

Supplementary written evidence from Tetra Pak

Tetra Pak believes there are three key pillars to addressing the environmental challenges that we face; climate change, the circular economy and biodiversity. The three are interlinked and interdependent, which is why we believe in a low carbon circular economy to drive the transition to low carbon, renewable materials, and with sustainable sourcing through certification, protecting biodiversity. Tetra Pak is determined to play its part in each of these areas through innovation to drive the creation of new, more sustainable materials and practices in the packaging sector.

In parallel to this, governments should set a policy direction and framework which supports wider climate goals. We believe that the Deposit Return Scheme (DRS) is an opportunity for the UK Government to do exactly this and take a significant step towards realising its ambitions to achieve a truly circular economy, tackle climate change, and reach net zero.

The Government should be ambitious, creating an 'all-in' DRS that includes as wide a range of materials as possible, including carton packages. Limiting the scope of the scheme would be a missed opportunity, and as we discussed harder to include later.

Why an 'all in' DRS is critical from the outset

Introducing a limited DRS would demonstrate a lack of ambition to tackle climate change and create a circular economy. Even if you added materials later, you would lose out on the carbon reduction benefit of those materials being included from the beginning.

In addition, retrofitting an existing scheme is a far more expensive way to include materials like carton packages, and widening the pool of materials included from the start lowers the overall costs of the system. Assuming a 90% collection rate, increasing the amount of material included in the DRS by 10% would decrease the fixed costs per item of packaging by approximately 0.23p according to our analysis based on a study by Deloitte (Analysis of introduction deposit system for packaging in Poland 2017), and a Slovakian deposit study by EKOS and Envi-Pak ('Czechia deposit study by Eko-Kom; Reloop global deposit overview (2018)').

It is incorrect to suggest that onward processing of cartons is a problem in the UK

In the UK cartons are collected for recycling in 93% of local authority areas – they are processed either at the dedicated carton recycling plant in Halifax, or in paper mills. The Halifax plant alone has capacity to process 40% of cartons on the UK market.

The recycling process produces two streams of materials – paper fibres that can then be turned into new products such as inner cores and cardboard tubs, and a polymer and aluminium stream. These materials are then used to create mould injected plastic items.

By including cartons in the DRS, the sector will have access to a higher volume and quality of carton material, which will provide the commercial incentive to invest further in UK based carton and polymer recycling infrastructure. By excluding cartons from the DRS, the Government would deny our industry the access to that feedstock, and undermine the efforts that have already been made over the last 15 years to improve carton collection and recycling in the UK.

Beverage cartons work well in a DRS, and we have proved it through an ongoing DRS project in Serbia

A pilot of a DRS that includes a wide range of material, including carton packages, started at the beginning of 2021 in the city of Kragujevac, Serbia. The local public utilities company, Tetra Pak, Coca Cola HBC, and Molson Coors brewery are partnering on this project and it is being managed by the Sekopak, a local Packaging Recovery Organisation (PRO). This industry driven project intends to prove the concept of a DRS including a wide range of materials to the Serbian Government, with a view to the Government introducing legislation to create an 'all in' DRS.

The pilot, using five RVMs supplied by the Turkish company Aco Recycling, has not shown any technical or practical problems so far.

The RVMs operate using a neural network camera to identify the shape of the package, which is then separated into one of four compartments in the machine itself. At this stage, this project does not require any labelling of products.

A consumer using the machine receives a credit on their personal public transportation card for each returned package. Serbia will be launching additional trials in June and September of this year.

This video shows Serbian DRS project in action: <https://vimeo.com/543552229/8045aa0d45>

Smart technology and the DRS

We recommend the use of new, digital DRS technology in the UK's DRS, as this eliminates many of the concerns that retailers, particularly smaller retailers, have around DRS. These technologies offer decentralised, hassle-free collection and platform solutions, creating a more level playing for retailers by removing many of the administrative burdens of a DRS, which smaller retailers and shop keepers are less able to absorb.

Dairy products can, and should, be included in a DRS

All drinks categories, including dairy and juice products, should be included. This will help reduce consumer confusion, increase system efficiency, and ensure a level playing field between all producers.

It is a common misconception that dairy containers pose a hygiene risk. Dairy products are included in several DRS systems around the world, including in Australia and Canada, and pose no such risk.

Cartons in other DRS

Carton packages are already successfully included in deposit systems around the world. New Reverse Vending Machine technology can easily detect any shape or size of packaging including non-cylindrical beverage containers.

In Canada a DRS was introduced in 1973, and in Australia in 1977, and both include cartons via manual and automated take back - in Australia alone, so far more than 1,000 reverse vending machines have been deployed in Queensland, New South Wales and Southern Australia. Carton collection rates are now at 75% in Canada and 70% in Australia.

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