Consultation on Deposit Return Scheme (England, NI, Wales)

British Glass final response

Introduction

1. What is your name?

British Glass

2. What is your email address?

p.fenton@britglass.co.uk

3. Which best describes you?

☐ Academic or researcher
☒ Business representative organisation or trade body
☐ Charity or social enterprise
☐ Community group
☐ Consultancy
☐ Distributor
☐ Exporter
☐ Individual
☐ Local government
☐ Non-governmental organisation
☐ Product designer/ manufacturer/ pack filler
☐ Packaging designer/ manufacturer/ converter
☐ Operator/ Reprocessor
☐ Retailer including online marketplace
☐ Waste management company
☐ Other

If other, please specify.

4. What is your organisation?

British Glass is the representative body for our UK container glass industry, which contributes around £1.3 billion to the UK economy each year and provides more than 120,000 jobs across the supply chain.

As an industry, we are committed to improving recycling rates and reaching Net Zero by 2050. That is why we have set an industry target of achieving a 90% glass collected for recycling rate by 2030.

Making new glass from recycled glass reduces CO_2 emissions and energy use, saving 580kg of carbon dioxide emissions with every tonne of glass re-melted. The overall annual Co2 saving from using recycled glass in the production of new bottles was 594,000 tonnes in 2019. This has almost doubled over the last two decades.

An absolute priority for the glass sector is to maximise the quantity and quality of recycled glass (cullet). Demand by glass manufacturers for good quality cullet is always high: the industry and its wider supply chain rely upon a consistent supply of good quality, economically sourced, postconsumer glass to maximise the recycled content of new glass bottles and jars. Producing glass packaging from cullet is more cost effective for manufacturers than using raw materials, as such high collection and recycling rates are both economically and resource efficient for the glass industry.

Therefore it is in the interests and a key priority of the glass industry to maximise not just glass recycling rates, but closed loop remelt rates. However, a deposit return scheme (hereafter DRS*)* is not an effective or suitable option for glass recycling in the UK.

5. Would you like your response to be confidential?

No

6. Given the context of the Covid-19 pandemic we are currently experiencing, do you support or oppose our proposals to implement a deposit return scheme for drinks containers in 2024?

☐ Support
☐ Neither support nor oppose
☒ Oppose
☐ Not sure

Please elaborate on your answer if you wish.

British Glass is opposed to the inclusion of glass within a UK deposit return scheme, we firmly believe it is the wrong solution for increasing glass recycling in the UK, where there is an already established and successful recycling infrastructure.

More broadly, we recognise that the pandemic has put enormous pressures on the packaging industry to ensure a surge in demand for packaged food and beverage items was met. Similarly, the pandemic has delayed the passage of the Environment Bill as Covid legislation took priority. Given the delay to the legislation which will now mean that the Bill will not receive Royal Assent until late 2021, and industry continues to work through the pandemic, a delay to the introduction of a DRS is sensible and practical to delay to the earliest 2024.

This also allows for changes to Extended Producer Responsibility to come into force, and legislation around consistent kerbside collections to be in situ. Both are vital to ensuring we maximise the collection and recycling of glass through a single waste stream under EPR. This is the right solution for glass, for reasons as set out throughout this consultation response, not a DRS. However, whilst

EPR and consistency of collections bring real opportunities to improve glass recycling in the UK, we are concerned by the differences in implementation timings, with no clarity from the government on whether packaging in-scope of DRS will be handled through EPR and consistency until DRS is implemented and no recognition of the costs, challenges and risks to recycling of transitioning from various producer responsibility schemes (PRNs to EPR to DRS) within a couple of years.

7. Do you believe the introduction of a deposit return scheme will have an impact on your everyday life?

☒ Yes, a detrimental impact
☐ No, there will be no impact
☐ No significant impact
☐ Some impact but manageable
☐ Large impact but still manageable
☐ Large impact and impossible to comply with

8. Have your views towards implementation of a deposit return scheme been affected following the economic and social impacts of the Covid-19 pandemic?

☐ Yes - because of economic impacts
☐ Yes - because of social impacts
☒ Yes - because of both economic and social impacts
☐ No
☐ Not sure

Please elaborate on your answer if you wish.

Like all sectors within the food and drink supply chain, the pandemic put enormous pressure on our industry. As the economy starts to re-open, we agree with the government that we should look to build back better. Indeed, even throughout the pandemic the glass industry not only ensured security of glass packaging supply but continued to innovate – launching the first ever carbon neutral bottle. But as we have long said, including glass bottles in a DRS threatens not only to undo the fantastic innovation already ongoing but poses a significant risk to the industry more broadly, worth £1.3billion to UK plc and supporting over 120,000 jobs throughout the supply chain. Evidence from abroad has shown a reduction in the market share of glass following the implementation of DRS, for example in Estonia in 2005, around 136 million units of glass packaging were sold each year, this declined to around 90 million units in 2017. Similarly, in Finland, total glass sales declined by over 100 million between 2007 and 2017.

Similarly, we would question whether now the right time for government to be increasing the cost at the point of purchase of food and drink. Adding a deposit onto a beverage creates an upfront cost. And while consumers are able to redeem this deposit, for those families and individuals in low-income households every penny counts. It is for this reason, as we set out later in this consultation, that we remain incredibly concerned that consumers will end up switching materials

– from glass to large plastic bottles – to avoid the significant upfront cost that a deposit has when added to smaller items or multipacks.

The majority of Deposit Return Schemes in operation internationally are premised on a return to retail model, which as outlined later in this consultation response has its own complications for glass. Any DRS must be future facing. Lockdown has shifted consumer patterns with more people buying online. It has also led to an increase in recycling at kerbside, with glass seeing rises of over 60% in many areas. Creating a system that relies on a return to retail model when consumer purchasing habits are shifting towards online purchasing and home recycling is not only short sighted but puts at risk the current hard-fought recycling rates.

Put simply, proposals to move glass away from household collections is not just the wrong solution for glass recycling and the glass industry but does not recognise the societal change of home working, or the financial pressures placed on household budgets as a result of the pandemic. Most glass beverage bottles are consumed at the home and, with more people working from home, we question why government would consider forcing consumers pay a deposit which can only be paid back at a retail locations, and incentivising travel, when we already have a convenient system in place at our very doorsteps.

Chapter 1: Scope of the Deposit Return Scheme

9. Do you agree that the cap should be included as part of the deposit item in a deposit return scheme for:

☐ Plastic bottle caps on plastic bottles
☒ Aluminium bottle caps on glass bottles
☒ Corks in glass bottles
☐ Foil on the top of a can/ bottle or used to preserve some drinks

10. Do you believe we have identified the correct pros and cons for the all-in and On-the-Go schemes described above?

☐ Yes
☒ No

Please elaborate on your answer if you wish.

The UK glass industry is opposed to the inclusion of glass within a UK Deposit Return Scheme. They have proven to successfully increase the recycling rate of certain packaging items in other countries, but put simply, it is the wrong solution for increasing glass recycling in the UK, where there are already established and successful recycling infrastructures, regardless of whether the final scheme is all-in or on-the-go.

Rather than recycling glass through a DRS, British Glass support a 90% collected for recycling rate by 2030 which will increase the recycled content in glass packaging and reduce the emissions in the manufacturing processes. We believe this 90% target can be achieved through consistent household collections, a focus on non-consumer recycling, national recycling campaigns and a new system of Extended Producer Responsibility (EPR).

In terms of the pros and cons as set out in the document, we would question some of the assumptions made.

Firstly, on the points made around confusion and complexity. We agree that minimising confusion and maximising engagement with recycling practices from the public is key to fostering a culture of recycling and increasing recycling rates. It is precisely for this reason that we believe that there is nothing simpler for glass than recycling this through improved and consistent household collections.

DEFRA's own Kantar data highlights the fact that when consumers are encouraged to consider the practicalities of a DRS, they are less supportive of the idea. The Kantar research highlights "interest began to wane for many in the qualitative research as they considered in more detail the practicalities surrounding the reality of using a DRS and potential time or financial cost". British Glass has found similar views amongst consumers and is only exacerbated when considering the additional burden of recycling bulky glass containers that for most households can easily be recycled at their doorstep.

However, we would argue that consumers are more likely to be able to differentiate containers based on size and a clear demarcation that are in a scheme than differentiating between similar food and beverage packaging, and where some bottles will be part of a re-use scheme, which we touch on later in this consultation. This is a particular concern for glass. Whereas PET plastic drinks bottles and cans are easily recognisable to the public, glass is more commonly used for similar food and beverage packaging. In an all-in scheme for example, consumers may have to return a bottle of wine to a retail location, even though it is most likely to have been consumed in the home, but cannot dispose of this alongside their olive oil bottle, or jam jar, in a single waste stream as part of their household collections. This is contrary to assertion made in the consultation as a benefit to the all in scheme – 'Therefore, having an all-in scheme avoids consumers questioning what / why a product may or may not be in scope of the deposit return scheme' – and not the case for glass packaging.

Secondly, we would strongly question the assumptions and calculations made around litter disamenity. As a starting point, the Government's own Voluntary & Economics Incentives Working Group found that "there is still little direct evidence on the impacts of DRSs on litter and we did not receive significant new data or information through the call for evidence; the evidence submitted on this tended to be anecdotal".

The Impact Assessment accompanying the consultation, which acknowledges that 'this is an uncertain area of research', reports that the litter in the scope of an 'All-in' DRS would account for 40% of all littered items and an 'on-the-go' DRS accounts for just 13%. However, the method used to define the packaging in the scope of the 'on-the-go' DRS is 'the same as the proposed 'All-in' DRS but restricting drinks containers in-scope to those less than 750ml in size and sold in single format containers, in order to target those most often sold for consumption outside of the home'. This

definition would appear to be very close to the definition of the containers that are most likely to be littered, and we would therefore question why this considered to have a much lower impact on littering than the 'All-in' DRS? Similarly, we find it difficult to comprehend the suggestion that an 85% collection rate would result in an 85% reduction in litter rate, for both all-in and on-the-go given the smaller drinks containers are more likely to be littered.

This significant difference between the two schemes is reflected in the estimate of 'reduction in disamenity value (£)' with the 'All in' DRS reporting benefits of £986,299,200 and the 'on-the-go' DRS benefits of £320,547,240, which suggests that £665,751,960 of the disamenity benefits of the 'All-in' DRS is due to a reduction in the littering of containers outside the scope of the 'on-the-go' DRS, which comprises of multipacks and containers over 750ml in size.

