



House of Commons

Environment, Food and Rural
Affairs Committee

**The price of plastic:
ending the toll
of plastic waste:
Government Response
to the Committee's
Third Report**

**Fourth Special Report of Session
2022–23**

*Ordered by the House of Commons
to be printed 24 January 2023*

HC 1044

Published on 27 January 2023
by authority of the House of Commons

The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and associated public bodies

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Fourth Special Report

The Environment, Food and Rural Affairs Committee published its Third Report of Session 2022–23, *The price of plastic: ending the toll of plastic waste* (HC 22), on 7 November 2022. The Government response was received on 9 January 2023 and is appended below.

Appendix: Government Response

Introduction

The government thanks the Environment, Food and Rural Affairs Committee for its report on plastic waste, published on 7th November 2022.

Plastic waste is one of the biggest global environmental challenges. We agree with the Committee that plastics are incredibly useful – their strength and versatility make them valuable materials in many areas of life from casings for electronics, to being in the rubber in tyres and reinforcing fishing equipment. When used in the right way and disposed of correctly, plastic can help secure the best environmental outcome. The plastic problem is one of management not eradication, to reduce, reuse, and recycle the material we have and not let it escape into, and damage, our environment.

The government's 25 Year Environment Plan sets out our ambition to eliminate all avoidable plastic waste by 2042. In December 2018 we published the Resources and Waste Strategy, which sets out how we want to achieve this. Our goal is to maximise resource efficiency and minimise plastic waste – by following the principles of the waste hierarchy: reduce, reuse, recycle – to keep plastics in circulation for longer. We will do this by making producers more responsible for the plastics they make and use.

Plastic Waste Targets and Ambitions

Despite progress in reducing the use of some problematic plastics and plastic products and creating an uplift in recycled content in new plastic production, progress in tackling plastic waste appears to have slowed in recent years. Current initiatives are clearly not driving progress as effectively as possible. Some of the definitions and metrics for the targets driving change need to be improved to make them: clearer and less ambiguous; more ambitious and measurable; and more reflective of the waste hierarchy with a strong focus on reducing the amount of plastic waste created in the first place. However, with this focus comes the need to ensure that plastics are not replaced by possibly more impactful materials as plastic usage is reduced in the future.

We recommend the 2042 target for the elimination of plastic waste should be reaffirmed by the new Government but, crucially, without the qualifier “avoidable”. The goal would be clearly defined as ensuring that all plastic waste is recycled, reused or composted by 2042. The new Government should also set out two-year milestones to drive progress towards this target. (Paragraphs 23 and 24)

We disagree with the Committee's recommendation to drop the qualifier “avoidable”.

This ambition was set under the 25 Year Environment Plan as part of a comprehensive and long-term approach to protecting and enhancing the environment. Though we strive to eliminate all plastic waste, we recognise that there will inevitably be a small proportion of waste that cannot be kept in circulation, so we need to be realistic. For instance, plastic waste derived from medical settings may prove extremely difficult to eliminate entirely and simply substituting these for other materials may lead to other wastes, which have worse environmental outcomes.

Avoidable plastic waste is plastic waste that it is technically, environmentally and economically practicable to prevent from becoming residual waste. To consider the environmental aspect, when plastic is used in the right way and managed correctly at end of life, it can help secure the best environmental outcome. As noted above, therefore, removing the qualifier “avoidable” could lead to unintended consequences that result in a worse environmental outcome.

However, the government is also committed to stopping plastic from entering the environment through its international targets and in order to achieve this, all plastic waste must be managed appropriately. This is exemplified by a commitment under the G20 Osaka Blue Ocean Vision to reduce plastic waste entering the marine environment to zero by 2050. More recently, the UK joined the High Ambition Coalition (HAC) to End Plastic Pollution as a founding member. The HAC is a group of like-minded countries that want the future legally binding treaty on plastic pollution to include a target of ending plastic pollution by 2040. This treaty is under negotiation and due to be agreed by 2024.

On the subject of compostable plastic, the Committee should note there has been a change in the government’s position since the Resources and Waste Strategy was published in 2018. In this, we committed to work towards all plastic packaging placed on the market being reusable, recyclable or compostable by 2025. However, since then, we are now focusing on increasing reuse and recycling, not composting of plastic packaging. Compostable plastics are inherently single-use and are not in line with our vision for a circular economy for plastics. Though we recognise there is a valid role for compostable plastics to play in some niche applications, such as tea bags or fruit labels, packaging as a whole does not constitute a niche use and therefore we will continue to prioritise the reuse and recycling of plastic packaging, where a reduction cannot be achieved.

The Committee heard evidence supporting the government’s position during oral evidence sessions, with one witness noting that plastics were a valuable material and keeping them circulating round the system would be the best outcome in the majority of cases.

While the overall target does not have two-year milestones, it should be viewed alongside other targets with earlier deadlines. For instance, the aforementioned 2025 packaging target and recycling targets. The Committee should also note that we have published plans for monitoring and evaluating progress on the Resources and Waste Strategy, including progress on the 2042 target. Monitoring Progress has been published annually since 2020 and is intended to be published annually in the future. Our evaluation programme has been commissioned for five years starting in 2022. The aim of the evaluation is to understand what has or hasn’t worked, how, for whom and in what circumstances towards achieving our desired policy outcomes (including preventing plastic waste at all stages of the plastics life cycle), deliver rapid feedback on policies as they are implemented to help understand performance and inform adjustments and provide an estimate of the cost-

effectiveness and value for money of the policies to help us design better resources and waste policy in the future. The first year programme of work¹ was published in November 2022.

