

What to expect from the Resources and Waste Strategy?

British Coffee Association Sustainability Committee

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Agenda

- EU policy context
 - Plastics strategy
 - EU budget
 - Single use plastics directive
 - Circular Economy Package
- UK Resources and Waste Strategy
 - EPR reform
 - Plastics tax
 - Voluntary Agreements & pledges
 - Deposit return system
- Summary

Glossary

CEP Circular Economy Package

DRS Deposit Return System

EPIC Valpak's Environmental Products Information Centre

EP European Parliament

EPR Extended Producer Responsibility

EU European Union (post EU Exit 27 Member States)

OTG On the Go packaging

PET plastic polymer (PolyEthelene Terephthalate)

POM Placed On the Market

PRN Packaging Recovery Note

rPET recycled PET

SoS Secretary of State (Michael Gove)

WDF Waste Data Flow

WEEE Waste Electronic & Electrical Equipment

ZWS Zero Waste Scotland

EU Plastics Strategy

- Published in Jan 2018 as part of transition to a circular economy
- To increase recycling rates, the European Commission will provide €100m to finance the development of “smarter and more recyclable plastics materials”
- Calling for industry voluntary commitments

Aims All plastic packaging on the European market recyclable by 2030

Consumption of single-use plastics will be reduced

The intentional use of microplastics will be restricted.



EU 2021-2027 Budget - Plastics

- The European Commission has made proposals for the EU Budget 2021-2027 (therefore post EU Exit, based on EU 27)
- New funding proposal is to include:
 - €0.80/kg for non-recycled plastic waste (per Member State)
 - NB: the proposals are based on the EU Budget post EU Exit, therefore suggests this is not currently intended to apply to the UK

UK plastic tonnes placed on the market	UK recycling rate	Tonnes to qualify for €0.80/kg charge	Exchange rate*	UK potential cost
2,220,000	50%	1,110,000	€1 = £0.88	£781,440,000

Table: Estimated cost of EU Budget proposal for UK

*Exchange rate as of 11.05.2018 (rounded to nearest pence), source <https://www.xe.com/currencyconverter/convert/?Amount=1&From=EUR&To=GBP>

EU Single Use Plastics Draft Directive

- Aims to reduce the environmental impact of certain plastic products, and to assist the transition to a circular economy
- Range of packaging and non-packaging items
- European Parliament has accepted the Directive
- Proposed definition:

'single-use plastic product' means a product that is made wholly or partly from plastic and that is not conceived, designed or placed on the market to accomplish, within its life span, multiple trips or rotations by being returned to the producer for refill or re-used for the same purpose for which it was conceived

- Very broad definition
- Could be subject to misinterpretation
- Suggested to amend, either to:
 - Specific definition with qualifying words; or
 - To explicitly refer to the products listed in the Annex

EU Single Use Plastics Draft Directive

	Reduce Consumption	Market Restriction	Product Design Requirements	Marking Requirements	EPR	Separate Collection	Awareness Raising
Food containers	X				X		X
Beverage cups	X				X		X
Cotton buds		X					
Cutlery, plates, straws		X					
Balloon Sticks		X					
Balloons				X	X		X
Beverage containers			X		X	X	X
Sanitary items				X	X		X
Tobacco filters					X		X
Carrier bags					X		X
Fishing gear					X		X

Source: http://ec.europa.eu/info/law/better-regulation/initiatives/com-2018-340_en

EU Circular Economy Package

- Key elements :
 - Revised Waste Framework Directive and Packaging & Packaging Waste Directive
 - Original draft texts Dec 2015
 - Final adoption May 2018. Published in Official Journal of the European Union June 2018. Came into effect 4 July 2018
- Targets reduced from original proposals, however
 - Devolved administrations have ambitious aims
 - SoS has also said he wishes to go beyond the EU proposals
- Extended Producer Responsibility 80% minimum net cost coverage confirmed:
 - Separate collection; transport; and treatment necessary to meet targets
 - Also cover “adequate information” to prevent littering

Circular Economy - Minimum Targets

	Overall	Plastic	Wood	Steel	Alu	Glass	Paper
2025							
Initial proposal (Dec 2015)	65%	55%	60%	75%	75%	75%	75%
EP amendment (Mar 2017)	70%	60%	65%	80%	80%	80%	90%
Agreed text (Feb 2018)	65%	50%	25%	70%	50%	70%	75%
UK 2017	64%	47%	31%	77%	52%	68%	79%
UK 2020 (expected performance)**	71.3%	49%	41%	72%	59%	69%	92%
2030							
Initial proposal	75%	-	75%	85%	85%	85%	85%
EP amendment	80%	60%*	80%	90%	90%	90%	90%*
Agreed text	70%	55%	30%	80%	60%	75%	85%

