

Written evidence submitted by The Food and Drink Federation (FDF) (PW0037)

1. The Food and Drink Federation (FDF) welcomes the opportunity to respond to the House of Commons Environment, Food and Rural Affairs Committee's inquiry into plastic waste. The FDF is the voice of the UK food and drink industry – the UK's largest manufacturing sector. The FDF represents and advises 900 food and drink manufacturing and processing firms throughout the United Kingdom, including leading brands and home-grown businesses, large and small.
2. Central to the economy, food and drink manufacturing and processing sits at the heart of the 'farm to fork' food supply chain which employs more than 4 million people and generates over £121 billion of added value for the economy each year. It is an industry which is key to national security, through ensuring the availability of safe, affordable and nutritious food and drink to the UK population every day. We are fully committed to playing a positive role in building more resilient and sustainable value chains in the future.
3. As such, the FDF is proud to be a founding signatory to the UK Plastics Pact together with a number of FDF members, which aims to create a circular economy for plastics. For around fourteen years, the industry has been focused on improving sustainability and reducing its impact on the environment. In 2007, FDF launched the first Five-Fold Environmental Ambition; bringing together businesses across the food and drink sector reduce the industry's environmental impact. That Ambition set targets for reducing CO₂ emissions, reducing the negative environmental impact of packaging, promoting efficient use of water, embedding environmental standards into transport, and eliminating food waste to landfill
4. Subsequently in 2016, we launched FDF's 'Ambition 2025 – shaping sustainable value chains' as the next step on our journey to help deliver a sustainable food system in the future. Following a mid-term review in 2020 this Ambition includes an updated set of ambitions including areas on packaging, reflecting current UK policy goals. One of our aims of Ambition 2025 is to step up work on packaging and minimise the impact of packaging associated with food and drink products by encouraging innovation in packaging technology and design that contributes to overall product sustainability. An early success in this regard was the publication in 2017 jointly with the Industry Council for research on Packaging and the Environment (INCPEN) of "Packaging for people, planet and profit – a sustainability checklist". This publication aimed to help businesses choose and optimise their use of packaging in ways that contribute to a net improvement in resource use across the whole value chain
5. The FDF has been working closely with the Department for Environment, Food and Rural Affairs as they implement measures to tackle plastic waste in their Resources and Waste strategy. However, we have concerns about how two measures in particular are being introduced and their impact on the sector:
6. **Reforms to Extended Producer Responsibility** - Our vision for Extended Producer Responsibility for Packaging is for a fair, effective and cost-efficient system that delivers real net improvements in environmental outcomes. However, the Government's current

proposals place a high level of cost on brand owners, including food and drink manufacturers. This will have a wholly prohibitive impact on the ability of producers to drive forward the investments needed in packaging design and innovation to increase recyclability and to deliver other positive outcomes in a timely manner. That cost will ultimately also need to be passed on to the consumer.

7. **Plastic packaging tax** – For many plastics, food safety-related legislation for packaging materials in contact with food currently does not allow recycled content to be used for food contact applications as the necessary authorisations are not in place. Many food producers will therefore be subject to tax regardless, which is therefore likely to be passed on to consumers.
8. We have covered our concerns about these measures in more detail in our response to the Committee's questions below:

What measures should the UK Government take to reduce the production and disposal of single-use plastics in England? Are the measures announced so far, including a ban on certain single-use plastics and a plastic packaging tax, sufficient?

Reforms to extended producer responsibility

9. The FDF has for some time been calling for reform of the Packaging Producer Responsibility system. In particular we want to engage constructively with the UK Government and the devolved nations to help build a better system that delivers good recycling outcomes for the long term. Our vision for Extended Producer Responsibility for Packaging is for a fair, effective and cost-efficient system that delivers real net improvements in environmental outcomes.
10. However, the Government's proposals for reform, as consulted upon earlier this year, will place significant costs on food and drink manufacturers and other brand owners. Specifically, in terms of funding local authority recycling collections and subsequent sorting operations along with the cost of litter management and prevention as it is within scope of 'necessary costs' that should be covered. Producers would also be picking up the bill for the collection and sorting of packaging waste generated by all businesses along with public sector institutions. This level of cost is likely to have a wholly prohibitive impact on the ability of producers to drive forward the investments needed in packaging design and innovation to increase recyclability and to deliver other positive outcomes in a timely manner.
11. This gold plating approach has led to the astronomical and sudden increase in proposed cost to be borne by producers and in particular brand owners, from an estimated £1.5bn per annum to a staggering £2.7bn. This is deeply concerning. It will be impossible for any single part of the value chain to absorb such costs particularly if a single point of obligation approach is taken to full net costs as per the Government's intention. These costs are also out of line with similar EPR schemes introduced elsewhere in Europe when considered on a per capita basis. We therefore urge the Government to look again at the costs it is placing on business, which will be passed to the consumer, particularly as according to FDF's own estimates EPR alone will mean each household will see a £75 increase to their food bill every year.

