# UNPACKING THE CIRCULAR ECONOMY: UNLOCKING REUSE AT SCALE

# Contents

# Foreword

The scale of the challenge to transition to a circular economy cannot be overstated, especially given the global consensus on the need for bold and immediate action to solve our packaging waste problem and combat climate change.

The All-Party Parliamentary Sustainable Resource Group (APSRG) has previously called for new policies to ensure plastic becomes a circular resource, rather than an exportable waste or environmental pollutant. As members of the APSRG, we continue to advocate strongly for an enhanced understanding and appropriate parliamentary action to ensure the UK can capitalise on the opportunities that reusable packaging presents in achieving this ambition.

The Prime Minister's recent climate policy announcements underscore growing concerns with regards to the Government's attitude toward climate change and environmental policy. The Government has posited that the task of transitioning to a greener more sustainable society will place undue burden on the public amidst a cost-of-living crisis. In contrast, there is overwhelming evidence from the scientific community that net zero and climate mitigation do not have to be at odds with economic growth and can go hand in hand in support of one another.

We want to see the UK recognise and leverage the economic, environmental, and social benefits that reusable packaging has shown itself to be able to provide. We must redefine our relationship with packaging, moving away from the linear "take, make, dispose" model and towards a circular economy that fosters innovation, reduces waste, and provides long-term economic prosperity.

This report advocates for necessary developments to the Extended Producer Responsibility (EPR) framework, Deposit Return Schemes (DRS), and the establishment of clear and ambitious reuse targets and obligations, that will underpin the UK's trajectory in this much needed transition.

Regardless of our party affiliations, we each recognise the necessity of decisive and coordinated action to protect our planet for future generations. The policies outlined in this report offer a route to developing a supportive foundation from which reusable packaging's contribution to minimising waste and maximising resources toward a circular economy can be built.

The challenges we face in safeguarding our planet are immense, but by working on a cross-party basis and supporting policies such as those outlined in this report, we can enact meaningful change. We invite our fellow parliamentarians, stakeholders, and the wider public to join us in championing the cause of unlocking reusable packaging at scale in the UK.

This report has been informed by a range of expert opinions. We would like to thank those who participated in our insightful evidence roundtables and sent in thoughtful written evidence. We would particularly like to thank our generous sponsors, the University of Sheffield and Brunel University London, whose support made this work possible.

**Lord Teverson**
Member of the
House of Lords

**Alex Sobel**
Labour (Co-op) MP
for Leeds North West

# Recommendations

## RECOMMENDATION 1:

The Government must provide, with urgency, an effective long-term delivery plan for collection and packaging reforms. These decisions must take proper account of the role of reusable packaging in achieving the ambitions to reduce waste and achieve net zero across the UK.

## RECOMMENDATION 2:

The Extended Producer Responsibility (EPR) scheme should be used to incentivise reuse to at least the equivalent level of recycling. To do this, the Government should consider:

- Including an appropriate modulated fee structure to rapidly close the cost gap between reusable and single-use packaging.
- Allocating an appropriate percentage of funds from the EPR scheme for financing reuse.

## RECOMMENDATION 3:

The delivery of a Deposit Return Scheme for drinks containers in England, Wales and Northern Ireland should ensure the following criteria are met:

- Alignment is agreed upon for the scope of DRSs across the UK
- The Scheme acknowledges and makes provision for facilitation of reusable packaging within its scope
- Greater consistency is given to the interaction that DRS schemes will have with other reforms, particularly EPR and Simpler Recycling.

## RECOMMENDATION 4:

Any reuse standards, targets, and policy in the UK should align, and preferably exceed, those being established in Europe/globally to support businesses operating across borders to do so successfully.

## RECOMMENDATION 5:

Long-term, pro-reuse public communications are essential to facilitate and support the transition to reusable packaging systems. Given the existing consumer enthusiasm for such options, the primary objective of these communications should be to provide clear, accessible information and use appropriate language to introduce and implement these new systems. To achieve this, the Government should:

- Ensure that the timing of communications align with a well-considered, long-term policy and regulatory framework for reuse. This framework should be seamlessly integrated into the broader policy landscape, laying a solid foundation for change before embarking on consumer-facing activities.
- Collaborate extensively with stakeholders, including businesses, industries, consumer representative groups, and others, to develop and execute communications effectively. Their insights and expertise will be invaluable in shaping the messaging and strategies for successful messaging to consumers.

# Executive Summary

Packaging plays a critical role in ensuring the safe and hygienic distribution of products. However, it also consumes a significant amount of materials and contributes to high resource use, with a substantial portion of plastics and paper in Europe dedicated to packaging. This unsustainable trend poses a severe threat to the environment, as it is estimated that 12 billion tonnes of plastic waste could accumulate in landfills and natural ecosystems globally by 2050.

In the UK, 5 million tonnes of plastic are used annually, with roughly half of this amount dedicated to packaging. Recent data indicates that England generated 23.1 million tonnes of household waste in 2021, with a declining recycling rate. While Wales leads the way with a 65% recycling rate, rates in the rest of the UK remain lower, contributing to the overall issue of packaging waste and resource consumption.

Efforts to promote reusable packaging offer a promising solution to address these challenges. Reusable packaging systems can significantly reduce plastic pollution and greenhouse gas emissions, with potential economic benefits estimated at $10 billion [£8.31 billion equivalent] by replacing single-use plastic packaging with reusable alternatives.

To achieve a transition to a circular economy and promote greater resource efficiency, it is crucial to prioritise reuse in the waste hierarchy. Whilst recycling is important, reuse can often have a more positive impact on the environment, depending on various factors. Encouraging reuse can extend the lifecycle of packaging, reduce resource consumption, and delay recycling or disposal.

This report highlights the need for clear definitions of reusable packaging and emphasises the importance of labelling, robust design, and consumer-centric systems to ensure the effectiveness of reuse models. It also suggests aligning with international targets to enhance clarity for consumers and support businesses who operate within and outside the UK.

The UK Government has recognised the value of reusable packaging in its policies and strategies for resource and waste management. However, the report stresses the need for a supportive policy and regulatory framework that enables reusable packaging systems to reach their full potential.

The report identifies a missed opportunity in the current policy landscape, with ongoing reforms primarily focussed on increasing recycling and decreasing littering rates, without full consideration of the role these interventions could also play in facilitating activity in support of reuse. It calls for the Government to provide an effective long-term delivery plan for collection and packaging reforms which better acknowledges and makes provision for the role of reusable packaging.

The Extended Producer Responsibility for Packaging (EPR) is seen as a critical tool to incentivise and promote reuse. The UK's Environment Act 2021 introduced this EPR scheme to shift the cost burden of packaging waste from local governments to businesses. EPR aims to increase recycling rates, reduce plastic pollution, and improve the waste system. However, concerns have arisen regarding the lack of clarity and guidance from the Government, potentially leading to higher costs for consumers. The Government has deferred the EPR scheme's implementation until 2025 to address these issues.

EPR presents an opportunity to promote reuse and move towards a circular economy. Proposed actions include modulated fees to incentivise reusable packaging design, binding reuse targets, transparent reporting, and financial incentives for reuse infrastructure.

Deposit return schemes (DRS) are effective in increasing recycling rates and reducing waste. To optimise DRS for reuse, recommendations include incorporating reusable packaging, offering differentiated deposit rates, setting long-term reuse targets, promoting innovation, and ensuring transparent reporting.

Dedicated targets for reuse will drive investment and support the transition to reusable systems in the UK. The need for targets and obligations to drive reuse has been recognised by the Government, with plans to introduce these for 2025. To ensure success, targets should align with policy activity in Europe and globally, and be developed collaboratively with industry stakeholders in the UK, in order to ensure a consistent framework for reusable packaging systems.

Consumer behaviour is a key factor in scaling reuse. Reusable systems must be convenient and widely available, with pricing parity to single-use alternatives. Clear communication and a well-planned policy foundation are crucial for encouraging consumer adoption of reuse.

Long-term pro-reuse public communications should be developed in collaboration with stakeholders to shift consumer perceptions and behaviour. This should align with a well-considered, long-term policy and regulatory framework for reuse, laying the groundwork for a successful transition to reusable packaging systems.

In conclusion, the report underscores the urgency of promoting and incentivising the use of reusable packaging in the UK, offering a tangible solution to the challenges of excessive resource consumption and waste. It calls for comprehensive policy reforms to support a circular economy and reap the environmental and economic benefits of reusable packaging systems. The UK has an opportunity to enhance its environmental efforts through EPR and DRS while promoting reuse. Well-planned policies, clear communication, and collaboration with stakeholders are vital to ensure a successful transition to reusable packaging systems and achieve a more circular and environmentally conscious society.

# 1. Introduction

Packaging has an important role in the safe and hygienic distribution of products but uses a significant amount of materials and contributes to society's high resource use. Across Europe, 40% of plastics and 50% of paper is used for packaging purposes.[1] If production and waste management trends continue to operate unchanged, it has been estimated that 12 billion tonnes of plastic waste will end up in landfill and the natural environment globally by 2050.[2]

In the UK, it is estimated that 5 million tonnes of plastic is used annually, around half of which is packaging.[3] In 2021, total 'waste from households' in England stood at 23.1 million, the equivalent of 409 kg per person. Defra also reported 12.7 million tonnes of packaging waste arising in 2021.[4] In the same year, England saw its recycling rate fall from 44.5%, to 43.8%. In the rest of the UK, Wales leads the way in recycling with a 65% recycling rate (the third highest in the world), Scotland sits at 44.7%, and Northern Ireland has a rate of 50.9%.[5]

The issue of packaging waste draws attention to the ever-growing challenge of our single-use, resource-intensive society more broadly. Combined with significant greenhouse gas emissions and other forms of pollution, the depletion of resources, and waste management problems, society is facing a significant challenge in preventing and reducing our use of resources.