We also recommend that other government targets be revised to reflect and implement the waste hierarchy. These changes should cover:

- **Reducing the volume of plastic that is put on the market. Where plastic is replaced with other materials, the new Government should commit to monitoring whether those replacement materials are more sustainable.**
- **Reuse targets to increase the market share of reusable plastic products, particularly packaging.**
- **Recycling rate targets that measure how much packaging is actually recycled, rather than whether it is theoretically recyclable. (Paragraph 25)**

The government agrees with the Committee on the importance of the waste hierarchy. We have been developing a new Waste Prevention Programme for England – a cross-Departmental plan for action to support a shift of material and products up the waste hierarchy. The Programme builds on the Resources and Waste Strategy (2018) and aims to embed a circular economy approach by retaining materials and products in circulation for as long as possible and at their highest value. It will also support the commitment in the government's Net Zero Strategy to the near elimination of biodegradable municipal waste to landfill from 2028 and reduced emissions from landfill and incineration, as well as supporting the government commitment to eliminate avoidable plastic waste by 2042. We intend to publish the new Programme in 2023.

To drive down the amount of waste we produce, and encourage re-use and recycling, the government has set a statutory target, as required by the Environment Act 2021, to cut residual waste (excluding major mineral wastes) kg per person by 50% by 2042². This will include plastic waste. It is proposed that this will be measured as a reduction from the 2019 level, which is estimated to be approximately 574 kg per person. This legally binding long-term target will drive action by successive governments to protect and enhance our natural world and will allow for objective scrutiny and accountability of government's progress to society.

A target to reduce residual waste aligns with wider government priorities to maximise the value of resources and minimise the environmental impact of waste. Meeting the target will require tackling resource use both upstream (reducing consumption) and downstream (reducing waste).

We propose to measure at the endpoint of waste management to include the treatments that are typically associated with residual waste, covering waste that is sent to landfill, put through incineration (including energy from waste incineration), sent overseas for energy recovery or used in energy recovery for fuel. The government will continue to review which treatments are appropriate to include as new technologies and treatment options

1 <https://randd.defra.gov.uk/ProjectDetails?ProjectId=20815>

2 [Environment Act 2021: environmental targets - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/legislation/environmental-act-2021)

emerge. Environment Agency data on permitted waste site activities and international waste shipments will be used to report on the metric. This will provide a robust approach, recognising that there is limited data availability at the point waste is collected.

There is a risk when setting individual, material-specific statutory targets, such as a plastics waste reduction target, that these would risk shifting the environmental impact to other environmentally harmful material types, as the Committee has acknowledged, and could even lead to increases in residual waste tonnages due to switching to heavier materials. Including a wide range of materials ensures a holistic view to waste is taken and reduces waste overall. We agree with the Committee on the importance of ambition and target ambition is at the upper limits of our forecasted range, satisfying Environment Act requirements that it can be met.

The Committee should note that the current producer responsibility packaging waste regulations include recycling targets for packaging by material. The provisional recycling rate reported for plastic packaging in 2021 is 44.2%.

Producers show compliance with their recycling obligations by acquiring packaging waste recycling notes or packaging waste export recycling notes (PRN/PERNs). Each PRN/PERN relates to a tonne of packaging waste that has been received for recycling (or exported for recycling) by an accredited reprocessor or exporter.

It is our intention that the new regulations that will introduce packaging extended producer responsibility (pEPR) will set packaging waste recycling targets on producers to 2030. For plastic packaging in scope of pEPR, in the Government Response published in March 2022, we proposed a recycling target of 62% by 2030. The regulations will clarify the point at which evidence of recycling can be issued and hence the point of measurement of recycling, that is once packaging waste has been received and prepared for recycling at the reprocessing site.

As we move to a more circular economy, recycling will continue to play a key role in our waste systems, and we will encourage producers to use materials and design packaging that is easy to recycle. Recycling is important as it returns materials into the economic cycle and prevents packaging being disposed of in landfill or by incineration, options which are at the bottom of the hierarchy. The new regulations will clarify the point at which evidence of recycling can be issued – that is once it has been received and prepared for recycling at the UK reprocessing site or the overseas site.

We also recognise the importance of continuing to move focus to reuse, prevention and reduction. Government wants to see more use of reusable/refillable packaging, which is why we have signalled our intention to introduce obligations on producers once the new arrangements for pEPR are in place and further work on how best to introduce obligations has been completed.

The new Government should commit to reporting on progress against all these targets annually. We also recommend that the Government should devise mechanisms to enforce these targets either through an existing regulator or upcoming reforms. (Paragraph 26)

The government has already published plans for monitoring and evaluating progress on the Resources and Waste Strategy. A Monitoring Progress report has been published annually since 2020. The UK packaging recycling rates are published annually in the Defra publication UK Statistics on Waste.

There will be a legal requirement to report annually on progress against the Environmental Improvement Plan, which must include consideration of any progress made towards achieving long-term and interim targets in the area of resource efficiency and waste reduction.

Extended producer responsibility for packaging

The introduction of Extended Producer Responsibility (EPR) for packaging is a welcome reform that has the potential to drive progress towards a more sustainable plastics economy. However, the lack of information about the EPR fee scheme and the two-year delay in implementation mean that achieving meaningful change in packaging design in the short term is unlikely. Despite the former Minister's assurances that the scheme will be fully operational by 2024, we cannot see how that can be the case if the modulated fees that underpin the scheme will not fully be in place until 2025. To make progress towards 2025 targets, the delivery of EPR needs to be expedited and information for businesses provided well in advance to give them time to adapt.

We recommend that the new Government reaffirms its commitment to Extended Producer Responsibility for packaging and a re-accelerated process to implement the system in order to meet the targets set for 2025. This requires publication of a consultation on EPR fees and any accompanying guidance in early 2023 and the introduction of the fee system by 2024. (Paragraphs 34 and 35)

The government remains committed to introducing pEPR on a phased basis from 2024. It will focus initially on payments by producers for household packaging waste managed by local authorities.

Modulated fees that take account of recyclability will be introduced at a later date, to incentivise producers to use packaging and packaging materials that can be recycled. This will limit complexity in the first year whilst the new arrangements bed in. To enable modulated fees, producers will need to report against a more granular list of packaging types from the 1 January 2024. In early 2023, Defra will engage producers and other stakeholders on this more granular list of packaging and how modulated fees will be applied to them.

