

Making the most of packaging

A strategy for a low-carbon economy



Executive Summary

June 2009

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Why review packaging policy?

Packaging fulfils an important role in our lives. It protects food and other goods on their journey from farm or factory via warehouses and shops until they arrive at homes, offices or wherever they are used. The key role of packaging is to avoid spoilage and damage in the supply system and in the home.

And yet, recent surveys show that consumers believe packaging is the top environmental problem in relation to the products they buy. Alongside addressing these concerns, packaging policy needs to contribute to greater resource efficiency and the fight against climate change, as part of the wider goal to reduce the overall environmental impacts of our supply chains.

This document is the result of a strategic review of policy, undertaken by the Department for Environment, Food and Rural Affairs (Defra), the Department for Business Innovation & Skills (BIS), and the Devolved Administrations of Scotland, Wales and Northern Ireland, with input from a wide range of stakeholders.

We will consult widely on all the specific policy proposals it contains. Unless otherwise stated, this Strategy extends to all of the United Kingdom. In Scotland, the Scottish Government is due to consult on a new National Waste Management Plan shortly. This strategy will form part of its consultation. In Wales, the Welsh Assembly Government published for consultation on 29 April 2009 a new Waste Strategy for Wales entitled *Towards Zero Waste; One Wales: One Planet*¹. It also intends to consult on a series of sector plans that will form part of the delivery mechanism. This strategy will form part of the consultation process.

Where we want to take packaging policy: a vision

Packaging policy should minimise the environmental impact of packaging over its whole life cycle, without compromising its ability to protect the product. This starts with **optimising packaging** through:

- designing it in line with sustainability principles, and with re-usability, recyclability or recovery in mind – as a standard
- delivering real reductions in packaging, under existing and new voluntary agreements
- market innovation and development which meet the growing demand for re-useable and recycled packaging, across all types of packaging.

It continues with **maximising the recycling** of waste packaging, through:

- more recycling by householders; recycling schemes that collect all the main packaging materials and are easy to use;
- local authorities and businesses treating waste packaging as a resource, leading to more recycling by businesses, and a new emphasis on quality in household collection and sorting;
- working from where we are now towards the recycling rates achieved by the best EU performers.

¹ <http://wales.gov.uk/consultations/environmentandcountryside/wastestrategy>.

Successes so far and future challenges

Since 1997, businesses throughout the packaging supply chain² in the UK have been responsible for minimising the amount of packaging they use and ensuring that a proportion of the packaging they handle is recovered and recycled.

These *producer responsibility* regulations work with market pressures on businesses (e.g. to reduce the cost of their raw materials) and voluntary agreements such as the Courtauld Commitment, signed by major grocery retailers, brands and suppliers in 2005.

These policies have scored significant successes over the years. Businesses' need to reduce the cost of their raw materials has driven packaging optimisation, with substantial benefits for consumers and the environment. The Courtauld Commitment signatories have halted the growth in grocery packaging waste, and are on target to meet their 2010 objectives of reducing such waste. In 2008, the UK recycled 61% of its packaging waste, a massive increase from the 28% achieved in 1997, at relatively low cost to business. This means over 6.6 million tonnes of packaging waste diverted from landfill, and over 8.9 million tonnes of CO₂ equivalent emissions avoided.

This strategy is about building on these successes to address the challenges of the next 10 years. These include reversing the historical trend of overall packaging growth, and making the packaging that is used as resource-efficient as possible. In the current economic climate, business will be keen to make the most of packaging reduction savings. While large scale changes involving investment in new machinery might be constrained, small changes may offer real financial benefits in reduced material costs, storage space and transport.

The UK will also need to enhance its packaging recycling performance – which contributes to the waste recycling targets set across the constituent nations of the UK – with the aim of having a robust recycling system in the face of uncertain market conditions. Finally, packaging policy will need to encompass the diverging needs and expectations of consumers, local authorities, packaging producers, retailers and brands, and reprocessors; all of which pull the various parts of the packaging chain in different directions.