Increased resource efficiency and a transition to a circular economy provides us with a way forward.[6] Reusable packaging, while the concept is not new, has the potential to contribute to achieving this much needed transition.

The waste hierarchy establishes a priority order in waste prevention and management legislation and policy, with respect to their environmental impact, with options that are best for the environment at the top of the hierarchy. Prevention, often also phrased as 'reduction' is, of course, the preferential approach in all cases, with disposal, via landfill or incineration, the least desirable in terms of environmental impact. The impact of resources on the environment can be reduced by making greater use of activities higher up the hierarchy.

When applying the waste hierarchy, measures should be taken to encourage the options that deliver the best overall environmental outcome. This may require specific waste streams departing from the hierarchy, where this is justified by assessing the overall impacts of the generation and management of such waste over its entire life-cycle.[7] However, in nearly all types of packaging examined it has been found that reusable packaging can significantly reduce greenhouse gas emissions compared to respective single-use plastic or paper containers.[8] Efficient reusable products and systems have the potential to be more beneficial for the environment than recycling, depending on a variety of factors.[9] Overall, promoting greater reuse can help to prolong the packaging life cycle, reducing resource consumption and delaying recycling or disposal, supporting the UK to reduce plastic pollution and greenhouse gas emissions.[10]

[1]  PM Coelho et. Al. (2020) Sustainability of reusable packaging–Current situation and trends Resources, Conservation & Recycling, Vol. 6 https://doi.org/10.1016/j.rcrx.2020.100037
[2]  R Geyer, JR Jambeck, KL Law (2017) Production, use, and fate of all plastics ever made. Sci. Adv 19:3 http://dx.org/10.1126/sciadv.1700782
[3]  L Smith (2022) Plastic Waste House of Commons Library Research Briefing https://commonslibrary.parliament.uk/research-briefings/cbp-8515/
[4]  Defra (2023) UK statistics on waste https://www.gov.uk/government/statistics/uk-waste-data/uk-statistics-on-waste#waste-from-households-wfh
[5]  Defra (2022) Progress report on recycling and recovery targets for England 2020 https://www.gov.uk/government/publications/progress-report-on-recycling-and-recovery-targets-for-england-2020/progress-report-on-recycling-and-recovery-targets-for-england-2020
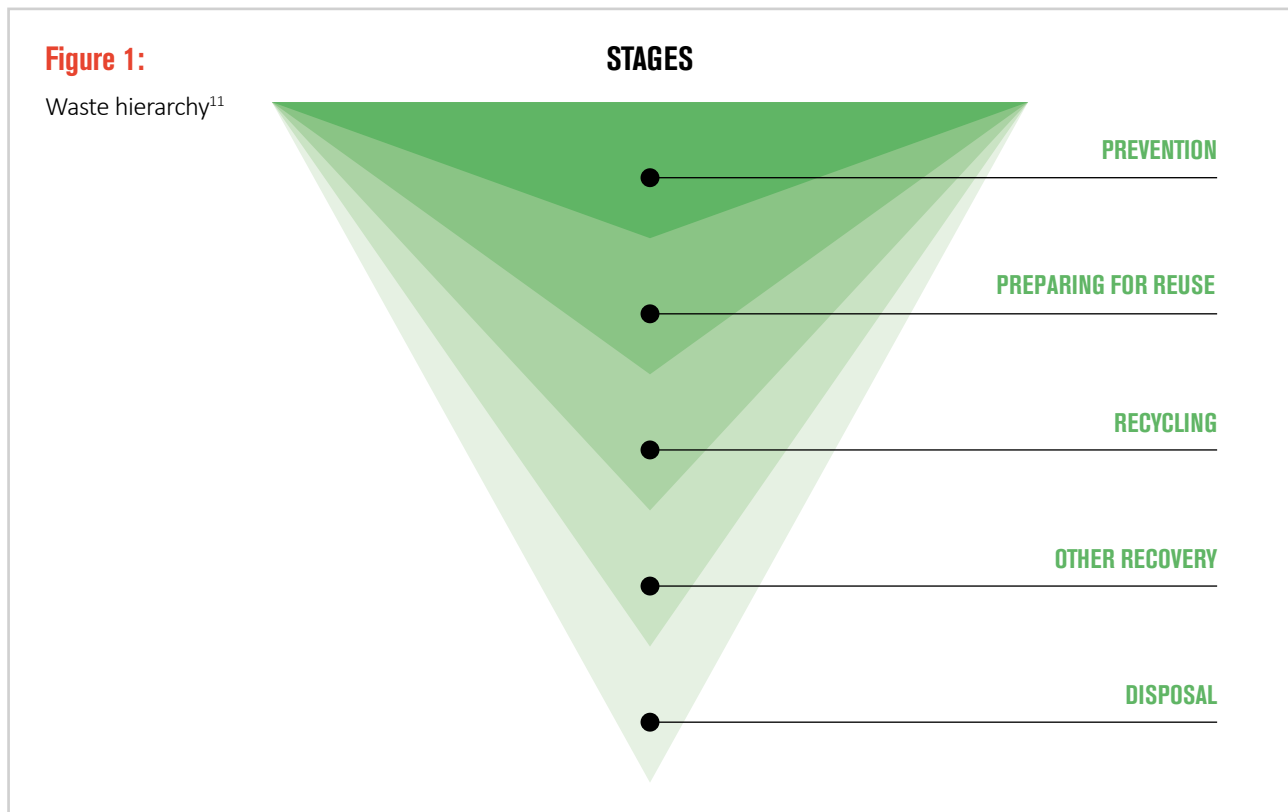[6]  E Worrell, JM Allwood, T Gutowski (2016) The Role of Material efficiency in environmental Stewardship, Annual Review of Environment and Resources Vol. 41 http://dx.doi.org/10.1146/annurev-environ-110615-085737
[7]  2008/98/EC Art. 4 (2) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02008L0098-20180705#:~:text=4.%20Specific%20rules%20for%20particular%20instances%2C%20or%20supplementing,be%20laid%20down%20by%20means%20of%20individual%20Directives.
[8]  Zero Waste Europe (2022) Reusable take-away packaging has significant potential to reduce carbon footprint vs single use options https://zerowasteeurope.eu/press-release/reusable-take-away-packaging-has-significant-potential-to-reduce-carbon-footprint-vs-single-use-options/
[9]  WRAP (2017) Environmental and Economic benefits of reuse https://wrap.org.uk/resources/tool/environmental-and-economic-benefits-re-use
[10]  J Kirchherr, D Reike, M Hekkert (2017) Conceptualising the circular economy: an analysis of 114 definitions, Resources, Conversation and Recycling, Vol. 127 https://doi.org/10.1016/j.resconrec.2017.09.005; PM Coelho et. Al. (2020) Sustainability of reusable packaging–Current situation and trends Resources, Conservation & Recycling, Vol. 6 https://doi.org/10.1016/j.rcrx.2020.100037

**Figure 1:**

Waste hierarchy[11]

**STAGES**

PREVENTION

PREPARING FOR REUSE

RECYCLING

OTHER RECOVERY

DISPOSAL

The transition to reusable packaging also presents economic opportunities, with the Ellen Macarthur Foundation estimating that opportunities worth at least $10 billion [£8.31 billion equivalent] could be unlocked globally if as little as 20% of single use plastic packaging was replaced with reusable alternatives.[12] The European Commission estimates that the reuse transition will contribute a net 600,000 jobs to the EU economy by 2030 and have a deflationary impact on the cost of consumer goods.[13]

Organisations are increasingly recognising the important role that reuse business models will play in reducing reliance on single-use plastic packaging, both in terms of their own practises and what they pass on to consumers.[14] In recent years, several major retailers have launched new trial schemes of reuse and refill models. However, these schemes are currently not operating at scale and several questions remain as to how these models can work at a whole-systems level.[15]

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[11] DEFRA (2011) Guidance on applying the waste hierarchy https://www.gov.uk/government/publications/guidance-on-applying-the-waste-hierarchy
[12] Ellen Macarthur Foundation (2019) Reuse – rethinking packaging https://www.ellenmacarthurfoundation.org/reuse-rethinking-packaging
[13] European Commission (2022) European Green Deal: putting an end to wasteful packaging, boosting reuse and recycling https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7155
[14] See initiatives such as the Global Commitment https://ellenmacarthurfoundation.org/global-commitment-2022/overview and the UK Plastics Pact https://wrap.org.uk/taking-action/plastic-packaging/initiatives/the-uk-plastics-pact#:~:text=A%20world%20first%20initiative%20The%20UK%20Plastics%20Pact,the%20economy%20and%20out%20of%20the%20natural%20environment.
[15] PM Coelho et. Al. (2020) Sustainability of reusable packaging–Current situation and trends Resources, Conservation & Recycling, Vol. 6 https://doi.org/10.1016/j.rcrx.2020.100037; S Greenwood et. Al. (2021) Many Happy Returns: Combining insights from the environmental and behavioural sciences to understand what is required to make reusable packaging mainstream. Sustainable Production and Consumption Vol. 27 https://doi.org/10.1016/j.spc.2021.03.022; V Lofthouse, T Bhamra (2006) Investigation into the drivers and barriers affecting refillable packaging Resource Management Policy & Practice https://repository.lboro.ac.uk/account/articles/9340136

In 2018, the Government published the Resources and Waste Strategy for England, setting out a blueprint to *"preserve material resources by minimising waste, promoting resource efficiency and moving towards a circular economy in England"*.[16] Reusable packaging systems will be an important part of achieving this ambition.