12. To minimise costs on businesses and by extension consumers, the Government must reconsider the following:
13. **The scope of 'necessary costs' needs to be re-examined**, in particular in relation to business waste and ground litter payments. The FDF recommends:
14. A more cost-effective and workable approach to business waste payments needs to be found. Fundamentally we do not agree that producers should pick up the bill for the cost of managing packaging waste produced by all businesses. This is not only because of the exponential increase in the cost of this element of the proposals-up from £249-£375m pa previously to £1.5bn pa – but also because we feel it will be ineffective at driving change. The Government should allow more time to work collaboratively with industry stakeholders post-consultation to come up with a more suitable approach.
15. Ground litter payments should not be in scope. Food and drink manufacturers are deeply concerned about the inclusion of litter payments within the scope of costs of managing packaging waste. In particular they should not be liable for ground littering as this is an illegal activity. The proposals will also place an open-ended commitment on brand owners to fund the full costs of all littered packaging on all free to access land whether it is the responsibility of our sector or not. It is open to abuse and almost completely absolves local authorities of their obligation to drive down the illegal activity of littering through robust enforcement and for consumers to carry out responsible disposal. The Government should narrow the cost of litter payments to bin litter only and which falls under the responsibility of local authorities
16. **Timeframe for implementation** - The Government's proposed timetable for introducing reform ignores some of the steps needed for its implementation thereby compromising food and drink manufacturers' ability to make the necessary changes in time. For example, labelling changes typically take three years to introduce but according to the proposals published in March the Scheme Administrator will not have signed off on the recyclability assessment methodology until 2023 at the earliest. We also question whether the timeframe for the mobilisation of the scheme administrator will work in practice. According to the Government's current timeframe, the scheme administrator would need to start invoicing producers in June 2023 in order to start making payments to local authorities in October. This four-month window to effectively collect and make payments is extraordinarily ambitious given all the transactions that would be involved and payment mechanisms of the companies impacted. The Food and Drink Federation has previously raised these concerns and still awaits a response from Defra to industry concerns about the timeframe for implementation. We would urge that EPR not be partly phased in from 2023 as currently proposed but implemented fully by 2024 at the earliest to enable more time for the SA to become fully operational.
17. **Setting up the scheme administrator for success** - We support the need for future governance and administration arrangements under the new EPR system to be based on a single Scheme Administrator model approach, established on a not for profit basis and appointed through a competitive tender process. If producers are to be the obligated fee payers and fund total net cost of recycling, then we believe it is only proper that they should be able to directly determine how best to discharge their obligations through the new organisation. This is the approach most commonly taken by Governments and

industry to initiate successful EPR programs for packaging in other jurisdictions (e.g. Austria, Belgium, Canada, Germany).

Plastic Packaging Tax

18. Ultimately, the FDF considers that the use of modulated fees within a reformed packaging producer responsibility system to be a far simpler and fairer way to encourage the right behaviours in terms of using recycled material for food contact materials rather than the introduction of a plastic packaging tax. This approach would also ensure revenues raised are more likely to be channelled into dealing with the current challenges given UK Government policy of non-hypothecation of tax revenues. In particular, we have the following concerns:
19. **Implications for food contact materials** - Under current food contact materials legislation, processes for recycling of plastics for food contact applications need to undergo safety assessment and authorisation in accordance with legislation. For some types of plastic used in food contact applications, these are not yet in place. Many food producers will therefore be subject to the tax regardless, which is therefore likely to be passed on to consumers. Introduction of the tax should therefore be delayed in these cases.
20. **Interaction with Defra measures to tackle plastic waste** – The timing for introducing a tax in April 2022 is illogical in relation to when the new packaging producer responsibility system, a DRS and consistent collections are all intended to take effect i.e. from 2023. It is these policy changes that will increase the supply of high-quality food-grade secondary raw materials, needed to support demand for higher levels of recycled content that a tax would generate. Therefore, the tax implementation date should be delayed until such time as these other policy changes have taken effect.
21. **Ringfencing fund raised from the plastics tax** - The FDF cannot see how the tax can meet its policy objective to “stimulate increased levels of recycling and collection of plastic waste” given the Government’s policy of non-hypothecation. While the tax may create demand for recycled materials, without further investment, it is unlikely to encourage and enable infrastructure development in collection and reprocessing which would allow for the production of more and higher quality recycle.

