

Supplementary written evidence from the British Plastics Federation (BPF)

The BPF would like to provide supplementary evidence following the oral evidence session held this week.

Firstly, the BPF believes that a deposit scheme for all beverage containers can play an important part in further improving recycling rates. However, most deposit schemes were introduced before comprehensive kerbside schemes for beverage containers existed. Therefore, a UK scheme should be designed, to complement the existing kerbside collection system. A DRS scheme designed in the right way has the potential to provide additional recycling infrastructure where it is most needed. It can also assist consumers to easily recycle containers whilst outside of the home. The scheme should have consumer convenience at its heart and should lead to lower climate change impacts. To this end the BPF and other stakeholders are presently exploring with other industry stakeholders if a digital system can play a role in delivering the key objectives of the scheme.

There were a number of statements made during the two evidence sessions that prompted the need for further clarification. As a follow up the BPF would like to clarify and provide sources of data.

Firstly, I made a statement relating to the fact that most schemes operate with flat deposit levels. The source data below was used in making my statement and it displays 6 out of 10 countries within the EU are operating a flat deposit level. Also, in the rest of the world where deposit schemes are in operation including in the USA and Australia, flat deposit fees are commonplace as well.

European DRS Summary

Source: Data based on CM Consulting, Reloop 2018 – Deposit Systems for One-Way Beverage Containers

Country (date implemented)	Population (millions)	Type	Administrator	Items	Exclusions	Deposit	Handling Fee	No. of locations	Total return rate (%)	Automated/ Manual
Croatia (2006)	4.3	Centralized	Environmental Protection and Efficiency Fund (Government Operated)	Plastic (mostly PET) Metal (aluminium/tinplate) Glass	Dairy products	0.5HRK	0.12HRK for RVM 0.10HRK for manual	All retailers >= 200m2	87%	Mostly manual
Denmark (2002)	5.6	Centralized	Dansk Retursystem A/S	Plastic (mostly PET) Metal (aluminium/tinplate) Glass	Fruit squash, juice, milk, wine and spirits	1DKK for <1l 1.5DKK: plastic < 0.5l 3DKK for >=1l	6.2 are for metal (manual) 1.4 are for metal (RVM with compaction) 6.7 are for plastic <1l (manual) 2.4 are for plastic >1l (RVM with compaction) 10.4 are for plastic >1l (manual) 1.8 are for plastic <1l (RVM with compaction) 14.8 are for glass (manual) 7.1 are for glass (RVM with compaction)	6000 redemption locations	90%	95% automated / 5% manual
Estonia (2005)	1.3	Centralized	Eesti Pandipakkend OÜ (Producer Responsibility Organisation)	Plastic (mostly PET) Metal (aluminium/steel) Glass	Strong alcoholic beverages (e.g vodka, wine), glass jars	€0.10	€0.095 (+VAT) for PET/can (manual) €0.0235 (+VAT) for PET/can (RVM w/out compaction) €0.0230 (+VAT) for PET/can (RVM with compaction) €0.0220 (+VAT) for glass (manual) €0.0234 (+VAT) for glass (RVM)	All retailers >200m2, retailers 20-200m2 must apply for freedom from obligation	82.7%	94% automated / 6% manual
Finland (1996, 2008 (PET), 2012 (Glass))	5.4	Centralized	Suomen Palautuspakkkaus Oy (PALPA)	Plastic (mostly PET) Metal (aluminium) Glass	Milk	€0.10: plastic <0.5l €0.20: plastic 0.5-1l €0.40: plastic >1l €0.10: glass €0.15: metal	0.0274 for manual 0.0274 for RVM w/out compaction 0.034 for RVM with compaction	5,815 retail 8758 food service locations, 543 shared locations	92%	95% automated / 5% manual
Germany (2003)	81.9	Decentralised	Deutsche Pfandsystem GmbH	Plastic (mostly PET) Metal (aluminium) Glass	Milk, fruit and vegetable juice, baby products, containers <0.1l and >3l	€0.25	N/A	135,000 retail locations	98.4%	80% automated / 20% manual
Iceland (1989)	0.3	Centralized	Endurvinnslan HF	Plastic (mostly PET) Metal (aluminium) Glass	Milk and milk products	16 ISK	N/A	60 depot locations	90%	8% automated / 92% manual
Lithuania (2016)	3.0	Centralized	Užsienio Sistemų Administratorius (USAD)	Plastic Metal Glass (0.1-3l)	Milk, wine and spirits	€0.10	€0.028 for RVM with compaction €0.025 for RVM w/out compaction €0.028 for manual	All retailers >300m2	91.9%	Unknown
Netherlands (2005)	16.8	Centralized	Stichting Retourverpakkingen NL	Plastic (mostly PET) > 0.5l	Wine, spirits, alcoholic drinks, cartons, containers <0.1l	€0.25	None	Unknown	95%	89% automated / 11% manual
Norway (1999)	5.0	Centralized	Infinitum AS	Plastic (mostly PET, HDPE) Metal (aluminium/tinplate)	Milk products	2 NOK for <=0.5l 3 NOK for >0.5l	0.25 NOK for plastic (RVM with compaction) 0.20 NOK for can (RVM with compaction) 0.10 NOK for plastic (manual or RVM w/out compaction) 0.05 NOK for can (manual or RVM w/out compaction)	15,000 redemption locations	91.7%	97% automated / 3% manual
Sweden (1984, 1994 (PET))	9.5	Centralized	AB Svenska Returpack (Pantamera)	Plastic (mostly PET) Metal (aluminium/tinplate)	Dairy products, vegetable and fruit drinks	1 SEK: metal 1 SEK: plastic <1l 2 SEK: plastic >1l	0.5 SEK for metal (manual) 0.15 SEK for metal (RVM with compaction) 0.2 SEK for metal (RVM w/out compaction) 0.2 SEK for plastic (manual) 0.38 SEK for plastic <1l (RVM with compaction) 0.42 SEK for plastic >1l (RVM with compaction) 0.2 SEK for plastic (RVM w/out compaction)	Unknown	84.9%	95% automated / 5% manual



