

Written evidence submitted by the British Retail Consortium (PW0043)

9th September 2021

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop, costs are increasing, and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises of over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.

We share the Government's ambition to leave the environment in a better condition for the next generation, by increasing resource efficiency and reducing waste, as well as Government's objectives of increasing recycling rates and tackling plastic pollution.

We welcome the opportunity to input to the EFRA's committee inquiry looking into plastic waste.

1. 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?

Plastic waste and especially single use plastics have been and are an emotive topic. We believe Government should consider looking at what is being show possible by businesses under WRAP's Plastics Pact initiative (elimination of problematic or unnecessary single use by 2050) and subsequently explore what more needs to be done to supplement this industry work in the light of the regulatory interventions it has already made.

Retailers are at the heart of plastic waste debate and accept their shared responsibility to drive it down. Our members have undertaken major efforts to remove plastics from their stores, by increasing the recyclability of plastic packaging and using other materials where appropriate.

The UK retail industry is leading the way in protecting the environment by reducing single-use plastic. Retailers have a direct relationship with customers and understand that more and more consumers want to reduce reliance on plastic. Retailers have been key enablers trialling packaging free and refillable options and offering bagless delivery. All are committed to continue to find ways to remove unnecessary plastics from the shopping experience.

There has been good progress under the Plastics Pact initiative which aims to eliminate single-use packaging where possible. Major food retailers have committed to eliminate eight problematic and unnecessary plastics and are voluntarily working on a further list of items. Our members are developing and adopting solutions through reuse, redesign and/or smarter recycling by 2025. The Plastics Pact offers a holistic approach to the environment and resources rather than shifting from single issue to single issue. We support this collaborative approach to work with other like-minded

groups to tackle this problem together across industries and sectors and see it as supporting the work retailers are already doing as part of their journey to Net Zero by 2040¹.

The UK Government has a number of policies in place aimed at encouraging plastics reduction and the 2018 Resources and Waste Strategy outlines a number of proposals for change. Defra has set in motion the most essential Collection and Packaging Reforms, increased the SUP bag charge, banned the supply of plastic straws, stirrers and cotton buds as well as the microbeads in rinse-off personal care product, and more recently announced a consultation on banning single-use plastic plates, cutlery and polystyrene cups. Added to this is the HMRC's Plastic Packaging Tax scheduled for April 2022.

These policy interventions are progressively delivering the desired outcomes with some items no longer placed on the market or shifted to more sustainable alternatives (for example, high street retailers switched from plastic to paper cotton bud stems for own-brand products). The biggest and most significant changes that will impact producers, retailers, recyclers, and consumers are yet to be seen once the new packaging EPR rules are implemented.

The Plastic Packaging tax has created a disruptive effect with many already raising concerns over business readiness and looking to secure sufficient supply of recycled plastic content ahead of the tax or anticipating paying the tax in the first year. Two missing hits from the Plastic Packaging Tax are 1) the fact that the money raised will not be re-invested back in the packaging recycling industry but rather directed to HMRC/HM Treasury and 2) the lack of a clear, consistent, and practical Recycled Content Verification System which is fundamental to ensure everyone's trust and confidence in the system. This certification piece around recycled content is even more valid in the light of the 'misleading green claims' work that the CMA and Defra have undertaken, we would have appreciated to see more alignment between Government departments.

For single use plastics, the Government has followed a piecemeal approach whereby each UK nation has adopted its own direction of travel, we have seen this for example with NI consulting on a carrier bag charge increase to 20-25p whereas the rest of the UK has implemented the 10p increase. Retailers would have preferred to see a joined-up approach across Devolved Nations and alignment with Europe. It will be particularly interesting to see the real environmental impact of the ban on certain single-use plastics e.g. cutlery. From our perspective, the main challenge is the ability for consumers to easily recycle single-use plastic both at home or on the move. There is insufficient opportunity both at home and on the move to correctly dispose of single use plastics and a real lack of clear information for consumers, so it is very difficult to know what can be recycled and what can't be, and whether it is currently being collected.

