

PRESS RELEASE

***Drink Without Waste has submitted its response
Producer Responsibility Scheme for Beverage Packaging in Hong Kong***

Hong Kong, 21 May 2021 - The *Drink Without Waste* initiative has submitted its response to the government's consultation on a Producer Responsibility Scheme (PRS). The full submission paper together with supporting research papers and consumer survey results are available on *Drink Without Waste* website: <https://drinkwithoutwaste.org/resources-new/>.

The recommendations aim to reduce waste from beverage consumption by 70 to 90 percent. We support putting the responsibility for the PPRS with the beverage supply chain through legislated target collection rates. We also support financial incentives to stimulate container returns. We encourage Government to set the value conservatively to provide adequate motivation while limiting impacts for consumers in terms of choice, cost, and convenience.

Convenience is critical hence we urge for the activation of existing collection networks to also recover used beverage packaging. We propose a dedicated professional management of the PPRS outside of Government, but under Government supervision.

Since the launch of the consultation, *Drink Without Waste* has actively engaged with business chambers, Executive Council members, Legislative Council members, media representatives, academia and other stakeholders including beverage manufacturers and importers, retailers, waste and resource managers, as well as environmental groups.

Key recommendations

- Agree timelines and the targets (%) for collection and recycling of each type of beverage container
- Review the financial incentive annually to make sure the collection targets are achieved
- Include all containers not just plastic bottles to avoid a shift to harder to recycle materials
- Support bulk collection points which can be more readily expanded to collect all plastics

Set clear collection targets and timeline for each type of beverage containers

In order to achieve the desired environmental goals, the enabling legislation must encompass all single-use beverage packaging types permitted in Hong Kong, with roll-out schedules for each based on the state of technology and the market. This approach avoids beverage providers from migrating to an unregulated format — for example selling water in drink cartons.

Review the financial incentive annually to make sure we achieve the collection targets

Drink Without Waste commissioned a public survey and conducted a collection pilot scheme which both provide references for setting the level of financial incentives. Details can be found on Drink Without Waste website (survey and Recycling Fund pilot scheme).

The operational parameters, including incentive, need to be adjusted when targets can't be met. It is too early to settle on any given incentive value. The value must ensure the targets for collection of used beverage packaging are met while limiting impacts for consumers in terms of choice, cost, and convenience.

Overseas schemes show that for any given incentive, different schemes obtain significantly different outcomes. The effectiveness relies on a variety of factors, including a broad scope, sufficient and conveniently located return points, appropriate incentives, good communications, and a professionally-led central scheme operator that carries responsibility for both scheme outcomes and scheme resources.

Finally, we note that the greater the gap between deposit value and market value of the materials, the stronger the risk of fraudⁱ and the greater the cost of the Scheme which will ultimately impact consumer prices.

The Scheme should include all containers not just plastic bottles to avoid a shift to harder to recycle materials

The scheme should apply equally to all beverage container types – glass, plastic, pouches, metal and paper cartons – to ensure consumer choice is not impacted. It is easier to include all types of packaging under the legislation from the start than to add different materials later. If certain types of packaging such as plastics are singled out, producers and consumers might shift to other – less recyclable – packaging such as pouches or liquid cartons.

Scheme should continue to support bulk collection points as these can be more readily expanded to collect all plastics

The PPRS for beverage packaging should be designed to create pathways towards recovery and recycling of all packaging and plastics. Rather than offering narrowly defined and highly specialised solutions (such as relying heavily on automated solutions that can only handle beverage containers) that would need to be duplicated, recovery and sorting networks for beverage packaging should be designed so they can be leveraged to accommodate a wider scope of recyclables, including all kinds of plastics.

Whether retail stores are suitable for returning used beverage packaging needs more thought regarding reverse logistics, space constraints and hygiene risks. Retailers who joined *Drink Without Waste* are now implementing trial schemes. The outcomes will steer the beverage retailers' role in the successful operation of a future scheme.

There is a role to play for RVMs in selected locations. RVMs can attract consumer attention, mechanise fraud prevention and rebate payments, and limit contamination. As they are more expensive than manual options in terms of capital and operations, any collection equipment should be judiciously selected for incremental benefits and specific uses. Indeed, we should also not ignore Hong Kong's highly efficient and effective recycling network, the community of 400,000 informal recyclers including domestic helpers, cleaners, recycling shops and trucks.

About *Drink Without Waste*

Drink Without Waste is an initiative of the Single-Use Beverage Packaging Working Group, an alliance with participants across the beverage value chain, resources management and NGOs. Since December 2017, the Working Group, has developed strategies and actions to reduce waste from the consumption of beverages. Its participants are building recycling plants, enhancing the recyclability of packaging, and have rolled out different schemes to collect beverage packaging including plastic bottles and liquid cartons in Hong Kong. Pledge to keep your beverage packaging separate by visiting: www.drinkwithoutwaste.org.

Views expressed in the submission on a Producer Responsibility Scheme for Beverage Packaging are those of the Single-Use Beverage Packaging Working Group developed as part of its Drink Without Waste initiative. As participants may hold different views on specific aspects. It is suggested to refer to the websites and published information of individual participants.



Support PRS video campaign: <https://bit.ly/3ysxwnQ>

Single-Use Beverage Packaging Working Group

Participants

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ALBA Group (Asia) Limited
Baguio Waste Management & Recycling Limited
Business Environment Council (BEC)
Coordinate4u
Designing Hong Kong Limited
EcoDrive
Environmental Association Limited
Friends of the Earth (HK) Charity Limited
Green Power Limited
Hong Kong Retail Management Association
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Link Asset Management Limited
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Swire Coca-Cola Limited
Swire Waste Management Limited
The Coca-Cola Company
The Dairy Farm Company Ltd.
The Green Earth
The Hong Kong Beverage Association Limited
The Hong Kong Jockey Club
Veolia Asia Limited
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ⁱ See for example Germany, which has the highest deposit value: <https://www.appeal.org/wp-content/uploads/2015/04/08-02-Roland-Berger.pdf>