We are working on the design and set-up of the scheme in collaboration with businesses, local authorities and other stakeholders. The Packaging Waste (Data Reporting) (England) Regulations 2022 were laid in draft in Parliament in November 2022 and guidance, based on the draft Statutory Instrument, has been published to inform businesses of the packaging data they will need to collate and report for 2023. Webinars have been attended by 3500 industry representatives and further guidance and communications will follow. Although final fee rates cannot be known until producers have submitted all their data in April 2024, we will shortly publish for feedback our best estimate of these rates. We also

continue to work with local authorities on the design of the scheme, having recently held workshops in Cardiff, Belfast, Leeds, Glasgow and London, which were attended by more than 200 local authorities.

We agree that it is best to continue the Packaging Waste Recovery Note (PRN) system in the short term to ensure some continued funding for the reprocessing sector. Government should ensure that any temporary dual-running system, and the added complexity it brings, does not become permanent. We welcome the previous Government's proposal for a taskforce to help navigate the way to a full EPR system in the future, but we are concerned about the lack of a clear timetable for this change.

We recommend that the Government develops a clear exit strategy for any dual running of Extended Producer Responsibility (EPR) alongside a legacy Packaging Waste Recovery Note system. This exit strategy should be published no more than a year after EPR is introduced. This strategy should explain how we will arrive at a comprehensive EPR system that covers the total costs of managing plastic waste—including commercial waste. This would be an appropriate job for the previously proposed EPR Taskforce. (Paragraphs 39 and 40)

The government welcomes the Committee's support for the retention of the PRN system as an interim solution for ensuring that producers have a means to evidence that their recycling obligations have been met and ensuring that they contribute to the cost of reprocessing packaging waste from both households and businesses.

However, the government disagrees with the Committee's recommendation to publish an exit strategy no more than a year after EPR is introduced. This is because we want to make sure we put the right measures in place at the right time. Bringing forward charges for packaging produced by businesses at this stage would complicate pEPR as a whole and risk its delivery.

We want to focus on the steps to address household packaging waste first, ensuring producers are covering these costs and local authorities are receiving payments for their services. We are confident that this approach will provide powerful incentives to producers to reduce their packaging use and increase the use of easy to recycle packaging.

We recommend that the Government should set out a roadmap for lowering the threshold for financial obligations under EPR so that by 2030, producers placing 1 tonne of packaging on the market or more should pay the cost of managing its disposal. We understand the logic behind some of the changes the previous Government made to its Extended Producer Responsibility (EPR) proposals in response to the last consultation. We sympathise with the aim of reducing the financial impact on individual producers to avoid an escalation of food prices under EPR for packaging. However, there is a risk that exempting a large number of smaller producers from financial obligations—and no longer covering the costs of commercial waste—could undermine the scheme's aims to make 'polluters pay' and incentivise more sustainable product design. We recommend that the Government should set out a roadmap for lowering the threshold for financial obligations under EPR so that by 2030, producers placing 1 tonne of packaging on the market or more should pay the cost of managing its disposal. (Paragraph 47)

The government disagrees with the Committee's recommendation. As part of our pEPR proposals, we set out to make sure that as much packaging as possible is brought into the system while avoiding placing unnecessary burdens on the smallest producers. In 2021 we consulted on reducing the 'de-minimis' threshold to exclude only producers that have an annual turnover of £1 million or less and place 25 tonnes or less of packaging on the market each year. While there was majority support (57%) for this approach at consultation, respondents did express concerns about the burden these additional obligations would place on both small producers and the Scheme Administrator.

Based on the concerns expressed at consultation, uncertainty around the number of new producers that would be obligated, and the government's wish to minimise the burden on small producers, the 2022 government response to the consultation confirmed:

- Maintaining the existing de-minimis threshold on larger producers (over £2 million turnover and 50 tonnes of packaging placed on the market) for pEPR payments and recycling obligations for the time being.
- Introducing a new obligation on manufacturers and distributors who are over the larger producer de-minimis threshold that sell unfilled packaging to producers below that threshold (the "distributor approach"). This will make sure that almost all packaging is subject to pEPR fees, but still reduce the burden on the smallest producers.
- Placing a new, simplified reporting only obligation (i.e. no recycling or cost obligations) on smaller producers with an annual turnover over £1 million that place over 25 tonnes of packaging on the market. This should encourage these producers to think more carefully about their packaging use and provide additional data on the amount and type of packaging that is placed on the market. This data will be used to inform a review of the de-minimis in 2026/27 that was a commitment in the pEPR Government Response.

This approach to the de minimis threshold, including the option to lower the threshold, will be reviewed in 2026/27 as part of our wider review into pEPR.

Refill and Reuse

We understand that promoting plastic reuse is a challenging part of this policy area but increasing the uptake of reusable packaging is essential for reducing the total amount packaging consumed in the UK. Government must ensure that any Extended Producer Responsibility system fully incentivises all routes for tackling plastic waste—not just recycling—and should give the greatest incentives to options that are higher up the waste hierarchy: reduction and reuse. The new Government should publish, in 2023/24, its plan for reuse and refill obligations that will be introduced in 2025 under Extended Producer Responsibility (EPR) for packaging, so that businesses can begin the process of adapting their product designs and supply chains. We also recommend that the proposed review of the new EPR scheme, planned previously for 2026/27, is tasked with considering changes to EPR fees that would encourage the use of reusable packaging. This review should also examine the feasibility of using the scheme to encourage more generic/universal packaging. (Paragraphs 54 & 55)

The government's initial focus of the new pEPR measures is on increasing the use of recyclable packaging. pEPR will see producers' fees varied (modulated) to account for certain criteria, with the initial focus on increasing the recyclability of packaging. Producers who use easily recyclable packaging will pay less than those who use hard to recycle, or unrecyclable, packaging.

