

Written evidence from SUEZ Recycling and Recovery UK Ltd

Preamble & Introduction

SUEZ Recycling and Recovery UK (SUEZ) are pleased to respond to this call for evidence, we also submitted evidence to a previous call from this committee back in late 2017, and recognise that the debate has certainly moved on since then.

As one of the UK's largest waste and resource management companies providing services to the public and private sectors, we collect municipal and commercial wastes and recyclates, including a mix of different drinks containers, both commingled and as separate materials streams. SUEZ handles over 11M tonnes of waste materials per year, collected from millions of households and thousands of companies across the UK. Furthermore, SUEZ has delivered over £2 Billion in new infrastructure and service investment in the UK in the last 10 years as we have moved resources out of landfill to recycling and energy recovery.

SUEZ is part of a multinational group that operates from 18 Member States of the European Union through to Hong Kong and Australia, providing waste collection services to a population of nearly 43 million, and waste collections for over 500,000 industrial and commercial clients. The SUEZ Group has experience of operating in a wide range of jurisdictions and policy frameworks, many of which involve alternative regulatory, fiscal and governance structures, as well as differing EPR and alternative DRS systems. We have drawn on our corporate experience when completing this response and when forming our position on the likely value and impact of any proposed DRS.

Of particular interest to this call for evidence, the SUEZ Group operates a reverse vending system for used plastic bottles called Kiosques Reco in France, for which we provided preliminary information on costs and operational matters to Defra in 2016. SUEZ also offers a service for recycling used disposable coffee cups, called Cup2paper, and have worked under DRS schemes in Scandinavia for many years, in particular on back hauling the containers prior to reprocessing.

We have sought to be at the forefront of the waste & resources sector for a long time and continue to innovate with our partners in the value chain to ensure we lead the necessary innovations going forward. SUEZ has also looked to actively contribute to the knowledge gap in the waste and resources sector and has published numerous reports (produced directly or through content & financially sponsored reports) which were free to reference and use the data and analysis presented.

For the purposes of this consultation SUEZ would reference the following reports;

- <https://www.suez.co.uk/-/media/suez-uk/files/publication/suez-unpackagingeprconsultationproposals-1904-1.pdf>
- <http://www.sita.co.uk/wp-content/uploads/2018/03/DRS-OnTheGo-Report-UK-1803.pdf>
- <http://www.sita.co.uk/wp-content/uploads/2017/08/SUEZ-AtThisRateReport-1509-web.pdf>
- <http://www.sita.co.uk/wp-content/uploads/2017/08/ResourcefulFutureReport-SUEZ-1609-web.pdf>
- <http://www.sita.co.uk/wp-content/uploads/2017/08/ReinventingTheWheel-1110-web.pdf>
- <http://www.sita.co.uk/wp-content/uploads/2017/08/DrivingGreenGrowth-SITAUK-120423.pdf>

Headline Summary

1. *DRS is a subset of Extended producer Responsibility (EPR) and needs to be considered in that light. The proposed EPR system for the UK will be fundamentally designed to enhance and extend the scope of current kerbside collection systems and build on the current collection and recycling rates. The UK already has a relatively efficient kerbside waste and recycling system (70% capture for many target materials) and there is little worldwide experience of the retrofit of a comprehensive DRS system on a society with an efficient kerbside collection system. When considering any form of DRS introduction, it is imperative to consider the system on which it is being imposed upon, and in the current UK perspective, not only the current systems, but the improved current systems that would arise from the new EPR systems and any associated improvements to the kerbside recycling system linked to the consistent collection reforms which are intended to be implemented in parallel with EPR reforms.*
2. *Approximately 70% of the materials targeted by an 'All-In' DRS system are currently collected in the existing kerbside collection systems which work both efficiently and consistently across the country from households and businesses. The vast majority of the target DRS materials collected at kerbside end up in high quality recycling solutions. With target collection rates of 85% of placed on market (PoM) items in an 'All-In' DRS system, the costs and likely change burdens for those in the system (from consumers to service operators) struggle to be justified over the expected improvements to kerbside systems that will arise from the parallel introduction of an Extended Producer Responsibility (EPR) system. A significant proportion of the 'missed' materials appear in litter or residual waste currently so the DRS proposals may not secure these anyway. With EPR targeting improving recycling and therefore the materials that should appear in kerbside recycling collections and not residual waste ones, SUEZ considers that a targeted 'On-The-Go' DRS system would better complement the existing and efficient (and likely to be improved) kerbside collection system.*
3. *SUEZ has world wide experience with DRS systems and set out in the UK to seek to understand if a DRS system would bring benefits, and if they did, what type of DRS system might best compliment the current behaviours, habits and systems that prevail in the UK. Our reports published on this issue suggest that any proposed benefits are based on assumptions that are not relevant here in the UK right now (take-up level, capture rates etc.) and that alternative mechanisms are available for supporting EPR and consistent collections at much lower costs than DRS for the target materials.*