The value of reusable packaging has been acknowledged in many of the Government's policies and strategies for resources and waste management in the UK, and the Government has indicated its intention to establish measures, either in the form of targets or obligations on producers, proposed for introduction in 2025.[17] However, to encourage reusable packaging at scale, further consideration is required within these planned reforms, to inform the development of a supportive policy and regulatory framework which enables reusable packaging systems to reach their full potential and financially incentivises businesses to make this happen at scale.

The initial scope of this inquiry was wide-ranging, seeking to enhance understanding of consumer perceptions and behaviours toward reuse; factors impacting reusable packaging's impact on the environment; opportunities and challenges in the supply chain to integrate reusable products and systems; and policy levers to support the generation of reuse at scale across the UK.

There are several pertinent policy reforms the Government has committed to undertake in the packaging, recycling, waste, and other relevant sectors, such as the Extended Producer Responsibility for Packaging and the planned introduction of Deposit Return Schemes (DRS) across the UK. Presently, ongoing reforms are primarily focussed on increasing recycling and decreasing littering rates, without full consideration of the role these interventions could also play in facilitating change higher up the waste hierarchy, particularly in support of reuse.

In delivering this report and accompanying recommendations, Policy Connect has sought to focus on findings and actions required in the immediate/near future of the UK's policy landscape for the recycling and waste sector, as ongoing development to planned reforms present a timely opportunity to better recognise and integrate reuse.

This report seeks to summarise the insights gained throughout the inquiry with regards to consumer behaviour, environmental considerations, and supply chain needs, with some accompanying recommendations as relevant. However, over the course of the inquiry it has become clear that the development of a clear policy and regulatory foundation, upon which to base the scaling of reuse upon, is presently the key action required of government. Further exploration and development of recommendations related to other aspects will be valuable at a later date, upon delivery of improvements to current and upcoming policy.

[16] HM Government (2018) Our Waste, Our Resources: A Strategy for England https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england
[17] DEFRA (2022) Extended Producer Responsibility for Packaging: Summary of consultation responses and Government response p.15

# 2. Defining reuse

The UK Government has previously sought views on a definition of reusable/refillable packaging in its consultation on the introduction of the Extended Producer Responsibility for Packaging.[18] Responses highlighted a slight preference for the definition established by the European Commission's Packaging and Packaging Waste Directive[19], which uses the term "reusable packaging" and defines this as:

> **Packaging which has been conceived, designed and marketed to carry out multiple trips in its lifetime by being refilled or reused for the same purpose for which it was conceived.**

Participants who submitted evidence for this inquiry were generally in favour of aligning with the European Commission's definition, to reduce barriers to understanding and uptake of reusable packaging.

However, some inquiry participants felt that 'reuse' can sometimes be confused with 'repurpose' (i.e. using something for a different purpose than it was originally made for), and how this could present safety concerns, for example, where a soft drinks bottle has been used to store household cleaners or bleach. Given such concerns, those participants felt that 'refill' could be more effective to ensure that consumers fill packaging with the same product.

However, other participants from consumer and behavioural science backgrounds emphasised that, while these concerns are important to acknowledge, they will most often be effectively managed by the consumers themselves, who are aware of which packaging is being used for which products within their own homes. This familiarity with their own container usage ensures safe handling and reduces the risks associated with repurposing.

Repurposing packaging for alternative purposes was also proposed as a pragmatic response that consumers make given the scarcity of established reusable packaging systems. When individuals employ containers for purposes beyond their original design, this showcases their willingness to engage with reuse practices. This behaviour also reflects a deeper appreciation for packaging, as consumers endeavour to keep items in circulation and make them last as long as possible before resorting to recycling.
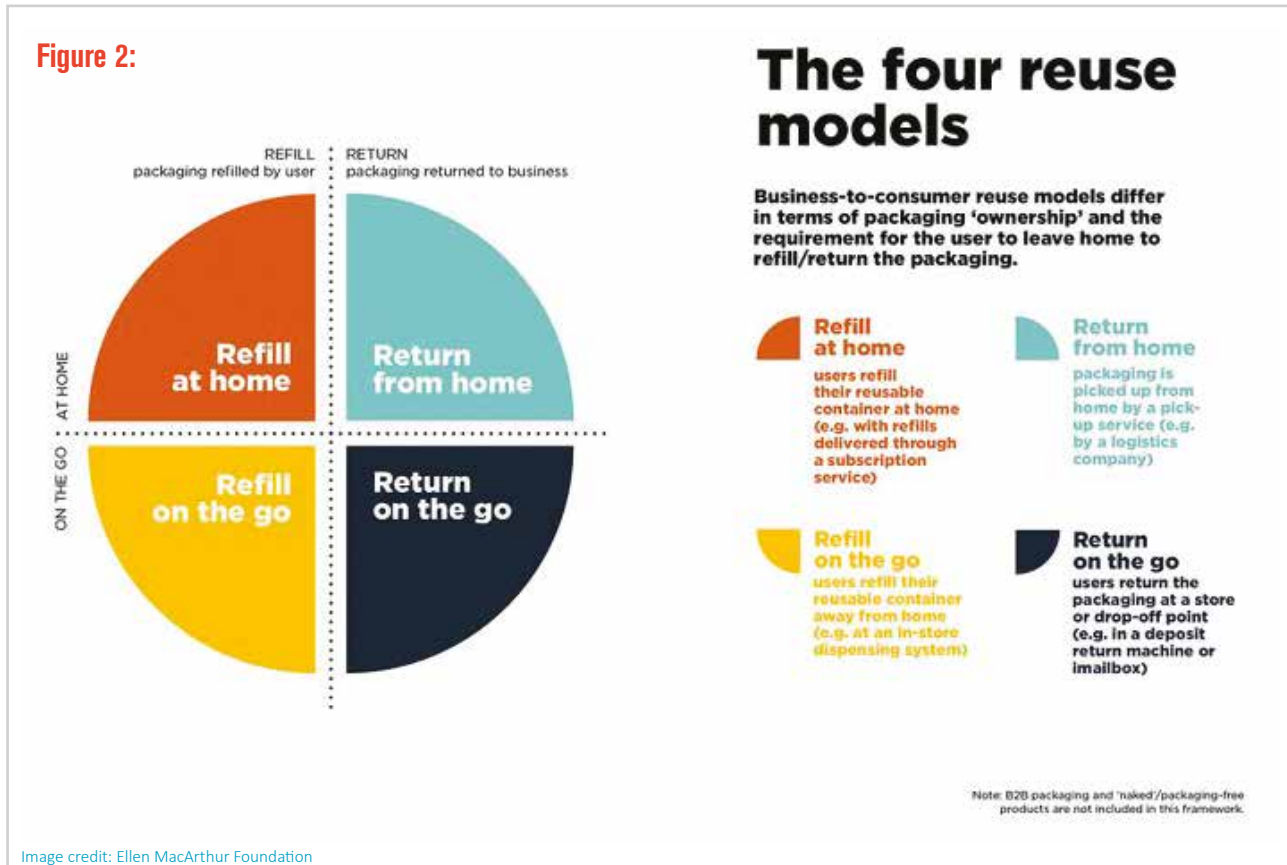
Many inquiry participants made reference to the Ellen MacArthur Foundation's model (Figure 2) as a useful means of describing and defining types of reuse. This model has also been used in the UK Plastics Pact[20], as well as more widely in the Global Plastics Treaty.[21]

[18] Defra (2022) Extended Producer Responsibility for Packaging Summary of consultation responses and Government response https://www.gov.uk/government/consultations/packaging-and-packaging-waste-introducing-extended-producer-responsibility

[19] European Parliament and Council (1994, updated 2008) Directive 94/62/EC on packaging and packaging waste https://eur-lex.europa.eu/EN/legal-content/summary/packaging-and-packaging-waste.html

[20] UK Plastics Pact (2018) https://wrap.org.uk/taking-action/plastic-packaging/initiatives/the-uk-plastics-pact

[21] Global Treaty to end plastic pollution (2022) https://wrap.org.uk/taking-action/plastic-packaging/initiatives/global-treaty-end-plastic-pollution

**Figure 2:**



The four reuse models

Business-to-consumer reuse models differ in terms of packaging 'ownership' and the requirement for the user to leave home to refill/return the packaging.

**Refill at home** users refill their reusable container at home (e.g. with refills delivered through a subscription service)

**Return from home** packaging is picked up from home by a pick-up service (e.g. by a logistics company)

**Refill on the go** users refill their reusable container away from home (e.g. at an in-store dispensing system)

**Return on the go** users return the packaging at a store or drop-off point (e.g. in a deposit return machine or imailbox)

Note: B2B packaging and 'naked'/packaging-free products are not included in this framework.

Image credit: Ellen MacArthur Foundation

Nationally consistent and easy-to-understand labels for packaging have been shown to be a key means of shifting consumer behaviour.[22] As such, establishing a clear definition for reusable packaging and the systems and models this interacts with is an essential component of achieving reuse at scale.