Measuring what matters: weight vs carbon

Weight-based targets – used in most EU legislation – are fairly easy to understand, and reductions and recycling relatively easy to measure. However, they do not always work well in the wider climate change context. For example, they do not account for whole life cycle impacts.

Government will consider the best way to measure the environmental impact of packaging, and thus our progress towards our policy objectives. We will look at what a move from weight-based to carbon-based targets would involve in practice, and at the balance of costs and benefits of such a move, in consultation with a range of industry and other experts.

² from raw material manufacturers, businesses converting this raw material into packaging products, businesses who pack or fill packaging, to wholesalers and retailers, service providers and importers.

The way forward: optimisation

Government wants to see more packaging designed to make best use of resources, across the whole packaging supply chain. To make this happen,

- i. Government will work with others to **raise the profile of eco-design and increase its uptake by business**. Various organisations offer free advice to businesses on this. Over the next couple of years, government will work with them to raise awareness of these services, making use of their visits and contacts with companies. We will set up a central information point for eco-design which will explain clearly what advice is out there and for whom.
- ii. Government will review the scope for promoting **refillable and reusable packaging**, which offer cost-saving opportunities for businesses, and could reduce waste for them and consumers alike.
- iii. **Recyclability** must be built into packaging design to maximise the environmental and economic return on packaging waste. Government will work with stakeholders, WRAP and others to promote best practice in packaging recyclability, and suitability for specific forms of recovery (eg anaerobic digestion) where appropriate.
- iv. The UK Government, the Devolved Administrations and their Agencies will lead from the front through **public procurement**. The EU core criteria for 'green' public sector tendering procedures include requirements for the amount of recyclable, recoverable and recycled content in the packaging used.
- v. WRAP will identify priority sectors for **packaging reductions**, and work with Government, trade organisations and key business partners to negotiate the next generation of voluntary agreements for the period 2010-15. Also, given the scope for benefits for both business and the environment, government looks forward to receiving ambitious proposals from signatories to the Courtauld Commitment and WRAP for new targets covering the period 2010-15. Alongside voluntary measures, powers to impose statutory reduction targets are now part of the Scottish Government's Climate Change Bill. The Welsh Assembly Government will consider its approach as part of its new waste strategy.
- vi. Consumers need to let businesses know when packaging goes beyond what they regard as normal or acceptable. They can do so by choosing alternative products, complaining to the retailer or manufacturer, or asking Trading Standards to investigate. Government will work with others to **raise consumers' awareness and make enforcement action easier**. This will include developing a tool with enforcement bodies to help enforce the Regulations. WRAP will work with manufacturers and retailers of products commonly thought to be excessively packaged.

The way forward: greater recycling

The UK's packaging recycling has risen massively over the past decade, and analysis shows that more can be achieved over the next 10 years.

- i. **Improving recycling rates for each of the main packaging materials.**
 - For *aluminium*, the focus will be on increasing collection, through recycling at work, local authority foil and can collections, and investment in on-the-go infrastructure. In addition, in England, the Government will consult on the option of banning aluminium (among other materials) from landfill. Wales will consider its approach following the consultation on its new waste strategy which is taking a material approach. Scotland will consider its approach after the current project on landfill bans reports later this year.
 - Work on *glass* will aim to increase collection rates from commercial and industrial sources

(pubs, clubs, restaurants etc), through voluntary agreements. In addition, government will consult on ways of reducing the amount of waste glass used as aggregates, as there are far better environmental (and possibly economic) gains to be had from closed loop recycling.

- For *plastic*, we will take action to increase recycling rates from commerce and industry. On the household side, we will consult on new producer responsibility targets to increase plastic bottle recycling and to widen collection and recycling to other types of plastic. New targets would be phased in as recycling capacity develops through WRAP's work on sorting, reprocessing and end markets for mixed plastics. This work includes a £5 million capital grants scheme run by WRAP for the Scottish Government, to increase the amount of plastics reprocessing in Scotland.