4. *Finally, we should all remember that the introduction of any DRS system will involve new costs and incur system disruption costs for the existing kerbside collection systems. These costs are likely to mostly fall to citizens, many of whom are not well placed to shoulder these additional costs. In fact the scheme funding relies heavily on unredeemed deposits, which in effect means many will incur additional costs in their shopping baskets by not redeeming deposits, or additional costs in purchase because the DRS system needs to recover the cost of the system implementation and operation from their obligated producers, who in turn will substantially seek to recover these costs through price changes for consumers. The total cost to consumer should be a foundation consideration in any proposed DRS system.*
5. *In March 2018 SUEZ conducted a You Gov poll (<https://www.suez.co.uk/-/media/suez-uk/files/publication/suez-yougov-2018-drspollresults.pdf>) of consumers (over 2000 responses) to test the concept of DRS ahead of any DEFRA consultations and 74% of the respondents stated they would return plastic bottles and aluminium cans if a 10p deposit was redeemable.*
6. *In our report on DRS (<https://www.suez.co.uk/-/media/suez-uk/files/publication/drs-onthego-report-uk-1803.pdf>) our analysis of other schemes around the world suggested that a deposit fee of 10p meets the requirements of value to drive the needed litter behaviour change being promoted by DEFRA. However, we also concluded that if the performance of the DRS scheme for the target items falls below what is acceptable then it may be necessary to lift the deposit values for certain items. SUEZ would be comfortable for this to be actively considered if the evidence from the performance of the EPR and DRS schemes suggests it is required. However, what we must be careful of is that the deposit is not set too high and this results in fraud, criminal activity and 'bin diving', which will not be in the interests of effective resource recovery and management. ('Bin Diving' is an activity where individuals enter bins (itself a health and safety issue) in an attempt to collect items with deposits payable on them and to redeem these deposits themselves)*
7. *However, since 2018, we have been working extensively with our peers around Europe on their DRS systems, and with the UK value chains (materials reprocessors, brands, local authorities and retailers) to assess the likely impacts of the DRS as proposed by DEFRA in March 2019 (and also the proposals for a slightly different scheme in Scotland), and in this submission we will highlight our latest thinking and insights.*
8. *Our position today is clear, and has been for some time:*
 - *The introduction of DRS reforms at the same time as EPR reforms and consistent kerbside collections will result in significantly more costs for all involved for little guaranteed positive impact. Target return rates for the target materials in an 'All-in' DRS system are 85%. With investment and costs associated with the introduction of an 'All-In' DRS scheme of £1.5-£2B for the 2-4 years transition period and then £150M-£200M per year thereafter, the economic case for an ALL-IN DRS system which only captures 15% more material than the current kerbside system seems challenging at best and potentially quite wasteful during these tough economic times.*
 - *DRS of this scope is substantially untested in any location where effective kerbside collections for such a broad mix of target materials already exists. As such, drawing on the experiences of other locations is not transferable as our starting position is significantly different.*

- *We propose, as we did in the previous DEFRA DRS consultation (May 2019) that any DRS changes should be delayed until we see how effective EPR and consistent collection reforms are. Only then should DRS be potentially used to address areas where EPR has failed to meet performance expectations. These expectations include, low material capture rates, littering, and material quality. We suggest that 3-5 years after EPR and consistent collection introduction should be sufficient to judge the need for DRS and its scope and scale of design etc.*
- *If DRS is to be introduced in parallel with EPR then it should only be focused initially on the obvious failure point of the current systems, that being 'On-the-Go' and litter. Dealing with the 'On-The-Go' consumption problem, which drives littering, environmental pollution and aesthetic disamenity, is an area where we believe DRS could and should have a positive contribution. An 'On-the-Go' DRS system would have a more limited smaller container scope that matches with on the go consumption pattern.*
- *Furthermore an 'On-the-Go' DRS system would allow the new techniques of digital watermarks or serial labelling together with smart phone scanning to be developed, thereby allowing the potential for increasing convenience to the public, system effectiveness and behaviour change to be tested.*

We will show our thinking behind these positions in the sections that follow. In respect of the scheme to be proposed for England we have summarised our thinking against the Commissions initial questions:

The types of waste to be collected under the scheme

9. *Any Deposit Return Scheme should focus on the types of waste that are not widely captured by existing kerbside collection and take back systems and services and as such are not currently recycled or worse end up as litter. In the UK, some authorities are delivering exceptional capture rates for the materials proposed to be targeted by DRS. Defra considered that approximately 70% of the target items are currently successfully collected at existing kerbside or take back systems. we should look to complement these rather than develop a system that would undermine the customer recycling experience and the long-standing efforts of local government and their contractors in creating simple to use and convenient collection services.*
10. *DRS should also be used to deal with materials that are difficult to manage in the waste stream, the regular contaminants in the recycling system, for example coffee cups or small batteries, thus helping improve overall recycling quality and value.*
11. *The DRS will more efficiently increase recycling rates and reduce litter if it is complementary to the existing system of kerbside collection, rather than disrupt it Much of the environmental benefit of DRS rests on consumers taking materials back to stores or Reverse vending machines (RVM's) as part of other activities (going shopping for instance) and not incurring additional financial and environmental burdens in needing to make additional and bespoke trips for their item deposit returns. With COVID and the resulting lockdowns increasing the use of internet shopping, we have an increasing concern that 'All-In' DRS could*

well incur system hidden environmental and financial costs that will significantly deplete or overwhelm the benefits.

- 12. In the UK it is the small cans, cartons and bottles, which tend to be consumed and disposed of outside of the household (On-the-go) and which are therefore less likely to be recycled at home through kerbside systems now or in the future. A DRS system that complements the efficient kerbside collection system in the UK (and is expected to be more so after the new EPR proposals are implemented) and targets the primary area (On-the-Go) where target items are lost from the recycling system appears to SUEZ to be the most obvious, cost effective and targeted intervention for an English DRS system.*
- 13. DRS can also be effective in targeting specific streams, such as single use cups (often referred to as coffee cups) and single use batteries. SUEZ openly support single use cups to be included in any proposed DRS. Single-use cups are technically recyclable, but need to be captured separately from other materials and need to have any residual liquid content removed. Further they are a major source of litter. A separate DRS stream for single-use cups would allow for higher rates of collection and recycling for paper and plastics, while significantly reducing littering.*
- 14. Domestic batteries are currently a major health and safety hazard throughout the waste management system. Batteries discarded within general waste or recycling streams are likely to be crushed or punctured during collection and processing which can result in them igniting and exploding and causing fires. A DRS should deal with small batteries (those used in portable appliances but excluding car batteries and above) to properly manage their disposal and reduce the risk of health and safety hazards at waste and recycling sites.*

The materials to be included in the scheme's scope

- 15. The 2019 DEFRA consultation on the Deposit Return Scheme for England proposed to include PET and HDPE plastic bottles, steel and aluminium cans, and glass bottles. Defra figures suggest that around 70% of these materials are currently successfully collected at kerbside and SUEZ considers that the EPR proposals would increase this significantly. Given that the target success rate for DRS for these materials is 85% and that the new EPR system would improve recycling rates, the burden, costs and disruptions caused by the introduction of a 'All-In' DRS system in England for these target materials to have a net recycling rate increase of less than 15% seems disproportionate.*
- 16. However, the introduction of an 'On-the-Go' system to target the aforementioned materials (small cartons, single use cups and batteries) is both less disruptive to existing efficient systems and targets only the obvious weakness in those existing systems.*
- 17. Furthermore, a system wide 'All-In' DRS for the proposed target materials is likely to incur significant format change, for instance wine moving from bottles (with deposit) to cartons/boxes that are deposit free, or aluminium cans moving to large plastic bottles to reduce the upfront cost burden of any deposits. Moves such as these are less than desirable, potentially conflicting with efforts in EPR modulation to favour more recyclable materials and degrading environmental outcomes. The financial burden arising from the introduction of the*

DRS should not stimulate the production of less recyclable container materials to replace containers in the scope of the scheme.