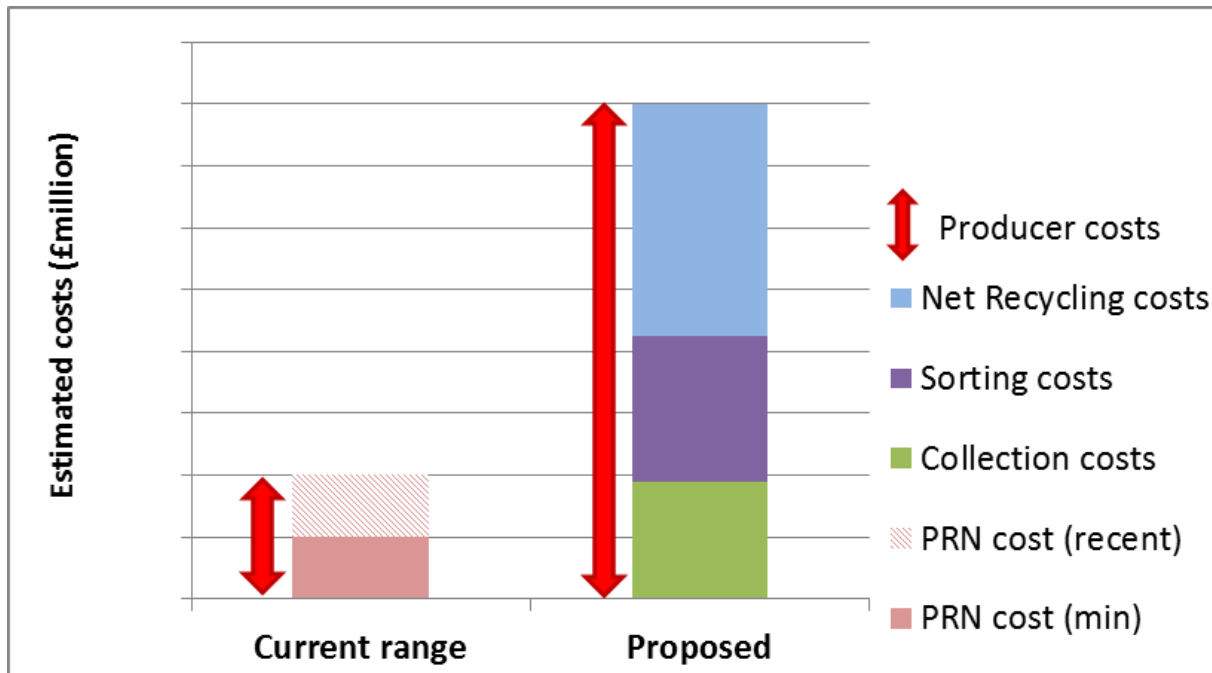
* No target provided, assumed to be the same as 2025

EP = European Parliament

**Based on projections and Flow project estimates

Circular Economy Package - Full Net Costs

- Extended Producer Responsibility (EPR): costs must cover net costs: separate collection; transport; and treatment necessary to meet targets – **minimum 80%**
- Local Authority costs (packaging) are estimated to be at least **£600million**

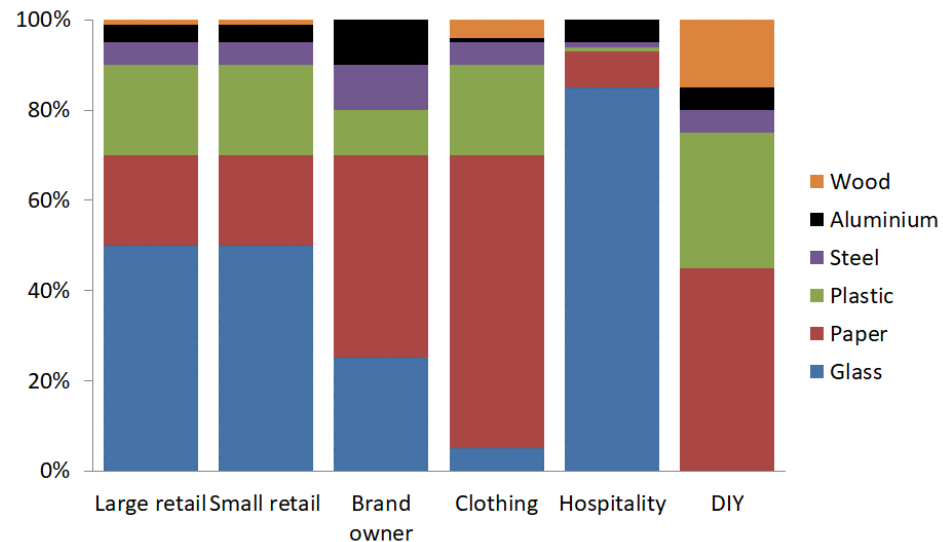


- NB: commercial and industrial waste management costs also need to be considered

Circular Economy Package - Full Net Costs



Material	Full Net Cost (£ per tonne)
Paper	£39.42
Glass	£86.71
Aluminium	£0.00
Steel	£55.38
Plastic	£140.32
Wood	£50.00



Circular Economy Package - Summary

- Defra confirmed highly likely UK will adopt entire package
- SoS has signalled high ambition on recycling and wishes to be seen to be taking action
 - Announced a deposit return system
 - Consultation on ban on plastic straws, stirrers and cotton buds closed Monday 4 December
- Major reform of EPR UK for packaging inevitable

UK Resources and Waste Strategy - By the end of 2018

How the Government will meet the ambitions for resources and waste that are set out in the Clean Growth Strategy and the 25 Year Environment Plan

Clean Growth Strategy (October 2017)

“Protecting our environment for the next generation also benefits out wider economic prosperity” – Foreward by Prime Minister, Teresa May

