

Notice to Suppliers



Plastic Packaging Tax – with effect from 1st April 2022

Originator: Mark Sowerby
Job Title: Head of Customs
Business Unit: Group Tax

NTS Number: 548
Issue: 1
Date: 04 February 2022

For the attention of Managing Directors

Scope/Applicability:

This NTS applies to all exporters of goods into the United Kingdom.

Dear Supply Partner,

Introduction:

The UK Government recently confirmed that it will introduce a world leading environmental tax to be applied to plastic packaging from the 1st April 2022.

The tax is designed to encourage widespread use of recycled plastic in packaging products manufactured in, or imported into, the UK and will be charged at a rate of £200 per metric tonne where the packaging contains less than 30% recycled plastic.

For clarification, the term plastic includes all biodegradable, compostable and oxo-degradable plastics and recycled plastic is defined as plastic that has been reprocessed from recovered material, by using a chemical or manufacturing process. Packaging that contains multiple materials but contains more plastic by weight than any other single substance will be classified as a plastic packaging component for the purposes of this tax.

The following link provides further information on the Plastic Packaging Tax to help businesses prepare accordingly: [PPT](#)

Plastic Packaging Tax - Categories & Definitions

We anticipate that for the Rolls-Royce business, any liability to Plastic Packaging Tax (PPT) will only apply to 'finished' products, imported from outside the UK, where the packaging is designed for use in the protection, handling and delivery of product. Transport packaging used on imported goods such as pallet wrap and shrink film are, we understand, exempt from this tax.

Impact on non-UK suppliers

As the importer of plastic packaging, Rolls-Royce will need to demonstrate to the UK Tax Authority (HM Revenue & Customs) if any packaging which contains plastic is not subject to the tax and will also need to capture and report import volumes by weight.

In line with our wider sustainability commitments our aim is to eliminate plastic packaging which does not meet the minimum content requirement of greater than 30% recycled plastic. We are therefore committed to move quickly to an arrangement which achieves this aim and also minimises the overall impact upon our business.

Impact on Non-UK Suppliers – Future action required

It is therefore Rolls-Royce's intention to mandate to our non-UK-based supply chain that from no later than 31st March 2022, all plastic packaging must meet the minimum content requirement of greater than 30% recycled plastic.

Rolls-Royce will reach out to a **prioritised list of suppliers** in due course to ensure they are aware of this new legislation, and will seek positive confirmation that they will meet this standard, that plastic packaging must meet the minimum content requirement of greater than 30% recycled plastic.

Rolls-Royce will also require specific information, relating to the weight of any plastic packaging used in the course of exporting Goods to Rolls-Royce, which we will request from selected suppliers in due course.

If you are one of the prioritised suppliers, please take immediate action, when requested, to ensure the data you submit is accurate and in-line with our needs. This is important as the data will be critical in determining whether Rolls-Royce will need to register for the Tax and thereafter what our liabilities will be.

NTS Category:

Regulatory / Legislation

Authorised by:

Dave Deakin

Chief Procurement Officer – Rolls-Royce