

Women in Energy and Environment Webinar Series

Key Regulatory Issues in the UK in Environment and Sustainability: 2021 and Beyond

Tuesday, January 12, 2021



Women in Energy and Environment Series

Key Regulatory Issues in the UK in Environment and Sustainability: 2021 and Beyond

Welcome

- [Karen Winters](#), Global ESH Practice Group Chair, Partner, Squire Patton Boggs

Moderator

- [Nicola Smith](#), Director, Squire Patton Boggs

Panelists

- [Sarah Foster](#), Commercial Director, Comply Direct
- [Susanne Baker](#), Associate Director, Climate, Environment & Sustainability, techUK
- [Susan Brench](#), CEO, Starbons Ltd
- [Sandy Luk](#), CEO, Marine Conservation Society
- [Caroline Almond](#), Senior Associate, Squire Patton Boggs



Plastic Packaging Tax, Fee Modulation and the Importance of Data

12 January 2021



Policy Timeline

	2020			2021		2022		2023
	AUG	SEP	OCT - DEC	JAN - MAR	AUG - DEC	APR	JUL	APR
New Regulation Launch				EU Plastic levy	Single use plastic bans in Wales/ Scotland (Estimate)	Plastic 30% recycled content tax	Deposit Return Scheme Scotland	Packaging EPR Regulations enacted
				Plastic exports ban to non-OECD countries			Deposit Return Scheme England (Estimate)	Collection consistency for Local Authorities
				UK Environment Bill follow-up				
Consultations / Regulation Review	Plastic Packaging Tax	Reducing single use plastic in Wales	2021 - 2023 packaging targets released	EPR Consultation (DELAYED)	Packaging EPR Regulations published			
				DRS Consultation England (DELAYED)	WEEE Review Consultation (Estimate)			
				Consistent Collections Consultation (DELAYED)				

Plastic Packaging Tax



- Plastic Packaging Tax comes into force April 2022
- Announced in the 2018/19 Resources and Waste Strategy
- First attempt at a tax of its kind directly taxing plastic packaging materials
- Aimed at increasing recycled content and minimising unnecessary plastic usage

'Plastic' means a material consisting of a polymer within the meaning of Article 3(5) of Regulation (EC) No 1907/2006, to which additives or other substances may have been added, with the exception of cellulose-based polymers that have not been chemically modified.

What packaging is included?

- All “mainstream” plastics including compostable / biodegradable materials
- Empty packaging imported into the UK
- Packaging around finished goods imported into the UK
- Empty packaging manufactured in the UK
- Multi material / composite – must be majority plastic by weight for tax to apply

Who does the tax impact?



Directly (likely to pay tax)

- Importers of finished goods in plastic packaging
- Importers of empty plastic packaging
- Plastic packaging manufacturers

Indirectly

- Businesses selling or handling products in plastic packaging
- Consumers
- Waste management companies

Impact example

Business A

- 200T of 100% virgin plastic packaging manufactured
- Tax payable at rate of £200 a tonne for 200T
- $£200 \times 200T = £40000$

Business B

- 200T of packaging imported, 100T from supplier who can demonstrate 30% recycled content
- Tax payable at rate of £200 a tonne for 100T
- $£200 \times 100T = £20000$

Registration, returns and enforcement– Key points

From April 2022, UK manufacturers and importers of plastic packaging handling over 10T per year must register with HMRC and provide:

- The name and address of the business
- Their VAT or Corporation Tax number, if applicable
- The tonnage of plastic packaging manufactured or imported
- The responsible person at the business
- Addresses of sites where packaging is manufactured, and where packaging is imported to
- Their bank details
- A Packaging Recovery Note producer registration number if the business has one (NPWD code)

Group companies may register under a holding company, but will share one threshold