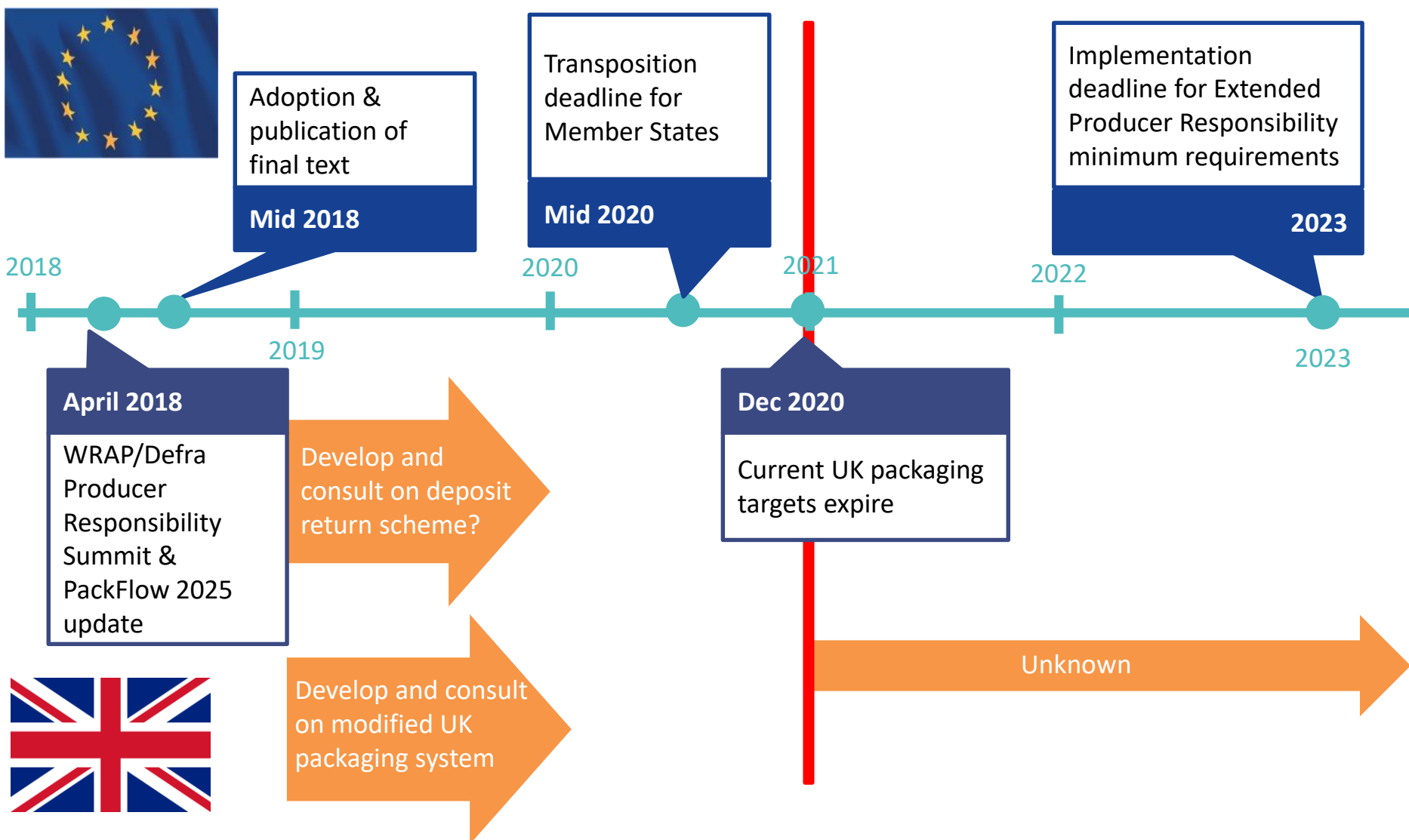
- Zero avoidable waste by 2050

25 Year Environment Plan (January 2018)

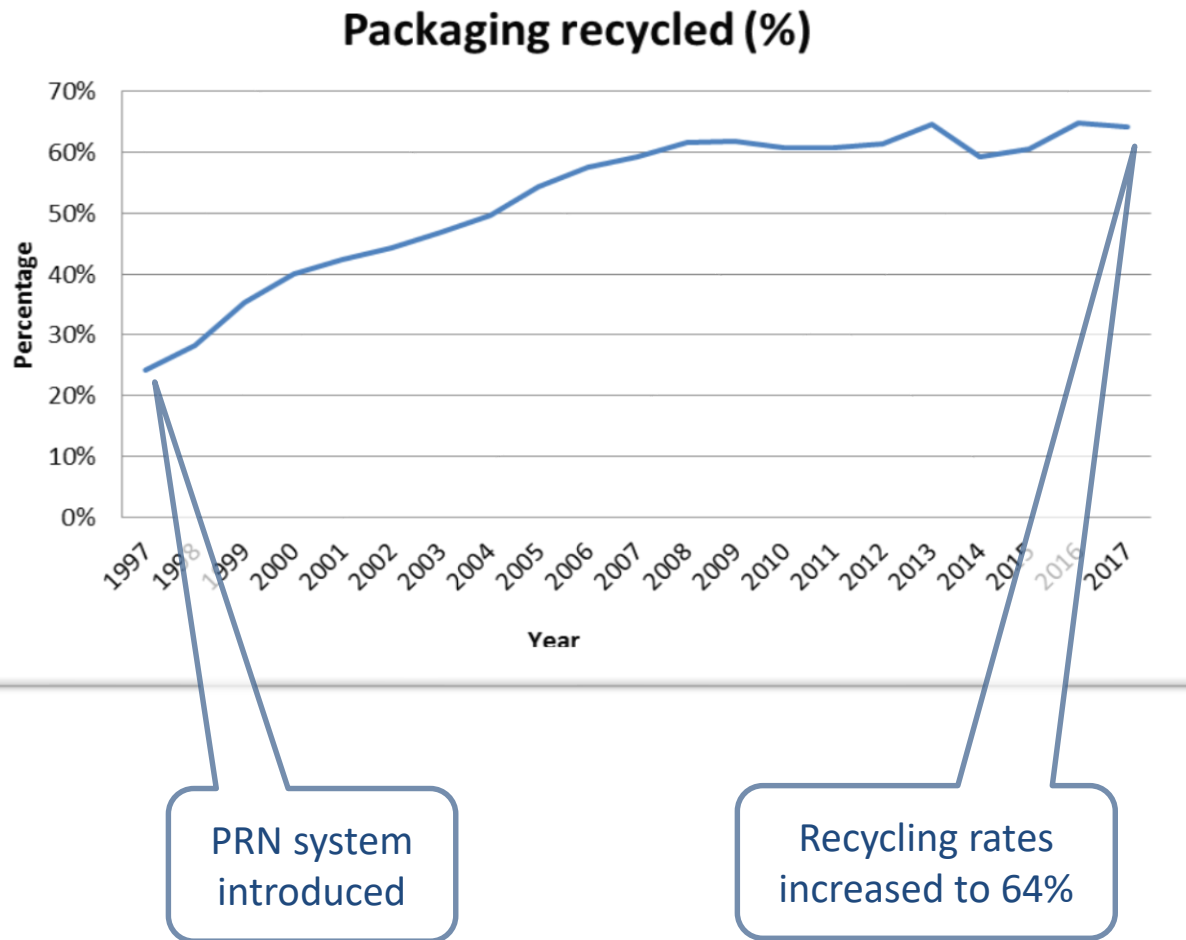
“We must tread more lightly on our planet, using resources more wisely and radically reducing the waste we generate.” - Foreword from the SoS, Michael Gove