The Ellen MacArthur Foundation's definition is a strong and established model, however, some inquiry participants highlighted evidence where further improvements can be made to this model, to make clearer to consumers which systems apply to which packaging, as well as where and how the packaging can be reused. Research in support of OPRL's latest label offering for refillable containers, for example, found that 'return from home', has an obscured meaning most well understood by consumers to describe something going back to a location, rather than what it seeks to describe in Figure 2 i.e. that a service will collect the packaging from a consumer's home.

[22] One Planet (2020) "Can I Recycle This?" A Global Mapping and Assessment of Standards, Labels and Claims on Plastic Packaging report https://www.oneplanetnetwork.org/knowledge-centre/resources/can-i-recycle-global-mapping-and-assessment-standards-labels-and-claims

**Figure 3:**

OPRL Refill label options

Image credit: OPRL

Overall, evidence gathered on the definition of reusable packaging was insightful in establishing a series of principles which could further aid in classifying and communicating reusable packaging and the systems it interacts with. It was felt that reusable packaging for reuse systems should:

- **Have an original packaging function.** Reusable packaging should hold the same type of product that it originally contained, to ensure that the packaging is intended to be used for its intended purpose multiple times, and to distinguish it from 'repurpose.'

- **Be robust.** Reusable packaging should be designed to withstand a certain number of uses; to ensure it is cycled through the system enough times to be more environmentally beneficial than its single-use equivalents; as well as be able to be cleaned or reconditioned to maintain hygiene and safety.

- **Be clearly labelled.** Reusable packaging should include clear instructions for the type of reuse model it was designed for.

- **Exist within a consumer-centric system.** Consumers should be incentivised to return containers for cleaning, reconditioning, and reuse through deposits or similar mechanisms.

- **Exist within a suitable system of logistics across the value-chain.** A refill and distribution system should be in place for the cleaned and reconditioned packaging.

- **Be free of chemicals of concern.** Reusable packaging should be free from chemicals that could be harmful to the environment or human health. This reflects the broader environmental and safety considerations in packaging design.

- **Be monitored/tracked.** Reusable packaging should be traceable to ensure relevant cleaning, sanitising, and reconditioning processes take place; and have its reuse performance monitored to ensure it meets the above principles and to support further efficiencies.

In summary, various stakeholders proposed alignment with existing definitions as established in the Packaging and Packaging Waste Directive and by the Ellen MacArthur Foundation. Overall, proposed definitions seek to emphasise reuse of packaging for its original purpose; be underpinned by an effective reuse system across the value chain to support multiple uses; and explain the differences between types of reusable products and systems. Reusable packaging definitions should also highlight the products' design for multiple reuse cycles and highlight how they plug in to any accompanying consumer return systems and/or cleaning, refill, and distribution systems the product must interact with.

# 3. Policy reform: a missed opportunity for reuse

Household recycling rates in England have stalled over the last decade. Targets to recycle 50% of household waste by 2020 have been missed. As of 2020, the household waste recycling rate was 44%, down from 45.5% in 2019.[23] We cannot afford to rely solely on recycling as the solution to our waste problem; delivering on activities which relate to the rest of the waste hierarchy, i.e. reduction and reuse, will be key if the UK is to effectively address its waste problem and develop a truly circular economy.

Widespread adoption of reuse and refill systems will need legislative support and incentives, including financial to support the development of necessary infrastructure in the UK. Policy can mobilise industry ahead of implementation. For instance, the recent ban on disposable plastic plates and cutlery in the UK may mean that the hospitality sector will start exploring reusable solutions and provide us with a real-time review of the barriers and opportunities arising from investment in and adoption of reusables.[24]

There are several policy and regulatory activities by the UK government and its actors which have a bearing on the ambition of transitioning to a circular economy in the UK.

**Figure 4:**

Policy Landscape
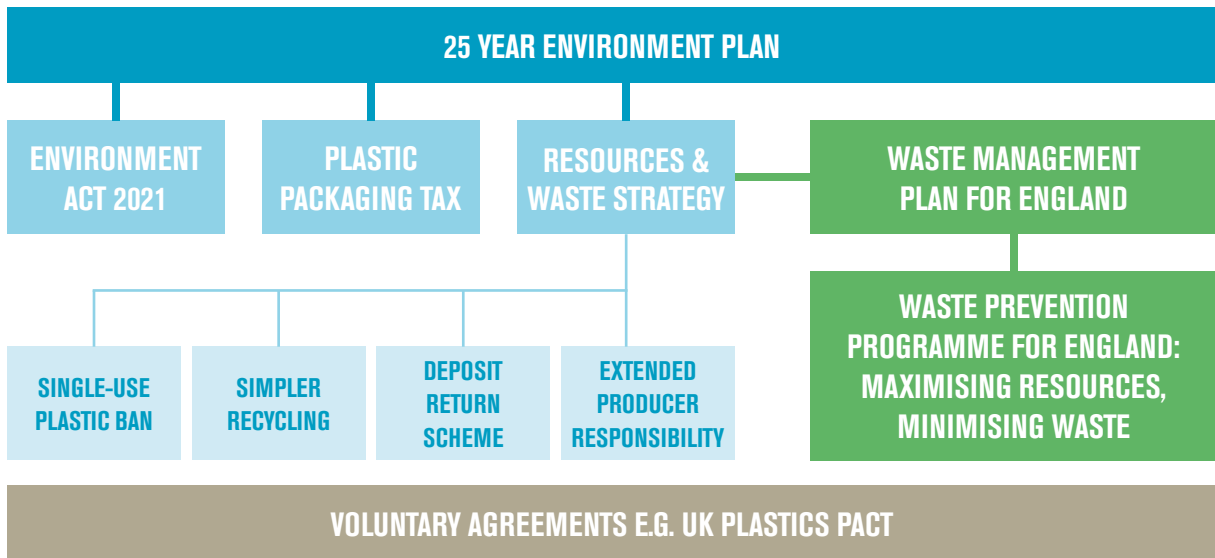
[23] DEFRA (2020) Progress report on recycling and recovery targets for England 2020 https://www.gov.uk/government/publications/progress-report-on-recycling-and-recovery-targets-for-england-2020/progress-report-on-recycling-and-recovery-targets-for-england-2020

[24] Defra (2023) Single-use plastics ban: plates, bowls trays, containers, cutlery and balloon sticks https://www.gov.uk/guidance/single-use-plastics-ban-plates-bowls-trays-containers-cutlery-and-balloon-sticks

Policy activity which seeks to move the UK toward a circular economy, maximise resource efficiency and improve waste measures, has been found to have the potential to increase GDP by 0.9% by 2035, creating over 200,000 gross jobs and reducing unemployment by about 54,000 jobs by 2030.[25] If implemented successfully, they should have a positive influence on reducing single-use packaging, increasing recycling, and promoting more sustainable product design, collection, and processes in the UK. A clear policy framework and a plan for the development of key aspects of a reuse system will be key to informing both short and long-term training and development needs.

Voluntary agreements, such as the UK Plastics Pact, have provided a solid foundation for collaboration in the supply chain. However, to achieve reuse at scale, a clear legislative and regulatory system is required to facilitate action from the fullest range of producers, suppliers, and retailers. International examples where reuse was, and still remain prevalent, highlight the role of commercial and regulatory alignment in maintaining reuse systems.[26]

While many of the Government's policies refer to reusable packaging having a role in achieving these ambitions, the messaging needs to be clearer, with more specifically set out principles, expectations, and targets regarding this type of packaging. The recent ban on certain types of single-use plastics could be better leveraged to encourage the uptake of reusable packaging alternatives under the new law, and the introduction of modulated fees in EPR should be used to make reusable packaging a more cost-effective option.

Five years on from the publication of an ambitious Resources and Waste Strategy, delivery of effective long-term plans that set out how these actions will be achieved has been slow. Persisting lack of clarity surrounding the emerging landscape for recycling and waste sector policy in the UK, as well as a general sense of over-focus on recycling overall, are clear concerns for organisations who gave evidence to this inquiry. The lack of direction and leadership from government makes it difficult for businesses to prepare for any investment and regulatory changes required to meet long-term government ambitions.

## RECOMMENDATION 1:

The Government must provide, with urgency, an effective long-term delivery plan for collection and packaging reforms. These decisions should take proper account of the role of reusable packaging in achieving the ambitions of the reforms.

Key stakeholders in the sector have long been calling for the Government to implement key packaging and recycling reforms without further unnecessary delay, however and more recently, some of these delays have also been acknowledged as an opportunity to clarify and improve reforms, particularly the Extended Producer Responsibility for Packaging and proposals for Deposit Return Schemes across the UK.

In relation to this inquiry, many participants saw an opportunity to leverage these existing policy developments, to better support a transition to reusable packaging.

[25] Rt Hon Chris Skidmore MP (2023) Mission Zero: Independent Review of Net Zero p. 162 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1128689/mission-zero-independent-review.pdf
[26] Beswick-Parsons, P Jackson, DM Evans (2023) Understanding national variations in reusable packaging: commercial drivers, regulatory factors, and provisioning systems. Geoforum, Vol. 145 https://doi.org/10.1016/j.geoforum.2023.103844

## 3.1 Extended Producer Responsibility for Packaging (EPR)

The Environment Act 2021 introduced the initial framework for a new and enhanced extended producer responsibility (EPR) scheme in the UK. The scheme places new obligations on producers under a 'polluter pays' principle, where businesses placing certain types of packaging on the market will be required to pay the full costs associated with the product throughout its lifecycle. Previously, these costs were borne wholly or in part by local government.