The government agrees with the Committee that more use of reusable packaging is desirable to increase the circularity of packaging. It remains our intention to consider appropriate measures to encourage the use of reusable/refillable packaging. Measures such as targets and obligations on businesses that use packaging, and whether there is a role for modulating fees will be considered. We intend to come forward with our proposals in 2024.

Achieving the widespread adoption of reusable packaging and refill would require fundamental changes to a large part of our economy and to the mindset and behaviour of companies and consumers—it will not be possible to deliver this using the Extended Producer Responsibility reforms alone.

We recommend that the Government create a reuse taskforce containing representatives from industry and consumer groups. This taskforce should develop to a suite of measures to encourage, incentivise and require businesses and consumers to adopt more reuse habits and systems. This group should consider measures including charges on single-use products, mandatory reporting on companies' plastic footprints, and how to raise public awareness of reuse schemes through campaigns as well as guidance and incentives for businesses. (Paragraphs 58 and 59)

The government agrees with the Committee that widespread adoption of reusable packaging will require fundamental changes to business and consumer behaviours.

The government is working to stimulate innovation and overcome logistical and behavioural challenges around implementing reuse and refill schemes. To better understand and overcome these challenges, we ran a Call for Evidence on commonly littered and problematic plastic items³ to also ask questions around how we can incentivise a shift towards reusable and refillable packaging. The summary of these responses will be published shortly.

The government has also provided funding to the Waste and Resources Action Programme (WRAP), who run the UK Plastics Pact. Through our funding and industry fees, WRAP is encouraging businesses and consumers to adopt reuse systems and habits. They provide one-to-one support to Plastic Pact members working on refill and reuse pilots and are helping members to complete a trial on reusable packaging or a trial to encourage the adoption of reuse behaviours by consumers. Nearly half (44%) of pact members are already running pilots and trials in this space, and a further third (33%) plan to do so by 2025.

The UK Plastics Pact is convening sector specific roundtables and gathering insights from trials in the UK and overseas to develop guidance for members on implementing successful reuse models. The UK Plastics Pact started to gather data for reuse/refill in 2020 and we have seen a 15% increase in the amount of reusable primary packaging placed on the market between 2020 and 2021.

3 [Call for evidence on commonly littered and problematic plastic items - Defra - Citizen Space](#)

Through the Smart Sustainable Plastic Packaging Challenge, UK Research and Innovation (UKRI) has granted over £10.5m to a range of projects aimed at tackling some of the key barriers to the uptake and mainstreaming of reuse and refill models. One example is the Unpackaged project, which aims to remove the barriers to the large-scale adoption of instore refill in conventional retail environments. The outputs include multi-store commercial trials in over 40 stores with the project being undertaken in partnership with Marks & Spencer, Ocado, Waitrose and logistics experts CHEP.

Business-led R&D projects include CleanCell-V2 which seeks to make the reuse of plastic packaging more economically viable by developing a concept for a 'CleanCell' hub, capable of cleaning 4.7 million units of rigid plastic packaging per year at a low environmental and financial cost. In addition, Codibox is developing a reusable plastic box with an anti-viral and anti-microbial coating that is effective on surfaces even after extensive reuse washing cycles, providing a safe reusable solution for events, festivals and home deliveries.

Waste management infrastructure

We welcome the introduction of the Plastic Packaging Tax (PPT) which is expected to increase demand for recycling plastic material and re-encourage investment in the recycling sector as it grows to meet this demand. We call upon the new Government to commit to maintaining and developing this fiscal measure.

However, there is a risk that PPT, as currently designed, will not deliver against its intended objectives. A flat 30% recycled content requirement may well prove too easy for some sectors to achieve while acting as an unavoidable financial penalty in sectors with no viable alternatives, encouraging producers to swap to more environmentally damaging options. We recommend that the Plastic Packaging Tax (PPT) should be modulated with different, stretching targets tailored to different sectors and including partial exemptions for recycled content levels below the level at which a full exemption is granted, but above 10%. The Government should also set out a timetable for increasing the percentage of recycled material needed to attract total exemption from the tax to further stimulate demand for recycled plastics. The first such increase should come into force by 2025. (Paragraphs 71 and 72)

The government welcomes the Committee's support for the world-leading Plastic Packaging Tax, which was introduced on 1 April 2022 with the aim of incentivising greater use of recycled plastic. The government agrees with the Committee's recommendation to commit to maintaining this fiscal measure and keeps all taxes under review as part of the established tax policy making process.

However, the government disagrees with the Committee's recommendation on modulation. The government consulted extensively during the design of this tax, including a Call for Evidence in 2018 and two policy consultations in 2019 and 2020. The 2019 policy consultation sought views on aspects of policy design including setting a single threshold and what the level of that threshold should be for the tax to minimise burdens on businesses whilst creating an incentive to use more recycled plastic in packaging. The government believes that setting the threshold for the level of recycled plastic in plastic packaging at 30% is ambitious, reflecting the pressing need to act on this issue whilst ensuring it is achievable in the short to medium term for many types of packaging.

The government has committed to keep the rate and recycled content threshold under review to ensure the tax delivers its objective of increasing the use of recycled plastic. Decisions on changes to the tax and its current design are a matter for Treasury Ministers to consider.

To ensure the tax is delivering its intended impacts, the Government should publish an analysis of the impact of the tax by the end of financial year 2023/4. This evaluation should test the effectiveness of its verification systems and evaluate whether the tax rate is high enough to bring about the behaviour changes needed amongst producers whilst protecting low-income households. The tax should also be benchmarked against comparable international initiatives. (Paragraph 73)

The government notes the Committee's recommendation. The government carefully considers the environmental implications of relevant tax measures. At Budget 2021, the government published the estimated environmental and carbon impact of the Plastic Packaging Tax in the Tax Information and Impact Note⁴ (TIIN) which set out that the tax was estimated to lead to around 40% more recycled plastic being used in 2022–23, saving nearly 200,000 tonnes of carbon dioxide.