- Zero avoidable waste by 2050
- Zero avoidable plastic waste by 2042

EPR Reform - EU Waste Proposals Possible Timeline



EPR Reform - Packaging



- UK packaging recycling rates have increased nearly 40% since 1997
- Development of one of the most comprehensive kerbside collection systems in the world
- Fundamentals of the PRN system remains unchanged since introduction

EPR Reform - packaging

A reformed approach likely to have the following capabilities:

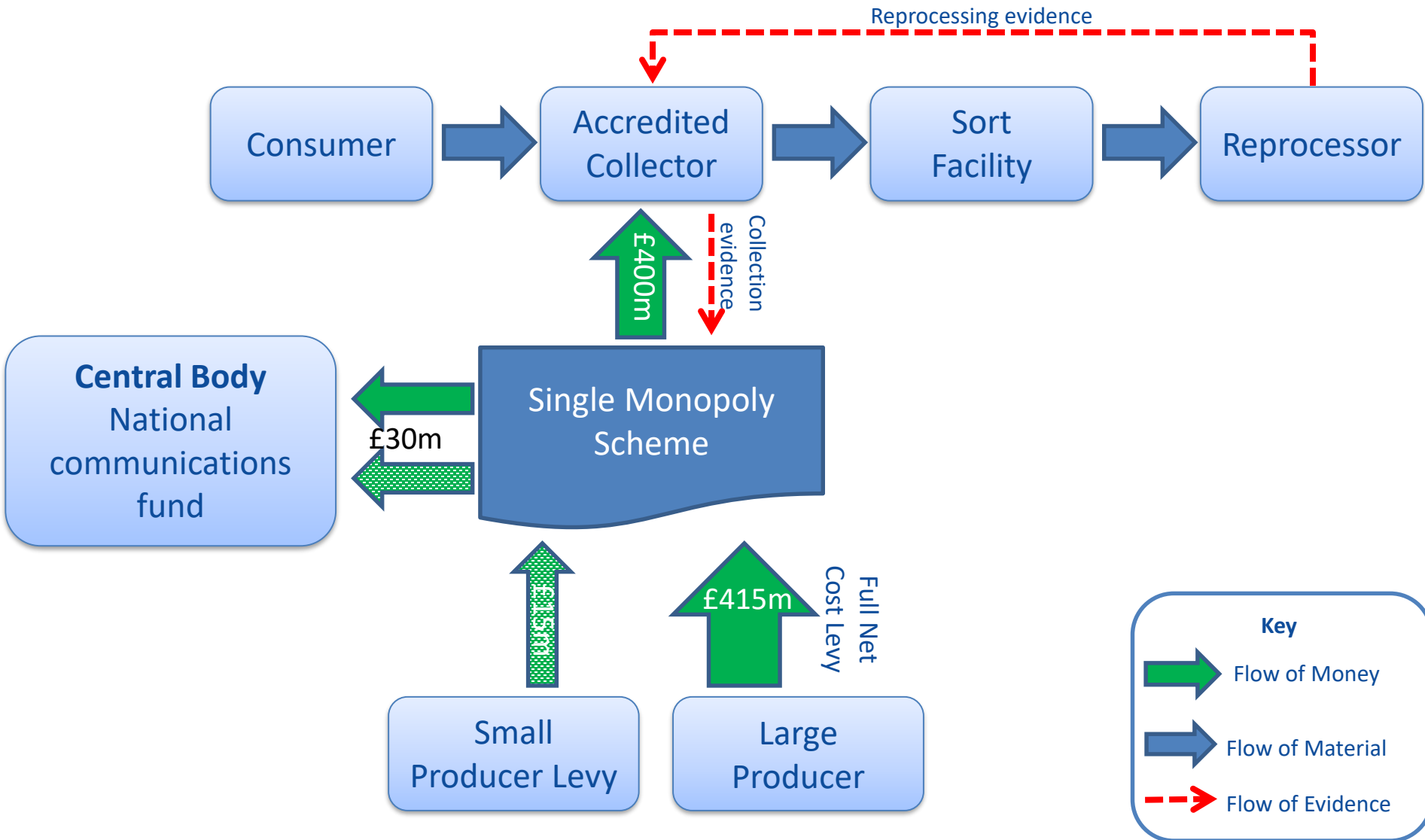
Cover the necessary Full Net Costs	Transparent on costs	Promote recyclable & penalise disruptive packaging
Encourage UK recycling	Drive resource and financial efficiency	Drive achievement of higher targets
Include all producers of packaging in the system	Provide for a national awareness campaign	Allows for flexibility for devolved administrations

Likely to require a separate system for household (or HH like) and commercial & industrial packaging due to radically different cost and contractual structures