Most importantly, the effects of the above-mentioned measures are having and are expected to have concrete repercussions on the economy with the industry absorbing the costs and associated administrative burdens – and that despite the fact that many retailers have been and are still dealing with unparalleled uncertainty and challenges caused by the pandemic and other pressures. It is important that the Government and the UK Parliament fully appreciate the cumulative cost-effect of different policy measures and does not underestimate the wider pressures on the retail industry from other business taxation such as business rates. We recognise the need to stimulate and fund a circular economy for packaging. Over the next decade, the costs of "Collection and Packaging" reforms are projected to be £20.8bn for businesses². This represents a significant figure that will be impossible to fully absorb. We recommend the Government to be cognisant to the potential impact

¹ BRC Climate Action Roadmap, <https://brc.org.uk/climate-roadmap>

² Defra, [The Collection and Packaging Reforms – a summary of the impacts](#), Annex B - Monetised impacts of all three reforms

on the food prices, especially as food is a much larger element of the household budget for lower income families which are at risk of being hit the hardest.

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

Retailers have been working with WRAP and other businesses under the Plastics Pact to improve understanding of the environmental impact of packaging, including the environmental considerations for switching to alternative packaging materials.

We recognise that there is a need to consider alternative approaches to address the problems presented by plastic and reduce its environmental impact. The challenge is often to conciliate competing considerations such as, for example, efficiency of alternative packaging materials versus the need to prevent and reduce food waste and guarantee food/product safety and hygiene. Commonality of plastic types could be a solution insofar as if certain plastics are banned and others are allowed, this would make the collection and recycling easier and more viable for all.

We suggest that any shift to alternative packaging materials is backed up by solid scientific research and data covering entire life-cycle assessment of packaging and products. Support for alternatives should be looked through a value chain perspective, including focusing on the sustainable sourcing of materials. There are indeed intertwined considerations with the issue of deforestation and uncertified paper/wood packaging which Government has not had the same level of focus on. In addition, producers and retailers would need alternatives to be scalable to an industry-level, local authorities would need to offer consistent collections of that material and waste management would need to have the infrastructure and technology to treat it without the risk of undermining the quality of the current dry recycling.

It is important to highlight that under the current packaging EPR reform, biodegradable and compostable plastic packaging materials are not included as separate recyclable waste stream. This means that these 'alternatives' will be considered as not recyclable, and consequently attracting higher producers fee rates. The overall effort of the reform is to introduce more ease and consistency for consumers. There is a danger if LAs can provide separate collections for these materials that there will be inconsistent collection systems in the UK. If there is even a perceived risk of biodegradable or compostable being in the recycling stream this can prevent recycled content being used in long life applications such as in the construction industry. The challenge is also around the identification of these materials and their distinction by the consumers/householders from the conventional materials. It could cause more confusion for the public on whether these materials can be recycled or not. This also gives a danger that material could end up in the recycling stream.

From a general perspective, we understand that to be treated under recycling consistency reforms, materials need to be considered as recyclable in the current recycling streams. This is not the case for some compostable plastics where there is potential for them to contaminate conventional plastics recycling. However, we note that it is recognised there are some niche applications where biodegradable and compostable material would be appropriate, and separate contained systems for this material would help support their use.

The reality is that a lot of work still needs to be done and BEIS' response to the call for evidence for standards for bio-based, biodegradable and compostable plastics has confirmed "widespread confusion among the general public and industry regarding these innovative materials and the impacts their development and use have on the natural environment"³. We recommend that

³ BEIS, [Government response](#) to the call for evidence on standards for bio-based, biodegradable and

adequate research and innovation funding from Government is secured in the medium/long term. WRAP's 'Compostable plastic packaging' guidance (February 2020) is a useful guidance to refer to, until further advanced research is done in this field. It highlights the necessity of clear and correct labelling, design, communications, and treatment of compostable/biodegradable materials.

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

We believe that the Government's target of eliminating avoidable plastic waste by 2042 is not ambitious enough, especially in the light to what businesses have committed to deliver under the Plastics Pact by 2025.