The TIIN included a commitment to consider evaluating the Plastic Packaging Tax, including its rate, threshold and exemptions, after at least one year of monitoring data becomes available. However, decisions on the publication of monitoring and evaluation information are a matter for Treasury Ministers

We welcome the previous Government's efforts, through the Plastic Packaging Tax and other reforms, to increase the demand for recycled plastics and thereby its aim to make the recycling sector more investable in the long run, helping the UK boost its recycling capacity. However, further action is needed to increase the capacity of the recycling sector more quickly—particularly in the short term—and supply manufacturers with the recycled materials that government wants and needs them to use. We are not convinced that the aggregated current measures alone will resolve the problem of cheaper virgin plastics and unstable returns on investment which hinders investor confidence.

We call on the new Government to commit to its predecessor's welcome decision to use some of the money generated via its reforms to support investment in recycling capacity. We recommend that the expected infrastructure roadmap—anticipated in late 2022—provides detailed information about how much investment will be provided over what time scale, and identify key areas of government and private investment. As a minimum, it must deliver at least as much investment as the current Packaging Waste Recovery Note system generates for the sector. (Paragraphs 82 and 83)

Defra's 'Waste Infrastructure Roadmap', will set out anticipated waste arisings to 2035, reflecting Defra's Collection and Packaging Reforms (consistent recycling for households and businesses, pEPR and a deposit return scheme for drinks containers), mapping this modelling against known waste management infrastructure for various waste streams, including organic wastes, dry recyclables (paper/card, glass, textiles, metals, and plastics) and residual waste. Once published, the intention of the 'Waste Infrastructure Roadmap' is to provide a signal to investors as to where there is considered to be a likely over or

4 [Introduction of Plastic Packaging Tax from April 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97422/Introduction_of_Plastic_Packaging_Tax_from_April_2022_-_GOV.UK.pdf)

under-provision of waste management capacity so as to target investment. However, the Committee should note the 'Waste Infrastructure Roadmap' will not detail where or how investment should be made and is meant to be a tool to support investors and local authorities in decision making. It would be an inappropriate use of public funds to base investment decisions solely on this high-level indicative analysis. Those looking to invest in waste management infrastructure are encouraged to engage with the UK Infrastructure Bank.

pEPR will transfer the costs of dealing with packaging waste generated by households from local taxpayers and councils to the packaging producers (applying the 'polluter-pays principle'). The fees producers pay (estimated to be of the order of £1.2bn per year) will support the delivery of efficient and effective services for the collection and management of packaging waste from households. This will mean more packaging materials being collected for recycling, for example, plastic film and flexible packaging and more and better-quality materials for recycling. This in turn will give confidence to businesses to invest in recycling processes and end markets. Similarly, the government's proposals for a deposit return scheme for plastic drinks bottles and metal drinks cans will provide high quality material for recycling and help boost investment in reprocessing. Industry has consistently told the government that clarity of policy proposals on packaging and waste collection and recycling is key to providing the confidence industry needs to invest. This is what the government's proposals for pEPR, DRS for drinks containers and consistency in business and household recycling are intended to achieve. As the Committee has noted, the PRN system will continue in the short term and will continue to support investment in reprocessing infrastructure.

These policies, alongside fiscal measures including the Plastic Packaging Tax, Landfill Tax and the potential expansion of the UK Emissions Trading Scheme (UK ETS⁵) to cover Energy from Waste aim to work together to push waste up the waste hierarchy. The government is confident this package will encourage greater levels of recycling and create the market conditions to support continued investment in domestic recycling capacity.

We also recommend that, by the end of 2023, the new Government conduct a feasibility study of other mechanisms to encourage investment, including measures to rationalise the plastics market and introduce price-stabilising mechanisms for plastic recycle, similar to those used for renewable energy.

The government disagrees with this recommendation. As noted above, we are confident that existing policies will encourage greater levels of recycling and create the market conditions to support continued investment in domestic recycling capacity. The government will however monitor the market as its reforms are delivered and keep whether further policy interventions are needed under consideration.

Recycling "difficult plastics"

There is no technological silver bullet to resolve the challenges of recycling plastic waste. We welcome the work of the previous Government and industry to strengthen the mechanical recycling sector. However, it appears likely that this will need to be supported by other technologies in order to create a circular economy and sustainably manage flexible and other hard-to-recycle plastics. This is likely to involve the

5 [Developing the UK Emissions Trading Scheme \(UK ETS\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

application of chemical recycling and compostable packaging in distinct areas where mechanical recycling is not a good solution: such as potentially using compostable packaging for food-contaminated products. By 2023, the Government should update its infrastructure roadmap to set out its plan for the future role of chemical recycling and composting within our plastics economy and waste management system. In particular, the Government must make a decision, based on the latest evidence about their impact on soil health, on the role of compostables, so that the organic recycling sector can adapt alongside the mandatory collection of food waste in 2024/25. If they are to be encouraged, the Government should adapt national targets to reflect their expected use. Product labelling must also be standardised to clearly indicate to consumers how they should dispose of compostable plastics and prevent them from contaminating other plastic waste streams. Labels should avoid unhelpful terms like 'biodegradable'. (Paragraphs 98 and 99)

The government will publish the 'Waste Infrastructure Roadmap' this year. On the role of chemical recycling, WRAP has published a Plastic Waste Hierarchy⁶, commissioned by Defra, that clearly shows that chemical, or non-mechanical, recycling is a recycling activity, but is less preferable when compared to conventional, mechanical recycling. Chemical recycling therefore has a role to play where mechanical recycling is not viable.