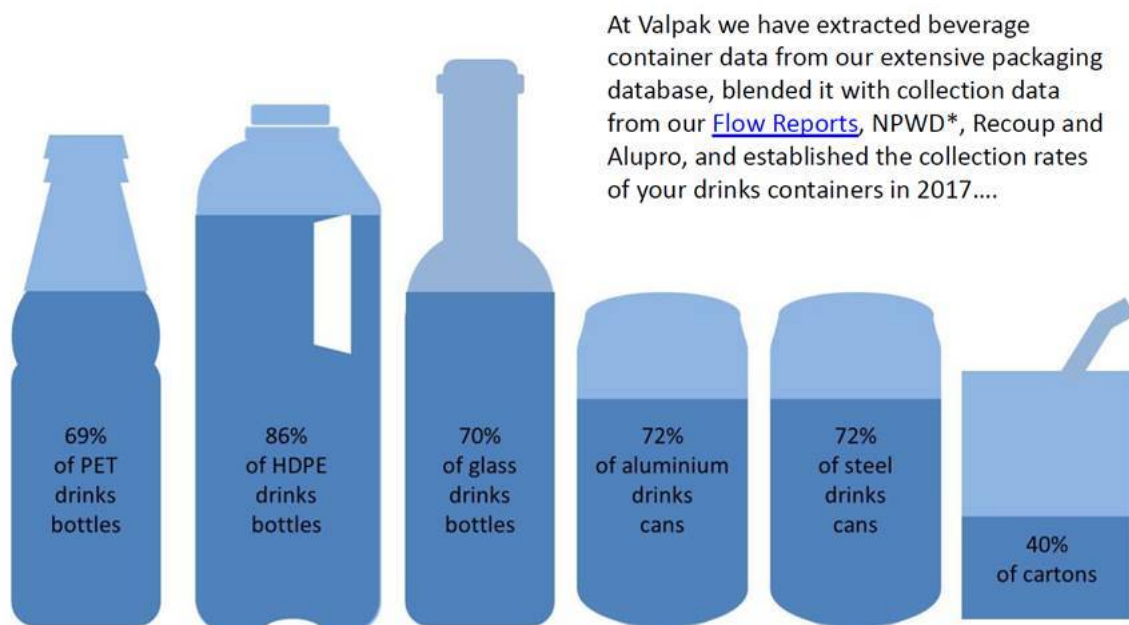
If the concern is that the effect of a flat rate could be to depress the sale of multipacks, then this can be addressed by having a separate lower unit charge for containers sold in multipacks. In fact, this suggestion was made in our original submission to the EAC.