More broadly however it is disappointing to see that, given the unique challenges the collection and recycling of glass poses in comparison with plastic bottles and cans, there is no single question related to the pros and cons of which materials are in scope, and disappointingly only a yes/no answer is required. As a result, we have set out below a number of 'cons' in relation to including glass in either an all-in scheme or an on-the-go scheme. Some of these have been noted within the pros and cons of scheme comparators but do not address our concerns in full, and others omitted entirely from the list:

Con – both all-in and on-the-go schemes risk reducing the quality and quantity of glass available for closed loop recycling.

The first benefit set out for an all-in model refers to the potential to drive the highest recycling rates for drinks container materials, but this is not the case for glass. Indeed, one of our major concerns is that a DRS that includes glass, be that on-the-go or all-in, risks reducing the quality and quantity of glass available for closed loop recycling.

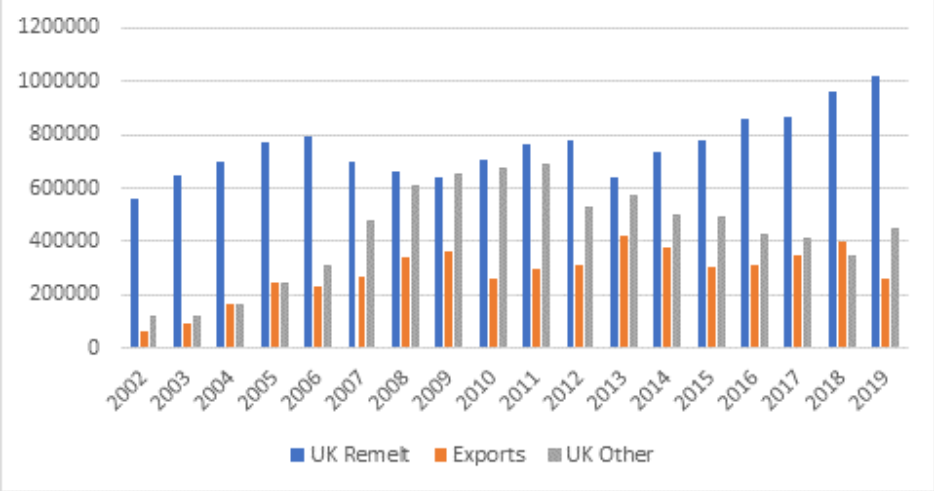
Advocates of DRS argue that a scheme will increase the quality and quantity of material collected for remelt. In the case of PET, this is a significant advantage, since the sorting and separation of food grade PET at the point of collection reduces the opportunities of contamination from non-food grade plastics and other materials, and hence, makes it more suitable for bottle-to-bottle food grade recycling. However, this is not the case for glass where beverage and food glass do not need to be collected separately. Instead, a DRS will have a detrimental impact on the quality and quantity of glass available for remelt.

A real concern seen in a variety of European countries that include glass in scope of their schemes, is they tend to crush or compact the material at the return point within the RVM. In order to maximise the material within the RVM, cans and PET can be compacted without impacting recyclability. Whilst it does prevent fraud, it represents a problem for glass reprocessors who need the glass to be a minimum size (10mm or above) to be able to colour sort the glass so the material can be remelted and recycled into new bottles. Even breaking glass into larger particles still produces high levels of fines (small particles of glass that are generally lost to the recycling process) which results in lower yield rates of glass available for remelt. While plastic and cans can be compacted at the return point to reduce storage requirements, any compaction of glass at the return point will reduce the quantity and quality of material for remelt. The Wrap Cymru 'Digital DRS and quality desktop research' (2021) report finds that specifically for glass, kerbside sort is the preferred

method to achieve high quality recyclate for closed loop recycling. The report also highlights issues around the breaking of glass within RVMs causing problems for glass reprocessors.

In the UK there is a cullet (recycled glass) imbalance which means the industry already has high levels of coloured glass going back into our bottles (up to 90% recycled content for green glass) but requires more clear glass as the industry manufactures more clear glass for the high value export markets, such as for spirits. The DRS will collect glass beverage bottles - predominantly green and brown glass, while the majority of clear glass (in the form of glass food packaging) will be collected at the kerbside or bottle bank. Therefore, a DRS would not be targeting the valuable clear glass that is demanded by industry.

In addition, DEFRA are currently only considering a collection target for materials in scope of a DRS. In our view, if glass is in scope of DRS then a remelt target will be essential to guarantee closed loop recycling for remelt back into bottles and jars – without it, the quality and quantity of glass available for closed loop recycling will be significantly impacted and lead to material being 'recycled' as aggregate. This is largely down to the fact that, unlike aluminium, steel and PET, glass has a very low material value (approx. £10 a tonne compared to £800 for aluminium and £150 for PET[1]). It's heavy and bulky, and must be handled in a way that allows the material to be colour sorted to be remelted back into packaging; this all makes the economics very challenging. Our understanding is



This graph (available here: https://docs.google.com/document/d/1Lxc7BPTccUi0UgYzSL5eD_M_10Bi7NNL_W9I4YCMaI8/edit?usp=sharing) shows the split of glass going to remelt, aggregate or export.

The effect of an introduction of a remelt target for glass can be seen in 2013.

British Glass, 2021

glass reprocessesors tend to make around £3 to £5 per tonne of glass reprocessed regardless of the glass being sold for aggregate or for remelt (due to the significant capital expenditure costs required to reprocess glass into furnace ready colour sorted cullet).

Crushing glass at the return point within DRS would be the most economically efficient method of collection (reducing the footprint of RVMs, reduce storage, handling and transport costs) but would significantly reduce the availability of glass for remelt in the process. British Glass question DEFRA's impact assessment assumption that glass will be broken into 4, 5, or 6 pieces and are unaware and sceptical of the ability of RVMs to break glass into a small number of large particles. The current producer recovery note (PRN) system

[1] https://www.letsrecycle.com/prices/

recognises glass as a unique material and obligates producers to recycle at least 72% of glass for remelt – this is because remelt offers the greatest environmental benefit. Therefore the UK container glass industry are deeply concerned that under DRS, the industry will have no influence or control over the particle size of glass collected and there will be no regulatory driver to obligate glass to be recycled for remelt. Neither the DMO or reprocessor will have any clear incentive to produce furnace ready cullet for closed loop recycling as remelt.

From a quality perspective, a DRS collection scheme provides no distinct advantage to the glass industry since the reprocessing capabilities are in place to sort glass to the specification required for closed loop recycling. However, consistent collection and / or the reform of the producer responsibility scheme can significantly enhance the existing 'real' recycling rate and support the glass industry commitment under the European wide 'closing the glass loop' initiative of a 90% collection rate for all glass (not just the glass in the scope of a DRS) by 2030.

So, a DRS could actually have a detrimental impact on glass recycling, especially when paired with the fact that kerbside collections will be negatively impacted by the rollout of a DRS. Having two glass systems (DRS and kerbside) puts at risk the future viability of kerbside collections of glass packaging for food, such as jars, which are generally clear glass and represent about 30% of all glass packaging. Encouraging consumers to recycle their clear glass food jars and bottles represents a major challenge, e.g. a US EPA study found that the recycling rate of food jars was less than half of that of beer, wine and soft drink bottles[2]. This 50% figure does not represent the situation in the UK but does reflect the fact that glass packaging for food is less likely to be recycled compared to beverage. British Glass believes a DRS is targeting glass packaging that is already being effectively and efficiently recycled at the expense of the more challenging but valuable glass packaging for food. Environmentally, a DRS could increase the need for raw materials by the glass industry (for the production of clear glass as there will be less clear recycled glass) and therefore increase the carbon footprint of the glass industry. Glass production actually uses far less CO_2 when re-melting recycled glass than by using raw materials; a saving of 580kg per tonne of re-melted glass[3].

Con – removing glass from household collections will not only have a negative impact on glass beverage recycling, but poses a risk to glass food packaging which will still need to be disposed of through household recycling but without the economies of scale to make it economically viable.

We welcome the recognition of the disadvantages of an all-in scheme with regard to its interoperability with ongoing household collections, and financial considerations for local authorities. Indeed, British Glass has engaged with a number of local authorities across the UK regarding DRS and heard these concerns first hand; many local authorities are concerned about the loss of income from material that will move from the kerbside or bottle bank to DRS, they are concerned about how the interplay between DRS and EPR will work in practice, and most concerningly, the viability of kerbside collections post DRS for glass, even with EPR in place.

We are not convinced that the caveats and considerations outlined in the consultation document are sufficient, or practical. A DRS which includes glass in scope puts at risk the future viability of the

[2] https://www.epa.gov/sites/production/files/2019-11/documents/2016_and_2017_facts_and_figures_data_tables_0.pdf
[3] https://feve.org/how-to-calculate-recycled-content-and-pcr/

collection of glass packaging for food from households, such as jars and olive oil bottles, which represent about 30% of all glass packaging. This 30% is largely clear glass which is of most value and in high demand by the UK glass manufacturing industry. By splitting the total volume of glass captured across two systems, it is less financially viable for Councils to continue collecting glass food packaging at our kerbside, threatening the overall recycling rate for glass, and costing twice as much to collect.

We are already seeing the impact in Scotland ahead of the implementation of the DRS. Dumfries and Galloway Council announced in the second half of 2020 that they would be ending kerbside collections for glass. They explained, "we will only be collecting a small percentage of the glass items we currently collect, making kerbside collections for glass unsustainable and not cost effective"[4]. Local authorities are already legally required to collect glass separately from the kerbside except when not technically, environmentally or economically practicable (TEEP) – we are concerned that even with EPR, local authority glass collections will not be sustainable if the majority of glass is in scope of DRS.

With glass outside the scope of DRS, EPR will allow for the UK to further invest in the whole recycling process, not simply the collection point as is the case for DRS. There will be more funding available to not just collect consumer glass recycling but also to make much needed improvements to non-consumer recycling, as well as funding reprocessing facilities, and importantly promote good recycling practices.

EPR will ultimately lead to more investment in recycling infrastructure across the UK, both for products recycled at home and on-the-go. This will mean better investment in more effective and consistent local authority kerbside recycling as opposed to costly RVMs.

In terms of the costs between DRS and EPR, the report by Oakdene Hollins shows that the costs associated with the existing DRS in Europe (Finland, Germany, Lithuania and Estonia) vary significantly from £333 per tonne in Finland to £124 per tonne in Estonia. This is due to the type of scheme in operation. For example, the scheme in Finland is heavily automated with Reverse Vending Machines and the scheme in Estonia is reliant on manual takeback. The projected cost of the scheme in the UK DRS impact assessment puts it at the higher end, but when the appraisal estimates are used the costs are nearly double that of the existing schemes.