Fee Modulation



- Part of the overarching EPR reform expected to take effect from 2023
- Compliance point will likely sit towards bottom of supply chain (Retailer / Brand Owners) and at a fixed point
- Aims to align waste with full net cost recovery
- Possible considerations:
 - Recyclability
 - Composition and production process
 - Necessity
 - Reusability
 - Litter prevalence
 - Other areas that impact waste management

The importance of data



- Current – basic info by material and weight
- Fee modulation will require individual componentry information and material types beyond plastic, paper etc into much more detail
- Core material groups will remain but much more in depth sub groups - for example, polymer types for plastic
- Data on a product level, broken into components will now be needed
- Verification and audit trail

Questions



Sarah Foster

Commercial Director

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UK climate & environment policy & regulatory milestones in 2021

Susanne Baker, techUK



2021: the picture for key env & climate regulation

	Q1	Q2	Q3	Q4
Strategies	<ul style="list-style-type: none"> Integrated Rail Plan Construction Playbook England's Waste Minimisation Plan 	<ul style="list-style-type: none"> UK Eco-Design Framework Net Zero review Transport Decarbonisation Plan Hydrogen Strategy? Energy & Digitalisation Strategy (with Ofgem) Industrial Decarbonisation Strategy 		<ul style="list-style-type: none"> Refreshed Industrial Strategy Heat and Building Strategy EV Charging Infrastructure Strategy
Consultations	<ul style="list-style-type: none"> EPR Packaging Higher EE standards for non-residential buildings Various energy consultations 	<ul style="list-style-type: none"> EPR WEEE Various energy consultations 		<ul style="list-style-type: none"> EPR Batteries Various energy consultations
Legislation	<ul style="list-style-type: none"> UK Env Act 	<ul style="list-style-type: none"> Plastic Packaging Tax in Finance Bill? 		
Regulatory deadlines	<ul style="list-style-type: none"> GB energy labels from 1 Jan Roll out of rescaled labels from Mar UK REACH authorisations holders – 60 days from transition period New registration requirements for new substances. 	<ul style="list-style-type: none"> Gov to set sixth carbon budget DU's using SVHC in products must notify the HSE within six months. 120 days from the end of the transition period: Deadline for initial actions for grandfathering of EU REACH registrations. 		<ul style="list-style-type: none"> Deadline to complete UK REACH DUIN – 2,4,6 years from 28 October.
Guidance		<ul style="list-style-type: none"> HMRC start work on plastic packaging tax guidance 		
Other	<ul style="list-style-type: none"> Gov response to UK eco-design regime call for evidence. Gov response to EV charge points in homes/businesses Comprehensive Spending Review Gov response to Future Homes Standard 	<ul style="list-style-type: none"> HMT to publish Net Zero Review Gov to publish Green Government Commitments. UK REACH work plan? 	<ul style="list-style-type: none"> HMT to update Green Book (timing tbc) 	<ul style="list-style-type: none"> COP26 in Glasgow Deadline for climate adaptation reporting Launch of green gas scheme First UK REACH prioritisation for authorisation recommendations.

