BUSINESS COALITION FOR A GLOBAL PLASTICS TREATY

Policy briefing to inform the INC discussions on a Global Plastics Treaty

Reuse policies

Updated version of 15 April 2024

This policy briefing has been developed in consultation with experts and members of the Business Coalition to inform the INC discussions on the revised draft text for the Global Plastics Treaty (UNEP/PP/INC.4/3) and potential intersessional work ahead of INC-4. It refers to Part II, Section 5.b 'Reduce, reuse, refill and repair / Circularity approaches for plastic products'. The document will be updated as needed to provide meaningful input at the different stages of the treaty negotiations and as new insights and resources become available.[1]

Introduction

Following the waste management hierarchy[2], policy efforts under the global plastics treaty should prioritise waste prevention and minimisation. Scaling reuse systems, including both return and refill models, is a key strategy to reduce material consumption of single-use applications and take effective actions against plastic pollution. Moving from single-use to reuse presents one of the biggest opportunities to reduce plastic pollution[3]. Indeed, it is estimated that return and refill models can provide an over 20% reduction in total annual plastic leakage to the ocean by 2040[4].

Despite concerted and ambitious industry initiatives, such as the Global Commitment[5], the world is off track to eliminate plastic waste and pollution — with scaling reuse solutions being identified as one of the key pivotal hurdles to overcome.[6] Currently, there is a lack of clear policy frameworks to promote return and refill models at the economic scale required. Reuse policies need to provide effective economic incentives, definitions, standards and metrics, combined with realistic targets to shift supply chains.

Individual countries and businesses alone cannot realise the shift to reuse systems at a global scale without supportive legislation applied consistently across markets. Scaling

[1] This document was developed in close coordination with a Policy Working Group co-chaired by business representatives, and through a consultation process with the Members of the Coalition, ensuring a high-level of alignment amongst member organisations. However, it does not necessarily reflect in all aspects the position of every single Coalition Member.

[2] UNEP/ ISWA (2015): Global Waste Management Outlook, page 31

[3] Ellen MacArthur Foundation (2023) From single-use to reuse: A priority for the UN Treaty

[4] The Pew Charitable Trusts and SYSTEMIQ (2021) Breaking the Plastic Wave: A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution

[5] Led by the Ellen MacArthur Foundation, in collaboration with the UN Environment Programme, the Global Commitment – together with a network of Plastics Pacts – has united more than 1,000 organisations behind a common vision of a circular economy for plastics. Driven by the goal of tackling plastic pollution at its source, companies representing 20% of all plastic packaging produced globally have committed to ambitious 2025 targets to help realise that common vision.

[6] The Global Commitment Five Years In: Learnings to Accelerate Towards a Future Without Plastic Waste or Pollution

return and refill models requires a globally coordinated approach to create the system and market conditions for supply chain cooperation, infrastructure harmonisation, and an economically viable level playing field. This will also help build consumer habits and acceptance of reuse solutions.

The treaty represents a unique opportunity for promoting different return and refill models in targeted supply chains with the most significant environmental impact, in particular in the packaging sector.[7] It should spell out the conditions required to ensure that reuse systems result in clear environmental benefits compared to single-use packaging solutions.[8]

In this policy briefing, we outline our recommendations on

- Provisions on reuse systems and supporting policies in the treaty
- Essential elements to be covered by a technical annex to the treaty
- Additional considerations and resources on promoting return and refill models

The Business Coalition suggests convening intersessional work on the following aspects of relevance for developing meaningful and effective provisions on reuse in the treaty:

- Return and refill models that are already available in some market segments
- Key barriers to scale reuse solutions in priority market segments
- Existing definitions, metrics, and standards for reuse systems
- Best practices for hygiene, safety, and quality management of return and refill models
- Incentives and support needed to direct investment from the private sector into reuse systems, including shared infrastructure and reverse logistics

What could the treaty provisions on reuse policy look like?

The Business Coalition believes that the treaty text should clearly promote the effective implementation of reuse policies and targets, ideally under a standalone provision to signal their relevance to the global outcomes to be supported[9], or through a clear focus on return and refill models under the provision on 'Product design, composition and performance'. We recommend that the treaty text includes clear reuse definitions such as the ones developed by the Ellen MacArthur Foundation (see Appendix 1).