The quality of glass currently collected from local authority collections is high due to investment in infrastructure and sorting facilities to better sort glass into colour streams, and more local authorities moving from comingled to separate collections for glass. We are therefore at a point where kerbside collections provide a high quantity and quality of glass for remelt. This is not the case for plastic, as plastic food and beverage packaging can become easily contaminated if mixed with non-food packaging. Introducing a DRS for plastic creates a completely separate collection system for plastic beverage packaging. In comparison, all food and non-food container glass can be collected together via local authority kerbside or bottle bank collections, without adversely impacting the process of closed loop recycling back into new food and beverage packaging. As glass does not have the same recycling difficulties as plastic, a DRS is not needed to support its separate collection of food and non-food containers. For glass recycling, investing in household collections is

[4] https://www.dumgal.gov.uk/article/21420/FAQ-s-New-Waste-and-Recycling-Service

unquestionably the right way forward, and is an approach favoured by 73% of people according to consumer research[15].

Con – including glass in either an all-in and on-the-go would be disadvantageous to consumers, to retailers, particularly small shops and convenience stores, and increase the cost of the scheme significantly.

The loss of revenue from reduced floor space by placing RVMs in stores could be as high as £1.3 billion per year to the convenience sector – potentially up to nearly £40,000 in some stores[13]. Although a proposed handling fee would be paid to retailers for each bottle collected through an RVM, evidence from the Netherlands and Sweden suggests handling fees do not cover the costs associated with operating an in-store RVM.

Outside of the significant costs associated with a DRS, glass as a material has its own distinct issues that create challenges for obligated retailers, and consumers alike. Being bulkier and heavier, retailers must give up greater space for it to be stored, at greater cost to the overall scheme (as this would be covered through payments from the scheme administrator to retailers). The alternative to this is for glass to be crushed through RVMs but, as outlined already in this submission, that would be to the detriment of glass recycling, more broadly. This issue is compounded for smaller stores without the floorspace to accommodate an RVM, who will be asked to manually collect glass bottles, and store these.

The BRC puts the (central estimate) annual cost to retail in the UK of operating a DRS at £730 million in a scheme without glass and £1,280 million in a scheme with glass. These numbers are not only much higher than the DRS IA, the difference between the glass in and glass out models are an order of magnitude different, i.e. £64.4 million difference in the DRS IA as opposed to £550 million in the BRC study. The BRC study estimates that the inclusion of glass in a DRS could add £0.6bn to the costs of operating a DRS due to its bulky nature, which makes storage, handling and transportation more difficult.[5]

Further to this, including glass would increase the health and safety risks associated with a DRS, both to retailers and the consumers in stores. We understand some retailers that produce and pack food on site such as a bakery or salad bar are very concerned about the potential of broken glass on the shopfloor.

Con – the consultation does not consider the impact of any scheme on existing reuse and recycling systems.

The proposed DRS in both Scotland and the rest of the UK will be a scheme for collecting beverage bottles for recycling and will not facilitate the collection of reusable bottles; it will simply replace the existing and successful kerbside infrastructure at huge costs to producers and ultimately consumers. This fact is not often understood.

[5] https://brc.org.uk/media/597230/brc-drs-research-2018-final-report.pdf

There is a significant risk of consumer confusion over different recycling structures, particularly for glass which will see bottles and jars split between DRS and kerbside systems. This will lead to an increase in materials ending up in landfill, as consumers place their glass in residual waste due to frustration, confusion and misunderstanding. Unlike cans and plastic, there are many industry standard bottles used for both beverage and food packaging which will lead to confusion. See the below example (available here: https://docs.google.com/document/d/1Lxc7BPTccUi0UgYzSL5eD_M_10Bi7NNL_W9I4YCMaI8/edit?usp=sharing) *for apple juice and vinegar bottles.*

In a recent survey, 48% of people said they were more likely to recycle glass if it was simpler to understand "what goes where"[6]. Including glass drinks containers in a DRS, and jars via kerbside collection, will add complexity rather than simplicity to the UK's recycling system. We believe consumers may be confused by glass recycling, perceiving beverage bottles to have a higher value than glass food bottles (such as oil) or jars, and end up disposing of glass food containers incorrectly. As discussed earlier, glass containers for food such as jars and vinegar bottles are less likely to be recycled compared to glass beverage bottles despite clear glass being highly demanded by the glass industry for recycling.

When consumers were asked which recycling systems they would like to see improved, the majority agreed that the best way to increase glass recycling is through improved kerbside recycling and more bottle banks, with both ranked ahead of a DRS.

Having one, overarching policy of household collections, combined with further information via a communications campaign, will enhance recycling rates through educating the public, rather than confusion through a DRS.

The UK glass industry support reforms to extended producer responsibility and consistency of collections and argue that these should be implemented ahead of a DRS in England, Wales and Northern Ireland. Reforms to EPR and consistency alone will drive glass recycling rates to similar levels outlined in the DEFRA impact assessment. A DRS should not be implemented across England, Wales and Northern Ireland until an assessment is made of the success of the EPR and consistency reforms as well as the performance of glass recycling under the Scottish DRS.

In response to question 9 on caps – British Glass believes that metal caps on bottles are important to capture as a valuable material both economically and environmentally. Whilst screw caps should not prove problematic, there should not be an obligation to return a glass bottle with a crown or a wine bottle with a cork. We have practical safety concerns regarding asking consumers to replace a cap or cork. In addition, whilst it is important to encourage bottle caps to be returned with the bottle, a requirement to return the cap in order to receive the return deposit would likely have a detrimental impact on the quantity of bottles collected under DRS. For example, if a cap was lost there would then be no incentivise to return the bottle.

[6] Glass recycling (England and Wales), Toluna Surveys, Feb 2020

11. Do you foresee any issues if the final scope of a deposit return scheme in England and Northern Ireland does not match the all-in decision taken in Wales? E.g. an On-the-Go scheme in England and an all-in scheme in Wales.

☒ Yes
☐ No

Please elaborate on your answer if you wish.
The glass industry has been clear that the DRS, EPR and consistency of collections (for England) mark a pivotal moment for nations across the UK to get our waste and resources policy right for generations to come. For glass, we remain of the view that a DRS is not the right solution for glass, regardless of the final scope of the scheme, and would like to see all countries in the UK look to collect and recycle glass through a new and improved system of extended responsibility underpinned by consistent collections.

Within the UK, Wales is an example of best practice for glass recycling and reflects the ability of local authority collection infrastructure to capture very high rates of glass for recycling. Wales has been consistently ahead of the rest of the UK when it comes to recycling rates, with the third highest household recycling rate in the world. In Wales, the capture rate of glass collected through kerbside recycling is 87.3%, the highest of any widely recyclable material.

Wales has achieved this through the majority of local authorities following the Welsh Government's collection blueprint which provides a consistent approach to recycling collection methods as well as a consistent set of core materials for recycling, including glass. The Welsh Government has paired this with investment in infrastructure and public nationwide communications campaigns over the last two decades[7].

British Glass believe a similar approach to Wales can be achieved through the upcoming regulations on consistency of collections across English local authorities and the new EPR that will drive investment in infrastructure and fund public awareness campaigns. Importantly, the rest of the UK is not that far behind Wales in glass collection rates from local authorities. English local authorities already collect 78.2% of glass packaging with a UK average of 76.5%, therefore the glass industry believes the 13.5% increase in collection rate can be achieved through EPR and consistency in a similar approach taken by Wales2.

We recognise the serious difficulties associated with not having consistent schemes in operation across jurisdictions in the UK, from manufacturing considerations around SKUs and labelling, to cross-border fraud. Nevertheless, we are clear that this must not be achieved at the expense of our shared wider ambitions of creating a truly circular economy, increasing the collection and recycling rate of packaging materials, and decarbonising our industries.

The UK glass industry support reforms to extended producer responsibility and consistency of collections and argue that these should be implemented ahead of a DRS in England, Wales and

[7] https://www.icis.com/explore/resources/news/2020/03/23/10485616/welsh-government-sharing-best-practice-to-enhance-uk-sustainability-scheme

Northern Ireland. Reforms to EPR and consistency alone will drive glass recycling rates to similar levels outlined in the DEFRA impact assessment. A DRS should not be implemented across England, Wales and Northern Ireland until an assessment is made of the success of the EPR and consistency reforms as well as the performance of glass recycling under the Scottish DRS. This would be the sensible path to take.

For the reasons outlined in this submission we believe that including glass in a DRS would have a number of negative unintended consequences and we do not believe that consistency above all else must dictate the materials that are included in schemes in the UK, especially where this stands at odds with improving recycling rates and decarbonise the economy.

When it comes to our environment, this approach is simply not good enough.
We also remain concerned about the impact of proposals for a scheme in Northern Ireland that includes glass when Ireland are currently consulting on a DRS which excludes glass given the risk it poses to glass recycling.

However, in the event different schemes are in operation in different jurisdictions, it would be vital that consumers have clarity over what is in scope, and how and where deposits can be reclaimed. Ensuring a robust understanding would ensure the potential for fraud is minimised, and we would encourage a collaborative approach from DMOs to minimise the impact of scheme differentiation both on consumers, retailers and manufacturers.

12. Having read the rationale for either an all-in or On-the-Go scheme, which do you consider to be the best option for our deposit return scheme?

☐ All-in
☐ On-the-go

Please elaborate on your answer if you wish.
Neither all-in or on-the-go. In order to ensure the best possible solution for glass beverage packaging collection and recycling it is vital that whichever final scheme/s emerge, glass bottles are not included and remain as part of improved, consistent household collections under EPR.

13. Given the impact Covid-19 has had on the economy, on businesses and consumers, and on everyday life, do you believe an On-the-Go scheme would be less disruptive to consumers?

☐ Yes
☐ No

14. Do you agree with our proposed definition of an On-the-Go scheme (restricting the drinks containers in-scope to less than 750ml in size and excluding multipack containers)?

☐ Yes
☐ No

If no, how would you change the definition of an On-the-Go scheme?
As reiterated throughout this consultation, we do not believe glass beverage packaging regardless of size should be within the scope of a DRS, and looking at the definition of the on-the-go provides yet another example of the unique challenges glass packaging poses.

Beverages in glass packaging are predominately consumed within the home. 750mls is the size of a standard bottle of wine, but this product is not classed as being for "on-the-go" consumption.