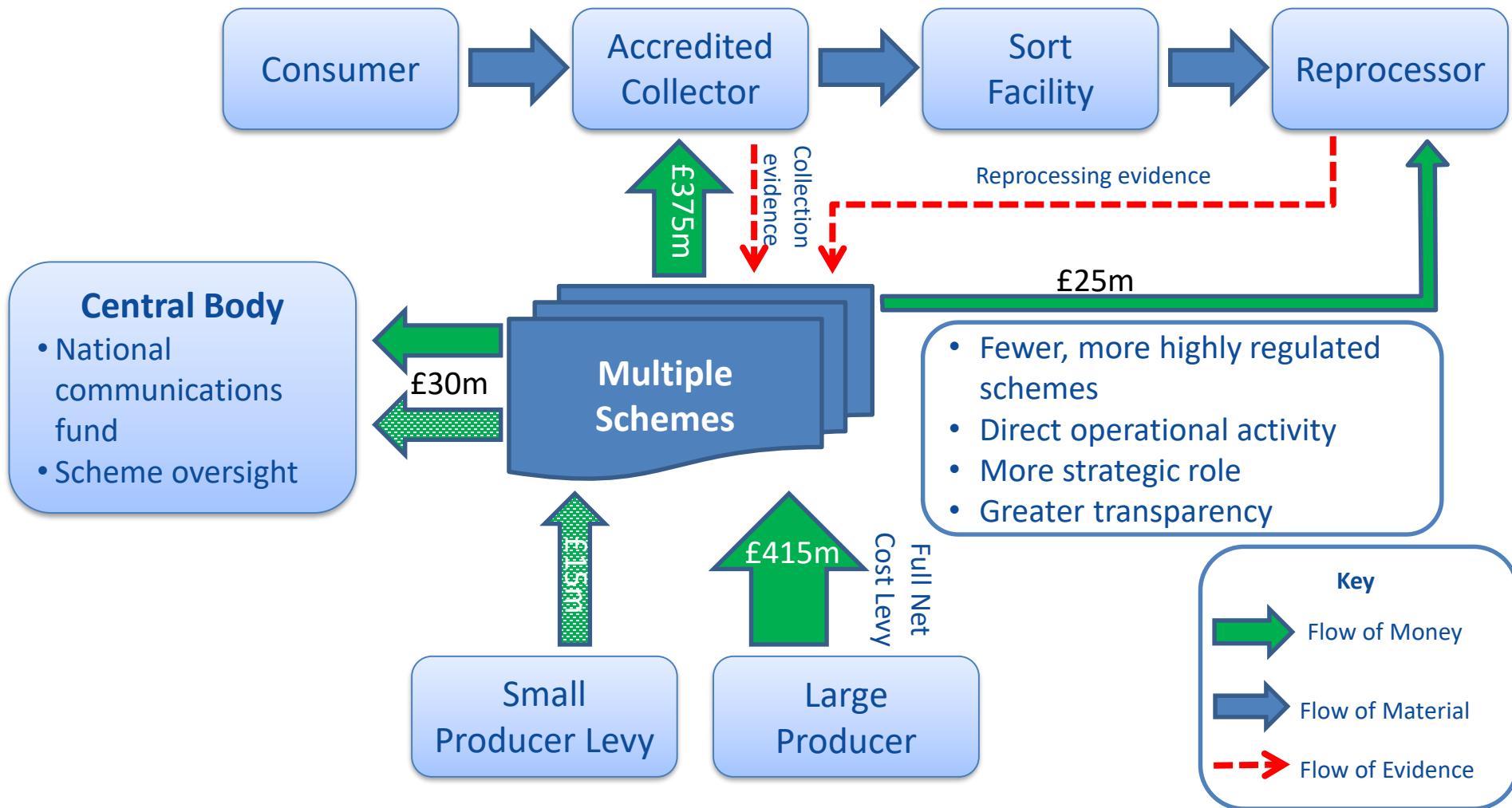
EPR Reform - Packaging Possible Options

- The resources and waste strategy will discuss options to be followed by consultation
- Two broad approaches under consideration
 1. Single monopoly scheme-based system
 2. Controlled market-based system

EPR Reform - Packaging Option 1



EPR Reform - Packaging Option 2



EPR Reform - Factors to Consider

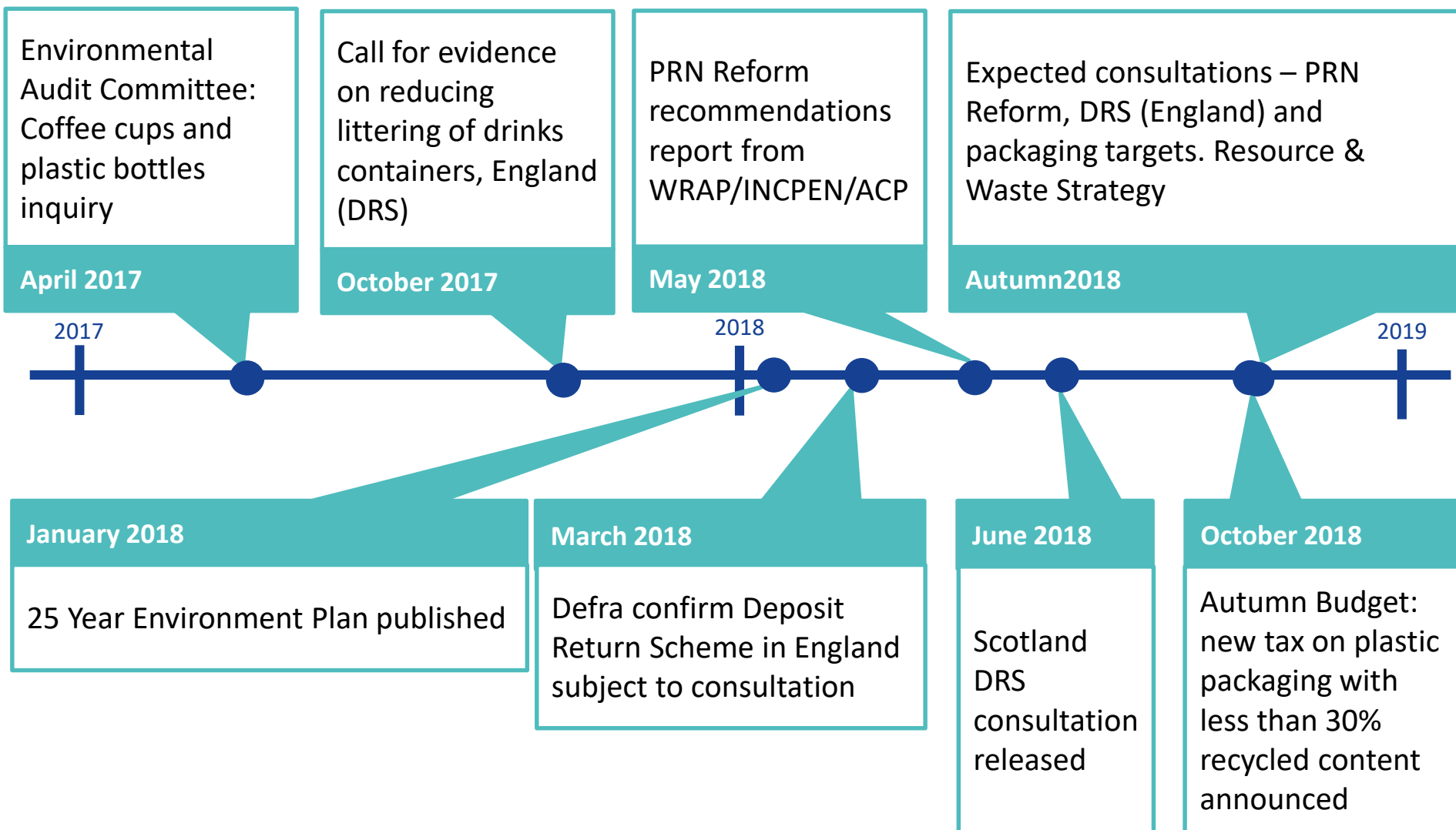
- UK Government track record favours competitive systems – Packaging, Batteries, WEEE
- Most other EU countries started with monopoly systems, but some now changed to competitive
- Experience shows monopoly systems very good at:
 - ✓ Developing infrastructure and increasing recycling from low base over very short timescales
 - ✓ Achieving consistency of collections systems
 - ✓ Developing and delivering coordinated national communication campaigns to increase consumer awareness and participation
- Not so good at:
 - ✗ Keeping long term costs under control
 - ✗ Driving innovation in collection or customer services
 - ✗ Strong focus on customer services
 - ✗ Being flexible