The Business Coalition is supportive of developing an effective treaty provision to encourage and channel further investments into reuse systems, and to provide realistic targets combined with effective economic incentives, definitions, and metrics to shift supply chains. Intersessional work is key to develop such guidance for governments to facilitate a globally coordinated implementation of reuse policies.

Therefore we recommend that Part II, Section 5.b provides:

[7] Ellen MacArthur Foundation (2019) Reuse – rethinking packaging

[8] Design for recyclability requirements should apply to both reusable and single-use packaging. For more information, please note that the Business Coalition has developed a separate policy briefing dedicated to the treaty provisions on product design and performance.

[9] We refer here to our Business Coalition Vision Statement that acknowledges the need for both "REDUCTION of plastic production and use through a circular economy approach, focusing on those plastics that have high-leakage rates, are short-lived, and/or are made using fossil-based virgin resources" and "CIRCULATION of all plastic items that cannot be eliminated, keeping them in the economy at their highest value"

- A clear focus on the implementation of reuse systems with the aim to promote different return and refill models, linked to guidelines and standards to be referenced in an annex to the treaty or to be agreed by the governing body at a later stage
- A commitment to adopt measures to ensure the implementation of reuse and refill systems and to achieve minimum time-bound targets
- A treaty provision related to target-setting and other policy measures to support reuse at the national level, based on a common framework agreed under the treaty

What needs to be specified in the form of a technical annex?

The annex should provide governments with additional guidance, methodologies and resources on how to support effective reuse systems. The adoption of a common framework on reuse policies and targets, including harmonised definitions, metrics, and standards, would allow for easier adoption by consumers of return and refill models, and provide businesses with regulatory certainty to further innovate, scale the most successful models and adapt them to the local context as needed.

The development of a dedicated annex on reuse systems will reduce the efforts needed by governments to implement their obligations under the treaty, and will ensure that a consistent level of performance, safety, and sanitation is provided for across borders by:

1. Robust and harmonised definitions, metrics, guidelines and standards, with the aim of establishing the conditions to be met by reuse solutions, including both return and refill models, to demonstrate positive environmental impact
2. A common framework for target-setting and design of other policy measures at the national level to facilitate the globally coordinated implementation of reuse systems as part of an integrated approach towards plastic pollution and waste
3. Guidance on product segments that should be prioritised for tailoring the approach towards different plastic applications, including setting binding, quantitative, and time-bound reuse targets to be achieved by economic actors, while ensuring hygiene, safety, and quality management[10]
4. Incentives and regulatory support to direct reuse investments from the private sector towards setting up and operating shared infrastructure and reverse logistics

In particular in the packaging sector reuse policies are constantly evolving, including reuse targets and national legislation that has been adopted for example in Europe[11], Chile[12] and Australia[13]. Therefore, governments should adopt a start-and-strengthen approach on

[10] For packaged consumer goods, a category-by-category approach to reuse systems will be needed, recognising the differences between food, beverages, personal care, and household products for example, as well as distinguishing between sales and transport packaging.
[11] In France, the Anti Waste and Circular Economy Law (2020) sets national reuse objectives: 5% of household packaging to be reused by 2023, and 10% by 2027
[12] The Chilean government introduced a plastic regulation bill in August 2021 which encourages reuse for beverages by requiring retailers to display, sell, and receive back refillable bottles.
[13] Australia's 2025 National Packaging Targets aim to phase out single-use plastic packaging and ensure that all packaging is reusable, recyclable, or compostable by 2025

implementing reuse policies under the treaty by amending, updating and expanding the related annex with requirements for relevant product segments over time.

Appendix 1: Key resources to inform reuse policies

Definitions

Although there is currently a lack of clear policy frameworks to promote reuse systems, including both return and refill models, at the economic scale required, initiatives are flourishing to create industry alignment and advance the scale-up of reuse solutions. The following existing resources on reuse definitions, metrics, guidelines, and standards, are a good starting point for intersessional work to inform the reuse provisions and a dedicated technical annex on reuse policies under the treaty.