Should 'less than 750mls' be used as the definitive threshold for on-the-go, we believe this should capture beverage packaging up to 749ml to ensure wine bottles are excluded from the scheme.

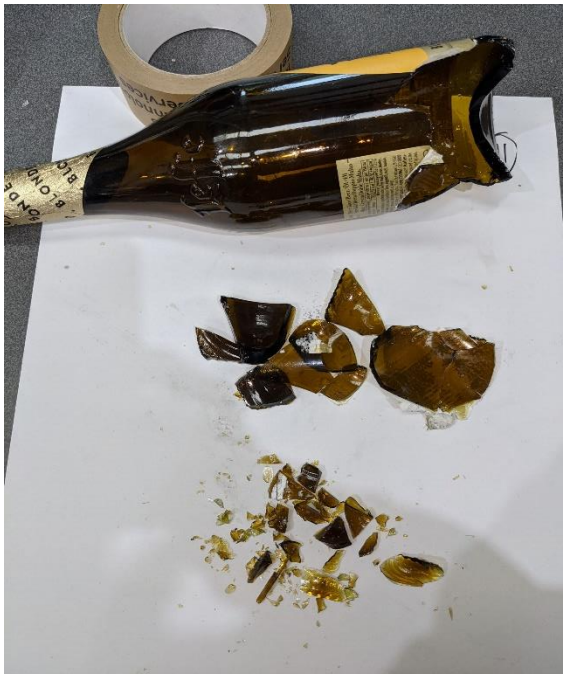
15. Do you agree that the size of containers suggested to be included under an On-the-Go scheme are more commonly consumed out of the home than in it?

☐ Yes
☐ No
☐ Difficult to say

16. Please provide any information on the capability of Reverse Vending Machines to compact glass?

As set out in response to question 10, the glass industry remains extremely concerned by the crushing or compaction of material at the return point within the reverse vending machine (RVM), as seen in a variety of European countries that include glass in scope of their schemes.

British Glass has undertaken an exercise attempting to break glass bottles in order to simulate breakage in a RVM. The bottles were broken against an edge. A number of different types of glass bottles were used including lightweight beer bottles, wine bottles, heavy weight Leffe beer bottle and a champagne bottle. The lighter weight bottles were relatively easy to break and broke into many fragments. The champage and Leffe bottles were very robust and took a number of attempts to break. All the bottles resulted in numerous fines (below 10mm). It was not possible to break any of these bottles into 4, 5 or 6 pieces. The exercise demonstrated that it is not possible to break a bottle without generating numerous fines. The pictorial evidence can be viewed here:
https://docs.google.com/document/d/1Lxc7BPTccUi0UgYzSL5eD_M_10Bi7NNL_W9I4YCMaI8/edit?usp=sharing)



This heavy weight beer bottle only broke into a few pieces but still generated numerous fines.

These light weight beer bottles broke easily and created a large number of pieces including a high degree of fines.

British Glass does not recognise the ability of reverse vending machines, and believes it is technically impossible to break "glass bottles into 4, 5, or 6 separate parts" as set out in the consultation document and impact assessment. For example a RVM would produce a different number of particles depending on the bottle size and weight such as a 300ml beer bottles compared to a 750ml wine bottle. The glass container manufacturing industry remain concerned that capturing glass through a RVM and wider DRS will be detrimental to the quality and quantity of glass available for closed loop recycling. Even if some RVM models

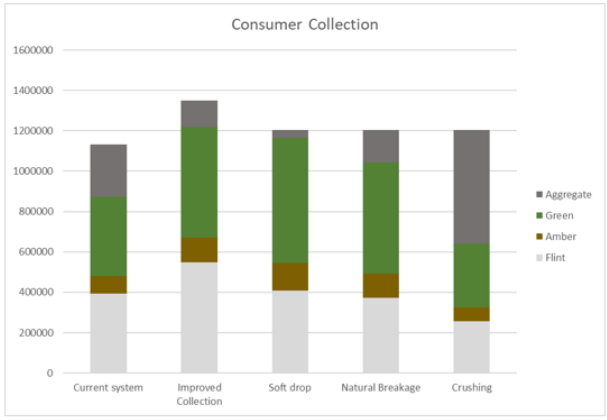
can break glass into larger parts, we believe the DMO will be economically driven to reduce the cost burden of including glass with RVMs that crush/compact glass into smaller particle sizes in order to reduce the footprint of RVMs, reduce the storage requirements as well as handling and transport costs. There is a further concern that the information DEFRA has received on the capability of RVMs has come directly from actors – including manufacturers – who have a vested interested in the size and cost of the machines, which will ultimately define how glass can be recycled once returned to an RVM.

The method of collection within RVMs is key to the economics of the DRS. Crushing or compacting glass at the return point within DRS would be the most economically efficient method of collection but would significantly reduce the availability of glass for remelt in the process. The volume of glass will determine lost opportunity costs to retailers, handling fees, storage and transportation costs as well as determine the quantity of furnace ready cullet produced through the DRS. To illustrate this point, a report by Oakdene Hollins finds that the annual transportation costs could vary by almost £200m.

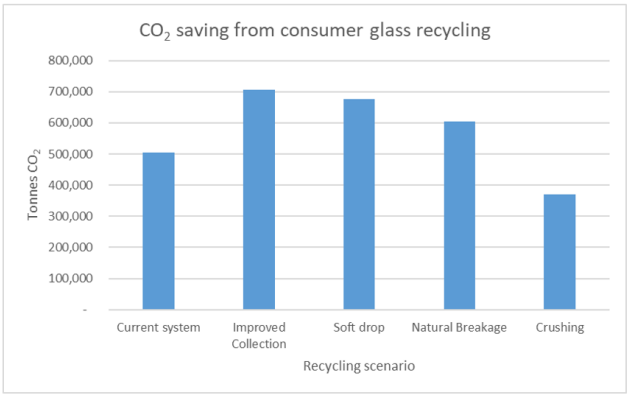
In order to maximise the material within the RVM, cans and PET can be crushed without impacting recyclability. Whilst it does prevent fraud, it represents a problem for glass reprocessors who need the glass to be a minimum size (10mm or above) to be able to colour sort the glass so the material can be remelted and recycled into new bottles. Even breaking glass into larger particles makes the glass fragile and therefore still produces high levels of fines (small particles of glass that are generally lost to the recycling process) which results in lower yield rates of glass available for remelt. While plastic and cans can be compacted at the return point to reduce storage requirements, any compaction of glass at the return point will reduce the quantity and quality of material for remelt.

British Glass has worked with recyclers and available data to illustrate that rather than increasing the quality and quantity of glass available for remelt, a DRS will actually reduce the quality and quantity, and we include evidence below and available here: https://docs.google.com/document/d/1Lxc7BPTccUi0UgYzSL5eD_M_10Bi7NNL_W9I4YCMaI8/edit?usp=sharing)

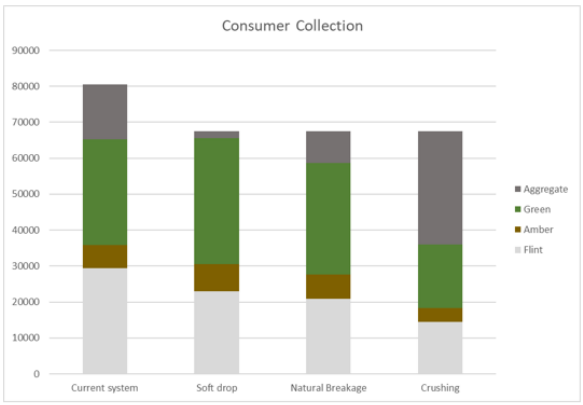
England



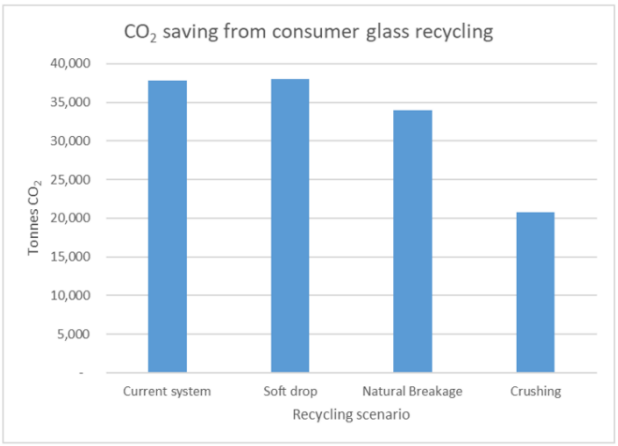
England



Wales



Wales



As the data shows, the current system highlights using waste data flow the amount of glass recycled and going to remelt or to aggregate. The improved collection uses the British Glass target of achieving a 90% collection rate for glass via existing collection systems (improved through EPR, communications and consistent separate glass collections) – this does not include an improved collection for Wales as the current system in Wales already achieves a collection rate of just under 90% for glass. Then for each nation we have highlighted the impact of the RVM collection on the availability of glass for remelt and to aggregate. Each scenario shows that soft drop is the best collection as losses are reduced, natural breakage is the option the glass industry supports as the handling costs and Co2 emissions would be lower than soft drop as the need to store and transport whole bottles would be avoided. Then the crushing scenario highlights large losses due to the fact that existing colour sorting technologies for glass can only sort down to a certain size – hence a large degree of aggregates. The second set of graphs highlight the Co2 saving from remelting the available glass as part of closed loop recycling.

The glass industry is strongly against the crushing of glass within RVMs as it will reduce the quantity and quality of material available for remelt. Whilst natural breakage is our preferred RVM collection method for glass if glass is placed in scope of the DRS, the improved collection with glass out of scope of DRS illustrates a higher quantity of material being collected and sorted for remelt with higher carbon savings compared to the RVM collection methods. This is because all glass (beverage and food glass containers) remain at the kerbside and collected separately and whole, therefore maximising quality and minimising contamination. The focus of collection would be on all glass including clear/flint food container glass which is highly valuable and most demanded by the glass industry in the UK.

