

## Cross-Departmental plan for enabling reuse and refill packaging systems

Wildlife and Countryside Link have set out the policy measures we think will incentivise the widespread adoption of reuse and refill packaging systems to support delivery of greater resource efficiency; reducing the UK's over-consumption of resources and achieving the Environment Act target of a 50% reduction in residual waste per capita by 2042.

We welcome cross-departmental co-operation on this ambition and have outlined below the cross-departmental policy opportunities. The Link paper setting out the full policy agenda for reuse/refill can be viewed in full at [https://www.wcl.org.uk/docs/assets/uploads/WCL\\_The\\_case\\_for\\_reuse\\_final.pdf](https://www.wcl.org.uk/docs/assets/uploads/WCL_The_case_for_reuse_final.pdf).

In short, we consider that the priorities for each Department are as follows:

### Defra

- **Fees under the new Extended Producer Responsibility for packaging (EPR) scheme to be weighted to reward reusable/refillable packaging and funds raised through EPR targeted towards supporting reuse/refill systems**

The Government's position appears to be that reusable packaging is already incentivised due to needing to pay a fee only once. However, if modulated fees are based on weight, reusable packaging will inevitably incur higher fees due to requiring more material to ensure they're sufficiently robust to withstand multiple uses. This may disincentivise businesses from exploring reusable, refillable packaging if they adopt a short-term view based on costs alone. Therefore, we believe that this could go further by establishing very-low/zero fees as a more effective incentive, as per the Fostplus scheme in Belgium where reusable packaging is exempted altogether. Furthermore, to ensure reusable, refillable packaging adopts circular design principles, non-recyclable items could incur a higher fee but still more favourable than single-use packaging. Alongside other ambitious measures, for example setting reuse targets, this can be a key driver for systems change.

The Government could require the EPR Scheme Administrator to ringfence a proportion of funds raised from packaging producers to support reusable packaging schemes in sectors such as food-to-go. In France, 5% of EPR funds go towards reuse schemes, which will total ~50 million euros a year. These funds are intended to help develop reuse systems, reduce waste, and to contribute to related job creation. The Government already sought views on this in the EPR consultation - whether a "requirement should be placed on producers, delivered through the Scheme Administrator, to proactively support market development and the commercialisation of re-use systems, through direct funding and to encourage their adoption through modulated fees". 41% of respondents agreed with this approach compared to 35% who disagreed.

- **Ban the sale of single-use products in eat-in settings where these can be replaced with reusable items that deliver overall environmental benefits.**

Requiring reusable products as the default for eat-in settings is a step in the right direction. Therefore it is encouraging that the government is considering consulting on this policy option and we would urge action as soon as possible. The guiding principle should be bans, where it is proven that refillable and reusable alternatives are viable. This would likely be the case in almost all situations with restaurants and cafes where it is generally easy to dispense sauces without sachets and provide reusable cutlery, plates and drinks containers. Exemptions should only be made on accessibility grounds.

- **Introduce bans and dissuasive monetary charges on the most polluting items to incentivise reusables, requiring proceeds to be used to support affordable reuse schemes.**

We would welcome the government using the powers in the Environment Act to introduce charges on single use items. This would send a clear signal to producers of the government's support for reuse and refill systems.

The government recently sought further evidence on charges on single-use cups which, if delivered in the right manner, could support affordable reusable cup schemes. We support reform to this system as there is a critical need to ensure that the true costs of single-use packaging consumption are internalised in the cost of cups at the point of purchase, better reflecting the true environmental and therefore societal impact of these products. A charge has been recommended by the EAC who recommended "that the Government introduces a minimum 25p levy on disposable cups" with the revenue used "to invest in reprocessing facilities and "binfrastructure" to ensure that the remaining disposable cups are recycled." This would be further supported by the mandatory take-back requirement for cups as part of the proposed EPR measures.

Government should ensure that businesses benefiting from charges on single-use cups spend this income on reducing costs and tackling other barriers (actual or perceived) to greater uptake reusables. Large coffee brands, for example, could use this income to support investment in the cups and infrastructure to make it easy and affordable for their customers to request a drink in a reusable cup which can be returned once the drink has been consumed.

- **Set ambitious reuse targets for packaging and for reducing resource consumption, with transparent monitoring and reporting to ensure targets are promoting changes in packaging.**

The government's proposed target to halve residual waste by 2042 is inadequate in this regard; it can be achieved simply with higher levels of recycling, much of which will continue to be exported. A reuse target is required to focus on driving down overall resource consumption levels, with reuse promoted as a key approach for reducing the amount of material we consume from packaging, as well as contributing to the halving residual waste target.

We welcome the intention to publish an addendum to the Resources and Waste strategy focussed on achieving net-zero. This is an opportunity to consider the overall lifecycle impacts of resource consumption, not simply those those arising from end of life treatment. We would therefore urge the Government to use this process to consider the overall impacts of resource consumption and how driving this down can make a tangible contribution to the UK's net-zero target.

The government has confirmed that reuse targets will be consulted on for EPR in its second year of operation. Former Waste Minister Jo Churchill MP explained that with EPR "we want to get people to use less, so reducing consumption, and to reuse items as much as we can... As it stands, we will consult on reuse targets by 2025, but we are very much in that work phase at the moment."