Starting with the harmonisation and scaling of reuse solutions in the packaging sector, it will be essential to clarify the definition of reuse in the context of the treaty negotiations. The ISO Standard 18603:2013 specifies the requirements for a packaging to be classified as reusable and sets out procedures for assessment of meeting the requirements, including the associated systems.[14] Reuse schemes, or "packaging reuse", refer broadly to delivery models in which a single package achieves multiple trips, rotations or uses for the same purpose for which it was originally used. This is distinct from, and complementary to, recycling. Reuse models circulate a product or packaging as a whole, whereas recycling reprocesses the constituting materials into a new product or package.

According to the 'Consumers Beyond Waste' multi-stakeholder initiative facilitated by the World Economic Forum "**Reuse is defined as an operation by which a container is refilled or reused for the same purpose for which it was conceived, with or without the support of auxiliary products present on the market enabling the container to be refilled**".[15] This may take place with a container owned by the consumer OR owned by the manufacturer, enabling some systems to operate with little to no packaging. Reuse can be applied both in a business-to- business (B2B) and business-to-consumer (B2C) context. In B2B, reusable packaging can for example take the form of reusable pallets loaded with products or crates.

However, a definition that refers only to an **individual reusable package** is not sufficient and needs to be complemented with definitions of what constitutes a **reuse system**. In the context of plastic packaging specifically, the Ellen Macarthur Foundation refers to four types of Business-to-Consumers (B2C) reuse models, encompassing both return and refill solutions.

Through the Global Commitment and Plastics Pact Network, over 1000 organisations (including businesses representing over 20% of the plastic packaging market), have adopted this reuse terminology[16]. In B2C, reuse models are wide-ranging. They include:

[14] See ISO 18603:2013
[15] World Economic Forum (2024): Scaling Reuse Models: A Guide to Standardized Measurement
[16] Ellen MacArthur Foundation: Reuse - Rethinking packaging

- **Refill at home:** Users refill a reusable container at home with refills either delivered to the door (for example, through a subscription service) or bought in a shop. Users retain ownership of the main packaging and are responsible for cleaning.
- **Refill on the go:** Users refill the reusable packaging at a dispensing point away from home, such as in a store. Users retain ownership of the reusable packaging and are responsible for cleaning.
- **Return from home:** Users subscribe to a delivery and collection service that allows them to return empty packaging from home. A business or service-provider then takes care of cleaning and redistribution of the packaging.
- **Return on the go:** Users purchase a product in a reusable container and return the packaging at a store or drop-off point after use. The packaging is either cleaned where it is returned or a business or service-provider takes care of the cleaning and redistribution.

Metrics

Measurement and reporting is a significant barrier to scaling reuse systems. There are currently no harmonised metrics to define reuse targets and track progress on these targets, including the achieved reduction in material use and environmental impact. The treaty could help align reuse metrics across industry, government and standard-setting institutions and accelerate the systemic shift toward reuse models.[17]

As part of the 'Consumers Beyond Waste' multi-stakeholder initiative facilitated by the World Economic Forum, leading organisations from the private, public and civil society sector are working to build reuse measurement guidelines, which aim to become the accepted industry standard. In January 2024, they published a **white paper** that offers guidance to corporate stakeholders, policy-makers, standard-setters and broader ecosystem actors on how to measure progress on reuse models in a consistent way that enables target-setting at scale.

Thus far, this platform has collectively focused on evaluating, prioritising, and recommending a set of **reuse metrics for consumer goods and retail corporate stakeholders** to test, assess and iterate as needed in 2023. The two metrics currently being most advanced that should be used in combination are the following:

- Share of Volume or Product Units: measures the % of product delivered in reuse formats (e.g., litres of beverage, kilos of food, or litres of personal care/home care products)
- Reuse Effectiveness: captures the number of loops achieved by reusable containers

Please note that weight based, and revenue-based metrics should NOT be prioritised as they can be skewed to give an inaccurate account or move into commercially sensitive data respectively.

[17] World Economic Forum (2022): A robust and standardised framework for reuse measurement is needed.