Whilst the glass industry maintains our opposition to glass being in scope of DRS, if glass is to be included in scope of the DRS, we strongly call for a remelt and target for glass to guarantee what the advocates of DRS claim – that a DRS will increase the quality and quantity of material for recycling. A DRS is only a collection system with a highly significant amount of glass placed on the market in the UK would be in scope of the DRS – about 70% to 80%, and the industry needs this to go back to remelt. The current PRN system for packaging requires obligated producers to achieve a certain rate of recycling – and uniquely for glass, there is a recycling and a remelt target to ensure at least 72% of glass that is recycled goes to remelt. DEFRA recognises the unique nature of glass within the EPR consultation proposing to maintain a remelt target - the UK glass industry urges the government to recognise the unique challenges of glass recycling when it comes to DRS. Without a regulatory driver, there will be no incentive or obligation for the DMO or reprocessor to recycle glass for remelt and therefore the DRS will hinder the efforts of the glass sector to achieve a circular economy for glass packaging.

17. Do you agree that the scope of a deposit return scheme should be based on container material rather than product?

☒ Yes
☐ No

18. Do you agree with the proposed list of materials to be included in scope?

☐ Yes
☒ No

19. Do you consider there will be any material switching as a result of the proposed scope?

☒ Yes
☐ No

Please provide evidence to support your response.

In countries that have included glass in a DRS, including Germany, Croatia and Finland, consumers, brands and retailers have switched towards plastic usage, driving up plastic pollution and contradicting UK environmental targets. There are two key reasons for this. The first is because including glass in a DRS increases costs (including more complex and costly Reverse Vending Machines (RVMs), the costs to retail increases due to increased space and storage requirements, and the cost of transporting glass – largely due to glass being heavier and bulkier). This is often reflected in the DRS operating fees, for example in Denmark, the fee in 2019 was between 0.076 and 0.103 euros per unit compared to plastic which was 0.023 euros per unit[8]. The glass fee was also 14 times higher compared to aluminium cans (0.005 euros per unit). Higher fees and costs provide a clear cost advantage for brands and retailers to switch from glass containers to plastic. The second reason a DRS incentivises a switch from glass to plastic is when a flat deposit is used. A flat deposit

[8] https://feve.org/wp-content/uploads/2019/09/Recycling-DRS-in-Scotland_OHL-report_Final.pdf

encourages consumers to upsize purchases to large plastic bottles as the upfront cost is less for one two litre plastic bottle with one deposit on it than, for example, four 500ml glass bottles.

Key examples of material switching are included below:

- *In Croatia, since introducing a DRS in 2006, 2L PET containers have become the market leader (23.9% share) and 25cl glass bottle sales have dropped from a market share of 40.6% in 2006 to 3.5% in 201[8].*
- *When PET was introduced into Finland's DRS in 2008, the quantity of single use PET increased from around 50 million units in 2007 to 375 million units in 2017, whilst total glass sales declined from around 250 million units in 2012 to 150 million units in 2017.*
- *In Germany, total glass packaging sales in 2003 when the DRS was introduced stood at 30,000 million units, by 2017 this had declined to 23,000 million units. Plastic in comparison has seen a surge in sales, from 9,000 million units sold in 2003 to 22,000 million units in 2017.*

Chapter 2: Targets

20. Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years?

☐ 70% in year 1, 80% in year 2, 90% in year 3 and thereafter
☐ 75% in year 1, 80% in year 2, 90% in year 3 and thereafter
☐ 75% in year 1, 85% in year 2, 90% in year 3 and thereafter
☒ 80% in year 1, 85% in year 2, 90% in year 3 and thereafter

21. What collection rate do you consider should be achieved as a minimum for all materials after 3 years?

☐ 80%
☐ 85%
☒ 90% collection rate should be achieved for all materials

22. Is it reasonable to assume that the same collection targets could be met with an on-the-go (OTG) scheme as those proposed for an all-in scheme for in-scope materials?

☒ Yes
☐ No

Please provide evidence to support your response.
On-the-go containers are more likely to be consumed on the go therefore easier to return to retail compared to larger container formats. Therefore, collection targets should be the same regardless of on-the-go on all-in.

23. Who should report on the volumes of deposit return scheme material placed on the market in each part of the United Kingdom (England, Wales and Northern Ireland) for the proposed deposit return scheme?

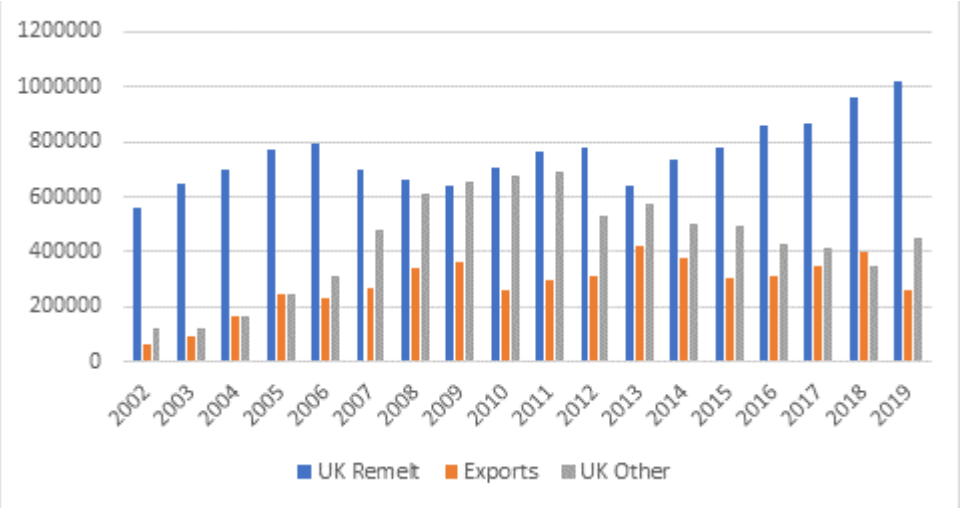
☐ The producer/ importer
☐ The retailer
☒ Both the producer/ importer and retailer

What would be the implications of obligations to report on volumes of deposit return scheme material for producers/ importers and retailers? Please provide evidence to support your answer.
N/A

24. What evidence will be required to ensure that all material collected is passed to a reprocessor for the purpose of calculating the rate of recycling of deposit return scheme material?

Our view is that if glass is in scope of DRS then a remelt target will be essential to guarantee closed loop recycling for remelt back into bottles and jars – without it, the quality and quantity of glass available for closed loop recycling will be significantly impacted. This is largely down to the fact that unlike aluminium, steel and PET, glass has a very low material value (approx. £10 a tonne compared to £800 for aluminium and £150 for PET), it's heavy and bulky, and must be handled in a way that allows the material to be colour sorted to be remelted back into packaging – this all makes the economics very challenging. For example, crushing glass at the return point within DRS would be the most economically efficient method of collection (due to storage, handling and transport cost savings compared to working with whole bottles) but would significantly reduce the availability of glass for remelt in the process.

The below graph which highlights (in tonnes) the quantity of glass going to remelt, export and 'other' (mainly aggregate) over the last two decades.



In the early 2000's glass was being collected at bottle banks colour separated which led to high quality material for remelt. Then kerbside collections were introduced widely from 2005 onwards which collected more glass but saw the quality decline due to being largely co-mingled and because glass colours needed

separating in order to use for remelt. As the graph shows other/aggregates increased at the expense of remelt for a number of years until 2013 when crucially, the PRN system (which originally just had a recycling target for glass with aggregate classed as recycling) introduced a split target in which 67% of glass recycled was obligated to go to remelt. You can see the influence this target had – aggregates declined and remelt increased year on year from 2014. The remelt target drove investment in sorting facilities to better sort glass into colour streams and more local authorities have moved from comingled to separate collections for glass. We are therefore now at a point where kerbside collections provide a high quantity and quality of glass for remelt and if the PRN (or upcoming EPR) target for glass remelt (now at 72%) was higher, such as 90% or more by 2030 we believe it would be achieved through existing kerbside infrastructure supported by EPR and consistency.

The absence of a Remelt target would effectively create the same or worse conditions as before a split PRN was introduced; with no regulation or commercial driver to differentiate the two products, there would inevitably be a reduction in the production of furnace ready cullet. The change in remelt target in 2021, up 5% to 72% and reducing the 'other' target by c100KT has already created a price differential that will favour remelt and lead to higher levels of Closed Loop Recycling. The removal of the remelt target would reverse this positive action, and drive the market in the environmentally negative direction.

The action would be perverse in relation to the polluter pays principle and move in the opposite direction to 10 years of effort to recycle glass in a closed loop. The DMO's responsibility for the scheme cannot stop at the reprocessor gates. It is essential that the DMO is obligated to achieve high value recycling through the DRS, and if glass is included in scope, there must be an incentive or obligation to ensure glass is recycled for remelt. Without regulation or a commercial driver, due to the low material value of glass, the DMO will be driven by the lowest cost option – to crush or compact glass which will reduce the quality of material and sell to the reprocessor for use as aggregate.

Chapter 3: Scheme Governance

25. What length of contract do you think would be most appropriate for the successful bidder to operate as the Deposit Management Organisation?

☐ 3 - 5 years
☐ 5 - 7 years
☒ 7 - 10 years
☐ 10 years +

26. Do you agree that the above issues should be covered by the tender process?

☒ Yes
☐ No

Please list any further issues you believe should be covered as part of the tender process?

It is vital that any tender process ensures a high degree of collaboration with packaging manufacturers who rely on recycled material. If the objective of a DRS is to improve collection and recycling rates, then it is vital that any DMO works with packaging manufacturers to ensure the highest possible quantity and quality of recycled material to create closed recycling.

We would also suggest that the DMO outlines its plans for closed loop recycling formally as part of the tender process. This will ensure the tender process seeks to appoint a DMO who will deliver the highest possible quality and quantity of closed loop recycling, rather than the cheapest commercial operation possible.

As already set out in this consultation, for glass this is vital to ensure it does not end up as aggregate given the cost implications surrounding RVMs and transportation, among other things. To ensure this is the case, we would propose that the government consider placing a legal obligation on the DMO to require any glass collected is used for remelt, and not sent to aggregate.

27. Do you agree that the issues identified should be monitored as Key Performance Indicators?

☐ Yes
☒ No

Please list any further issues you believe should be covered by Key Performance Indicators?
In addition to those set out in the consultation, we would suggest that as a minimum the KPIs should also include the following to ensure the highest quality and quantity of recyclate for bottle-to-bottle recycling:

- *Assessing the collection rate against the collection target*
- *Assessing the quantities of material recycled (and remelted for glass) against the quantity of material captured.*
- *Assessing the quantities of glass recycled for remelt against a remelt target*
- *Assessing unintended consequences of the scheme such as material switching.*

28. Do you agree that the Government should design, develop and own the digital infrastructure required to register, and receive evidence on containers placed on the market on behalf of the Deposit Management Organisation and regulators?