The government agrees with the Committee on the importance of clarity when labelling and notes that the Competition and Markets Authority published helpful guidance⁷ for businesses in 2021 to help them understand and comply with their existing obligations under consumer protection law when making environmental claims. This guidance provides examples of the use of terms 'biodegradable', 'compostable', and 'recyclable'. The government does agree that the term 'biodegradable' is unhelpful and in some cases misleading, as it does not necessarily specify how long a material will take to 'biodegrade' completely, under what circumstances it will biodegrade and into what outputs. Prior to labelling packaging as 'recycle' or 'do not recycle' businesses will need to assess the recyclability of their packaging. Government will be commissioning the development of a recyclability methodology so that packaging can be assessed following a common approach and against agreed criteria. Government will invite tenders for the development of this assessment methodology, however a key consideration in determining whether packaging is recyclable or not will be the availability of collection services for recyclable packaging materials and sorting / processing facilities to enable that packaging to be recycled. Along with all other packaging types, compostable and biodegradable packaging will need to be assessed using this approach and the packaging labelled according to the outputs. However, in the Government Response to the pEPR consultation published in March 2022 it was acknowledged that until the infrastructure and evidence base is improved, compostable and biodegradable packaging would be expected to have the 'do not recycle' label applied.

On recommendations for government to make a decision on the role of compostable plastics, it should be noted that the government position on these materials is already very clear. Compostable plastics have a limited role to play in a circular economy, given they are inherently single use. A 2020 Eunomia report, titled 'Relevance of Biodegradable and Compostable Consumer Plastic Products and Packaging in a Circular Economy' established that currently there is inadequate (peer-reviewed) evidence to suggest that

6 [The Plastics Waste Hierarchy | WRAP](#)

7 [Green claims code: making environmental claims - GOV.UK \(www.gov.uk\)](#)

the small amount of biomass from broken-down compostable plastic provides benefits to soils or digestate. Unlike reusable or recyclable plastics, from a life-cycle perspective, it is important to understand that all the resources and energy used to produce compostable plastics are then lost at end of life (not including incineration with energy recovery), instead producing further greenhouse gases as they break down. Supporting an increased uptake of compostable plastics could indirectly support the continuous and potentially elevated level of extraction or growth of the feedstocks needed for further production of these materials. The government considers this an undesirable outcome given the wasted resource at end of life, as they cannot be reused or recycled, so there is limited value to be gained in a circular economy. However, we do recognise there may be a valid role to play in niche applications – this has been set out earlier in this response. Details on the role of compostable plastics in regard to our proposals to increase the consistency in recycling are provided below.

Compostable plastics are not included as a separate recyclable waste stream in the Environment Act 2021, and we do not propose to include this material in any of the other recyclable waste streams. There are, however, provisions in the Environment Act to add additional waste streams in the future, subject to certain conditions. Therefore, the mandatory collection of compostable packaging (as a separate recyclable waste stream in the Environment Act, which must either be collected separately or co-collected with another waste stream, such as food waste) is not proposed to occur unless a number of conditions are met, including ensuring that the material being suitable for collection and recycling and ensuring that end markets exist for the material.

The Government need to publish clear, evidence-based criteria for how Extended Producer Responsibility fees and the Plastic Packaging Tax will apply to new technologies, including compostable plastics and chemical recycling. We recommend the hypothecation of income raised from fees on compostable plastics and chemical recycling to research the most promising versions of these technologies or the development of appropriate recycling infrastructure. (Paragraph 100)

The government has laid the first regulation required to obligate producers to collate and report their packaging data for 2023. This will allow the pEPR Scheme Administrator to calculate producer fees and payments to local authorities in financial year 2024/2025. There will be a requirement in regulations for the pEPR Scheme Administrator to prepare and issue a statement of its policy with respect to varying (modulating) the fees to be charged to producers and to seek the views of businesses on its proposals.

The government disagrees with the Committee's recommendation to hypothecate fees towards research. Producer fees will pay for the collection and management of packaging waste produced by households and disposed of in street bins provided by local authorities. Indeed, the provisions in the Environment Act 2021 provide for regulations to be made requiring those involved in manufacturing, processing distributing or supplying products or materials to meet, or to contribute to, the disposal costs of these products or materials, meaning that the costs paid by producers cannot be hypothecated to fund research. pEPR is in most part a cost transfer. It will transfer the costs of dealing with packaging waste generated by households from taxpayers to the packaging producers, applying the 'polluter-pays principle'. It will also support the costs of introducing new and improved services for the collection and management of packaging waste such as the collection of recyclable plastic films and flexible packaging for recycling.

The Committee should note however that the government, through UKRI's £60m five-year Smart Sustainable Plastic Packaging programme, has supported projects on chemical recycling and compostable plastics.

The treatment of chemically recycled and compostable plastics under the Plastic Packaging Tax is set out in Finance Act 2021 and guidance. Chemically recycled plastic is allowable when calculating recycled plastic content for the purposes of the tax. However, calculations must reflect the actual amount of recycled plastic within the packaging. The government is committed to working with industry and other interested parties to understand how the tax can continue to support investment and the growth in new technologies, including chemical recycling technologies.

Bio-based, biodegradable and compostable plastic packaging is not allowable when calculating recycled plastic content for the purposes of the Plastic Packaging Tax, due to limited evidence of the impacts from long-term and widespread use. The government has committed to work with industry and the research community to improve understanding of these impacts and to keep their treatment under the tax under review.

Finally, we recommend that the Government should consider the merits of introducing an incineration tax, designed to drive up demand for—and therefore attract private capital investment in—alternative waste disposal methods once they are viable, including mechanical, chemical and composting recycling facilities. (Paragraph 101)

The government has consulted on the expansion of the UK ETS, with a Call for Evidence as to whether this expansion should include waste incineration with no energy recovery, and energy from waste (EfW). The government is considering the responses to the consultation and will publish a response in due course.

Rather than being a traditional tax, the UK ETS works on the 'cap and trade' principle, where a cap is set on the total amount of certain greenhouse gases that can be emitted by sectors covered by the scheme. This limits the total amount of carbon (or its equivalent) that can be emitted and, as the cap decreases over time, provides a signal to decarbonise at the pace and scale required to keep emissions at or below the cap. This therefore makes a significant contribution to how we meet the net zero 2050 target and other carbon reduction commitments.

