Activity carried out by the obligated company. That is the activity, which handles to most packaging, for example if the majority of your packaging is reported in Tables 3a & b your main activity would be Importer
Table 4 – Statement of Obligations	This table shows the calculated targets for the relevant year.

EACH OF THESE TABLES RELATE TO ACTIVITIES PERFORMED BY YOUR COMPANY IN THE PREVIOUS CALENDAR YEAR TO THE YEAR FOR WHICH YOU ARE REGISTERING. THEREFORE, FOR 2009 REGISTRATION, THEY SHOULD INCLUDE ALL PACKAGING HANDLED FROM 1 JAN 2009 TO 31 DEC 2009.

Packaging Flow Tables

See next page for an explanation of each of the boxes below.

Table 1: Packaging/Packaging Materials supplied (in tonnes)

	Paper	Glass	Al	Steel	Plastic	Wood	Other
Raw Material Manufacturing	(i)	(i)	(i)	(i)	(i)	(i)	(i)
Conversion	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)
Pack/filling	(iii)	(iii)	(iii)	(iii)	(iii)	(iii)	(iii)
Selling	(iv)	(iv)	(iv)	(iv)	(iv)	(iv)	(iv)

Table 2a:(where applicable) Packaging/Packaging Materials exported by the producer (in tonnes)

	Paper	Glass	Al	Steel	Plastic	Wood	Other
Raw Material Manufacturing	(v)	(v)	(v)	(v)	(v)	(v)	(v)
Conversion	(vi)	(vi)	(vi)	(vi)	(vi)	(vi)	(vi)
Pack/filling	(vii)	(vii)	(vii)	(vii)	(vii)	(vii)	(vii)
Selling	(viii)	(viii)	(viii)	(viii)	(viii)	(viii)	(viii)

Table 2b: (where applicable and if known) Packaging/Packaging Materials exported by a third party (in tonnes)

	Paper	Glass	Al	Steel	Plastic	Wood	Other
Raw Material Manufacturing	(ix)	(ix)	(ix)	(ix)	(ix)	(ix)	(ix)
Conversion	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Pack/filling	(xi)	(xi)	(xi)	(xi)	(xi)	(xi)	(xi)
Selling	(xii)	(xii)	(xii)	(xii)	(xii)	(xii)	(xii)

Table 3a: (where applicable) Tonnage of Packaging/Packaging Materials imported for the purpose of the named activity (in tonnes)

	Paper	Glass	Al	Steel	Plastic	Wood	Other
Conversion	(xiii)	(xiii)	(xiii)	(xiii)	(xiii)	(xiii)	(xiii)
Pack/filling	(xiv)	(xiv)	(xiv)	(xiv)	(xiv)	(xiv)	(xiv)
Selling	(xv)	(xv)	(xv)	(xv)	(xv)	(xv)	(xv)

Table 3b: Imported packaging for which you are the end user (in tonnes)

Paper	Glass	Alu	Steel	Plastic	Wood	Other
(xvi)	(xvi)	(xvi)	(xvi)	(xvi)	(xvi)	(xvi)

Table 3c: Imported packaging which is subsequently exported (in tonnes)

Paper	Glass	Alu	Steel	Plastic	Wood	Other
This data does not enter into the calculation to obtain your targets						

Table 4: Statement of obligations for 2009 (based on 2008 tonnages above)

Individual Material Recycling Obligations	Paper	Glass	Alu	Steel	Plastic	Wood
	(xvii)	(xviii)	(xix)	(xx)	(xxi)	(xxii)
Total Recovery Obligation	(xxiii)					
Total Recycling Obligation	(xxv)					

Explanation of what to fill in for each box under each material type

TABLE 1: Packaging/packaging materials supplied

- (i) The tonnage of packaging raw material manufactured in the UK less any process waste that comes off during the conversion process
- (ii) The tonnage of raw material that gets converted into packaging less any process waste
- (iii) The tonnage of packaging into which products are placed including transit packaging such as pallets, cardboard outers and stretch wrap plastic film
- (iv) The tonnage of packaging around products that are supplied to the final user including transit packaging

Do imports or exports go in Table 1?