- 18. SUEZ supports the inclusion of PET plastic bottles and steel and aluminium cans, along with the problematic waste types (cartons, single use cups, small batteries) mentioned earlier. However, we recommend excluding glass containers from the scheme's scope, as it will significantly increase the cost and complexity of the DRS system and will reduce the use of glass bottles.*
- 19. We only favour these packaging types through a targeted On-the-Go DRS implementation.*

PET and HDPE bottles

- 15. PET plastic bottles are easily recyclable. In 2017, the recycling rate for drink containers made of PET was 74%, and the recycling rate for all PET bottles was 57%.*
- 16. PET plastic bottles are commonly used for soft drinks and water, and smaller sizes (smaller than 750mls) are often consumed outside of the household. These small bottles tend to be littered or disposed of incorrectly. The DRS system would have a key role in capturing these containers and further increasing the recycling rate of PET plastic in England.*
- 17. SUEZ supports the Scottish Government's decision to exclude HDPE bottles and recommends the British Government to follow this direction. HDPE bottles commonly used for milk are generally used at home and capture rates are already relatively high.*
- 18. The majority of HDPE plastic placed on the market is dairy products (and specifically, milk) which SUEZ recommend is excluded from the scope of any DRS as milk containers are less likely to be consumed "on the go" and therefore littered. Milk (in HDPE containers) is instead more likely to be consumed at home and with HDPE recycled through existing household recycling schemes. Similar to points we made previously, the shape of HDPE milk bottles is different from round PET bottles which might require more bespoke reverse vending machines and increase costs.*

Steel and aluminium cans

- 19. Steel and aluminium cans are easily recyclable but a significant minority are littered or disposed of incorrectly on-the-go. The DRS should prioritise metal cans that are currently not being captured by household and business collection.*
- 20. The scheme's scope should only apply to the steel and aluminium containers used for drinks, which are commonly disposed of outside the household, as opposed to food cans that are rarely littered or discarded in street bins.*

Glass bottles

21. *SUEZ appreciates that the inclusion of glass in the scope of the English DRS is part of the current Government manifesto commitment. However, we recommend excluding glass from the DRS scheme, as happens in a number of other countries (e.g., Norway and Sweden). Currently, 76.5% of glass in the UK is collected for recycling, but a DRS system is not in our opinion the way to further increase glass recycling rates, this will come through EPR and improved kerbside collection consistency proposals.*
22. *Glass bottles have a very low value in the recycling market and are heavier than other containers like plastic and aluminium. The storage of glass bottles also requires more space to ensure bottles remain whole as re-melt quality glass can't be crushed at source and the DRS scheme needs to be able to scan labels.*
23. *The inclusion of glass will increase the operational cost and complexity of a DRS system and therefore increase the risk of the scheme not operating effectively from day one.*
24. *Including glass in a DRS will disrupt existing recycling systems. Drink glass containers, which would be in the scope of the DRS scheme, represent 75% of glass packaging and would remove a significant share of income from kerbside schemes. Local authorities might abandon dedicated glass recycling collection, through established bottle banks networks and household collections, and reduce ultimate recycling rates.*
25. *Glass is potentially more problematic for DRS schemes, and it does not feature in the majority of existing schemes deployed around Europe and elsewhere. Glass is arguably more suited to traditional "re-fill" return schemes that are proposed to be covered in the EPR system. Excessively broken glass is difficult to colour separate and as such ends up in lower quality outcomes, so improvements in the collection and management are needed under EPR but this we think is more an incremental improvement in the management rather than a fundamental change.*
26. *Glass is not only the heaviest of all candidate materials but its inclusion would also present a number of operational challenges for DRS, particularly the manual take-back element of the scheme (assuming England adopts a hybrid approach). Glass containers accepted by retailers and not counted on site as part of a manual take-back system would need to be stored on site intact prior to uplift, and upon collection and transport (via a bulking station) to a counting centre for processing.*
27. *Recycling rates for glass are already relatively high and less likely to be littered than plastic bottles. Glass containers also come in an array of different shapes and sizes which would require bespoke alterations to vending machines (thereby increasing costs) which SUEZ believe is unnecessary, and the money would be better spent focusing on the materials that are most prevalent in the litter streams.*

Other materials (Carton and pouches)

28. *As previously mentioned, we believe that single use cups and cartons should be included in a 'On-the-Go' DRS, to reduce the amount being littered.*

Scheme design ('all-in', 'on-the-go' or other models) and the level and scale of deposit charges

