



Environment Bill: briefing for Commons Committee

November 2020

Part 3 – Waste and Resource Efficiency (Clauses 47 to 68)

Introduction

The UK is currently using and wasting resources at unsustainable levels, contributing to simultaneous climate and ecological breakdowns. UK consumption is now such that the average UK citizen will have a <u>greater</u> carbon footprint in twelve days than citizens in seven other nations will have in a year. Litter is wreaking <u>havoc</u> on British wildlife, killing millions of mammals every year and <u>choking</u> our seas with plastic.

We welcome that **Part 3** of the bill proposes a number of measures designed to bring our throwaway culture under control. These include the introduction of a new producer responsibility scheme, deposit return schemes and resource efficiency product requirements. However, these measures are too focused on recycling and 'end of life' solutions to waste. To be fully effective, there must be an increased emphasis on reducing resource use and encouraging design for resource efficiency, including through reuse. Reducing resource use will ensure a more efficient economy, reduce the effects of extraction and disposal on wildlife and ecosystems, and contribute to the delivery of achieving net zero greenhouse gas emissions by 2050.

Several helpful amendments have been proposed on these clauses and related schedules, along with a proposed new clause. These would focus the measures on full life cycle costs of products (rather than just disposal), reduce all single use materials (not simply plastic) and help to reduce social as well as environmental harms. **We set out below which amendments we support and why they are necessary**.

Schedule 4 – Producer responsibility obligations (amendments 16, 158, 159, 160)

Schedule 4 introduces the powers to implement a Producer Responsibility Scheme that makes producers pay the full costs of dealing with waste resulting from the products they place on the market. Historically, producers only paid c.10% of the full cost – a figure recognised as disproportionately low by the government when it first announced its intention to introduce a Producer Responsibility Scheme in 2018. This is intended to shift the burden of disposal costs from local authorities and the taxpayer to the producers. In doing so, the measure aims to incentivise producers to prevent products or material from becoming waste and promote reuse and recycling of products or materials. This intention is welcome but as currently drafted the bill risks an unhelpful focus on 'end-of-life' solutions. The Schemes need to incentivise producers to make the right decisions at the start of the process, as well as ensuring they fulfil their environmental responsibilities at the end of it.

Amendment 16 would require governments to introduce a Producer Responsibility Scheme in their respective administrations. As drafted, the bill gives the relevant national authority the power to introduce such a scheme; this amendment would require them to do so.

Amendment 158 aims to explicitly reduce the use of virgin materials. This amendment would ensure that the Producer Responsibility Scheme considers upstream measures that tackle consumption and production, as well as waste minimisation, which, while important, is not sufficient to guarantee an absolute reduction in virgin material use. Manufacturing products with virgin materials usually requires much more energy and depletes more natural resources than using recycled materials. Action to reduce this virgin usage is essential if overall depletion is to be achieved.

Amendment 159 would widen the power to make producer responsibility regulations to allow targets for waste prevention and reduction in line with what the bill suggests the powers are supposedly being set out to achieve. The power is currently limited to targets for reuse, redistribution, recovery or recycling. This amendment would also ensure the scheme considers upstream measures to tackle consumption, production and waste minimisation.

In addition, we are concerned that the requirement in paragraph 1(2)(b) of Part 1 of Schedule 4 could mean that incineration either remains at its current level or even increases. This is because of the interpretation of 'recovery' in paragraph 11(1) of Part 1 of Schedule 4, which includes energy from waste. Waste incineration undermines circular economy principles and is a source of carbon and air pollution.

Therefore, we do not support Producer Responsibility fees being used for new waste incineration capacity, particularly for waste which should be recycled, or removed through design for prevention or reuse. Incineration has increased drastically in recent years and there are some signs that the Covid-19 pandemic has increased incineration rates further. This is a concerning trend, that cannot be allowed to continue. Alternative forms of safe disposal exist, which do not degrade the environment as incineration does.

Amendment 160 could reduce this risk by limiting methods of 'recovery' of waste via energy production to specified methods, which could exclude incineration. This would ensure the system is designed to minimise impacts, align with circular economy principles and prevent an increase in the harmful practice of incineration. The only specified 'recovery' operation that should be supported is anaerobic digestion, for example for unavoidable organic waste. Other recovery operations such as gasification, pyrolysis and energy from waste incineration should not be included.