☒ Yes
☐ No

Please elaborate on your answer if you wish.

29. Government will need to understand the needs of users to build digital services for deposit return scheme. Would you like your contact details to be added to a user panel for deposit return scheme so that we can invite you to participate in user research (e.g. surveys, workshops interviews) or to test digital services as they are designed and built?

☒ Yes
☐ No

Chapter 4: Financial Flows

30. What is an appropriate measure of small producers for the purposes of determining the payment of registration fees?

☐ Taxable Turnover
☒ Drinks containers placed on the market
☐ Other

If other, please specify.

31. Is a high level of unredeemed deposits funding the scheme problematic?

☒ Yes
☐ No

Please explain your answer.
As an industry, we are committed to improving our recycling rates and Net Zero by 2050 which is why the industry has set a target of achieving a 90% glass collected for recycling rate by 2030 and to maximise the amount of material recycled for remelt as part of a closed loop. We would be significantly concerned if a scheme were to be running at a high level of unredeemed deposits because it likely means the bottles are not being properly collected for recycling.

For glass, we believe there is a high risk of a lower capture rate than for plastic and cans due to the bulky nature of glass packaging making it less convenient for consumers to return empty containers. The fact that products sold in glass tend to be priced higher than other materials, (for example average wine costs around £5 to £10 and spirits costing between £15 to £40, compared to around a £1 for soft drinks in cans and plastic) means the deposit value is a smaller percentage of the overall price and is therefore less of an incentive to return the empty container. British Glass support high collection and remelt targets ahead of unredeemed deposits funding the scheme due to lower collection rates.

The most effective route to increasing glass recycling is a combination of EPR, communications, consistent local authority kerbside and bottle bank collections and increased recycling targets.

This approach would deliver an easy to understand, single glass collection system which would boost recycling figures by capturing all types of glass containers in one stream – all through an existing local authority collection infrastructure enhanced by the new EPR and consistent regulations. This would be more cost effective, increase the quality of the recycled material, help

create a truly circular economy and reduce the burden on consumers in contrast to a DRS with high levels of deposits, which would essentially be funded by consumers.

32. Which option to treatment of unredeemed deposits do you support?

☐ Option 1
☒ Option 2

33. With option 2, do you foresee any unintended consequences of setting a minimum percentage of the net costs of the deposit return scheme that must be met through the producer fee?

Are there any unintended consequences of option 2?
No

34. If a floor is set do you consider that this should be set at:

☐ 25% of net costs
☐ 33% of net costs
☐ 50% of net costs
☒ Other

Please provide evidence to support your response.
As explained in answer to question 31, British Glass is concerned that the government's current preference is to fund the scheme through the scheme's inherent failure to capture bottles and return the deposit to consumers.
For glass, we believe there is a high risk of a lower capture rate than for plastic and cans due to the bulky nature of glass packaging making it less convenient for consumers to return empty containers. The fact that products sold in glass tend to be priced higher than other materials, (for example average wine costs around £5 to £10 and spirits costing between £15 to £40, compared to around a £1 for soft drinks in cans and plastic) means the deposit value is a smaller percentage of the overall price and is therefore less of an incentive to return the empty container. British Glass support high collection and remelt targets ahead of unredeemed deposits funding the scheme due to lower collection rates.

35. Do you agree that any excess funds should be reinvested in the scheme or spent on other environmental causes?

☒ Reinvested in the scheme
☐ Environmental causes

36. What should be the minimum deposit level set in legislation?

☐ 10p
☐ 15p
☐ 20p
☒ Other

If other, please specify.
We believe the DMO should decide on the minimum deposit level to ensure it minimises the impact on the consumer and works to mitigate unintended consequences.

37. Do you agree that there should be a maximum deposit level set in legislation?

☒ Yes
☐ No

☐ 30p
☐ 40p
☐ 50p
☒ Other

If other, please specify.
British Glass believes the DMO should decide on the maximum deposit level to ensure it minimises the impact on the consumer and works to mitigate unintended consequences.

38. Recognising the potentially significant deposit costs consumers could pay on a multipack purchase, how best can we minimise the impact of the scheme on consumers buying multipacks?

The glass industry remains extremely concerned about the significant upfront costs of deposits being placed on multipacks, which has the potential to cause material switching and market distortion.

International evidence shows that including glass in a DRS will increase the use of plastic packaging. For example, a flat deposit DRS – such as in Croatia – has encouraged consumers to upsize from glass containers to plastic. By contrast, the success of mixed systems in Norway and Sweden, where a DRS for plastic runs alongside EPR for glass, has created high recycling rates for both plastic and glass.

One option would be to consider a variable deposit. Having a flat deposit rate, for example, means that there are cheaper upfront costs of paying let us say 20p for a three-litre plastic bottle versus paying £1.20 for six 500ml glass bottles. This can be avoided by placing a variable deposit on multipacks which would lower the upfront cost but still require containers to be returned. This is in line with the current additional labelling on multipacks which state to consumers that these are not to be sold separately.

Another option that could be considered subject to the final scope being a on-the-go system would be to exclude multipacks from this scheme altogether. Glass beverage packaging bought in multipack format are most commonly purchased for consumption at the home and therefore would be disposed of through household recycling in the event of an on-the-go scheme working alongside ongoing EPR collections. This would allow for glass beverage bottles to be collected alongside glass food bottles and jars in a single waste stream, while also not incentivising consumers to switch from smaller glass bottles to larger plastic bottles which require less upfront cost at the point of purchase.

39. Do you agree with our approach to letting the Deposit Management Organisation decide on whether to adopt a fixed or variable deposit level, particularly with regards to multipacks?

☒ Yes
☐ No

Please provide evidence to support your response.
We believe the DMO should decide on the deposit level to ensure it minimises the impact on the consumer and works to mitigate unintended consequences. We support the use of variable deposits on multipacks to mitigate market distortions.

Chapter 5: Return Points

40. Do you agree that all retailers selling in-scope drinks containers should be obligated to host a return point, whether it is an all-in or on-the-go (OTG) deposit return scheme?

☒ Yes
☐ No

Please provide evidence to support your response.
British Glass agree with DEFRA that "returning an in-scope drinks container should be as easy as purchasing one in the first place". Therefore all physical retailers selling in-scope containers should be obligated to host a return point.

41. Given the proposed extensive distribution and availability of return points for consumers to return bottles to, do you think customers would be likely to experience delays / inconveniences in returning drinks containers?

☒ Yes
☐ No

If so, how long or how frequently would such delays be likely to arise for?
When the 'Return and Earn' Deposit Return Scheme was introduced in New South Wales, Australia, in 2018, higher costs were almost immediately passed on to consumers owing to a lack of collection points (particularly in rural areas) causing over $100m in unredeemed deposits in its first three months. The lack of infrastructure in such a large area meant consumers either failed to claim their 10-cent deposit, or stockpiled containers before travelling unreasonable distances to locate an RVM. A UK-wide DRS must have an effective system of location management where return points are readily available, easy to use and well maintained.

42. Do you have a preference, based on the 3 options described, on what the schemes approach to online takeback obligations should be?

☐ Option 1
☐ Option 2
☒ Option 3

Please explain your answer.
Online retail should not be required to accept returns due to the needless additional cost, complexity and associated carbon emissions of transporting empty containers. However, online retailers should contribute to the cost of return points within physical settings.

43. Do you agree with the proposed criteria for the calculation of the handling fee?

☒ Yes
☐ No

Would you propose any additional criteria are included for the calculation of the handling fee?

British Glass support the proposed criteria but are concerned by international evidence that shows the handling fee for glass is often significantly higher than for plastic and cans due to the nature of glass being bulkier and the requirement to handle glass in a suitable way so as not to reduce the quality of glass collected through breakage and production of losses.

Denmark is one example of higher operating fees for glass. In Denmark, the fee in 2019 was between 0.076 and 0.103 euros per unit compared to plastic which was 0.023 euros per unit[9]. The glass fee was also 14 times higher compared to aluminium cans (0.005 euros per unit). Higher fees and costs provide a clear cost advantage for brands and retailers to switch from glass containers to plastic. British Glass believes the handling fee should not be significantly different between materials to avoid market distortion between in scope materials.

44. Please tick which exemptions you agree should be included under the scheme:

[9] https://feve.org/wp-content/uploads/2019/09/Recycling-DRS-in-Scotland_OHL-report_Final.pdf

☐ Close proximity
☐ Breach of safety

Any further comments you wish to make.
Importance of ease of returning containers especially glass – all physical retail must be able to take-back containers. Based on DEFRA's 'the fundamental principle underpinning the proposed deposit return scheme is that returning an in-scope drinks container should be as easy as purchasing one in the first place'

45. Please can you provide any evidence on how many small and micro sized retail businesses we might likely expect to apply for an exemption to hosting a return point, on the grounds of either close proximity to another return point or on the compromise of safety considerations?

Retailers are generally not supportive of including glass within a DRS and this is due to space constraints, additional costs of handling glass, and the health and safety risks[10]. The Association of Convenience Stores estimates that around 4m staff hours could be lost in the sector per year as a result of a DRS, with employees needing to inspect and sometimes clean each bottle deposited through the system.

The cost to retailers of purchasing just one of the estimated 36,000+ RVMs needed to operate a DRS could run as high £40,000, with an annual operational cost estimated to be in the region of £3,000 per machine[11].

Further, the loss of revenue from reduced floor space by placing RVMs in stores could be as high as £1.3 billion per year to the convenience sector – potentially up to nearly £40,000 in some stores. Although a proposed handling fee would be paid to retailers for each bottle collected through an RVM, evidence from the Netherlands and Sweden suggests handling fees do not cover the costs associated with operating an in-store RVM.

Outside of the significant costs associated with a DRS, glass as a material has its own distinct issues that create challenges for obligated retailers, and consumers alike. Being bulkier and heavier, retailers must give up greater space for it to be stored, at greater cost to the overall scheme (as this would be covered through payments from the scheme administrator to retailers). The alternative to this is for glass to be crushed through RVMs but, as outlined already in this submission, that would be to the detriment of glass recycling, more broadly. This issue is compounded for smaller stores without the floorspace to accommodate an RVM, who will be asked to manually collect glass bottles, and store these.

Further to this, including glass would increase the health and safety risks associated with a DRS, both to retailers and the consumers in stores. We understand some retailers that produce and pack food on site such as a bakery or salad bar are very concerned about the potential of broken glass on the shopfloor.