- ii. **Improving the quality of recyclates** is essential, as market conditions since the last quarter of 2008 have shown, for UK reprocessors and for UK access to export markets. Our ambition is that by 2019, going for the high quality market is standard.

For this to happen, we need businesses and local authorities to treat recycling as a source of potential revenue rather than just a way of avoiding landfill tax liabilities. Work is starting in England on making recycling for SMEs easier, and this issue will be addressed as part of the review of the waste strategies for Scotland and Wales. We will work with WRAP and local authority partners to advise on the use of income-sharing contracts. Getting a direct share of the value of recyclates provides an incentive for adapting collection and sorting systems towards higher quality outputs, with better revenues. The Welsh Assembly Government proposes to promote kerbside sort collection methods, which contribute more to its strategic objectives of reducing the impact of packaging materials on the ecological and carbon footprints of Wales.

The quality delivered by Material Recovery Facilities (MRFs) – which sort recyclates collected co-mingled at the kerbside – is crucial. WRAP will continue to work with MRF operators over the next two years to raise standards. We call on MRF operators to take part in this, and in the Environmental Services Association's Recycling Registration Service, an independent, externally audited scheme focusing on MRF export standards.

To secure compliant waste exports, the Environment Agencies are working with local authorities, the waste industry and others to ensure that quality is addressed at all stages of the waste collection and processing systems. Resources are being concentrated on facilities where poor quality outputs have been found. This work is backed by additional funding from Defra.

- iii. **Increasing recycled content** in the packaging used across the supply chain could help the UK recycling system's resilience to market changes. Working with WRAP and industry partners, we will explore the opportunities and barriers to bringing this about.
- iv. **More investment by packaging producers** is needed to increase recycling and improve the quality of the materials collected for recycling.

Government will consult on a number of changes to the Producer Responsibility Regulations and other measures, to ensure that the current market-based system delivers additional funding effectively. Objectives include: promoting greater collaboration of all the parts of the packaging chain, making producer funding more transparent, reviewing the role of compliance schemes and individually registered producers (Great Britain only), and introducing civil sanctions (in England and Wales). The UK Government may review the effectiveness of the funding system when the Packaging Directive is reviewed; the Devolved Administrations may do so earlier.

We will also review with stakeholders, and seek to improve, the data on how much packaging is placed on the market, and where it ends up, for each country in the UK where possible.

- v. **Careful planning by local authorities** will be needed to take advantage of extra producer funding, especially since new collection contracts and service changes often have long lead-in

Executive summary

times. Local authorities should start considering now how they could benefit and make any funding go further.

We will work through the Regional Improvement and Efficiency Partnerships and WRAP to help English local authorities examine the cost savings and service improvements available to them through greater partnership working. The Welsh Assembly Government is working with the Welsh Local Government Association on a continuous programme of recycling service improvement. The Scottish Government will consider this issue in partnership with the Convention of Scottish Local Authorities, as part of the review of the National Waste Management Plan for Scotland.

In England and Northern Ireland, we will investigate how we can further support local authorities to get the best out of the tendering process for recyclables collection and sorting services. Additional resources (similar to the Defra 'Transactor' concept available for PFI contracts) could be used to assist local authorities in developing the tender documents, and during tender assessment/contract negotiation. The Scottish Government will consider, in partnership with the Convention of Scottish Local Authorities, if any action is required on these issues.

Finally, Government will ensure that there is better co-ordination than there has been in the past between the producer responsibility regime for packaging and the national waste strategies in the four nations of the UK, including work to divert household waste from landfill and increase its recycling, in line with EU and domestic targets.

Implementation plan

This document contains an outline implementation plan, which shows the timescales for taking the proposed work forward. It shows that the delivery of the Strategy will rely on action from partners throughout the packaging chain, as well as government and its delivery agencies.

We will monitor progress through the systems in place in England, Scotland, Wales and Northern Ireland for their respective Waste Strategies. We will consult widely on all individual policy proposals, and assess their costs and benefits in line with Better Regulation principles.

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