Imports should only be entered into Table 1 if you perform an activity on it, such as 'selling' – but the packaging must stay in the UK (You would therefore enter the weights in both Table 3a and Table 1)

Exports should only be entered into Table 1 if you sourced it in the UK, if you imported it and are now exporting it, then you should only put it in Table 3c.

TABLE 2a: Packaging/packaging materials exported by the producer

- (v) The tonnage of raw material included in Table 1 that the manufacturer directly exports
- (vi) The tonnage of converted packaging included in Table 1 that the converter directly exports
- (vii) The tonnage of filled packaging included in Table 1 that the packer/filler directly exports
- (viii) The tonnage of packaging included in Table 1 that the obligated company sold to an end-user overseas

TABLE 2b: Packaging/packaging material exported by a third party

- (ix) The tonnage of raw material included in Table 1 that is exported by someone further down the Packaging Chain
- (x) The tonnage of converted packaging included in Table 1 that is exported by someone further down the Packaging Chain
- (xi) The tonnage of filled packaging included in Table 1 that is exported by someone further down the Packaging Chain
- (xii) This would not apply as a company would not have a selling obligation if it supplied on to another part of the chain or to someone else selling to the final consumer

TABLE 3a: Primary Packaging/packaging materials imported into the UK

- (xiii) The tonnage of raw material imported directly by the obligated company for the purpose of converting into packaging by that company or by another party
- (xiv) The tonnage of converted packaging imported directly by the obligated company for the purpose of filling with products by that company or by another party
- (xv) The tonnage of filled packaging imported directly by the obligated company for the purpose of selling by that company or by another party

TABLE 3b: Imported packaging for which you are the end user

- (xvi) The amount of packaging around the products imported by the obligated company that they will remove as the end user or consumer

TABLE 3c: Imported packaging which is subsequently exported

The amount of packaging, which is imported and subsequently exported whether or not further 'Activities' are performed. These figures do not contribute towards your obligation; therefore you do not need to enter this data in any other tables

Table 4: Statement of Obligations

Table 4 must be completed and shows the targets that will relate to the tonnage placed in Tables 1 - 3b.

The method to undertake the calculations is shown below, but Internet users can use the Online Obligation Calculator at www.biffpack.co.uk

CALCULATING THE OBLIGATED TONNAGE FOR EACH MATERIAL (including wood and other)

In each material column:

$$[[(i) - (v) - (ix)] \times 0.06] + [((ii) - (vi) - (x)) \times 0.09] + [((iii) - (vii) - (xi)) \times 0.37] \\ + [((iv) - (viii) - (xii)) \times 0.48] + [(xiii) \times 0.06] + [(xiv) \times 0.15] + [(xv) \times 0.52] + [(xvi) \times 1]]$$

The **TOTAL obligated tonnage is the sum of the separate material obligated tonnages.**

CALCULATING THE MINIMUM RECYCLING TARGET FOR EACH MATERIAL (for Paper, Glass, Aluminium, Steel, Plastic and Wood only)

The Obligated Tonnage for each of the above materials should be multiplied by the relevant minimum recycling target set by DEFRA, which for 2010 are:

Paper	69.5%
Glass	81%
Aluminium	40%
Steel	69%
Plastic	29%
Wood	22%

For example, if the OBLIGATED tonnage for Glass was 100 tonnes, after applying the calculations above, the Minimum Recycling Target for glass would be $100 \times 81\% = 81$ tonnes.

CALCULATING THE TOTAL RECOVERY TARGET

The OBLIGATED tonnage for each material **including other** should be added together and the sum multiplied by the overall recovery target of 74%.

CALCULATING THE TOTAL RECYCLING TARGET

The Total Recovery Target should be multiplied by 92%.

(N.B. Because the Overall Recovery Target has been set at a higher level than the Paper Recycling Target, if your only obligated material is paper, you will end up with the Overall Recovery Target being lower than the Paper Minimum Recycling Target. In this case, your Paper Recycling Target would count as your Overall Recovery Target)

Other Points

- The tonnages included in the tables must only relate to packaging owned by the obligated company.
- Records must be kept relating to the basis of calculation for tonnages supplied for a minimum of 4 years, along with the data form that was finally submitted to the Agency or Registered Compliance Scheme.
- Composite packaging should be included under the category of packaging that forms the predominant material by weight.
- Companies should ensure that the data used in the calculation of packaging tonnages is robust and can withstand scrutiny by the relevant Agency through the necessary support documentation.
- Data must be reported to the nearest metric tonne.