EPR Reform - General Issues

- Retain shared responsibility or change?
- Retain current de minimis* thresholds or reduce or remove?
- Tightening up on-line retailer obligations and enforcement
- Removing obligation avoidance:
 - Corporate restructures and new businesses
 - Internal use packaging
- Increasing emphasis on UK reprocessing eg. “75% recycling of which 60% UK”
- Consider whether to continue with individual compliance or require all producers to work through schemes

*A business handling less than 50 tonnes of packaging or with a turnover less than £ 2million

UK Policy - Plastics



Autumn Budget 2018

- New tax announced on the production and import of plastic packaging containing less than 30 percent recycled content
- £20m injection for tackling plastics and boosting recycling, and
- a further £20m for R&D and developing innovative solutions
- Consultation, introduction April 2022
- A de facto 30% ceiling for tax avoidance?
- Optimum recycled content depends on pack type & function (may not be 30%)
- Price increases eg for non-packaging rPET manufacturers?
- How will recycled content be measured?

UK Plastics Pact

- WRAP & Ellen MacArthur Foundation led collaborative industry initiative
- Announced in Government's 25 Year Environment Plan, launched April
- Covers all plastic packaging and single use non-recyclable items

Targets

Eliminate unnecessary and problematic single-use plastic packaging

100% of plastic packaging is reusable, recyclable or compostable

70% of plastic packaging recycled or composted (80% collection) (currently 47% recycled)

1 in 4 tonnes of plastic used in packaging to be recycled content and drive demand for recycled material (4x increase on current)

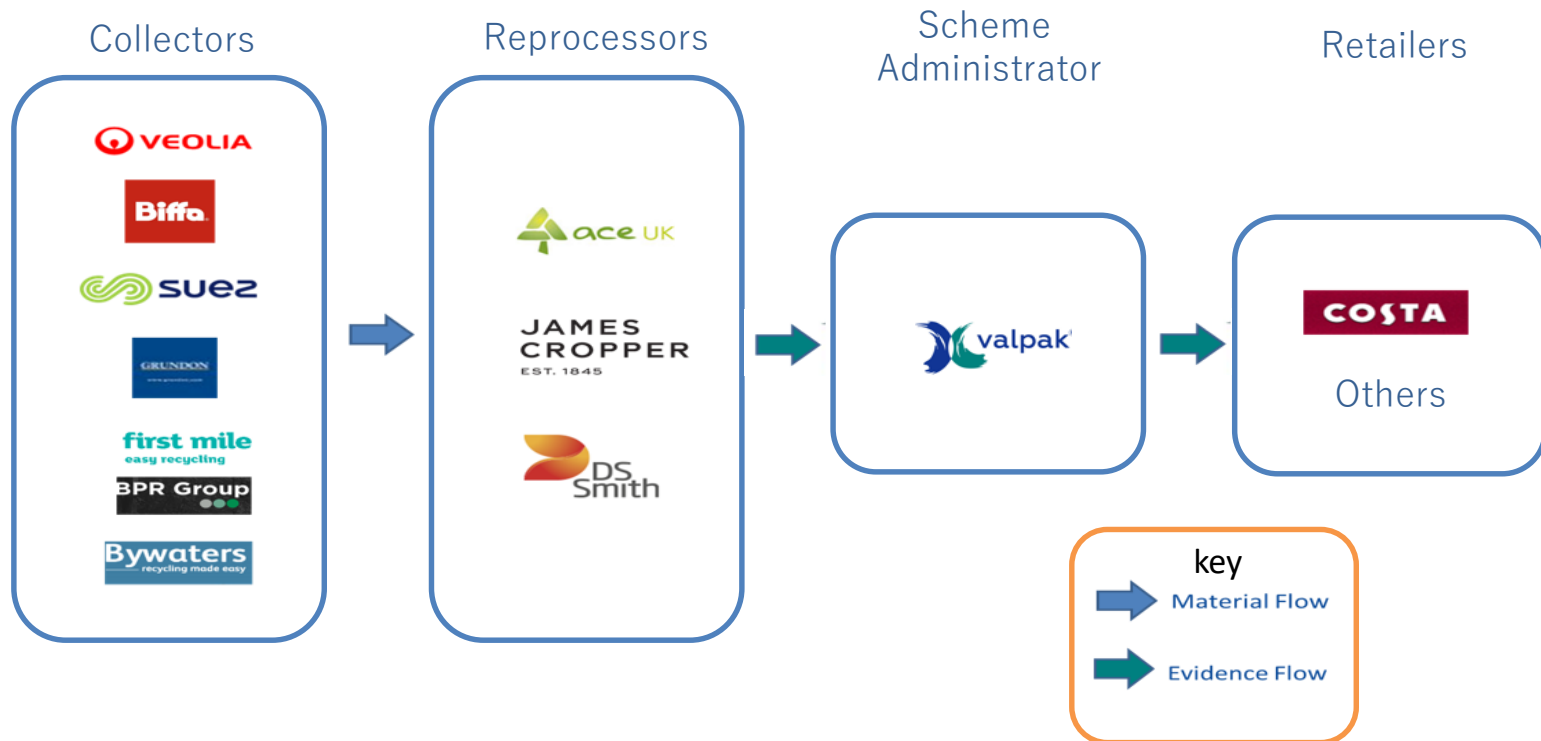
Impassion and enable citizens to play their part in reducing plastic packaging waste and litter