EPR will consequently shift the true cost of the single-use system onto businesses that put this kind of packaging into the market, by mandating that they pay more towards the cost of managing them.

While the logistics and commercials of reuse work for several retailers at present, bringing reuse into the mainstream for businesses and consumers requires greater efficiencies and scale to make reuse competitive against the established linear systems. Given that EPR legislation is expected to increase costs of single-use packaging for packaging producers by around 30%, EPR presents an opportunity to bring reuse to cost-parity with single use, to enable adoption at scale.[27]

Most industry stakeholders have been welcoming of the introduction of EPR and believe that, with the appropriate lead-in time and supportive guidance from government, it will make a positive difference to stagnating recycling rates in the UK, reducing plastic pollution, and improving the UK's waste system. However, since the Government's initial announcement to deliver EPR for Packaging, relevant industries have become increasingly concerned by the lack of clarity and guidance from government ahead of its implementation, which has raised concerns that high costs will instead be passed on to consumers, during a cost-of-living crisis.[28] In July 2023, the Government acknowledged these concerns by announcing that the EPR scheme would be deferred for a year from October 2024 to 2025.[29]

The Government has stated that they intend to use the delay *"to continue discussions on the scheme's design with industry and reduce the costs of implementation wherever possible"*.[30] This presents a clear opportunity to improve and expand the scope of EPR to go beyond recycling, promote reuse, and future-proof the legislation in anticipation of increased reusable packaging in the UK market.

At scale, reuse eclipses recycling in its potential to reduce packaging pollution and greenhouse gas emissions.[31] However, this has not been adequately recognised in current policy reform activities. Reusable packaging instead appears to be regarded as something to consider in future, rather than recognised as an opportunity which should be incentivised now.

By prioritising recycling, the Government is at risk of designing an EPR scheme which incentivises better recycling rates at the expense of better environmental outcomes overall; a policy tool unable to accommodate changing market trends in packaging toward reuse. Reusable packaging is on the rise but brings logistical complexities beyond that which the retail and waste management sectors are currently prepared for, due to the absence of meaningful consideration of reusable packaging in ongoing policy reform.

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[27] Defra (2021) Extended Producer Responsibility for Packaging: Consultation document https://consult.defra.gov.uk/extended-producer-responsibility/extended-producer-responsibility-for-packaging/supporting_documents/23.03.21%20EPR%20Consultation.pdf p. 148

[28] J Langley for LetsRecycle.com (June 22 2022)"Cost of Living crisis prompts EPR roll-out concerns" https://www.letsrecycle.com/news/cost-of-living-crisis-prompts-epr-roll-out-concerns/

[29] Defra (25 July 2023) "Update on packaging reforms to help drive down inflation" https://www.gov.uk/government/news/update-on-packaging-reforms-to-help-drive-down-inflation

[30] Ibid.

[31] Zero Waste Europe (2022) Reusable take-away packaging has significant potential to reduce carbon footprint vs single use options https://zerowasteeurope.eu/press-release/reusable-take-away-packaging-has-significant-potential-to-reduce-carbon-footprint-vs-single-use-options/ ; WRAP (2017) Environmental and Economic benefits of reuse https://wrap.org.uk/resources/tool/environmental-and-economic-benefits-re-use

EPR has the potential to be a driving force behind the adoption of reusable packaging systems. With one year of extra time granted, pivoting towards an EPR scheme that incentivises reuse, rather than just greater recycling rates, is vital. To that end, over the course of the inquiry the following actions were proposed to enhance EPR's effectiveness in facilitating and accelerating reuse:

- **Modulated fees for designing reuse:** Aligning fees with packaging's reusability would drive producers towards designing packaging that promote longer lifecycles and minimise environmental impact. Using eco-modulation can help to promote design for reuse. Adjusting fees to encourage the use of packaging that aligns with circular economy principles ensures that reusable options are financially advantageous. The EPR statutory instrument, under consultation at time of report publication, states that producers reporting 'self-managed consumer waste' (the tonnage of which can be netted off waste management fees) can now do so if it is reusable packaging that 'has been reused at least once'. While this is a welcome development there is still more that can be done to financially incentivise reuse.

- **Binding reuse targets:** Embedding binding quantitative and time-bound reuse targets into EPR regulations, and imposing penalties for non-compliance, would support the creation of a robust mechanism that compels producers to prioritise and invest in reusable packaging alternatives.

- **Inclusive reporting of reusable packaging:** Mandating accurate and granular reporting of the proportion of packaging that is reusable, including information at all stages of its lifecycle, would help to foster transparency and accountability and drive the adoption of reusable systems through the supply chain.

- **Financial incentives for reuse infrastructure:** Extending financial incentives to support the creation of infrastructure necessary for reuse systems. Offering funding for infrastructure development and maintenance would help to reduce barriers to entry for businesses aiming to embrace reusable packaging models.

Despite frustration with delays, these actions offer an opportunity to reshape and improve plans for EPR delivery to take proper account of the role of reuse in achieving circular economy ambitions for the UK. Given this, we make the following recommendation:

## RECOMMENDATION 2:

The Extended Producer Responsibility (EPR) scheme should be used to incentivise reuse to at least the equivalent level of recycling.

The Government should consider:

- Including an appropriate modulated fee structure to rapidly close the cost gap between reusable and single-use packaging.
- Allocating an appropriate percentage of funds from EPR scheme for financing reuse.

## 3.2 Deposit Return Schemes

Deposit return schemes (DRS) are programmes which financially incentivise consumers to return packaging for recycling or reuse. Such schemes are run through the inclusion of a small deposit on any packaging within the scope of the scheme. This deposit is collected when a consumer buys an item in the relevant packaging and is returned to that consumer when the used packaging is sent to a return point.

Most European DRSs achieve return rates above 90% for beverage containers, which diverts it from being incinerated or going to landfill sites, keeping that material circulating in the economy for much longer.[32] A key driver of DRSs across Europe has been credited to a legislative environment which better recognises and makes various requirements of industry to promote reusable packaging uptake. For example, within the EU's Single-Use Plastics Directive, adopted in 2019, countries must meet a target of 90% separate collection for plastic beverage bottles by 2029, with interim targets of 77% by 2025.[33]

High-performing examples of DRS can be found globally and the benefits they bring to the environment, businesses, and consumers are well-researched.[34] Briefly, these benefits include:

- Capturing materials for recycling or reuse which keeps them in cycle for longer.
- Conserving resources and reducing emissions associated with production of packaging, by using recycled feedstock over virgin feedstock.
- High-quality recycled feedstock material available, thanks to collected and processing packaging in a 'closed loop'.
- Cost saving opportunities, as materials are diverted from landfill and incineration and businesses do not need to incur the costs associated with disposing of material in this way, for example landfill tax.
- Reducing amount of litter and cost of cleaning up poorly disposed packaging.
- Potential for job creation through the development of a new market for collection and processing services.
- Facilitating and enabling consumers to reuse through suitable infrastructure provision.

### Digital DRS – Supporting consumers to use reusable packaging

The UK Government's own research clearly indicates that consumers across the UK are supportive of the introduction of a DRS.[35] DRSs have been shown to be effective in encouraging consumer behaviour change to increase recycling and reduce littering: the provision of a financial incentive to return packaging supports consumers to adopt an 'intrinsic value' for the packaging, making them less likely to throw it away/dispose of it incorrectly. This does require consumers to have access to convenient, easy-to-understand systems to return those packaging items.

Trials of a digital DRS system, where consumers can use existing kerbside waste and recycling collection services and redeem their deposits with QR codes via their smartphones, have been undertaken recently in Wales and Northern Ireland, with encouraging results and larger scaled trials planned.[36]

Further exploration of Digital DRS is required to better understand its role in facilitating return for reuse.

[32] ReLoop (2022) Digital Deposit Return System: What you need to know https://www.reloopplatform.org/wp-content/uploads/2023/05/DDRSthefacts_Jan2022_hq-1.pdf
[33] European Union (2019) Directive (EU) 2019/904 on reducing the impact of certain plastic products on the environment https://eur-lex.europa.eu/EN/legal-content/summary/single-use-plastics-fighting-the-impact-on-the-environment.html#:~:text=The%20directive%20sets%20a%20collection%20target%20of%2090%25,bottles%29%2C%20and%2030%25%20by%202030%20%28for%20all%20bottles%29.
[34] TOMRA (2021) Rewarding Recycling: Learning from the World's Highest-Performing Deposit Return Schemes https://8151194.fs1.hubspotusercontent-na1.net/hubfs/8151194/TOMRA_Rewarding_Recycling%20-%20English.pdf?hsCtaTracking=73985247-01ba-4cee-88c9-4e2851d68e6e|6ef0539a-ea2e-4747-b976-e36218b134cc
[35] DEFRA (2019) Consumer Research to Inform Design of an Effective Deposit Return Scheme – EV0488 https://sciencesearch.defra.gov.uk/ProjectDetails?ProjectId=20253
[36] WRAP (2021) Digital Deposit Return Scheme Pilot Review https://wrapcymru.org.uk/resources/report/digital-deposit-return-scheme-pilot-review; Northern Ireland Local Government Association (2021) Digital Deposit Return Scheme https://carboncopy.eco/initiatives/digital-deposit-return-scheme

The inquiry evidence highlighted that in principle, DRS is felt to have strong potential to play a pivotal role in driving the adoption of reusable packaging systems. However, there are a range of considerations, and adaptions are required in the supply chain to make any schemes of this kind a success.