[10] BRC, Deposit return schemes (DRS) in the UK: Implications for retailers, Resource Futures
[11] https://www.acs.org.uk/sites/default/files/lobbying/acs_submission_-_defra_deposit_return_scheme.pdf

46. Do you think obligations should be placed on retailers exempted from hosting a return point to display specific information informing consumers of their exemption?

☐ Signage to demonstrate they don't host a return point
☒ Signage to signpost consumers to the nearest return point

Anything else?
Opening times – if in a residential area, noise from disposing of glass could prove problematic.

47. Do you agree with our rationale for not requiring retailers exempted on the basis of a breach of safety not to be required to signpost to another retailer?

☐ Yes
☒ No

Please explain your answer.
The Environmental Audit Committee inquiry into Next steps for deposit return schemes highlighted safety concerns for small retailers as a key consideration regarding glass. This is a concern for those relying on manual takeback but also RVMs.

British Glass believe safety concerns are best overcome by excluding glass from the upcoming DRS to avoid the requirement for retailers to collect empty glass containers. It is safer, simpler and will benefit glass recycling if glass continues to be collected at consumer's doorsteps.

48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required?

☐ 1 year
☒ 3 years
☐ 5 years or longer

49. Do you think the scheme could benefit from technological solutions being incorporated as a method of return, alongside reverse vending machines and manual return points?

☒ Yes
☐ No

50. How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure?

Please explain your answer.

British Glass is a member of a UK industry working group seeking to develop our understanding around the potential for technological and other innovations within glass recycling. The working group has the aim of developing a greater understanding of the potential of a 'digital DRS' as an alternative to an RVM based DRS. Whist we are not advocating for a digital DRS approach, we believe it should be considered as part of the discussions on the design of the upcoming UK DRS. A successful digital DRS could see a deposit system in place but utilise existing recycling infrastructure such as the kerbside system and on-the-go bins with the use of smartphone app, QR code labelling and blockchain technology.

51. What are the potential fraud control measures a digital deposit return scheme could bring?

Please explain your answer.

See answer to question 50.

52. Do you think a digital deposit return scheme could ensure the same level of material quality in the returns compared to a tradition return to retail model, given containers may not be returned via a reverse vending machine or manual return point where there is likely to be a greater scrutiny on quality of the container before being accepted?

☒ Yes
☐ No

Please explain your answer.

As outlined earlier in the consultation response, we do not believe that RVMs are the best solution for collecting glass due to the manner in which they collect the material. Due to the nature of a DRS, glass is returned through RVMs either crushed, compacted or through soft drop. Each has significant risk associated with it in terms of cost, carbon emissions, impacting on the recycled material and the ability for it to be remelted back into bottles.

The best solution for collecting and recycling glass bottles is whole, and this is more likely to be done via household waste collections than it is through an RVM or manual return point which are primarily in situ due to space constraints and therefore more likely to be broken down to save space, where possible.

As such, a digital solution premised on this remaining at kerbside could offer a better solution for glass packaging than the return to retail models.

This view echoed in the The Wrap Cymru 'Digital DRS and quality desktop research' (2021) report which finds that specifically for glass, kerbside sort is the preferred method to achieve high quality recyclate for closed loop recycling. The report also highlights issues around the breaking of glass within RVMs causing problems for glass reprocessors.

53. If the digital deposit return scheme system can be integrated into the existing waste collection infrastructure would its implementation and running costs be lower?

Please provide evidence to support your response.
We do not feel able to comment on this at this stage given the technology remains in its infancy, and has yet been trialled at scale. As set out above, as a member of a UK industry working group we are seeking to develop our understanding around the potential for technological innovations within glass recycling, including digital solutions.

We refer to and support the submission of the Digital DRS Industry Working Group.

54. Do you support the proposal to introduce a new permitted development right for reverse vending machines, to support the ease of implementation for the scheme?

☐ Yes
☐ No

Do you have any amendments or additional parameters you would propose are reflected in the permitted development right?
N/A

Chapter 6: Labelling

55. Do you agree that the following should be part of a mandatory label for deposit return scheme products?

☒ An identification marker that can be read by reverse vending machines and manual handling scanners.
☒ A mark to identify the product as part of a deposit return scheme.
☒ The deposit price

56. Are you aware of further measures that can be taken to reduce the incidence and likelihood of fraud in the system?

The most likely further measures that may be used to tackle fraud will come as a result of technological solutions to better capture and track individual containers. Further information about such solutions being considered is set out in our answer to question 50, as above.

57. Do you agree with our proposals to introduce mandatory labelling, considering the above risk with regards to containers placed on the market in Scotland?

☒ Yes
☐ No

58. Do you consider the risk of incorrectly labelled products entering the markets of England, Wales or Northern Ireland via Scotland to be a significant risk?

☒ Yes
☐ No

Please provide evidence to support your response.
To ensure an effective DRS, it is essential that all packaging in scope of the DRS are labelled as such. A standardised label or stating the country of return will be important to avoid consumer confusion.

59. Do you consider leaving any labelling requirements to industry to be a better option than legislating for mandatory labelling requirements?

☐ Yes
☒ No

Please explain your answer.
As the consultation document sets out, clear consumer communications are essential to ensure consumers have clarity on what packaging is in and out of scope of the scheme. British Glass agree with the consultation view that "a focus on simplicity should ideally extend to all aspects of the scheme. By having a clear label that identifies that a product is part of a deposit return scheme will reduce the cognitive load on the consumer in understanding how the product should be returned to reclaim their deposit". Standardised mandatory labelling requirements across the UK will ensure clarity for consumers and benefit collection rates.

60. Are you aware of any other solutions for smaller producers who may not currently label their products?

Please explain your answer.
N/A

61. We believe 18 months is a sufficient period of time for necessary labelling changes to be made. Do you agree?

☐ Yes

☒ No

Please provide evidence to support your response.
This would be for individual producers and retailers to comment on as brand owners.

62. Will your processes change as a result of mandatory labelling?

☐ Yes
☐ No
☐ Don't know

Please explain your answer.
This would be for individual producers and retailers to comment on as brand owners.

63. Do you agree that our proposed approach to labelling will be able to accommodate any future changes and innovation?

☒ Yes
☐ No
☐ Don't know

Are you aware of any upcoming technology in the field of labelling?

Chapter 7: Local authorities and local councils

64. Do you agree that local authorities will be able to separate deposit return scheme containers either themselves or via agreements with material recovery facilities to regain the deposit value?

☐ Yes
☒ No

Please explain your answer.
In practice it is unlikely that in-scope bottles collected at the kerbside will be able to be separated by local authorities to regain the deposit due to breakage, cost implications and difficulty in reading labels. As the consultation document sets out, under a conventional DRS (assuming no digital collection option) using kerbside for in-scope DRS materials is 'a failure of the DRS'. However, in-scope DRS packaging must still be accepted by kerbside collections and there must be a mechanic to ensure local authorities are incentivised to collect and recycle this material without it being lost.

British Glass consumer research suggests just a 73 to 75% participation rate for DRS and therefore local authorities must continue to collect and recycle in-scope DRS beverage bottles from the kerbside.

65. Do you agree that local authorities will be able to negotiate agreements with material recovery facilities to ensure gate fees reflect the increased deposit values in waste streams or a profit sharing agreement on returned deposit return scheme containers was put in place?

☐ Yes
☒ No

Please explain your answer.
In practice it is unlikely that in-scope bottles collected at the kerbside will be able to be separated by local authorities to regain the deposit due to breakage, cost implications and difficulty in reading labels. As the consultation document sets out, under a conventional DRS (assuming no digital collection option) using kerbside for in-scope DRS materials is 'a failure of the DRS'.

66. In order to minimise the risk of double payments from the Deposit Management Organisation to local authorities, where should data be collected regarding the compositional analysis to prevent the containers then being allowed to be redeemed via return points?

A compositional analysis should take place at the kerbside at the point of collection in order to capture reliable and accurate data. However, the DMO must capture 90%+ of in-scope material and the DMO and EPR scheme administrator must work closely to manage any issues arising.

This form of compositional analysis will be costly and time consuming but without any form of digital data collection would be the most effective method to avoid double payments.

67. How difficult do you think option 3 would be to administer, given the need to have robust compositional analysis in place?

Please explain your answer.
Although in-scope materials being collected at the kerbside is a failure of the DRS, it is important local authorities have an incentive and process DRS containers in order to achieve high recycling and remelt rates. However, it would be difficult to administer, especially due to the fact that there would be a requirement for frequent compositional analysis at the introduction of DRS as in-scope DRS containers will likely be collected at the kerbside through EPR up until the DRS go-live date. Composition will change as consumers overcome confusion.

68. What option do you think best deals with the issue of deposit return scheme containers that continue to end up in local authority waste streams?

☐ Option 1

☐ Option 2
☒ Option 3

Please briefly state the reasons for your response. Where available, please share evidence to support your view.
Option 3 gives local authorities a choice between separating in-scope materials to claim the deposit value or via a waste composition analysis. All three options have their challenges, and the DRS must seek to capture 90%+ of material in order to minimise the need for local authorities to seek to capture the value of unredeemed deposits.

Chapter 8: Compliance Monitoring and Enforcement

69. Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing?

YES

Please explain your answer.
He DMO should report to the national regulators and the national regulators must be responsible for monitoring performance and issuing penalties. The regulator must have 'teeth' to ensure all aspects of the scheme are delivered effectively with penalties issued if compliance is not achieved.

70. Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations?

☐ Yes
☐ No

To what extent will local authorities be able to add on monitoring and enforcement work for the deposit return scheme to existing duties they carry out with retailers?
N/A

71. In addition to those in the table, are there any other types of breaches not on this list that you think should be?

See answer to question 27:

In addition to those set out in the consultation, we would suggest that as a minimum the KPIs/breaches should also include the following to ensure the highest quality and quantity of recyclate for bottle-to-bottle recycling:

- *Assessing the collection rate against the collection target*
- *Assessing the quantities of material recycled (and remelted for glass) against the quantity of material captured.*
- *Assessing the quantities of glass recycled for remelt against a remelt target*
- *Assessing unintended consequences of the scheme such as material switching.*

- *Must cover DRS fraud across the whole of the UK*

72. Are there any other vulnerable points in the system?

YES

If so, what?

Ensuring the system as a whole ensures enforcement issues are acted upon sufficiently well: DMO, regulators, trading standards and govts. Tackling the activities of Organised Criminal Gangs.