The proposal detailed in the government's Call for Evidence is that, if the UK ETS is expanded to waste incineration with no energy recovery and EfW, this will apply to the incineration of fossil derived material by all waste incinerators. It is intended that the expansion of the UK ETS would help to incentivise behaviours to reduce fossil-derived plastic in the waste stream, including more recycling and mixed waste sorting, and reduce subsequent carbon emissions.

In light of the proposals to expand the UK ETS to include incineration with no energy recovery, and EfW and the Plastic Packaging Tax, the government considers that the intention of the Committee's recommendation is already being addressed, and an additional incineration tax is not required to incentivise investment in alternative waste disposal methods for plastic waste.

International plastics

While upcoming Government reforms to the regulation of waste carrier registration and the introduction of digital waste tracking both have the potential to help combat the dumping of UK waste in foreign countries, the current level of compliance and enforcement activity by the Environment Agency does not appear to be up to the challenge posed by organised criminal gangs increasingly seeking to circumvent the current export regime. We recommend that the Environment Agency's compliance and enforcement capacity is strengthened to enable more thorough checks of plastic waste exports. To fund this the Government should allow the Environment Agency to reinvest some of the charge income it collects from regulating the waste industry into enforcement capacity. This would be compatible with a recommendation made by the 2018 Independent Review into waste sector crime which called on government to review how the enforcement of waste crime is funded, potentially through broader fee incomes.

Since 2014 the government has committed an additional £60 million through the EA for tackling waste crime, approximately £10 million per year. This money is now permanently baselined in the EA's budget and has been invested into three key areas of waste crime: tackling illegal exports, illegal waste sites, and illegal dumping.

The government is already planning to take action that aligns with the Committee's recommendation. Currently, only notifiable waste shipments that require prior consent are subject to regulatory charges. Powers in the Environment Act 2021, however, allow the EA to introduce charging schemes to cover the costs associated with regulating shipments of 'green list' waste. In 2023, the EA intends to consult on levying charges on shipments of green list waste. This will allow them to recover the costs of regulation from exporters, providing a sustainable income stream with which to strengthen their compliance work, including checks on plastic waste exports.

Further powers in the Environment Act 2021, meanwhile, allow the EA to recover costs of investigation, intervention, and enforcement at illegal or non-compliant waste sites, as well as allowing them to charge for the registration of waste operation exemptions.

Finally, the introduction of the Waste Tracking System will enable the EA to increase their compliance capabilities as they expect to receive information about all shipments leaving England under green list waste controls.

We heard that waste crime is a low risk, high reward endeavour and that current punishments are insufficient to deter illegal activity, contrary to the objectives of the EA's Enforcement and Sanctions policy. We recommend that sanctions for companies caught breaking the rules on exporting plastic waste be considerably strengthened to make them at least comparable to the level of profit made from illegal waste exporting so as to act as a genuine deterrent. The Environment Agency should also routinely suspend or cancel accreditation for any exporter involved in serious waste export fraud. (Paragraph 118)

The government has already committed in the Resources and Waste Strategy to consider options to toughen penalties for waste crime. Currently, any UK operators found to be

illegally exporting waste can face a two-year jail term and an unlimited fine. Sentencing is a matter for the courts, in line with sentencing guidelines for environmental offences, issued by the independent Sentencing Council for England and Wales.

The Committee should note that the Environment Agency already suspends and cancels packaging waste exporter accreditation where it identifies conditions of accreditation under the 2007 Packaging Waste Regulations are breached or where serious fraud in reporting was likely to have occurred and an enforcement response is deemed appropriate. The Environment Agency may also set corrective actions to bring an operator back into compliance and provide advice and guidance. In 2021, there were 8 exporter suspensions and 8 exporter cancellations under the packaging waste regulations. At the time this response was written, there had been 10 exporter suspensions and one exporter cancellation in 2022. We are also strengthening the requirements regarding evidence of recycling at overseas reprocessing sites. Exporters must have evidence that the shipment was received at the final overseas reprocessing site and must keep records of evidence that packaging materials have been received and recycled. These requirements will be made explicit within the packaging regulations.

Exporting waste will always be vulnerable to crime and while the UK must strengthen enforcement efforts, not every bad batch of exported waste will be caught. Many stakeholders have called on the UK to work towards a ban on all plastic waste exports. Waste management sector representatives believe this could be achievable in only a few years. We believe that a requirement to process all waste domestically will provide a strong market signal to secure investment in domestic recycling infrastructure and support efforts to reduce and reuse more plastics. We recommend a ban on all exports of UK plastic waste by the end of 2027. The Government should publish a roadmap to achieve this by March 2023, setting out milestones towards this target (such as preliminary bans on unsorted or unprocessed waste plastics), as well as a plan for increasing UK domestic reprocessing capacity. (Paragraph 124)

Our ambition is to reduce the UK's dependency on waste exports, but we disagree with the Committee's recommendation of a ban on all plastic waste exports. We expect legitimate exports to continue to have a role in the management of plastic waste generated in the UK. The government has committed to banning the export of plastic waste to countries which are not members of the Organisation for Economic Cooperation and Development (OECD).

The government wants to deal with more of the UK's plastic waste domestically, placing restrictions on exports, along with our wider package of waste reforms, should provide industry with the confidence to invest in plastic reprocessing infrastructure in the UK. Our Waste Infrastructure Roadmap will set out anticipated waste arisings and known infrastructure capacity to 2035 for certain waste streams, including plastic waste.

As the Committee heard, waste is an internationally traded commodity and the vast majority of the plastic waste we export is exported legally and managed properly when it reaches its end destination. Some of the plastic waste we export is then used to manufacture products which UK consumers purchase, therefore contributing to the circular economy we are striving for.