This amendment would go part way to reducing the use of incineration. However, to effectively tackle the waste and climate crisis, a moratorium on new incineration should be introduced as a matter of urgency.

Schedule 5 – Producer responsibility for disposal costs (amendments 17, 161)

Schedule 5 provides the general power to introduce charges for producers to cover waste disposal costs. However, the environmental footprint of packaging and products is not limited to disposal, as there are environmental and social risks at each stage of the life cycle for all materials – including the <u>extraction</u> of fossil feedstocks for plastic, forest management concerns associated with pulp and <u>paper</u>, and pollution and health risks of mining for <u>metal</u> production.

Producer Responsibility is a tool to address full life cycle impacts and so should not be limited to disposal costs. Instead, Extended Producer Responsibility (EPR) schemes should be designed in a way that goes beyond simply 'covering the costs' of disposal and end-of-life treatment. To achieve this, the schemes should seek to reduce consumption of materials in the first instance, reducing the full life cycle impacts arising from sectors and product groups.

Amendment 161 would address this omission by factoring social costs alongside environmental effects into fees. It would also ensure fees are implemented across the full life cycle of products and packaging, rather than just for the end-of-life. This change would incentivise responsible and sustainable design to minimise these costs in the first place. This would be consistent with the OECD <u>definition</u> of EPR and the life cycle framing evident in the changes to French <u>EPR schemes that have been introduced through new circular</u> <u>economy legislation</u>. New laws surrounding producer responsibility will require a proportion of producer fees to be set aside to support the scaling up of bulk buy and refillable packaging systems and to fund product repairs.

We also support **amendment 17** which seeks to require the governments to impose producer responsibility fees in their respective administrations. As drafted, the bill states only that the relevant national authority may impose such fees.

To work as intended, producer responsibility for disposal costs will also need to incentivise decisions to use safer chemicals in products. The government's Chemicals Strategy, when published, should align with the Environment Bill and further strengthen this incentive to avoid harmful chemicals at the start of the product process, rather than relying on end-stage disposal.

Schedule 6 and 7 – Resource efficiency information and requirements (amendments 18, 19, 162, 163 + 164 + 165 + 166 + 167)

Schedules 6 and 7 grant a general power to the relevant national authority to set resource efficiency requirements for products, focusing on products' environmental impact.

A socially equitable transition to a zero carbon and sustainable society requires workers' rights and other social issues to be considered alongside environmental requirements, particularly on resource and waste issues.

The interconnectedness of these issues is increasingly apparent, for example in the issues surrounding human rights <u>violations</u> in the mining of resources needed for low carbon technologies and electronic products, and <u>health concerns</u> associated with exporting plastic waste to countries without infrastructure to responsibly manage them.

The government should ensure that products produced for the UK economy will not damage ecosystems or communities in the UK and – in many instances more significantly – other countries that extract materials or produce products for final consumption in the UK.

Amendment 163 would require resource efficiency requirements to include social requirements, including fair working conditions for the workers doing the actual producing. This would be in addition to the products' impact on the natural environment, as already included in the bill. This should also be taken with **amendments 164, 165, 166 and 167** which would ensure national authorities introduce regulations that reduce impacts on workers and communities. These amendments ensure that products produced for the UK economy do not damage ecosystems or communities in either the UK or countries that extract materials or produce products for consumption in the UK.

We support **amendments 18** and **19**. These oblige the relevant national authorities to introduce both resource efficiency information and requirements for products. As drafted, the bill states only that the relevant national authority may introduce such requirements.

Paragraph 1(2)(a) of Schedule 7 excludes energy related products from the resource efficiency power. The government states that the Secretary of State will already have powers to set resource efficiency standards for energy related products, courtesy of regulations made under section 8 of the European Union (Withdrawal) Act 2018. This existing power held by the European Commission to set standards for energy related products under the Ecodesign Directive was transferred to the Secretary of State on exit day in January, although the powers in <u>that legislation</u> in relation to production methods and processes do not appear to be as wide-ranging or explicit as those proposed here. Powers that have so far been exercised through the ecodesign regulations are also not as wide ranging as the powers proposed here for non-energy related products. Without a clear and overarching commitment to non-regression, there is no mechanism to prevent regression when it comes to current ecodesign standards for energy using products.