Also, from the European summary and other schemes operating elsewhere in the world, it is commonplace for all the main materials in use to be included within DRS schemes e.g. PET, Metal and Glass. Additionally, Scotland have included these materials in scope which further demonstrates the viability to incorporate all materials. It is fundamental that consumer confusion does not play a part in the implementation of varying schemes in the devolved nations. Including all materials in scope throughout the UK and in the Scottish scheme mitigates the risk of confusion and material substitution which can lead to higher environmental impacts.

In the second session the inference was made that the information presented by the material sectors on collection rates was in some way a misrepresentation of the facts. I would like to take exception to that comment especially as again the information cited in our evidence was third party sourced see below.



www.valpak.co.uk/databites



* National Packaging Waste Database <https://npwd.environment-agency.gov.uk/>

All deposit schemes cite collection rates and not recycling rates and is the data that is assessed with many current systems in operation across the world as a benchmark for success. But we would hope that the UK scheme would place an obligation on the scheme operator to meet agreed collection and recycling targets as part of the scheme obligation.

The inference was also made that the material sectors do not support the implementation of a DRS scheme. I can say for the plastic sector our only concern is the right scheme be implemented in the UK. That scheme should drive the right outcomes in terms of delivering higher recycling rates, less possibility that containers will be littered, be implemented in a cost-effective way and in way that will build on existing collection infrastructure and not undermine it. Also, most importantly in a way that consumers are most likely to participate in and increase the capture rate of containers in use. At present we feel that impact studies to date have not reflected enough research of the likely

behavioural issues and likely engagement with traditional deposit schemes, nor indeed have the full costs associated with the implementation of the hitherto proposed reverse vending scheme being reflected including lost sales turnover which arises when deposit schemes are introduced.

For any doubt, please see a link to our industry [recycling roadmap](#) released earlier this year where it is assumed that a DRS will play a part in the journey toward circularity for all plastic packaging.

Finally, the discussion in the second session seemed to expand to consider the plastic tax which was not the subject of enquiry, although we would welcome a separate discussion on this. Again, although we support measures that drive up the use of recycled content there has been no provision made by HMRC for those applications where recycled content cannot be included due to regulatory, technical or supply constraints. As a result, in 50% of cases it will not be possible to meet the obligation and the result in these cases will be another tax amounting to hundreds of millions on businesses who have little opportunity to avoid it. To overcome this, we have suggested reinvestment of the monies to help address these issues and a delay in the implementation of the tax to align with some of the measures included in EPR and collections regulations, which at present are planned to be introduced a number of years after the introduction of the tax. If this recommendation was adopted this will help ease some of these constraints that prevent the use of recycled content. So far HMRC have not conceded this.

We therefore we would not suggest that escalators to be applied at this stage, when HMRCs own projections show little reduction in the tax revenue in the first three years. Therefore, this suggestion is premature.

Finally, if the BPF can provide further information on the tax or the proposed DRS please find our position paper attached to the email.

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