In recent years Turkey has emerged as a top destination for the UK's plastic waste. Turkey has a legitimate plastic recycling sector, which is estimated to be twice the size of the UK's. We acknowledge, however, that there have been cases of plastic waste originating from the UK being dumped and burned in Turkey, as highlighted in the 2021 Greenpeace report. The Government has been clear that this activity is illegal, and any UK operators found to be illegally exporting waste can face a two-year jail term and an unlimited fine. Defra officials and the UK waste shipment regulators have liaised with the Turkish authorities regarding the illegal export of waste, and to better understand recent changes to Turkish import controls. Turkey has tightened controls on businesses importing waste plastic, as well as on those purchasing waste and selling it on domestically. Only businesses that will undertake the recycling are now permitted to import plastic waste into Turkey.

The UK regulators work closely with their counterparts in third countries and continue to play a leading role in the European Network for the Implementation and Enforcement of Environmental Law (IMPEL), where regulators and national authorities from across Europe work together to prevent illegal waste shipments. As the Committee heard, we are committed to increasing the monitoring of waste shipments via electronic waste tracking. This will improve the data available to the regulators so they can target interventions on illegal waste exports more effectively. Electronic waste tracking will also make it much easier to track where recycling ends up when this system becomes operational. This will help to ensure that waste exports are transparent and are destined for recycling in an environmentally sound manner.

We are pleased that the previous Government signed the UK up to the UN Environment Assembly agreement working towards a global treaty to tackle plastic pollution, and welcome the UK's founding membership of the related High Ambition Coalition within the forthcoming negotiations. However, we believe that, without the inclusion of legally binding targets, the treaty risks being ineffective in tackling one of the biggest environmental threats our planet faces. We urge the new Government to reaffirm commitments to the UN Environment Assembly (UNEA) initiative and to the High Ambition Coalition supporting the process. We also recommend that the new Government plays a leading role in future UNEA negotiations by pushing for legally binding targets to be included in the treaty. (Paragraph 129)

The government agrees with the Committee's view on the importance of working towards a global treaty to tackle plastic pollution and the inclusion of legally binding targets. The UK supported the ambitious resolution 5/14 at UNEA 5.2 that kickstarted negotiations for a legally binding treaty to end plastic pollution.

An Intergovernmental Negotiating Committee process with its own governance and decision-making powers has now been established so that negotiations will take place independently from UNEA.

As laid out in resolution 5/14, the treaty is likely to contain a mixture of voluntary and legally binding approaches. As a member of the High Ambition Coalition to End Plastic Pollution, the UK strongly supports the inclusion of legally binding global obligations as part of the treaty and intends to use the best available evidence to determine which measures will be most effective.

Improving data systems

We reiterate our recommendation that reporting requirements under Extended Producer Responsibility for packaging should cover those businesses producing one tonne or more of packaging in order to capture as much data as possible. The Government must ensure that requirements upon producers to provide information are comprehensive and includes full details about the type and quality of the plastics put on the market. This will help encourage businesses handling and disposing of packaging to capture and reuse these products and materials. (Paragraph 135)

The government does not wish to unduly burden small businesses with collating and reporting packaging information. The implementation of the 25 tonne (T) de-minimis will be reviewed in 2026/27 as part of our wider review of pEPR. This review will allow us to understand the impact of the 25T de-minimis before consideration is given to changing the threshold.

The government has recently published guidance⁸ on the data that producers will need to collect and report on the packaging they've handled and supplied through the UK market. There are four parts to this data including the packaging activity, packaging material and weight, the packaging type (primary, secondary, shipment or transit), and waste type. Some producers may also need to collect nation data. All producers must be ready to collect the correct packaging data from 1 January 2023.

Better data is essential for delivering a circular economy. More effective information will enable an understanding of the scale of the problems faced, the composition of the plastics put on the market and what systems are needed to help society dispose of or recycle products more sustainably. Upcoming government reforms are a good start and particularly we welcome previously announced plans to bring forward a simple, mandatory "Recycle" "Do not recycle" labelling systems for plastic waste: this will communicate clear information to consumers.

However, the incoming Government needs to join up its existing proposals for data collection under Extended Producer Responsibility for packaging and waste tracking to create a unified system. The previous Government's argument—that such a system is less useful for 'single-use items' like packaging—is flawed. Packaging needs to be valued so that it reused, retained and recycled in the most efficient ways possible. The new Government should follow up on its predecessor's proposal that "recycling enablers" could be a mandatory part of Extended Producer Responsibility for packaging and work with industry to develop a comprehensive marking system that will integrate with digital waste tracking in the future. As well as providing data on the life cycle of plastic packaging and how it is used and disposed of, this marking system should openly share information about the nature of plastics on the market. This will help all stakeholders in the supply chain understand and maximise the value of such material and create the most efficient recycling system for them. (Paragraphs 140 and 141)

The government agrees with the Committee that better data is essential and key to informing policy development. We welcome their support for the government's proposals to introduce mandatory recyclability labelling on packaging.

8 [How to collect your packaging data for extended producer responsibility - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/how-to-collect-your-packaging-data-for-extended-producer-responsibility)

The government is already planning to take action that aligns with the Committee's recommendation. In the government's consultation on the introduction of mandatory digital waste tracking in 2022, we set out that we would seek to use the waste tracking service to incorporate any future waste information recording requirements, including for pEPR. We expect that technology will continue to develop that will enable the tracking of products/materials through the supply chain; this includes advanced technologies to enable the more effective sorting of materials for reuse and recycling. We will continue to monitor these technologies and consider how, through schemes such as EPR, businesses can be encouraged to adopt them.

Requirements to be introduced as part of pEPR will mean that businesses will report more information on packaging and at a more granular level. This includes by type of packaging – primary, secondary and tertiary – and for packaging of consumer products by format (bottles, tubs, etc) and by plastic polymer. We will also require data to be reported on reusable packaging.