29. *The deposit return scheme is intended to increase recycling and recovery rates, reduce littering and should work in tandem with the existing household and business collection systems. As such any DRS must complement the well-established (and effective) kerbside collection systems used to capture materials at home (and in the future at work). DRS should target materials not being collected and recycled now or those expected to be in the near future, and that are currently littered (namely arising from consumption that is 'on-the-go').*
30. *By targeting 'on-the-go' consumed items (those smaller than 750ml) it should minimise the shift of materials and value from the current local authority collection systems, whilst also giving opportunities for local authorities to save money through reduced litter and its associated clean-up and removal.*
31. *The current 'on-the-go' collection infrastructure would benefit from the support of a DRS. Materials being captured for recycling in street bins are usually subject to high levels of contamination and cannot be easily recycled. 'On-the-go' should be the priority of the DRS design as this is where recycling rates are poor and quick progress could be made.*
32. *Many have argued that an 'On-the-Go' system is unproven, which we accept, however the same can be applied to an 'All-In' DRS being applied to a comprehensive and pre established kerbside system is also in our view unproven. The difference is the quantum of potential disruption and cost from the overlay of an 'All-in' DRS to an existing kerbside system is vastly greater than the potential impacts of an 'On-the-Go' system.*
33. *A DRS is an expensive way of collecting materials, especially if these items are already being collected, at very affordable cost, through a kerbside collection. Focusing on 'on-the-go' items will reduce the operational cost and complexity of the DRS system. An 'all-in' system would require much more space for vending machines and storage, which will impact retailers, particularly smaller retailers.*
34. *Small cans and plastic bottles bought for 'on-the-go' consumption tend to be littered and have recycling rates below 10%. Larger containers (above 500ml) are rarely used outside the house and are generally recovered through kerbside collection, there would likely be no additional benefits with an 'all-in' system compared to an 'on-the-go' system to deal with litter.*
35. *The introduction of the DRS should avoid disrupting the current kerbside collection system and confusing consumers. Consumers play an essential role in the collection system as the primary source of sorting. An 'all-in' system would be considered an additional burden on consumers who are already doing the right thing by putting cans and bottles in their recycling bin. An 'all-in' system would require consumers to return drink containers that have*

been used at home to a return vending machine or a store. An 'all-in' DRS also raises the issue of storage for consumers.

- 36. From a SUEZ perspective the behaviour change aspects are the most critical, and most important. Changing consumer behaviour both in terms of consumption decisions and then recycling & disposal is going to be key to deal with 'On-The-Go' consumption in particular and associated littering. DRS when well designed and implemented does deliver on these agenda items.*
- 37. Convenience for on the go capture is the key aspect of DRS, and determining the deposit levels needed to get consumers to move from on street waste bins or littering to take back points is critical. The UK already has an effective and very cost efficient system of kerbside collection and this will be further enhanced by the various EPR measures that are being proposed or expected. DRS, as part of the EPR family of materials capture should be designed to complement the existing and expected systems and not to compete with them. The uplift in household and business recycling of packaging will be driven through EPR, which will deliver multiple improvements to the current system.*
- 38. Overall, any DRS scheme must offer value for money for the producers in terms of recapturing the materials and not excessive direct and indirect cost to consumers. If DRS is more expensive and less productive than EPR, then it should not be used at all.*
- 39. SUEZ is in favour of DRS. We have previously come out in favour of 'On-The-Go' DRS and still stand by that if we must have a DRS to satisfy political demands, because it targets the obligated materials that are currently being lost from the system whilst on the go, to litter etc. Other obligated materials lost from the home could be addressed through consistent collections, national communications and EPR reform at a lower cost than DRS. However, over the last 12 months, our work on EPR reform suggests that EPR could deliver the additional target materials at much higher capture rates than today at a much lower cost than s DRS is expected do, because ultimately DRS will be moving materials out of very cost effective kerbside capture systems.*
- 40. SUEZ remain unconvinced that DRS is essential for meeting longer term recycling targets, at least until EPR reform is operational and its impacts alongside collections consistency can be judged.*
- 41. SUEZ is convinced that DRS can influence on the go behaviours and help reduce litter, if used appropriately. SUEZ has undertaken its own research, drawing on our experiences of working with different DRS and EPR systems around the world, and combined this with independent research from Oakdene Hollins to inform our position that both the Scottish and English scheme be focused on "on the go" containers only (<http://www.sita.co.uk/news/most-brits-would-use-a-deposit-return-scheme-for-ten-pence-a-bottle/>).*
- 42. On the go containers are typically the most problematic waste stream, with low rates of recycling and high rates of littering. Targeting the scheme on these packaging types would increase the quantity (and quality) of materials for high quality recycling; encourage consumer behavioural change and would more likely make the most significant contribution to tackling litter which blights communities across the country.*

