

The Packaging Regulations



2017

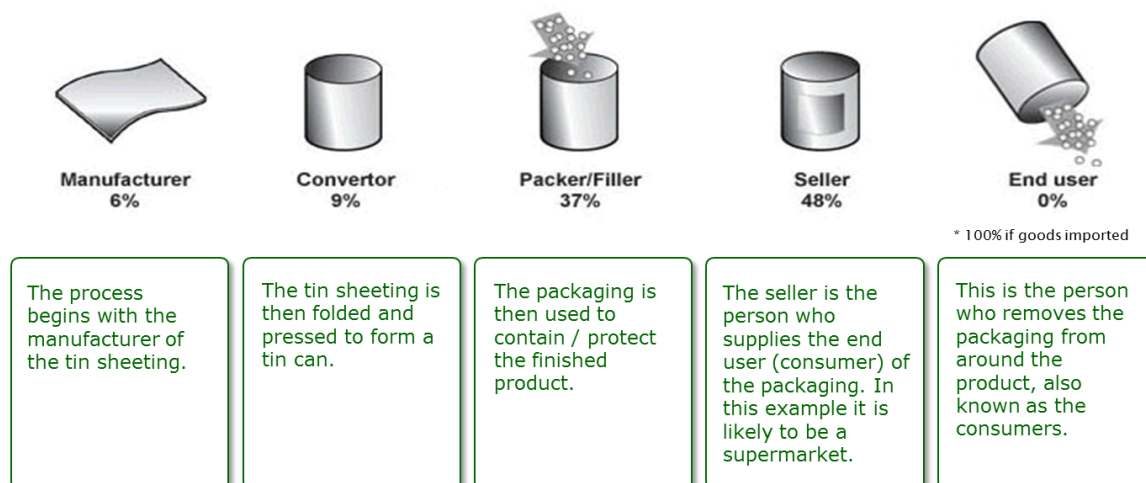
Introduction

In 1994 the EU passed a Directive on packaging and packaging waste, stipulating targets for member countries on the amount of packaging that had to be diverted from landfill. As a Directive it was left to the individual countries to decide how best to implement this legislation.

Within the UK DEFRA developed the **Producer Responsibility Obligations (Packaging Waste) Regulations 2007 and Amendments** (introduced in 1997). This legislation was designed to increase the amount of recycling and reprocessing of packaging waste taking place within the UK.

UK businesses, or 'Producers', who introduce packaging to the UK are required to share the responsibility for the costs associated with reprocessing packaging waste based on their position within the supply chain.

Producer Responsibility is defined by the activities a company performs on the packaging – known as the **Packaging Activity Chain**, shown below.



The percentages represent the proportion of responsibility placed on businesses performing each activity.

Are you affected?

Companies are affected by these Regulations if they meet the following criteria:



As far as these Regulations are concerned **your obligation has nothing to do with the volume of waste generated at or removed from your site**, whether that waste is recycled or sent to landfill. Your obligation is solely dependent on the weight of packaging you are introducing into the UK system.

This includes the following:

- Packaging around imported raw materials or components used in production.
- Packaging around both imported and UK sourced finished goods that you supply on.
- Packaging that you purchase to add to your goods.

Becoming compliant

To become compliant you must register your obligation annually with the Environment Agency. This is usually done via a Compliance Scheme.

Assessing your obligation requires you to identify what packaging is being handled and what activities you are performing. Government recycling targets are then applied to each packaging stream and material.

Depending on a business' turnover and the amount of packaging handled companies have the option of complying via the Data Assessment method (where the actual packaging handled must be calculated) or, if the company turnover is under £5 million, the Allocation method (where the PRN requirement is allocated based on turnover). This is entirely dependent on your business and we can advise on the best method for you.

A company's obligation is offset through the purchase of Packaging Recovery Notes (PRNs). PRNs and their export equivalent (PERNs) are a type of certificate signifying that one tonne

of packaging waste has been reprocessed. This is similar to carbon off-setting for recycling.

PRNs are the only form of evidence accepted by the Environment Agency that the recycling or recovery of packaging has taken place and they are purchased on the company's behalf by Kite's Compliance Scheme. Waste transfer notes, in-house recycling etc. are unfortunately not viewed as evidence and therefore offer no credit or bearing under these Regulations.

