



British Glass

Edward Mountain MSP
Convener, Scottish Parliament Net Zero, Energy and Transport Committee
The Scottish Parliament
Edinburgh
EH99 1SP

24 March 2023

Dear Mr Mountain,

I am getting in touch with you with regards to the Scottish Government's Deposit Return Scheme (DRS), and the significant outstanding concerns that British Glass has ahead of its scheduled introduction in August 2023.

We have prepared a letter to the Permanent Secretary of the Scottish Government, which is enclosed as an Annexe, setting out those concerns, particularly with regard to the treatment of glass within the scheme by scheme administrators Circularity Scotland (CSL) and Biffa, and the knock-on impact we expect the scheme will have on glass recycling and re-processing in Scotland.

We continue to believe that removing glass from the scheme would be beneficial to Scottish drinks producers, domestic businesses involved in the waste collection and recycling supply chain, consumers navigating the recycling system, and Scotland's overall carbon emissions.

We believe that improvements to recycling rates can be delivered through an enhanced system of kerbside collections, with changes potentially being implemented through the Scottish Government's own upcoming Circular Economy Bill, and support the implementation of a DRS for more environmentally harmful materials.

We are content for this letter to be treated as evidence ahead of your session with Circularity Scotland (CSL) on Tuesday 28th March, and circulated to the members of the Committee, and can be contacted if you have any comments or questions regarding your work on the Deposit Return Scheme in future.

Yours sincerely,

Philip Fenton

British Glass

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ANNEXE – LETTER FROM DAVE DALTON, CEO OF BRITISH GLASS, TO JOHN-PAUL MARKS, PERMANENT SECRETARY, SCOTTISH GOVERNMENT

John-Paul Marks
Permanent Secretary to the Scottish Government
The Scottish Government
St Andrew's House
Edinburgh EH1 3DG

24 March 2023

Dear Permanent Secretary,

I am writing to you on behalf of British Glass, the representative body for the UK glass industry, regarding our very serious concerns regarding the planned introduction of a Deposit Return Scheme (DRS) for drinks containers by the Scottish Government in August 2023. I write this letter to inform you of our concerns and ask that we can make representations to the ongoing DRS gateway review.

Whilst we are not opposed to a DRS as a mechanism to increase the recovery of certain types of packaging, it is not the right solution for glass. There is substantial evidence to suggest that including glass bottles is actually worse for our environment, leading to higher emissions and more plastic on the market, and puts the hard-fought progress already achieved through household collections at risk by separating food and beverage glass into two waste streams, to the detriment of both.

British Glass want to get glass recycling right – it is in the interests of Scottish glass manufacturers and the Scottish public to maximise recycling – an effective recycling system of high-quality colour-separated material lowers costs for glass manufacturers and prevents carbon emissions in the manufacturing process. Instead, the DRS adds huge complexity and cost, disadvantaging Scottish businesses and will be a huge blow.

Below we have set out a summary of the key issues facing this flawed scheme:

Detrimental to glass recycling and the environment

An independent report for British Glass by Valpak found that recycling all glass packaging through improved, consistent kerbside collections is the most effective and efficient recycling solution for glass, both in terms of environmental impact and convenience for households. This report was influential evidence presented to Defra to demonstrate that the existing kerbside collections was the most effective in terms of cost and collection rates and convenient for consumers.

When glass is collected within the DRS, the likelihood is that glass will be intentionally broken (as set out in the CSL RVM specifications) to reduce the bulk of glass and save on space and therefore cost. Unlike plastic and metal that can be crushed without any reduction in quality, the quality of glass reduces significantly when crushed. This is because it results in small glass particles that cannot be colour separated and are unsuitable for remelt and so will be used for aggregate. Valpak's impact assessment (which focused on a UK wide scheme) shows 11% more carbon savings will be delivered by keeping glass at the kerbside in comparison to a DRS, with cumulative total savings of over 2 million tonnes of CO₂ by 2035 through the model.

The carbon benefit when using recycled glass instead of virgin material to make new glass bottles and jars is 579.58kg CO₂e per 1 tonne of product.

This carbon benefit drops to 4.56kg CO₂e per 1 tonne when using recycled glass instead of virgin material for use in aggregate products, which is therefore less sustainable.

If glass is included in a DRS, critically, there will be no regulation to ensure that the current remelt target is maintained and exceeded in future years to protect closed loop recycling. This is the case because there is only a collection target and not a recycling target in the Scottish DRS. By contrast – Valpak’s assessment assumes that a high proportion (92.98%) of the glass collected from households under an improved, consistent kerbside Scheme would be suitable for remelt.

In fact, one fundamental criticism of the Scottish DRS is that whilst it is described as a recycling scheme it is no such thing. It is merely a collection scheme, and as we shall go on to describe there are no means of ensuring recycling rates promised, and the Scottish scheme fails to have any regard to the impact upon the existing system of PRNs and the existing remelt target as described below. This is a key reason why DEFRA decided to exclude glass from the England DRS because under the upcoming EPR, glass will remain within the PRN system with obligated closed loop remelt targets.

There is a particular incentive for collecting high-quality colour-sorted recycled glass in Scotland, as a significant portion of the Scottish glass manufacturing sector produces clear glass bottles for the spirits industry, with a majority of these being exported. If the collected glass is crushed and cannot be colour-sorted, or bottle manufacturers are unable to secure an adequate supply from Circularity Scotland (CSL), then recycled material will not be available for the spirits industry, increasing the carbon footprint of the sector and costs.