Summary

You have reached the end of our Guidance Notes. We hope you now have a greater understanding of what you need to do as an obligated business.

In case you missed anything, here are some main points again:

- The thresholds are 50 tonnes of packaging handled per year (in the previous calendar Year) and £2 million turnover.
- Your data should now be 'as accurate as reasonably possible' - you will need to justify any assumptions or extrapolations.
- If you have chosen to follow the allocation method for Small Producers then you must ensure you have correctly identified your predominant material and have proof as to your turnover, especially if you do not have audited accounts.
- From your data you can calculate the Targets you will need to meet in that year.
- Meeting the targets means obtaining PRNs or their equivalent.
- If you register with a compliance scheme the obligation to obtain PRNs passes to the scheme.
- You should keep all records for at least four years.
- The appropriate Agency aims to visit each producer once every three years.

APPENDIX 1

EXAMPLE OF POTENTIAL PACKAGING RESPONSIBILITIES

(Relating to diagram overleaf)

◇ **Computer Chip Supplier**

Will have:

- no obligation, as they are not a UK registered company.

◇ **Monitor Manufacturer**

Will have:

- a pack/filler obligation (37%) on the primary packaging (plastic and cardboard) around the monitor; **and**
- a pack/filler and seller obligation (85%) on the transit packaging (pallets and shrink wrap).

◇ **UK Boxes Ltd**

Will have:

- a converter obligation (9%) for converting the cardboard into flat packed boxes; **and**
- a pack/filler and seller obligation (85%) on any transit packaging supplied, wood and plastic).

◇ **PC International**

Will have:

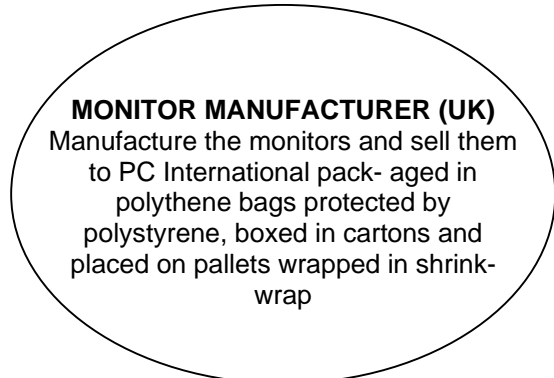
- an importer obligation (100%) on the direct imports of computer chips from Japan (paper, plastic and wood), as they discard all the packaging they receive;
- a pack/filler and seller obligation (85%) on the primary packaging around the computers sold by mail order (paper and plastic); and
- a pack/filler obligation (37%) on the primary packaging around the computers sold to Staple World (paper and plastic);
- a seller obligation (48%) on the primary packaging around the monitors sold by mail order (paper and plastic);
- no obligation on the monitors supplied to Staple World;
- pack/filler and seller obligation (85%) on transit packaging (not wood as pallets are second hand) they use to supply the monitors and computers (paper and plastic). This will include the shrink-wrap to Staple World and any boxes used for direct mail order.

PC International will also need to enter any primary and transit packaging exported as a pack/filler and seller (paper, plastic). They should also inform the monitor supplier how many have been exported.

◇ **Staple World**

Will have:

- a seller responsibility (48%) on the primary packaging around the computers and monitors (paper and plastic).



Direct Imports

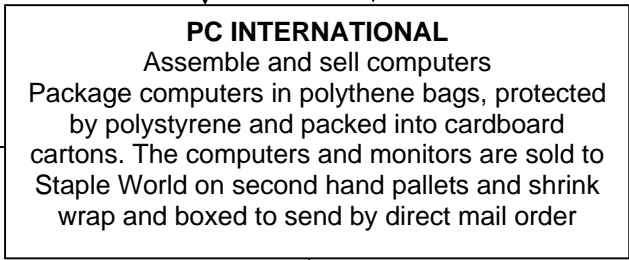
UK Supply

PC International discard all packaging from the computer chip supplier and use the chips in their own assembly process

PC International un-pack and discard the transit packaging (pallets & shrink wrap) and then sell the monitors on in the same packaging in which they arrived



PC International buy the flat packed boxes in which to pack their finished computers



Direct delivery by mail order