Enforcement of the Regulations

The Environment Agency actively enforces these Regulations by auditing registered Producers and by targeting unregistered businesses, called "free-riders". The highest fine received so far was by Red Bull, who was found to be in breach of the Regulations in August 2009 and charged £271,800 in fines, compensation and court costs.

Once registered with a Compliance Scheme the EA aims to audit within 3 years of first registration and then roughly every 3 years thereafter on a risk basis. Kite attends all Environment Agency audits in support of its Members.

Kite's Compliance Scheme

Kite Environmental Solutions (KES), was developed to help companies meet their obligations under the Regulations. The motivation of the Kite Scheme is not only to provide its Members with help and ensure they are compliant, but to also assess the ways in which their obligation may be reduced.

The Kite Difference

Kite differentiates itself from other schemes in two main ways.

Firstly Kite appreciates that the Regulations are complex, confusing and that their application to specific businesses is difficult. To solve this problem Kite offers on-site one-to-one consultancy for all its Members, to manage their whole Compliance Process.

Secondly Kite, as a division of Kite Packaging Group, approaches the Regulations from a packaging perspective whereas most of the other schemes currently operate through companies who manage waste. This means that Kite, in partnership with Kite Packaging, may be able to reduce your obligation through our expertise in packaging design.

One-to-One Help

Kite believes that the only way to fully understand a business and to ensure it is compliant with the Regulations is to spend time on site with the Scheme Member. The general consultancy sessions are designed to:

- Help you understand the Regulations.
- Advise you on your obligations under law and explain how the Regulations affect your business.
- Identify the operational flows within the business and from this determine the main activities performed.
- Determine how you will source the data and provide expert guidance to enable your company to meet the requirement of being as '*accurate as reasonably possible*'.

Once all data is collated we will then complete your calculations, produce the Data Submission for your business and register you with the Environment Agency.

Joining the Scheme

Becoming a Member

If you would like to become a member, or would like some further advice, please contact us and we will be pleased to help.

Kite Environmental Solutions

Phone 02476 42 00 80

Fax 02476 42 00 89

E-Mail compliance@packwithkite.com

186 Torrington Avenue

Tile Hill

Coventry

CV4 9AJ

Compliance Fees

Kite works hard to minimise the cost of compliance to its Members and to attribute costs as fairly as possible. The fees are a combination of the Scheme Membership fees and Registration fees payable to the Environment Agency. Where Kite undertakes a data assessment on your behalf, the standard consultancy rate applies.

Kite Scheme Fees

This is an annual fee, payable to register under our scheme, please contact us for more details.



Environment Agency Fees



Annual Registration Fee	
Data Assessment Method	£564
Allocation Method	£345
Subsidiary Fees	
1st to 4th	£180
5th to 20th	£90
21st and subsequent	£45

It should be noted that the Environment Agency charge additional fees for registration after the 15th April 2017 and for any data resubmissions it requests.

If applicable, these are:	Late Submission Fee	£110
	Data Resubmission Fee	£220

Please note that the 15th April is the deadline for Compliance Schemes to submit their Scheme data, and Members' data is generally required by the end of January.

Packaging Recovery Notes (PRNs)

By joining Kite's Compliance Scheme your obligation to purchase PRNs is transferred to Kite. Members are invoiced on a quarterly basis for their PRNs, spreading the cost of compliance across the year.

Kite Environmental Solutions Ltd



Membership Application Form

KES Number	K	E	S											
NPWD Number	N	P	W	D										

(office use only)

Contact Details

Name	_____	Position	_____
Tel	_____	Mobile	_____
Fax	_____	Email	_____
Address	_____		
	_____	Postcode	_____

Details of Registering Company

Company Name	_____		
t/a	_____		
Registration No.	<input type="text"/>	SIC code	<input type="text"/> / <input type="text"/>
<small>(available from companies house)</small>			
Registered Office Address	_____		
	_____	Postcode	_____

Subsidiary / Franchise Details

No. Subsidiaries to be registered	_____	No. Franchises to be registered	_____
<small>(please discuss with Kite prior to completing to ensure subsidiaries / franchises are accounted for as per the Regulations)</small>			

Declaration

The information provided is accurate and correct in material fact. For Groups of companies within the UK (if applicable) the Member hereby warrants that the Member has authority of each other Group company as of the date of this agreement, to apply for Membership of the Scheme on behalf of itself and each other Group Company ("Group Member").

Signature	_____	Position	_____
Print Name	_____	Date	_____