4. 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?

We share Government's objectives of increasing recycling rates and tackling packaging litter through a comprehensive and coherent Resources and Waste Strategy. Under the Plastics Pact, 64% of plastic packaging placed on the market by signatories, including retailers, continues to be recyclable⁴. Retailers have been at the forefront of investing in packaging redesign for greater recyclability, trialling and scaling up reuse and refill options, removing non detectable black plastic and providing front of store flexible plastic packaging collections.

There are however a lot of variables that need to be addressed if the Government is to deliver on its ambition.

One of them is the timely delivery of the Collection and Packaging Reform which will help to improve the design for recyclability of plastic packaging placed on the market. This reform is expected to incentivise businesses to choose more recyclable materials and to move to more commonality (mono materials) in the choice of polymers when possible. The future modulated fees mechanism will therefore be key in influencing retailers in their choice of materials put on the market.

Another variable is the lack of a long-term vision that builds infrastructure for all common materials and allows flexibility to incorporate future changes to our use of materials and provides consistency across all parts of the UK. Indeed, the differentiated timeline to the collection of plastic films and flexibles from households and businesses is not ideal and could potentially undermine the achievement of the short-term ambition. We would prefer to see Government encouraging plastic films and flexibles being collected as early as possible from local authorities, so that a high percentage of households have access to this service as early as possible.

Consistency in recycling collection is an additional factor to take into account. Resources and waste management are a devolved matter – however, with the significant costs on businesses, one cannot ignore that having a UK-wide EPR scheme and only England-focused consistency rules simply creates a distortion from the beginning and will ultimately make it harder to achieve consistent recycling

compostable plastics

⁴ WRAP UK Plastics Pact, [Annual Report 2020](#), page 4

collections in the UK. Businesses would prefer to see a coherent system for packaging and collections across the UK. In addition, separate or mixed recycling collection as offered by many local councils can be challenging as well as confusing to consumers.

Finally, we also wish to highlight that not enough efforts from the Government have been dedicated to address littering and fly-tipping. WRAP's latest report on financial costs of packaging litter⁵ reveals that there had been displacement of litter to green spaces once lockdown restrictions have been progressively lifted. There is an evident pattern that is not being addressed which is irresponsible individual behaviour that undermines industry and supply chains' efforts. It is important to remember that citizens role and responsibility is equally critical in the overall success of UK's recycling system. Businesses' responsibility cannot be extended to subsidize criminal individual offences. Government should ensure that local authorities and the Regulators have the appropriate level of financial and human resources to deliver thorough enforcement, combined to a larger national-wide education piece.

5. 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?

Retailers have a clear responsibility to tackle plastic pollution and are investing millions in reducing plastic waste. Many of them have a strong track record on recycling, reducing the environmental impact of their packaging, and supporting improvements throughout the supply chain. We believe that the UK Government could do more to ensure that UK plastic waste is sustainably managed in the UK and not exported overseas.

One option would be to require all plastic waste to be processed in the UK. This would drive technological innovation and create new recycling loops in the UK. However, as highlighted above, there is currently a lack of long-term vision to build infrastructure for all common materials. Britain's domestic recycling and reprocessing infrastructure capacity is of vital importance in order to reduce our economy's over-reliance on waste exports.

The packaging EPR reform does not provide a comprehensive framework supporting direct investment in domestic recycling and reprocessing infrastructure. The Resources and Waste Strategy will be undermined if we do not have the right infrastructure in place that can be flexed for the future. The policy framework for recycling targets should be complemented by investment in adequate infrastructure in the UK.

We also note that export of plastics was mentioned as one of Boris Johnson's manifesto pledges in the build up to the 2019 election (Banning the export of plastic waste for recycling or disposal to countries that are not members of the OECD), the Government is yet to reveal its options to deliver the proposed ban in a consultation expected before the end of 2022.

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⁵ WRAP/Eunomia, [Financial costs of packaging litter report](#), March 2021