73. Do you see a role for the Deposit Management Organisation to seek compliance before escalating to the Regulator?

The DMO will be a significant commercial entity and be responsible not only for operating the scheme but in deciding obligations. We do not believe that the same organisation that sets the rules should also be the judge of compliance, which should sit independently and solely with the regulator.

74. Do you agree with the position set out regarding enforcement response options?

☐ Yes
☒ No

If no, please explain your answer.
Tackling the activities of Organised Criminal Gangs seems to be insufficiently covered.

Chapter 9: Implementation Timeline

75. Do you have any comments on the delivery timeline for deposit return scheme?

Please pose any views on implementation steps missing from the above?
As referenced in answer to question 6, we believe that a delay to the scheme introduction at the earliest 2024 is required in light of the pressures put on the supply chain, retailers and manufacturers as a result of the pandemic.

This delay however does raise some issues given the prior introduction of the new EPR system, scheduled for implementation in 2023. It is vital that industry has clarity on requirements for reporting targets and how the transition from PRNs to EPR to a DRS will work for containers in scope of a DRS. It is vital industry, local authorities and consumers have clear information, clear timelines, and not overtly penalised where errors in compliance are made as a result of confusion arising from concurrent timescales.

To ensure that the glass industry is able to continue building on its work to increase recycling rates, and use more recycled content back into bottles, we call on government to introduce a remelt target to minimise the risk that throughout this period glass bottles are sent to aggregate as a result of convenience, or cost saving measures, and incentivise good recycling practices by reprocessors.

76. How long does the Deposit Management Organisation need from appointment to the scheme going live, taking into account the time required to set up the necessary infrastructure?

☐ 12 months
☐ 14 months
☐ 18 months

Any other (please specify)
24 months +

If other, please specify.

24 months + is a more realistic timeline

77. Depending on the final decision taken on the scope of the scheme in England and Northern Ireland – all-in or on-the-go – what, if any, impact does this have on the proposed implementation period?

N/A

Chapter 10: Summary Approach to Impact Assessment

78. Do you agree with the analysis presented in our Impact Assessment?

☐ Yes
☒ No

Please briefly state the reasons for your response. Where available, please share evidence to support your view.

British Glass disagrees with a number of points within the impact assessment. These include the following:

Costs and benefits of DRS

British Glass commissioned the circular economy specialist consultants Oakdene Hollins to produce an appraisal of the costs and benefits of the proposed DRS. The results show a significant variation between

the DRS impact assessment projections and appraisal estimates. Overall, the appraisal projections results in the DRS without glass being the most cost effective DRS option, resulting in a net benefit of £140m rather than a cost of £903m in the all-in DRS including glass. The appraisal considers the all-in DRS without glass as the least risk option. The report also questions the These findings were produced using the DEFRA DRS 2021 impact assessment and focusing on four key factors , these were 1. rent/rates costs to retailers, 2. Lost opportunity costs to retailers, 3. Revenue from the reduction in disamenity benefit of litter, and 4. Transportation costs.

For the full assessment of the DEFRA DRS impact assessment including how Oakdene Hollins produced these findings please follow this link. Included below are a summary of the findings which highlight the projected costs and benefits.

The appraisal of the All-in DRS focused on three key factors and **Error! Reference source not found.** provides a summary of the differences in the projected impacts of these three factors. The appraisal estimates result in a shift from a projected annual net benefit of £841 million in the DRS impact assessment to a projected net cost of £903 million in the appraisal estimate.

Table 1: A summary of the key findings from the appraisal of the annual costs/benefits of an All-in DRS

Factor	Projected cost or revenue in the DRS impact assessment (£ millions)	Projected cost or revenue in this appraisal (£ millions)	Difference between projections (£ millions)
Rent / rates cost to retailers	19.7	430	410.3
Lost opportunity costs to retailers	25.2	360	334.8
Revenue from the reduction in disamenity of litter	1,452	452.73	999.3

The appraisal of the All-in DRS without glass focused on four key factors and the results can be seen in **Error! Reference source not found.**. The appraisal projections result in the annual net benefit of the All-in DRS without glass reducing from £675 million to £140 million.

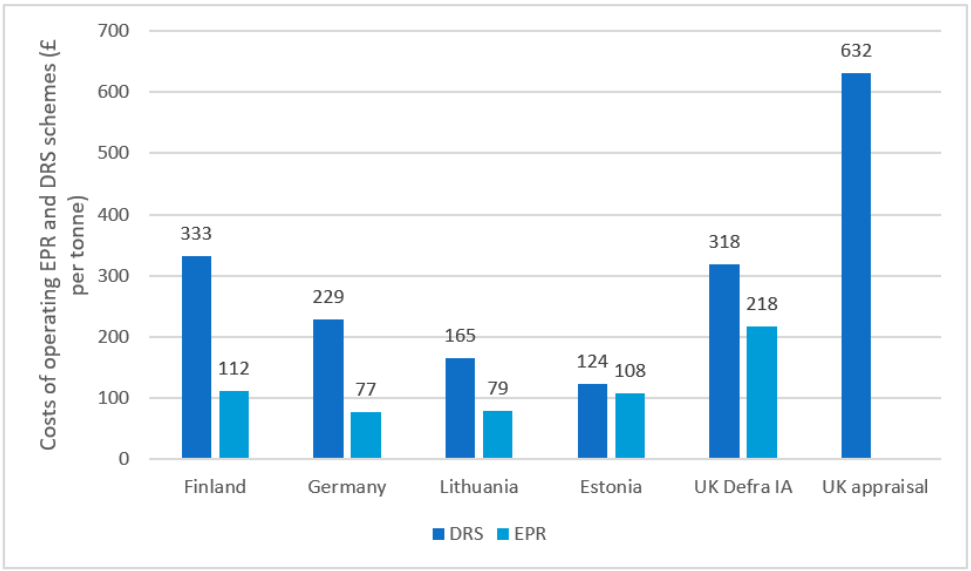
Table 2: A summary of the key findings from the appraisal of the annual costs/benefits of an All-in DRS without glass

Factor	Projected cost or revenue in the DRS impact assessment (£ millions)	Projected cost or revenue in this appraisal (£ millions)	Difference between projections (£ millions)
Rent / rates cost to retailers	15	310	295
Lost opportunity costs to retailers	20.4	130	109.6
Transportation costs	246.8	52.4	194.4
Revenue from the reduction in disamenity of litter	1,049	452.73	596.3

Economics of recycling glass

The policy appraisal finds that to recycle a tonne of glass through the proposed DRS will cost £632 compared to £218 under the proposed EPR scheme (see figure 2 below). This illustrates the vast significant cost of recycling glass through a deposit return scheme, especially when considering Oakdene Hollins projects that EPR will achieve a recycling rate of 84% by 2032 compared to 85% (return rate) under DRS. This clearly reflects that EPR is the most effective solution to recycle glass in the UK.

Figure 2: Comparative costs of operating a DRS or EPR scheme



Transport costs: British Glass questions the projected transport costs within the impact assessment. The Oakdene Hollins report explains that the projected logistics costs reduce from £257.1 million in the 'All-in' DRS to £246.8 million in the 'All-in without glass', i.e. a reduction of just 4%. This is in spite of the fact that glass accounts for 1,611,004 tonnes of the overall 2,024,590 tonnes (79.6%) of the material being recycled. If a 'volumetric' rather than 'weight' based approach is taken, the DRS IA states that: '*The reduction in the*

storage space required from not having glass, whose volume constitutes 32% of that for total DRS scope materials, was factored into the analysis'. It must be noted that a significant reason for the difference between the weight and volumetric estimates is that it is assumed within the DRS IA that '*the All-in DRS would normally treat glass by compacting it so that its volume would be reduced by a factor of around 4 or 5*'. As stated within the British Glass consultation response, breaking or compacting glass within a RVM will reduce the quality and quantity of material available for remelt – this reflects the challenging economics associated with recycling glass and why a DRS is not suitable for glass recycling in the UK.

The projected future prices for glass, used in the DRS IA and detailed in Annex F, are more in line with the price paid for high quality flint and amber glass from colour sorted collection. Glass collected through the DRS will not be colour separated, therefore a lower mixed glass price is more suitable. The current price paid for mixed glass reported by Lets Recycle is between £2 and £10 per tonne (https://www.letsrecycle.com/prices/glass/glass-prices-2021/). Given that compaction of the glass will produce a high proportion of fines which cannot be colour sorted for use in remelt applications a value of £6 per tonne is probably more appropriate. This is significantly lower the figures used in the DRS IA (e.g. £18.60 per tonne in 2025) and will have a substantial impact on the revenue generated from DRS glass.

Quality of glass

British Glass strongly disagrees with the impact assessment which assumes that glass collected through a DRS will produce a high-quality supply of recyclable waste materials. As set out in Q10 of the British Glass DRS consultation response, UK glass manufacturers seek to maximise closed loop recycling of glass but are deeply concerned by the treatment of glass collected through RVMs as part of the DRS. The Wrap Cymru 'Digital DRS and quality desktop research' (2021) report finds that specifically for glass, kerbside sort is the preferred method to achieve high quality recyclate for closed loop recycling. The report also highlights issues around the breaking of glass within RVMs causing problems for glass reprocessors.

The Oakdene Hollins report concludes that "from a quality perspective, a DRS collection scheme provides no distinct advantage to the glass industry since the reprocessing capabilities are in place to sort glass to the specification required for closed loop recycling. However, consistent collection and / or the reform of the producer responsibility scheme can significantly enhance the existing 'real' recycling rate and support the glass industry commitment under the European wide 'closing the glass loop' initiative of a 90% collection rate for all glass (not just the glass in the scope of a DRS) by 2030."

Impacts of DRS on businesses

The Department for Business, Energy and Industrial Strategy's Regulatory Policy Committee (RPC) recent judgement that the impact assessment conducted by DEFRA is not satisfactory raises particular concern about the due diligence conducted by the government regarding a DRS. British Glass has been in continued contact with DEFRA officials over the unintended consequences that could stem from including glass in a DRS, including increasing industry emissions and encouraging a switch to plastic packaging. Both of which would threaten the ambition for the UK to become a truly circular economy. Critically, the RPC recommends that: "the Impact Assessment would benefit from including more responses from businesses on what they expect the impacts of the regulation to be".

Industry research projects demand reduction for in-scope packaged beverages in a DRS of 10.9% for beer and 12.6% for soft drinks with an economic impact of demand reduction due to the DRS of £2.194bn. In addition, the implications for glass reprocessors has not been considered within the impact assessment despite the financial costs likely to be significant.