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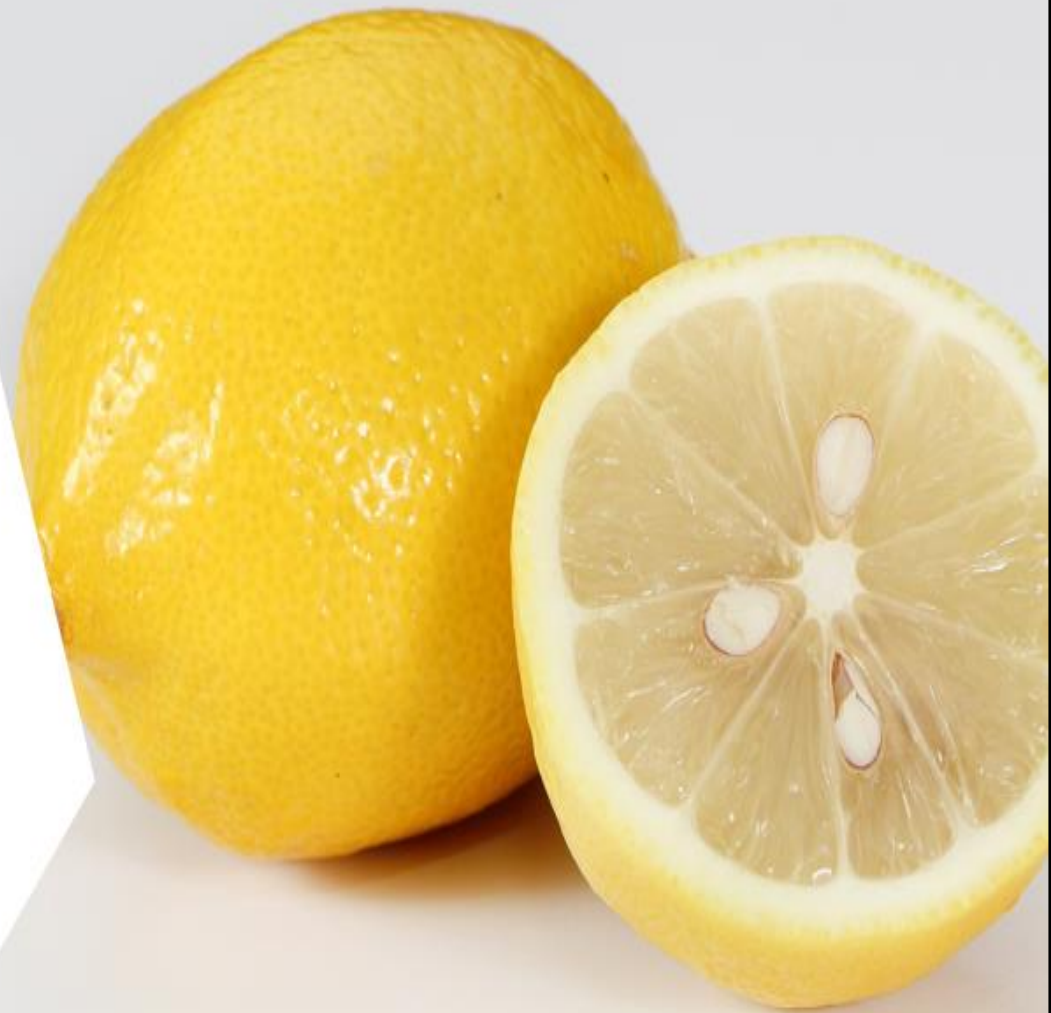
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The need and the challenge – “squeezing the lemon”

- Making the best use of the world's limited resources
 - Biorenewable starting materials
 - Efficient outcomes relative to inputs – “squeezing the lemon”
 - Recovery and recycling – the Circular Economy – biodegradable products
- Substitution of existing technologies and methodologies, and also
- Solutions where none currently exist





A better use for food waste?



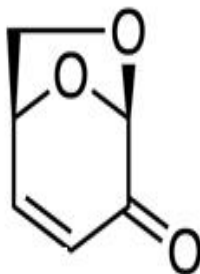
- A number of processes produce large volumes of polysaccharides
 - Starch (from potato waste)
 - Alginates (from seaweed)
 - Pectin (from fruit and vegetables)
- Traditional end uses have offered low value returns e.g. cattle feed
- Could this waste be put to higher value use?
- Yes it can – for example as the starting material for Starbon® technology:
 - Pharmaceutical actives isolation
 - Medical devices
 - Heavy metals extraction
 - Gas absorption



New molecules from biomass



Furacell™



chemical
processes



Levoglucosenone (LGO)



Pharmaceuticals /
Agrochemicals

Flavors &
Fragrance

High Performance
Polymers

Coatings &
Adhesives

Graphene /
Electronics



Non-food waste biomass

Residues from sawmills,
sugar refineries, papermills,
agriculture, wine grape
processing, food waste, etc.

ecovio® fruit & vegetable bags

Enable circularity by using BASF products



Certified home-compostable fruit & vegetable bags

- Dual use: fruit & vegetable bag and organic waste bag
- Less organic waste in landfill
- More compost

ecovio® bags help close the loop of the food value chain.