For this reason, we support **amendment 162** as this would reverse the exemption of energy related products from this power. This would allow national authorities to introduce new powers and targets for ecodesign using a similarly broad spectrum of powers as outlined for non-energy using products in the bill. The administrations of the UK could then more easily keep pace with, or exceed, existing EU standards which would be in line with ambitions outlined in the Clean Growth Strategy and the Resources and Waste Strategy.

A recent Green Alliance <u>report</u> on ecodesign and energy labelling highlights the importance of alignment with minimum EU standards both to support positive environmental outcomes and to minimise the risk for British manufacturers and consumers.

Schedule 8 – Deposit schemes (amendment 20)

Schedule 8 outlines the powers for the Secretary of State to introduce a Deposit Return Scheme. With these powers in place, it is imperative that the government promise to deliver the model that will best achieve its aims as detailed in the Resources and Waste Strategy. These include changing behaviour to reduce littering on land, in rivers and the sea and improving recycling rates.

'All-in' deposit return schemes (drinks containers of all sizes and materials) offer the best financial return, achieve the best recycling return and constitute the clearest system for the public to use. This was confirmed by a series of impact assessments, undertaken by the government in 2019, which <u>found</u> that an 'all-in' DRS would offer substantial financial benefits, and collect a greater proportion of containers, compared to a more limited system that only covered so-called 'on-the-go' drinks containers.

It is also the most likely to offer opportunities for scaling it up to a refill system in the future. Furthermore, an 'all-in' deposit return scheme would ensure compatibility across the UK, setting out a system for England that would work in harmony with Scotland's plans, which would especially benefit those who live near to the border between England and Scotland and anyone travelling between, while ensuring the systems do not undermine one another financially or environmentally. Likewise, this approach would facilitate a simple rollout to Wales and Northern Ireland.

We support **amendment 20** which would ensure that the Secretary of State establishes a deposit return scheme. As drafted, the bill only states that the Secretary of State may establish a scheme.

Schedule 9 – Charges for single use plastic items (amendment 182)

Schedule 9 seeks to reduce the consumption of single use plastic by allowing charges to be imposed. However, the provision for charges to only apply to single use plastic items risks merely shifting the environmental burden, as alternative materials may be used with equal environmental recklessness. Risks of material substitution are many and have been documented by the <u>EFRA Committee</u> and can be viewed in these reports from <u>Greenpeace</u> and <u>Green Alliance</u>. The deeper problem lies with the single use throwaway culture, not with plastic per se.

Amendment 182 would address this **so charges are possible for all single use materials**. This would ensure that the government can successfully tackle our throwaway culture at the same time as tackling plastic pollution. Treating plastic in a policy vacuum is a short sighted approach that risk changes that could, for instance, increase carbon emissions or result in more waste generation.

Clause 55 – Electronic waste tracking: Great Britain (amendment 128)

Clause 55 adds new text to the Environmental Protection Act 1990, to set up a new system of electronic tracking for waste. We welcome **amendment 128**, which aims to secure this new system. The proposed new system is welcome, although it should be expanded to track all materials in line with the <u>National Materials Datahub</u> the government has previously supported.

Clause 59 – Transfrontier shipments of waste

Clause 59 amends the Environmental Protection Act 1990 to give the Secretary of State new powers to regulate the export of waste from the UK. In principle, this clause is welcome as a rich country like the UK should not be exporting polluting waste to developing countries.

However, international commitments mean it is already illegal for the UK to send 'polluting' waste to non-OECD countries. The international Basel Convention obliges signatories, including the UK, to prohibit export of waste to developing countries "if it has reason to believe that the wastes in question will not be managed in an environmentally sound manner". This convention will be strengthened in 2021, when most plastic will become subject to even stricter hazardous waste controls. The UK has struggled to fulfil its international obligations in this area, although the Environment Agency in England has recently tried to increase its preventive work.

For this power to be exercised effectively, the government would need to put in place an adequate regulatory and enforcement system to ensure that it meets its current and future obligations on waste shipments.

It would also need to review its approach to consumption and resource use to reduce current and future reliance on landfill and incineration. This should address the underlying drivers of the waste problem: unsustainable growth and consumption of single use packaging and other items, a lack of domestic recycling and reprocessing infrastructure and limited end markets for secondary materials.

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