43. *There was overwhelming support from the broad range of representatives at the DRS Summit (May 2018) for Scotland to be part of a single, UK-wide DRS. Our concerns on an English DRS system are mirrored in Scotland but seeking to operate two differently designed and operated schemes in the single UK market will drive unnecessary cost and burden.*
44. *SUEZ strongly advocates a complementary and joint approach to EPR (and thus DRS) across the UK, because:*
- *critical mass of materials would benefit from economies of scale*
 - *reduced scope for (and costs of mitigating against) fraud*
 - *reduced labelling costs*
 - *business continuity*
 - *clear and consistent messages to the public*
45. *The Scottish Government is only marginally ahead of the curve in its consultation of a DRS and we strongly urge relevant departments from across the home nations to work towards agreement for a UK wide DRS.*
46. *Our research suggests that a 10p per item deposit would work for an 'On-the-Go' DRS system and due to the limitation of packaging capacity, would also significantly reduce the opportunity for format changes and the need for differential deposit levels. For an 'All-In' DRS we believe that differential deposit rates would need to be agreed to prevent format switching and its potential determinantal impacts on recycling and quality.*

The obligations on retailers at all levels (including online-only retailers) to participate in the scheme

47. *Any retailer that puts targeted drink packaging into the UK market should be obligated to participate in the scheme, and online-only retailers should be subject to the same requirements to ensure a level playing field. Retailers that sell drink containers should be obligated to host a return point, subject to exemptions for small-scale operations and health and safety concerns, or work with nearby partners to ensure a suitable level of service (and access) is provided.*

The effect on scheme design of recent changes in patterns of retail activity

48. *The Covid-19 pandemic will have a significant impact on future retail activity. The trend for working from home will continue and will result in a reduction of 'on-the-go' consumption. The pandemic has also highlighted the resilience of the current kerbside collections, whereas a return-based system would have had more challenges and might have resulted in severe disruption of waste collection service provision.*

The impact of any scheme on existing reuse and recycling and reuse systems

49. *Any type of DRS is bound to have a negative impact on existing reuse and recycling systems. Targeted materials, which are currently being recycled or reused, will be diverted away from existing systems. However, the impact of an 'on-the-go' DRS system will be less disruptive*

than an 'all-in' DRS, as it will mostly target materials that are not captured in the current recycling system.

50. *SUEZ is concerned that the introduction of a DRS in England will divert higher-value (better quality) recyclables away from kerbside collection, into a more expensive management system. This material will be critical for UK reprocessors looking to invest in UK infrastructure and markets, so losing it from the resource sector could undermine planned infrastructure opportunities and associated jobs.*

The impact of any scheme on local authority kerbside collections and on local authority revenue streams dependent on the value chain of recyclables

51. *Even though the DRS should complement local authority kerbside collections, it will inevitably divert materials and negatively impact the current system and its affordability – it is expected that 25% of the current kerbside tonnage will be diverted to DRS, whilst our own modelling (done with our current municipal customers) suggests that 25%-50% of our throughput at our sorting MRFs will disappear to DRS quite quickly whilst over time they will be replaced on the vehicle by new target materials (lighter materials) being targeted through the EPR system.*
52. *To help local authorities understand the potential impact of any future DRS on their services, SUEZ, along with a number of partners (Larac, Kent Waste Partnership, Project Integra and Anthesis consultancy) created the Resource and Waste Policy Impact Calculator (RAWPIC) tool in 2019. This was made freely available for any in the sector to use. The tool used several data points, including current tonnages, local compositional analysis of both recycling and refuse and local DNA profiles, to provide the most relevant and accurate picture of what DRS would mean for a local authority to aid decision making and future planning.*
53. *Through this tool we have been able to also analyse the impact of a representative sample of authorities that SUEZ currently provides collection services for. The following table is an overview of the authorities reviewed. Please note these only include plastics and metal streams.*
54. *The summary of the findings show that due to the weight of glass currently being collected that on average 78% of the dry (in-organic) recyclables currently being collected by the local authorities we analysed could be diverted down a DRS route if the 85% capture rate is achieved as outlined in DEFRA's previous consultation documents.*
55. *This will result in increased inefficiency in the collection system where some vehicles (especially those collecting source segregated or twin stream systems) will still need to serve households using a similar number of vehicles to the service today, because of the continued impact from materials like food and fibres which are typically the key to influencing round size due to their volumes. So the opportunity to deliver efficiency savings through vehicle and route optimisation is minimal, apart from those operating a full co-mingled (mixed recyclables) recycling service, which is at odds with DEFRA and the industry's ambition to improve the quality of materials being collected from households to drive a circular economy.*