The existing DRS infrastructure, such as collection points and reverse vending machines, would need to be adapted to accommodate the collection and handling of reusable items.[37]

Since reuse systems involve a closed-loop process, coordination among stakeholders in the supply chain, from producers to end consumers, would be essential. Reverse logistics for reusable items would need to be established alongside existing processes for single use items if combined with the proposed DRS or household collections services. Collaboration among stakeholders in the supply chain will be crucial for the success of a combined system. Producers, retailers, waste management businesses, and other relevant parties would need to work together to ensure efficient operations.

Regulatory frameworks need to be updated to accommodate the complexities of a combined DRS and reuse system. This might involve considerations around quality standards, handling processes, and reporting requirements. Implementing DRS to facilitate reuse will require a well-planned transition period, to allow stakeholders to adjust their operations, inform and motivate consumers, and ensure a smooth shift to the new system.

To facilitate reuse through a DRS, current policy proposals should consider the following concerns raised in this inquiry:

### 1. Missed opportunity to promote reuse
Current DRS proposals have missed a clear opportunity to incentivise and increase reuse by seeking to generate return from recycling only. Current delays to the introduction of a DRS present a good opportunity to explore and test how such systems could better acknowledge and facilitate reuse.

### 2. Devolution of schemes
While waste is a devolved matter, with regards to the scope of materials/packaging types, fees, and labelling, alignment between the countries is going to be essential to the success of any schemes and to limiting negative consequences arising due to differentiation between schemes. Inconsistencies between schemes will create cost and resource inefficiencies for many producers, manufacturers, brands, and waste management services in the supply chain. Inconsistencies will likely have a negative impact on consumer understanding of the scope of such a scheme and limit their ability/willingness to engage with them correctly.

### 3. Sequencing of reforms
Of the proposed Collection and Packaging Reforms, it was felt by many stakeholders that DRS, in its current proposed form, will make the least impactful contribution to improving recycling and achieving a circular economy, compared against proposed collection consistency and EPR reforms.

The intended commencement date for DRS in England was initially announced for October 2025, however, the industry has been clear that in its current form, the scheme is a 'non-starter', with concerns raised as to the feasibility of delivery to proposed timescales given lack of further clarity and guidance provided by the Government, and disagreement as to the scope of materials for inclusion in the scheme.[38]

[37] TOMRA (2023) Tomra and Aarhus City enter collaboration to create innovative reuse system https://www.tomra.com/en/news-and-media/news/2023/tomra-and-aarhus-city-enter-collaboration-to-create-innovative-reuse-system

[38] Defra (2023) Introducing a Deposit Return Scheme for drinks containers in England, Wales and Northern Ireland https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130296/DRS_Government_response_Jan_2023.pdf ; I Quinn for The Grocer (30 August 2023) "Deposit return scheme set for delay to 2026 'at earliest'." https://www.thegrocer.co.uk/deposit-return-schemes/deposit-return-scheme-set-for-delay-to-2026-at-earliest/682665.article; At present, glass containers are out of scope for DRS in England and Northern Ireland, but included in scope for Wales, see Defra (2023) Introducing a Deposit Return Scheme for drinks containers in England, Wales and Northern Ireland: Government response https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130296/DRS_Government_response_Jan_2023.pdf p. 11 Arguments have been made both for and against the inclusion of glass in DRS by a variety of industry stakeholders, but there is general agreement that differentiation in scopes of schemes across the UK will have negative, unintended consequences against the ambitions of the scheme

These concerns have been compounded by the Scottish Government's marred experience of implementing their own DRS scheme. Following the collapse of their Scheme Administrator, the Scottish Government made the decision to shelve the delivery of the scheme, initially set for commencement in March 2024, but currently proposed for launch in October 2025 alongside other UK nations.[39]

The following proposals for improvements were put forth over the course for the inquiry, which seek to strengthen and optimise the DRS framework to accelerate the transition towards reuse:

- **Incorporate reusable packaging:** Extending the scope of DRS to include reusable packaging options, to capitalise on its potential to facilitate mass-scale reuse rather than being solely focused on recycling. Such a shift in scope would better align DRS with circular economy principles and encourage producers and consumers to embrace sustainable choices. Consideration could also be given to using DRS solely for reusable packaging, to give greater clarity and consistency of approach for citizens.

- **Incentivise reusable alternatives:** Introducing differentiated deposit rates that favour reusable packaging within the DRS framework. By offering higher refunds for returning reusable containers, a financial incentive would be created to encourage consumers to opt for reusable options. This could also involve penalising single-use alternatives e.g., through a single-use levy.

> A higher deposit refund for reusable containers would assume a higher deposit in the first place. European countries like Germany, for example, set out higher deposits for single-use containers vs. returnable containers. Reuse is generally cheaper because of this. [40]

- **Set long-term reuse targets:** Embedding ambitious and binding targets for the inclusion of reusable packaging within the DRS. Coupled with penalties for non-compliance, such targets would stimulate a rapid shift towards sustainable packaging solutions.

- **Flexibility and innovation:** Developing a flexible DRS framework that encourages innovation in packaging design and encourages a variety of reusable formats, to accommodate the diverse needs of various industries and encourage experimentation.

- **Transparency in reporting:** Implementing stringent reporting requirements for producers within the DRS, ensuring accurate and granular data about reusable packaging's lifecycle and environmental impact.

To realise the potential of DRS as a catalyst for a more circular and environmentally conscious society, we make the following recommendation:

## RECOMMENDATION 3:

The delivery of a Deposit Return Scheme for drinks containers in England, Wales and Northern Ireland should ensure the following criteria are met:

a) Alignment is agreed upon for the scope of DRSs across the UK.

b) The Scheme acknowledges and makes provision for facilitation of reusable packaging within its scope.

c) Greater consistency is given to the interaction that DRS schemes will have with other reforms, particularly EPR and Simpler Recycling.

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[39] Scottish Government (2023) Managing waste: Deposit Return Scheme https://www.gov.scot/policies/managing-waste/deposit-return-scheme/#:~:text=We%20are%20committed%20to%20introducing%20a%20deposit%20return,reduce%20litter%20and%20meet%20our%20climate%20change%20targets

[40] Deutsche Pfandsystem GMBH (2021) How do I distinguish between single-use or reusable beverage packaging? https://dpg-pfandsystem.de/index.php/en/the-one-way-deposit-system/useful-information/109-notices/303-how-do-i-distinguish-between-single-use-or-reusable-beverage-packaging.html

## 3.3 Reuse obligations and targets

Dedicated targets for reuse will be a major driver for investment and delivery of reuse systems in the UK. The need for targets and obligations to drive reuse has been recognised by the Government, with plans to introduce these for 2025.[41]

Inquiry participants often referred to policy activities across Europe which they saw as having a positive impact in supporting the overall transition to reuse. Many of these are underpinned by the new EU Packaging and Packaging Waste Directive, which sets out clear policies and targets for reuse which are galvanising industry to put solutions in place.[42]

Key Provisions in the Directive which support the uptake of reusable packaging include:

- Establishment of a clear definition of reusable packaging.

- EU member states are required to set mandatory targets for the preparation for reuse and recycling of packaging waste. These targets are designed to promote the use of reusable packaging and reduce the reliance on single-use packaging.

- The directive promotes EPR schemes, where producers are financially responsible for the management and recovery of packaging waste, incentivising producers to choose reusable packaging options that can be more cost-effective in the long run.

- Packaging producers are encouraged to consider eco-design principles, including the design of reusable packaging, to reduce the environmental impact of their products.

- Member states are encouraged to establish deposit-return systems for certain types of packaging, such as beverage containers. These systems provide financial incentives for consumers to return and reuse packaging, reducing litter and promoting reusability.

- The directive supports the development and promotion of reusable packaging systems, such as refillable containers for beverages.

- Member states are required to implement information and awareness campaigns to educate consumers and businesses about the benefits of reusable packaging and how to properly use and return it.

- Member states are obligated to report data on the use and recovery of reusable packaging and progress toward reuse targets to the European Commission. This allows for monitoring and evaluation of policy effectiveness.

- Member states must develop waste prevention programs that include measures to promote reusable packaging and reduce single-use packaging.

Overall, the EU Packaging and Packaging Waste Directive serves as a key policy framework within the European Union to promote reusable packaging and reduce the environmental impact of packaging waste. At the end of 2022, the European Commission began the process of revising the Packaging and Packaging Waste Directive to align with the objectives of the European Green Deal and new circular economy action plan, to ensure that "all packaging on the EU market is reusable or recyclable in an economically viable way by 2030".[43]

[41] DEFRA (2022) Extended Producer Responsibility for Packaging: Summary of consultation responses and Government response p.15 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063589/epr-consultation-government-response.pdf
[42] European Parliament (2023) Revision of the Packaging and Packaging Waste Directive https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/745707/EPRS_BRI(2023)745707_EN.pdf
[43] European Commission (2019) The European Green Deal https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en; European Commission (2020) Circular Economy action plan https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en

New measures to be introduced under this revision include:

- Targets for packaging waste reduction at Member State level, and mandatory reuse targets for economic operators for selected packaging groups.
- Restricting over-packaging and certain forms of unnecessary packaging, and supporting reuse and refill systems.
- Establishing criteria for design for recycling to be applied to all packaging.
- Minimum inclusion rates for recycled content in plastic packaging.
- Mandatory deposit return systems for plastic bottles and aluminium cans.
- Harmonised labelling of packaging and waste bins to facilitate correct consumer disposal of packaging waste.