These targets must be ambitious, ideally aiming for 100% reusable packaging for some sectors. This is achievable in sectors including:

- Eat-in food and drink
- Toiletries and single service condiments in hotels
- Consumer boxes for large white goods

Overall targets should aim for:

- At least 25% of consumer packaging should be reusable by 2025, increasing to 50% by 2030.
- At least 75% of transit (or secondary and tertiary) packaging should be reusable by 2025, increasing to 90% by 2030.

Ambitious targets will be required to maintain a comparable level of ambition with the European Union.

- **Establish a central administrator to oversee reuse**

It is vital that the success of future reuse schemes is tracked, therefore a longer-term ambition must be to establish a central reuse administration function – either as a standalone organisation or as a subsidiary of the EPR or DRS administrator. This central reuse administrator could oversee the following:

- Validation of new reuse systems as they come onto the market, ensuring packaging meets the necessary criteria to sustain a sufficient number of reuse cycles to deliver overall benefits vs. single use.
- To support the direction that eco-modulated EPR fees will adopt for reusable packaging, i.e. ensuring that items are in circulation for a minimum of four years.<sup>1</sup>
- Administration of deposits for reusable packaging (where necessary).
- Close liaison with the EPR and DRS scheme administrators to ensure these policy measures are complementary and deliver overall benefit.
- Overall monitoring and reporting e.g. to assess delivery against reuse targets and residual waste reduction targets.

#### **Treasury**

- **Cut taxes on products and packaging sold as part of reuse and refill system activities**

In line with tax incentives in other green sectors, e.g. 0% VAT on energy-saving technologies for households and businesses, the Government should explore how low / zero VAT policies could incentivise the mainstreaming of reuse. Currently, reusable packaging is subject to the existing rate of VAT – reducing or even zero rating these items would support businesses, at a minimum, to align their pricing with products in single-use packaging or even sell them at more competitive prices. This approach is supported by the Advisory Committee on Packaging.

The Treasury could also provide support to businesses requiring systems upgrades to enable the zero-VAT rate on reusable packaging.

#### **DHLUC/Transport**

- **Require public space developments and redevelopments to include water refill points**

The provision of public drinking water must be increased. The global Refill app, which provides information on the location of water refill points, has been downloaded more than 380,000 times, demonstrating consumer demand for this less wasteful option. However, it remains difficult in many locations to easily access free water. We need to ensure that everyone has free and equitable access to refill points when on-the-go. We must look forward and future-proof UK towns and cities from waste by embedding public refill points as a requirement within a future National Planning Policy statement, providing access to free drinking water for people on the go.

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<sup>1</sup> <https://questions-statements.parliament.uk/written-questions/detail/2023-05-25/186951>

**DBT**

- **Encourage comprehensive system changes to drive greater uptake of standardised reusable packaging by businesses.**

When it comes to packaging design, there is some complexity which will require a balancing act between incentivising reusable and refillable packaging vs. market proliferation of heavier (more resource intensive) reusable items. To avoid a “bags for life” scenario, where the use of heavier bags for life has skyrocketed over recent years since the single-use bag charges were introduced, we would ideally have a system whereby the number of uses can be tracked to ensure we are maximising the benefit of reusable packaging. Effective technologies such as QR codes and blockchain already exist and are poised to support this. The government should work with businesses to encourage greater uptake of standardised packaging and consider a requirement of standardised packaging formats for items such as bottles, takeaway containers and tubs; allowing for the same design to be reused and refilled by different brands and product lines. This should include financial support and incentives.

- **Require large retailers to promote and incentivise reuse in store.**

Changes in shopping patterns could be harnessed to support a shift to reuse, with the move to greater online shopping bringing opportunities to rethink how our goods are designed and packaged (for instance brands and retailers could reassess how they promote brand recognition, with less reliance on unique packaging to appeal to the in-store shopper). France has put in place policies that enable and promote the sale of products without packaging or in containers which can be reused. This means that consumers may ask to be served in a container supplied by themselves, so far as the latter is clearly clean and suitable for the nature of the product purchased. In addition, the French government has obligated retail shops with a sales area greater than 400 m<sup>2</sup> to ensure that clean or reusable containers, which replace non-reusable packaging, are available to the consumer. Further, a display in retail establishments will inform consumers about the rules for cleaning and the suitability of reusable or recyclable containers.

This has also been coupled with a ban on plastic packaging for many fruits and vegetables sold in-store. These policies are a strong signal that consumers can easily use their own reusable containers and should improve public awareness. The Westminster government should show greater international leadership on this issue and adopt similar policies. Regulatory barriers which hamper uptake of more reuse and refill schemes should be addressed, e.g. those relating to manual handling by staff in supermarkets or weights and measures.

**CMA**

- **Increase opportunities for closer collaboration between businesses to enable reuse and refill systems**

The Competition and Markets Authority (CMA) recently consulted on draft guidance on the application of the Chapter I prohibition in the Competition Act 1998 to agreements between competitors or potential competitors in relation to environmental sustainability agreements. This is a welcome development to enable businesses to reduce their environmental impact without unnecessary uncertainty over regulatory action linked to competition concerns. However, the guidance needs to go further by clarifying how collaboration on initiatives such as reuse systems would be treated. Competition law is frequently cited by industry as a barrier to greater collaboration on scaling up of reuse systems so to eliminate this barrier would accelerate progress on the systems changes required to mainstream reuse and refill.