DNA	Local Authority	Collection type	Number of households (2018)	Recycling performance 2018/2019 (%)
Urban	South Gloucestershire	Source segregated (mono/twin)	120,000	57.8
Suburban	Calderdale	Source segregated (mono/twin)	94,520	49.6
Suburban	Doncaster	Co-mingled (multi-mingled, glass separated)	144,153	46.4
Rural	East Devon	Source segregated (mono/twin)	69,000	59.1
Rural	Warwick	Source segregated (mono/twin)	61,276	53.7
Rural	Maldon	Co-mingled (multi-mingled, glass separated)	27,745	59.4

	Average reduction in total collected material per year (t)	Average % reduction in collected material per year (%)	Average reduction per household per year (kg)
Plastics	-276.33	-23.67	-3.5
Metals	-52.83	-9.83	-2.79
Glass	-1589	-44.33	-29.98
Total	-1917.67	-77.83	-36.26

56. The addition of materials such as films and flexibles into the collection system could mitigate some of this increase in levels of empty capacity requiring a predicted 30% of the space vacated by plastics and cans lots from the system. This could be achieved through the inclusion of cartons, films and flexibles in particular. SUEZ has been working with a number of brands on how films and flexibles could be collected and recycled in the kerbside systems and published a report recently on this opportunity: <https://www.suez.co.uk/-/media/suez-uk/files/publication/suez-uk-flexibleplasticpackagingvaluechainreport-2102-3.pdf>

57. Local authorities and private waste management companies have already invested significantly in infrastructure to deliver segregated collections and will still be obligated to offer dry mixed recycling collections, for materials that are not in the scope of the DRS system as part of the consistent collection and EPR reforms.

58. *The announcement of an 'all-in' DRS has already deterred some investment in UK recycling infrastructure, as investors and operators like SUEZ continue to assess how the DRS will affect their operations before financing new stillage vehicles or setting up a new MRF contract etc.*
59. *The implementation of a DRS system will require a significant behavioural change from consumers as they will be required to bring back drink containers, which were previously collected from their kerbside. There is uncertainty over the capture rates through DRS, and the expectations proposed by Government and their advisors seem overly optimistic given current resident behaviour, especially in the early years of the scheme and current collection systems will require to build in the flexibility for collection and sorting to accommodate this. The short-term flexibility imposed on local authorities and waste management companies will have significant financial implications.*
60. *DRS can be an efficient tool to increase recycling rates and reduce litter, however, we should avoid disrupting but seek to complement the current waste management practices, as they have proven highly successful in delivering significant increases in recycling, at low costs. The two systems should work in tandem to increase the capture rate of materials that are commonly littered while reducing cannibalisation level and financial impact on local authorities.*

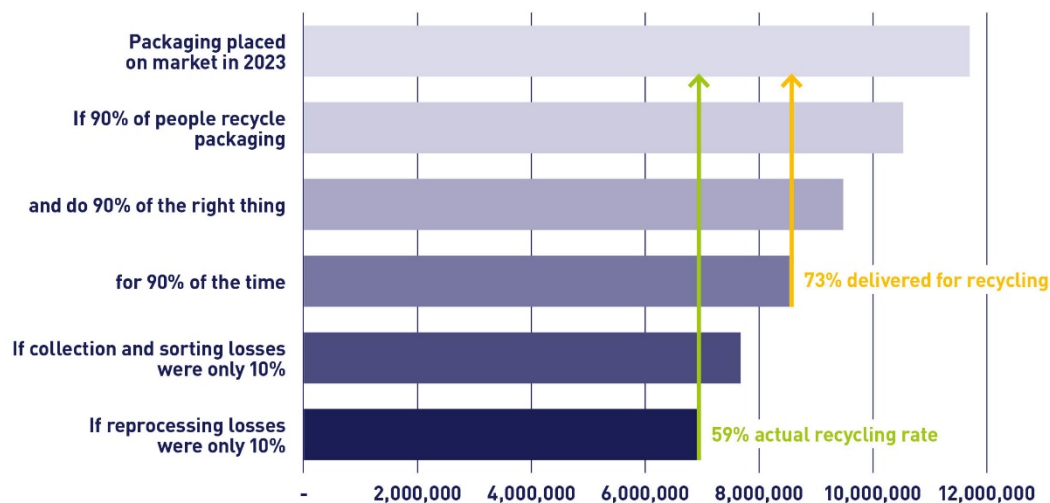
The potential relationship between deposit return schemes and other packaging waste initiatives promoted under the Resource and Waste Strategy, such as the packaging producer responsibility system and consistency in kerbside collections of dry recyclables