Valpak are not only a signatory but also the official data partner, helping WRAP with reporting and performance tracking

Plastics - National Disposable Cup Recycling Scheme

- Valpak supported the scheme design and is the Scheme Administrator
- National scheme for recycling cups from commercial premises and on the go environments
- Launched by Costa Coffee April 2018, but open to any new partners
- Separate collections subsidised, material reprocessed to produce PRNs



Plastics - Industry Pledges Examples



Two key goals – to continue toward making all its consumer packaging 100% recyclable by 2025 and to have 50% recycled content in its packaging by 2030.



Recycled coffee cups to make the iconic Selfridges yellow bags

All its plastic packaging will be 100% recyclable & 'widely recycled' in the UK by 2022. Assess the feasibility for all its plastic packaging to be made from one polymer group by 2025



Completely remove plastic packaging from our own label range by 2023

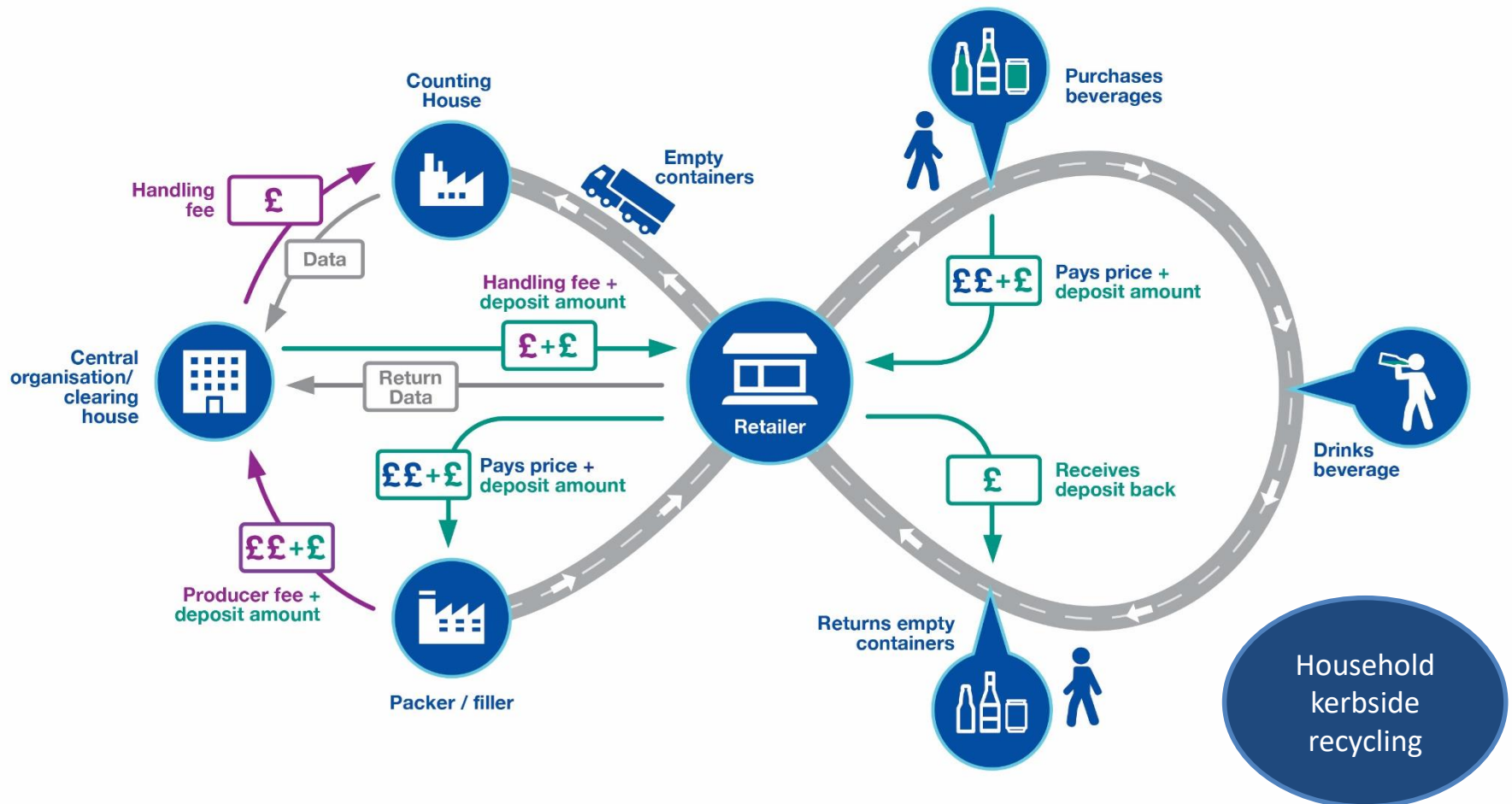


All of its plastic packaging is reusable, recyclable or compostable by 2025; increasing its use of recycled plastic content to at least 25% by 2025; and publishing the full "palette" of plastics materials used by 2020