How should alternatives to plastic consumption be identified and supported, without resorting to more environmentally damaging options?

22. By any measure, plastics are extremely efficient at doing the job they have been designed for and could be considered a ‘victim of their own success’. They are highly functional, safe (provided they are used in compliance with food contact materials legislation for the food and drink they protect), and are light to transport. So, the challenge of seeking alternatives to plastics with equivalent attributes and avoiding counterproductive impacts on the environment should not be underestimated. That said, FDF and its members are engaged in work underway within the UK Plastics Pact to eliminate and find alternatives for the most problematic plastic items where possible. The food and drink manufacturing industry is also highly engaged in work to deliver improved environmental outcomes for plastics including through improving circularity at end of life.

23. To deliver the necessary changes, we need support from UK policy makers in a number of areas including for the Government to deliver on its promise to require all local authorities in England (harmonised with the other UK nations) to collect a core set of packaging materials for recycling. It is only through increasing the quantity and quality of material collected that we will be able to transform the UK's recycling performance in line with the Government's ambition.
24. The area of legislation covering new materials must also be considered. In the short-term we would like to see clearer guidance for innovators on the requirements relating to new materials intended for use in food and drink applications under the food contact materials legislation. Development of alternatives to conventional plastics will require investment.

Is the UK Government's target of eliminating avoidable plastic waste by 2042 ambitious enough?

25. The FDF supports the Government's target of eliminating avoidable plastic waste by 2042. Consideration should be given to ensure that the target remains realistic and achievable without overburdening businesses or creating unintended consequences including for the environment.

Will the UK Government be able to achieve its shorter-term ambition of working towards all plastic packaging placed on the market being recyclable, reusable or compostable by 2025?

26. To achieve this, the FDF strongly supports the need for all plastic film and flexibles to be included in the core set for consistent collections from households and business premises from the outset of the reforms taking effect. Based on the current proposed timetable for EPR reform we consider that collection of plastic film/flexibles should start from 2023 with completion as soon as possible thereafter. As far as the proposals for consistent collections recently put forward by Defra for England are concerned the proposed end date of FY 2026/27 for all LA's to implement recycling collection of plastic films from households should be considered absolute and without exception. This approach to collection of plastic film/flexibles will be key to unlocking investment in future recycling infrastructure, whether by mechanical or chemical means, thereby ensuring that such materials are not only recyclable but recycled in practice.
27. Also, any slippage of timescales when it comes to film collections could jeopardise achievement of the Government's environmental goals under the EPR reforms. For example, there is an interdependency between, for example, binary recyclability labelling under EPR and consistent collections. Consumer confidence and thereby buy in to the new system could therefore be undermined if these two aspects are not in synchrony. It stands to reason that because EPR reform is a UK wide policy it is important that aligned policies around collections are in place within the same timeframe in the devolved nations.

Does the UK Government need to do more to ensure that plastic waste is not exported and then managed unsustainably? If so, what steps should it take?

28. The FDF fully supports measures to strengthen and improve the compliance and monitoring regime for packaging waste exports. In parallel with these regulatory changes it is also important that the reforms overall encourage much more investment in domestic recycling infrastructure including specifically through:
29. **Consistent household recycling collections being in place in time to support reforms to Extended Producer Responsibility.** It is imperative that a system of consistent household and business waste collections for dry recyclable materials is in place in time to support the introduction of the new producer responsibility system. This is particularly vital for the new mandatory national labelling scheme. Otherwise we will lose the support and trust of consumers, and the transformation in recycling that we all want to see will not come about. Proposals set out for England need to be supported by aligned policies in the devolved nations.
30. **Plastic film and flexibles need to be included in the core set for collection consistency from the outset.** FDF supports the need to start the roll out of consistent collections of plastic film and flexibles from 2023 with completion as soon as possible thereafter. The proposed end date of FY 2026/27 put forward in the proposals for England should be considered absolute. This will be key to unlocking investment in future recycling infrastructure, whether by mechanical or chemical means.
31. **Need to review and update materials collected to reflect new innovations.** A dynamic approach to maintaining the 'core list' for collections will be needed to reflect real time developments in materials innovation, sorting techniques etc. FDF supports the need for plastic film (aligned with the work being undertaken by the UK Plastics Pact) to be included in this list, along with multi-layer laminate materials including food and beverage cartons.

September 2021