61. *SUEZ openly welcomed and supported the launch of the Government's Resource and Waste Strategy (RWS); however, the different RWS initiatives must fit together. The UK will not meet its recycling targets given the current nature of the waste stream, over a fifth of which is not recyclable. We need as much material as possible to be subject to modulated fees under the packaging extended producer responsibility reforms (EPR) to drive non-recyclable formats off the market. It would have been our preference for EPR to be introduced first and for deposit schemes to be used subsequently to capture those parts of the waste stream not effectively 'managed' through EPR. A DRS should be complementary to the EPR reform measures and the plastic packaging tax to drive better packaging design.*
62. *Clear guidance on the scope and the timeline of the scheme will allow for local authorities and waste management companies to restructure their collection system and adapt efficiently to the changing system.*

How the use of deposit return schemes is likely to affect the UK's progress towards meeting the targets set in the Resource and Waste Strategy

63. *The Resource and Waste Strategy set a target to recycle 65% of municipal waste and to reach this target 70-80% of total arisings for recycling will have to be collected. Given the current nature of the waste stream, this is equivalent to capture rates of 90-100% of the recyclable materials, this is very challenging and ambitious.*

The need for full value chain collaboration to recycle packaging (excellent performance)



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64. The DRS should be seen as an essential initiative to capture any recyclable material that slips through the cracks of the current (and soon to be enhanced) system, through littering. However, the EPR and the consistency in kerbside collections of dry recyclables policies are probably more important to improve the recyclability of packaging and increase the volumes of dry recyclables collected.

65. To support meeting the targets set in the Resource and Waste Strategy, the DRS should be part of a comprehensive and integrated system of waste management. An 'on-the-go' DRS would avoid significant disruptions to the system and ensure the three initiatives work in tandem.

66. According to a House of Commons Audit Committee reports that [1]:

- Around 15% of the 13 billion plastic bottles used each year (i.e. 1.95 billion plastic bottles) are used outside the home and the UK has a particularly high 'On-The-Go' consumption pattern. This is considered a significant factor in the stalling plastic bottle recycling rate which has remained at 57% for PET bottles for the last five years.
- 700,000 plastic bottles are littered every day; equating to 1.97% of the total 13 billion plastic bottles used each year.
- Canfacts.co.uk reports [2] that 30% of drinks cans are consumed outside the home and so do not get recycled through existing schemes, and alupro provides an even higher estimate [3], stating that around 45% of the 9.7 billion drink cans sold in the UK are used outside the home. This equates to between 2.9 billion and 4.4 billion drinks cans being consumed outside the home annually in the UK. Currently 70% of aluminium cans are recycled in the UK which suggests that 'On-The-Go' waste produced needs to be tackled if recycling is to increase.

[1] Plastic bottles: turning back the plastic tide. First report of session 2017-19. House of Commons Environmental Audit Committee. 19 December 2017.

The scope for interoperability between any schemes in England, Wales and Northern Ireland to be established under Schedule 8 to the Environment Bill and the scheme to be established in Scotland under the Deposit and Return Scheme for Scotland Regulations 2020

67. *Interoperability between any schemes in England, Wales, Northern Ireland, and Scotland is critical in SUEZ's opinion to avoid confusing customers and increasing capture rates of the systems, whilst minimising the cost to brand owners (and thus consumers) in meeting different requirements across the UK.*
68. *However, we believe that an 'all-in' system for metal drinks cans, PET, and glass bottles, like in Scotland, will not deliver the best outcomes in England, Wales, Northern Ireland, introducing significant additional costs for little additional material.*
69. *SUEZ would prefer an 'on the go approach' in all jurisdictions, BUT ideally would like to see any DRS delayed until the impact of EPR reforms and improved kerbside collection consistency have been given a chance to influence packaging design and capture and customer behaviour. There is no point in spending all the extra money for little additional gain if it is not needed.*

The factors which have contributed to the successful implementation of deposit return schemes in other jurisdictions

70. *Deposit return schemes have been incremental in increasing collection rates in other jurisdictions like Germany, Norway, and Sweden. However, none of the jurisdictions, which have successfully introduced a DRS system, already had a comprehensive kerbside collection and recycling service in place, as in the UK. The implementation of a DRS system in England, alongside the current council waste management services introduces more uncertainty in the collection and sorting process, which will require more flexibility from local authorities and waste management and increase their operational cost.*
71. *In order for the DRS to be successful in England, it MUST be designed to work in tandem with the current kerbside collection and avoid significantly disrupting the current waste management system.*

END

We (SUEZ) would welcome the opportunity to discuss our concerns, ideas, research and proposals with the Committee if the opportunity arises, and will continue to feed into the live Government consultations on EPR and DRS in the coming months.

March 2021