Due to the higher DRS producer fee for glass – double the cost per unit compared to plastic and aluminium – we expect to see producers switching from glass to plastic. International examples demonstrate this negative consequence including in Finland’s DRS in 2008 the quantity of single use PET increased from around 50m units in 2007 to 375m units in 2017, whilst total glass sales declined from around 250m units in 2012 to 150m units in 2017. Many brands are considering the viability of supplying the Scottish market with products in glass, as the producer fee for glass will be twice that of plastic and aluminium packaging. Limiting choice for Scottish consumers.

In recent week’s we have seen Glasgow council follow Falkirk and Dumfries and Galloway in announcing the end of the kerbside collection of glass due to the upcoming DRS. With 30% of glass packaging not in scope of the DRS in the form of jars and vinegar and oil bottles, we will see less glass collected for recycling and more entering landfill due to the DRS - as historical evidence as shown that kerbside collection is very much more effective than relying on consumers to use public bring sites. This loss of glass is unacceptable and a waste of valuable resources for Scotland.

Although Lorna Slater and CSL have claimed that there are environmental benefits to including glass in the scheme, Zero Waste Scotland estimated in 2017 that glass drinks bottles have a recycling rate of between 70 and 90% through existing infrastructure- similar levels to those the DRS seeks to achieve. In addition, the BRIA, used by Scottish Ministers to justify the inclusion of glass in the scheme, estimated that the inclusion of glass in the scheme would save over 1.2 megatons of CO₂ eqv over 25 years. If the crushed glass is processed as roadfill rather than reprocessed into new glass containers, British Glass estimates that over 1.8 megatons of CO₂ eqv savings over 25 years could be

lost instead, calling into question the net environmental benefits of the scheme with glass included in scope.

Anti-competitive, putting Scottish businesses at a disadvantage

The Packaging Recovery Note (PRN) has provided price support for the low material value of glass and recycling infrastructure investment resulting in achieving the recycling rate year on year. However, glass collected via the DRS will not be applicable for PRN revenue and so there will be no incentive or driver to process the glass to the high quality required for recycling back into new glass packaging. A PRN value will still apply to glass recycled across the rest of the UK which ultimately puts the Scottish value chain at a competitive disadvantage and we question whether this could be in breach of the UK Internal Markets Act.

Currently there is an open market for the collection and processing of glass in Scotland, but the DRS effectively creates a monopoly over the vast majority of recycled glass, creating a significant risk to existing businesses across the glass value chain in Scotland. Existing contracts and decades of investment into the existing systems will be kiboshed and the stream of the primary raw material for a number of Scottish business will dry overnight. Having said that, our understanding is no contracts between CSL and glass reprocessors are in place despite being months away from the scheme set to go live.

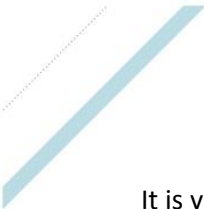
We know from Biffa planning documents that roll crushers will be used at the counting centres to reduce the volume of the glass. If this is the case then the glass particle size will be too small to be colour sorted for remelt back into new bottles and jars and will be destined for aggregate applications. There are two large glass packaging manufacturers in Scotland, O-I Glass and Ardagh Glass, with the majority of their production for the spirit sector which requires clear glass, so it essential to colour sort this mixed colour collected glass in order to remelt it in Scotland.

Lack of engagement by Circularity Scotland, Minister Lorna Slater or Government officials

Despite a number of attempts to secure a meeting, British Glass (representing Scottish and UK manufacturers and reprocessors who use recycled glass as their primary material) have been denied any meeting with the relevant Minister or officials regarding DRS since at least January 2020. In addition, the last contact British Glass had with Circularity Scotland was August 2021 despite attempts to engage constructively since, such as on PRNs and the fundamental importance of an obligated remelt target, European standards on glass breakage and on reverse vending machine glass breakage specifications. From speaking to our members and the supply chain, we remain deeply concerned that the above issues we communicated two years ago remain unresolved. Despite Lorna Slater's comments that the scheme has been created by industry, none of the Scottish glass manufacturers or glass reprocessors have been involved in the development of the scheme.

Way forward

The DRS as planned will not deliver for glass, the environment, businesses or Scotland. Given the complexity of adding glass to a DRS, particularly given the issues of divergence, and the impact that will have across the supply chain in Scotland, we are calling on the Scottish Government to think again or its inclusion within the scheme. Not only would this help overcome very real issues around interoperability of schemes across the UK but also expedite the date of implementation. In order to achieve a cost effective recycling scheme and maximise recycling rates for all packaging materials we recommended that the same recycling system is used across all four nations and introduced at the same time.



It is vital that we use this closing window of opportunity to pause and re-assess the scheme – to re-evaluate the business case for including glass, to consider the environmental impacts of including glass and instead use the Circular Economy bill to introduce consistent local authority kerbside collections for glass. The Circular Economy bill would mean all glass packaging (food and beverage) collected separated in a single waste stream, through improved kerbside collections within the upcoming Extended Producer Responsibility scheme rather than the damaging DRS.

Should the Scottish Government as many are calling for pause and review and reassess the approach it is taking to meet what all agree are worthy objectives we would be pleased to be a part of that process given our expertise and experience of the operation of the current recycling arrangements for glass, arrangements and a system which has been developed and significantly improved over the past two decades

Yours sincerely,

Dave Dalton, CEO, British Glass