100% of its packaging recyclable or reusable by 2025

Deposit Return System - Outline



- Consumers pay a deposit (5p – 25p) on top of the sales price for the product
- System funded by unredeemed deposits + materials sales revenue + producer fees

DRS - Design principles

Scope: System

- Deposit rate and capture targets
- UK-wide system
- Consider On-the-go option should be considered
- Mixture of take back locations (retailers and take back points), with exemptions
- Definition of producer to focus on brand ownership

Scope: Materials

- Consider targeted 'On-the-go' materials
- Exclusion of dairy products / HDPE
- Exclusion of cups/cartons due to financial impact
- Valid options to have certain product/material/format in/out of scope

Operation and enforcement

- Industry-owned not-for-distribution, but with possibility for some other organisations to provide certain activities / functions
- Scheme administrator to maintain ownership of material
- Measures to minimise fraud activity e.g. high security labelling, CCTV where appropriate
- Regulation to be carried out both by scheme administrator and existing regulatory body

DRS - Valpak Data: Drinks Container Collection Rates

Valpak calculated consumer collection rate using Plastic Flow Reports + EPIC (for POM) and Recoup collection data.

74%
of plastic
(consumer)
drinks
bottles

70%
of glass
(consumer)
drinks
bottles

70%
of aluminium
drinks
cans

70%
of steel
drinks
cans

Valpak calculated collection rate, 2013

37%
of drinks
cartons

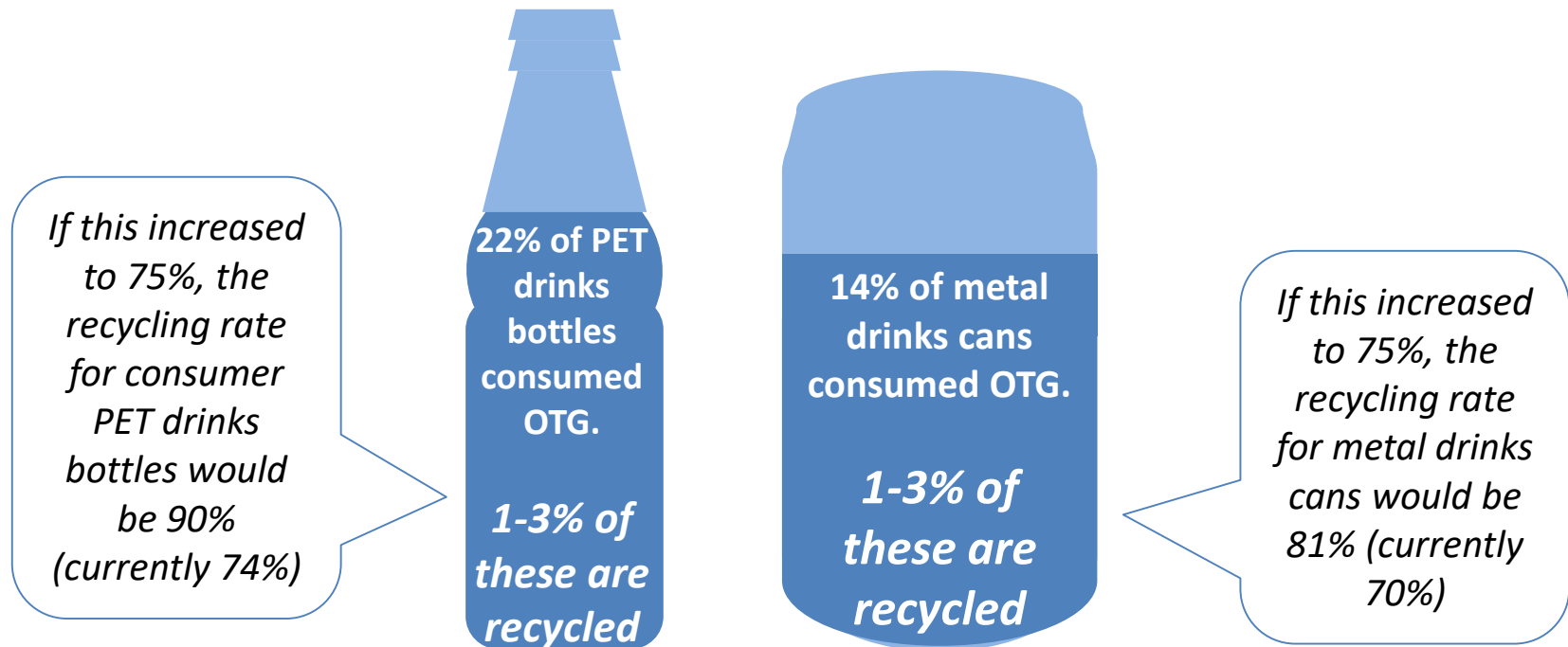
Valpak calculated consumer collection rate during ZWS work (2013) with updated POM. Being updated (2015/2016) WDF data.

Alupro Alu can collection rate 2016
(Consumer-type)

Alupro Alu can collection rate 2016 used as proxy
(Consumer-type)

DRS - On the Go Drinks Containers

- Limited data available for on the go (OTG) container consumption & recycling – Valpak/Recoup indicative study (2017/18)
- **On the go** - disposal in a public space - on street, at a station, at an airport, etc.
- Method: Use of Alupro consumer study, Valpak consumption data, Recoup LA surveys and Recoup/Valpak analysis



Due to the very limited data available, **all recycling figures** should be considered **purely indicative and not statistically robust**

UK Resources and Waste Strategy - Summary

- How we transition to a zero avoidable waste economy by 2050
- Intention of zero food waste going to landfill by 2030
- Phase out avoidable plastic waste by 2042
- Reform of the EPR for packaging
- Indications on targets for waste and recycling, beyond CEP?
- Consultation on EPR, plastic tax, DRS (England), targets post 2020
- Support for voluntary agreements
- Standardised collection systems
- Commitment to strengthen secondary materials markets
- Incentives for eco-design
- Enforcement and prevention of waste crime