This revision aims to prevent the generation of packaging waste through reduction and reuse and refill activities; ensure that all packaging on the EU market will be recyclable in an economically viable way by 2030; and increase the use of recycled plastics in packaging to enable greater 'closed-loop' recycling and incentivise the substitution of virgin materials.

The UK Government should closely watch the developments in Europe and seek to, at least, match targets being set. Too much differentiation between the UK and its European counterparts would likely create further barriers to scaling reuse, as businesses will not be able to have a consistent approach to how they implement these systems across countries.

To ensure the success of any such targets, the following principles, derived from evidence from inquiry participants, should be considered for inclusion:

- Reuse targets should ensure policies can be appropriately customised to accommodate for various types of reusable packaging to encourage design innovation, while also establishing appropriate boundaries to ensure packaging types introduced can still be effectively captured and managed in the system/s to ensure effective levels of reuse.
- Reuse targets should set binding quantitative and time-bound reuse targets with penalties for non-compliance to provide a clear direction for the transition to scaling reuse.
- Setting clear and ambitious reuse targets should involve industry collaboration and participation to ensure achievable implementation. This would include establishing monitoring mechanisms and enforcement measures to ensure compliance with reuse-related regulations and standards.

Developing reuse obligations and targets would support the development of standardised guidelines and regulations for reusable packaging formats, cleaning processes, and labelling, creating a consistent framework that all stakeholders can adhere to, reducing complexity and enhancing efficiency. This could include developing phased transition plans that allow businesses to gradually integrate reuse systems into their operations, reducing the immediate financial burden and disruptions.

Given the above evidence, we make the following recommendation:

## RECOMMENDATION 4:
Any reuse standards, targets, and policy in the UK should align, and preferably exceed, those being established in Europe/globally in order to support businesses operating across borders to do so successfully.

# 4. Consumers role in scaling reuse

Research highlights that recycling, not reuse, dominates current consumer understanding of what it means to participate in a circular economy. In one study, consumers were asked what they would be willing to do with the packaging of various products. 53% of participants responded they would recycle, followed by 34% stating they would put the packaging in the bin, and only 13% stating they would reuse.[44]

While consumers have generally positive attitudes toward reuse, the translation of these intentions into actions remains a challenge. The discrepancy between intention and behaviour, often referred to as the 'say-do gap', is a well-established principle in behavioural science. Nevertheless, understanding this gap is essential for making reusable systems more attractive to consumers.

Convenience plays a significant role in consumers adopting reusable packaging systems. Current reuse schemes often require consumers to travel to specific locations with their containers, which can be a significant behavioural effort. The rise of online shopping and home deliveries provides an opportunity to integrate reuse systems into these processes to make reuse a more convenient option for consumers. Some online retailers already provide a system for taking back their customers' packaging. For retailers making home deliveries to customers, collecting reusable packaging may involve a minimal additional operational cost, but also has the potential to generate revenue and support greater customer loyalty and retention.[45]

The lack of fair availability of reuse is a significant barrier to consumer uptake. In a recent study, 69% of consumers indicated that they would be likely or very likely to try products in returnable packaging if they are available where they shop, but lack of availability is preventing trial.[46] Currently, only 1.2% of packaging is reusable in the UK market.[47] Reuse systems need to be widely offered and accessible to fit into consumers' routines. Limited availability, both in geographic terms and product types, and especially outside of closed loop systems or specific chains, can negatively impact consumers' ability to adopt reuse.

Aligned with the above, current linear economy infrastructure and waste management systems are not well-equipped to support widespread reuse systems. Investments in new supply and return systems are needed to overcome this barrier and make reverse logistics systems more convenient.

The perception of cost is important when it comes to reusable packaging. There is a perception that loose items or products sold in reusable packaging can be more expensive compared to single-use equivalents.[48] To drive effective change, price parity, or even lower costs for items sold in reusable packaging, is crucial to facilitate consumer adoption of reuse.[49]

Reusable products need to meet the same consumer hygiene standards they expect of single-use products; whether these are real or perceived distinctions by the consumer, they remain an important issue to tackle to increase consumer confidence in reuse. Clear labelling, transparent cleaning processes, and quality assurance, will be essential to help address these concerns.

[44] Greenwood et. Al (2021) Many Happy Returns: Combining insights from the environmental and behavioural sciences to understand what is required to make reusable packaging mainstream, Sustainable Production and Consumption. Vol. 27 https://doi.org/10.1016/j.spc.2021.03.022

[45] Dizzie (2023) Reuse Vision https://www.linkedin.com/posts/getdizzie_reusetoreality-reuse-packaging-activity-7067415133710340097-JAfZ?utm_source=share&utm_medium=member_desktop; Ellen MacArthur Foundation (2019) Reuse – rethinking packaging https://ellenmacarthurfoundation.org/reuse-rethinking-packaging

[46] City to Sea (2023) Ready to Prefill Report https://www.citytosea.org.uk/ready-to-prefill-report/

[47] Ellen Macarthur Foundation (2022) Global Commitment Report https://www.ellenmacarthurfoundation.org/global-commitment-2022/overview

[48] Dizzie (2023) Reuse Vision https://www.linkedin.com/posts/getdizzie_reusetoreality-reuse-packaging-activity-7067415133710340097-JAfZ?utm_source=share&utm_medium=member_desktop

[49] Asda (2022) Asda revamps refill proposition and guarantees cheaper prices https://corporate.asda.com/newsroom/2022/12/02/asda-revamps-refill-proposition-and-guarantees-cheaper-prices

In recent years, several major retailers have launched trial schemes of reusable or refillable packaging options, which highlights the popularity of this way of receiving consumer goods by consumers themselves.[50] However, many of these pilot schemes have not succeeded in operating at scale; in the UK. It appears these limitations more often relate to barriers in the supply chain and the absence of a clear and supportive policy and regulatory approach for reuse, as opposed to lack of or dwindling use of reusable products and systems by the consumers.[51] By integrating 'Refill Zones' into their supermarkets, retailers can make it more accessible for consumers to save money and reduce packaging consumption. Creating a convenient and frictionless user experience is fundamental to encourage consumers to try the product and become repeat purchasers.[52]

Consumer habits can be difficult to change. However, with well thought-out applications of suitable mechanisms, following a period of acclimatisation, typically behaviour change can be achieved with consumers onboarding new habits long term.[53] If every major retailer had a reuse system available to customers across the UK, but customers were still not using these, then consumer acceptability would be valid as a concern. However, at present, reuse solutions are not widely available in most mainstream environments, so it is unreasonable to equate the lack of uptake of reusable packaging solutions with a lack of appetite on behalf of the consumer, when in fact the challenge is related to low access levels.

Therefore, arguments against scaling reuse based on low consumer acceptability are not valid. There is a clear and growing demand for more sustainable goods and products, including those in reusable packaging. The main obstacles to increasing consumer uptake are the availability and cost disparities.

Initial resistance to reusable packaging is due to the entrenched single-use culture. Consumers can feel apprehensive about trying something new, uncertainty about how to interact with it correctly, and hindered by perceptions about the time, effort, and costs involved.[54] Language plays a significant role in influencing consumer behaviour and ineffective communication can deter consumer engagement. Therefore, using clear and persuasive language is crucial to communicate the value and benefits of reuse systems effectively, provide clear instructions, and encourage pro-environmental choices and long-term behaviour change.[55] To encourage behaviour change, public education and awareness campaigns about the benefits of reusable packaging and how to use it effectively will be crucial.

Policy incentives and design considerations can play a role in overcoming barriers. For example, deposit return models can incentivise participation, while designing user-friendly systems that address both real and perceived concerns can also drive behaviour change.

The evidence gathered through this inquiry highlighted the importance of sequencing activity to change consumer behaviour. It is inefficient to encourage behaviour change at this time, as consumers do not have equal opportunity to act on it given the limited geographic and economic scope of reuse systems currently available in the UK. Perception and behaviour change activities must take place only following the development of a solid policy and regulatory foundation for business and industry, to facilitate necessary reuse infrastructure investment across the UK.

[50] Examples include Tesco's partnership with Loop; ASDA refill zones; Waitrose's 'Unpacked' scheme; and Aldi refill stations.

[51] Tesco (2022) Use. Reuse. Repeat. Sharing learnings on reusable packaging https://www.tescoplc.com/media/759307/tesco-reuse-report.pdf; WRAP (2022), prepared by Polly Davies et. Al. Behaviour Change Interventions to Increase Citizen Participation in Reuse and Refill systems https://wrap.org.uk/resources/report/increasing-citizen-participation-reuse-and-refill-systems

[52] WRAP Behaviour Change Interventions to increase citizen participation in reuse and refill systems https://wrap.org.uk/sites/default/files/2022-10/Behaviour%20change%20interventions%20to%20increase%20citizen%20participation%20in%20reuse%20and%20refill%20systems.pdf

[53] Examples include UK citizens habitual behaviour change toward wearing seatbelts, and more recently, behaviour change instigated by the 5p plastic bag levy Charities Aid Foundation (2019) Plastic bag levy has changed how Britain shops https://www.cafonline.org/about-us/press-office/plastic-bag-levy-has-changed-how-britain-shops; E Avineri, P Goodwin (2010) Individual Behaviour Change: evidence in transport and public health. The Department for Transport https://uwe-repository.worktribe.com/preview/983024/avinerigoodwin_DfT_Individual_behaviour_change.pdf

[54] WRAP (2022), prepared by Polly Davies et. Al. Behaviour Change Interventions to Increase Citizen Participation in Reuse and Refill systems https://wrap.org.uk/resources/report/increasing-citizen-participation-reuse-and-refill-systems

[55] J Gavins (2023) How to Talk about Plastics https://grantham.sheffield.ac.uk/how-to-talk-about-plastics/

To effectively promote the adoption of reusable packaging systems, it is important to recognise that consumers are already receptive to the idea, and the focus should be on clear communication and the right language when introducing reusable products and systems. Therefore, we make the following recommendation:

## RECOMMENDATION 5:

Long-term, pro-reuse public communications are essential to facilitate and support the transition to reusable packaging systems. Given the existing consumer enthusiasm for such options, the primary objective of these communications should be to provide clear, accessible information and use appropriate language to introduce and implement these new systems.