FOG – Fats Oils and Grease

Approx. 350,000
food serving
establishments in
the UK

The cholesterol
of our sewers:
75% of
blockages are
caused by FOG

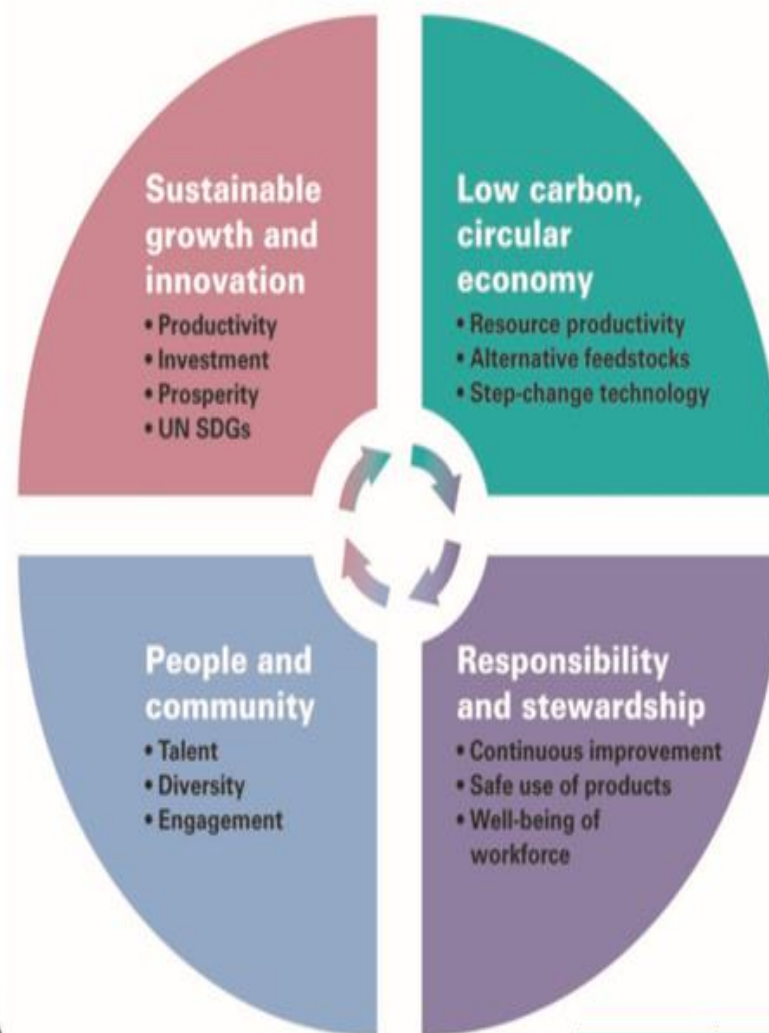
UK is reactive
over proactive,
spending £100m
annually on clean
up operations

420 million litres
of FOG is
produced
annually

But only around
4% is currently
collected and
recovered

SWIFT
COMPLY

Chemistry for a sustainable future



CIA

CHEMICAL
INDUSTRIES
ASSOCIATION

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Our Next Program...

Women in Energy and Environment Series

Looking Ahead to 2021: Implications of a Change in Administration on Environmental Policy in the US

Tuesday, January 19

11 a.m. - noon ET

Speakers

- [Karen Winters](#), Global ESH Practice Group Chair, Partner, Squire Patton Boggs
- [Jessica Francisco](#), Head of Sustainability - North America, Arcadis
- [Kendra Sherman](#), Partner, Squire Patton Boggs
- [Patricia Doersch](#), Partner, Squire Patton Boggs