To achieve this, the Government should:

- Ensure that the timing of communications align with a well-considered, long-term policy and regulatory framework for reuse. This framework should be seamlessly integrated into the broader policy landscape, laying a solid foundation for change before embarking on consumer-facing activities.

- Collaborate extensively with stakeholders, including businesses, industries, consumer representative groups, and others, to develop and execute communications effectively. Their insights and expertise will be invaluable in shaping the messaging and strategies for successful messaging to consumers.

# Conclusion & Next Steps

There is a compelling case for the UK Government to embark on a more focussed and strategic approach towards promoting the increased use of reusable packaging, as a pivotal step in realising a more circular economy and meeting environmental commitments for the nation. The evidence and analysis presented in this report highlight that there are a variety of economic, environmental, and social advantages that can be derived from such a transition.

Embracing reusable packaging can significantly reduce the environmental burden associated with single-use plastics and other disposable materials. By diverting waste from landfill and incineration, the UK can make substantial strides in reducing greenhouse gas emissions, conserving valuable resources, and mitigating the ecological impacts of plastic packaging pollution. This is not only consistent with international commitments to combat climate change but also aligns with the UK's own sustainability goals. Furthermore, reusable products and systems have tremendous potential to support the delivery of new jobs and skills across the UK.

With the right legislative and regulatory landscape in place, UK industry will have the business certainty required to invest in innovative solutions and technologies that support closed-loop systems. This, in turn, can bolster economic resilience, enhance supply chain security, and position the UK as a leader in sustainable production practices on the global stage.

On a social level, the promotion of reusable packaging can resonate with consumers who are increasingly concerned about the environmental impact of their choices. It may also resonate with consumers with concerns about the increased cost of living, as reusable packaging options, established with the right conditions and principles, have been shown to have the potential to provide greater cost savings on food and other consumer items. Consumer attitudes and public engagement levels present a challenge to the success of reuse in the UK presently, typically related to safety, hygiene, cost and availability concerns, however this may be influenced by access and availability of reusable packaging options presently. By addressing these challenges and facilitating greater access to reusable alternatives across the UK, while shifting perceptions through concerted efforts to promote more responsible consumption habits, the Government can empower citizens to make more environmentally beneficial decisions.

To seize these opportunities and overcome the challenges associated with transitioning to reusable packaging, it is imperative that the UK Government takes decisive action. This includes developing a comprehensive policy framework that encompasses appropriate regulations, incentives, and partnerships with industry stakeholders. By doing so, the Government can create an enabling environment that stimulates investment, innovation, and widespread adoption of reusable packaging solutions.

The time to embrace reusable packaging and its transformative potential is now, and this should be better recognised and provided for in current policy developments including but not limited to Extended Producer Responsibility (EPR) and Deposit Return Schemes (DRS). Refining planned EPR mechanisms to ensure they promote design for reuse, possibly through differentiation of fees based on packaging reusability, would form part of this. In a similar vein, including reusable packaging within a DRS would facilitate mass-scale participation in reuse and incentivise consumers to opt for reusables.

The benefits of widespread reusable packaging use are diverse, and their role in bringing about a more circular economy in the UK should be considered as an impactful opportunity for the future of packaging circularity. The implementation of this report's recommendations will support the UK Government to deliver a more strategic and focussed policy approach; catalysing a more circular and sustainable economy which will benefit not only the environment but also the economy and society at large.

# Methodology

Work for this inquiry began with a scoping event held in March 2022. This event was kindly chaired by Lord Teverson.

Policy Connect undertook further activities to support this inquiry over 6 months total; occurring between May 2022 - June 2023. Evidence for this inquiry was gathered via a series of oral evidence sessions, a written Call for Evidence, interviews with additional experts and stakeholders, and input from our steering group, as well as drawing on third-party research from a range of organisations.

- **Evidence Session 1: Public engagement with reusable packaging –** 18 May 2022, Chaired by Andrew Percy MP
- **Evidence Session 2: Environmental considerations of reusable packaging –** 14 March 2023, Chaired by Mark Pawsey MP
- **Evidence Session 3: Reusable packaging in the supply chain –** 5 June 2023, Chaired by Ruth Jones MP

Policy Connect would like to thank all the individuals and organisations that participated in this inquiry, with particular thanks to the chairs of our evidence sessions, and our inquiry steering group members (see table below). A full list of contributors is also outlined below.

The views in this report are those of the author and Policy Connect. While these were informed by our contributors, they do not necessarily reflect the opinions of these individuals or organisations.

## Steering Group

| Name | Organisation |
| --- | --- |
| Lord Robin Teverson | House of Lords |
| Sarah Greenwood | University of Sheffield |
| Dr Lucia Corsini | Brunel University London |
| Robbie Staniforth and Louisa Goodfellow | Ecosurety |
| Tracy Sutton | Root |
| Lowelle Bryan | WRAP |
| Lara Pohl-Martell | ReLondon |
| Prof. Margaret Bates | On the Package Recycling Label (OPRL) |

## Roundtable attendance, oral and written evidence

Alupro
Ardagh Group
Bower Collective
British Glass
British Metals Recycling Association
British Plastics Federation
Brunel University London
Chartered Institute for Wastes Management
Circulate Initiative
City to Sea
The Compleat Food Group
Confederation of Paper Industries
Dizzie
Ecosurety

East London Waste Authority
Environmental Services Association
Environmental Investigation Agency
Hubbub
Innovate UK
Institute of Grocery Distribution
Kooky
Local Government Association
National Infrastructure Commission
National Trust
OPRL
The Packaging Federation
Plastics Europe
Pragmatic

RECOUP
ReLondon
ReUniverse
Root
Suez
Tesco
University of Bradford
University of Sheffield
Unpackaged
Valpak
Vytal
World-Wide Fund for Nature
WRAP

# Acknowledgements

## All-Party Parliamentary Sustainable Resource Group

Established in 1995, the All-Party Parliamentary Sustainable Resource Group (APSRG) is the leading forum informing the debate between parliamentarians, business leaders and the sustainable resource community.

The APSRG's mission is to provide an objective platform for effective communication between policymakers, businesses and organisations with an interest in the sustainable resource management agenda and to raise awareness of sustainable resource issues within Parliament.

The APSRG organises a regular programme of focussed parliamentary events, conducts detailed policy research projects and provides in-depth parliamentary monitoring and analysis to its associate member organisations and parliamentarians.

Through all its activities, it provides an invaluable platform for engagement in this vital field at a time when the sustainability agenda is of pressing importance; facilitating relationship building and generating a forward-thinking policy debate.

## Sustainable Resource Forum

The Sustainable Resource Forum (SRF) is the sister forum to the APSRG. It aims to facilitate deeply technical discussions between parliamentarians and the sustainable resource community with a focus on informing detailed policy related to the circular economy, resource management, and recycling to provide strategic guidance for the direction of policy in the area.

## Policy Connect

Policy Connect is a cross-party think tank. We specialise in supporting parliamentary groups, forums and commissions, delivering impactful policy research and event programmes and bringing together parliamentarians and government in collaboration with academia, business and civil society to help shape public policy in Westminster and Whitehall, so as to improve people's lives.

Our work focusses on five key policy areas which are: Education & Skills; Industry, Technology & Innovation; Sustainability; Health; and Assistive & Accessible Technology.

We are a social enterprise and are funded by a combination of regular annual membership subscriptions and time-limited sponsorships. We are proud to be a Disability Confident and London Living Wage employer, and a member of Social Enterprise UK.

## University of Sheffield

The Grantham Centre for Sustainable Futures is a collaboration between the Grantham Foundation for the Protection of the Environment and The University of Sheffield. At the Grantham Centre, experts from academia, business and policy come together to create a sustainable future. Key to this is mentoring the next generation of sustainability researchers: the Grantham Scholars.

Additionally, the centre run dedicated research projects in order to address some of the most pressing environmental problems.

The Many Happy Returns: Enabling reusable packaging systems project is undertaken by a diverse team of experts, from chemistry to linguistics, working together to create new knowledge and solve old problems.

## Brunel University London

The Design for Sustainability research group at Brunel University London focuses on developing the theory and practice required to design solutions that foster environmental, socio-ethical and economic sustainability in areas ranging from materials and manufacturing to products, services, business models, bottom-up initiatives and socio-technical systems. The group supports organisations, communities and practitioners in integrating design for sustainability into their activities.

The Sustainable PLasticS researcH (SPLaSH) group at Brunel University London combines the strengths of social scientists and colleagues working in the area of plastic pollution, from environmental sciences, global challenges, design & engineering, and business & marketing, interweaving behaviour change, public health protection, resource and waste management, governance aspects and sustainability design considerations.

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