In addition, the Ellen MacArthur Foundation recommends defining minimum criteria that return or refill models need to meet to be counted as reuse ensuring that they are effective and beneficial**.** These criteria would for instance include, for return models, a minimum number of loops or cycles that the packaging should achieve, to show their effectiveness. It would also include a set of criteria to ensure any waste and environmental impacts generated through these models does not outweigh the benefits of the single-use alternatives.[18]

Guidelines and standards

Design guidelines and standards for reusable packaging and reuse systems have also emerged in the past few years, such as

- PR3 standards for food containers: They have been developed by RESOLVE's Reusable Packaging System Standards Panel and outline core requirements for aligning reuse systems between companies and brands, and is the most elaborate standard for the design of reuse systems. The PR3 standard includes core requirements for example on collection points, containers, digital, return incentives, labelling and education, reverse logistics, and washing.
- Similar standards have already been applied in different legislations[19]: in Canada, a series of container-deposit laws helped define beverage-container standards to facilitate bottle return, reuse and recycling. National standardisation in Germany has allowed for the creation of a highly effective bottle-return system, which yields a consumer return rate of 99%. The Euro Pool Group serves as a lessor of standard pallets and crates for Europe's food supply chain.

In addition, **harmonised guidelines and standards addressing safety aspects are needed to scale up reuse solutions**. Intersessional work in this area could build for example on the 'Consumer Beyond Waste' safety guidelines, or the German Food Association safety guidelines for reusable packaging.

We encourage governments to use the next six to twelve months to gather further insights for the INC through dedicated intersessional work to inform the development of the reuse provisions and a corresponding annex in the Global Plastics Treaty. This work should focus on identifying the enabling conditions, fostering industry-wide collaboration, de-risking the initial investments, and creating the right incentives for return and refill systems.

[18] For more details see Ellen MacArthur Foundation (2023): Unlocking a reuse revolution: scaling returnable packaging

[19] World Economic Forum (2021) Future of reusable consumption models: platform for shaping the future of consumption

Appendix 2: Lessons learned from reuse pilots and existing return and refill systems

Priority product segments

As reuse systems will require time and investments to be rolled out, governments should start with identifying priority product segments where return or refill models are easier to be rolled out. This could include categories where there is an existing return system (e.g. for beverages), or categories where there is already high standardisation of packaging.

For example, the University of Portsmouth identified six sectors where reuse systems could be first rolled out, with tailored collection, washing, sorting, replenishing, transportation and redistribution systems:[20]

- Venues, events, and onsite dining
- Bottled beverages
- Food and drink on the go
- E-commerce
- Home and personal care
- Business to Business (B2B)

Building on a common framework for reuse policies to be defined in the Global Plastics Treaty, a category-by-category approach will be needed for packaged goods to recognise the differences between food, beverages, personal care, and household products.

Please note: Further work on product categories to be prioritised for reuse policies under the Global Plastics Treaty will be published by WWF and Eunomia in spring 2024.

Enabling conditions for successful return and refill models

Businesses look to governments to create the enabling conditions, so that industry can collaborate across the value chain to build reuse systems, including both return and refill models, that are convenient for consumers to use.

Building on the work of Zero Waste Europe and Searious Business, and UNEP, key **enabling conditions to scale reuse systems for packaging** include:

1. **Setting ambitious reuse targets, supported by standardised measurement and data collection[21],** to ensure consistency across industry and jurisdiction, secure investments in the right solutions and ultimately facilitate the wide scale adoption of reuse.

[20] Global Plastics Policy Centre, University of Portsmouth, UK (2023) Making reuse a reality: A systems approach to tackling single-use plastic pollution

[21] An example of such data collection can be found in the EU Packaging and Packaging Waste Regulation, which includes provisions to establish an EU observatory.

2. **Defining minimum performance objectives,** to ensure the overall achievement of the system capacity and the environmental benefits of reuse models (e.g. through rotation cycles before end-of-life, return rate, and retention time[22])
3. **Harmonisation of packaging design**, to guarantee that packaging can be used as many times as possible for the same purpose, e.g. through 'universal' designs that enable acceptance of packaging across different reuse systems. Harmonisation of requirements and standards for packaging design, usage, collection, washing, storage, handling, and filling is also crucial.
4. **Making the economics work** by leveraging policy incentives and other instruments that reward forward-leaning businesses in scaling reuse models. For example, Extended Producer Responsibility (EPR) policies can be applied to support companies in transitioning towards reusable packaging models.[23]
5. **Facilitating pre-competitive collaboration** between companies, brands and sectors to achieve larger scales and lower costs with the help of streamlined logistics and transport or shared refill infrastructure (e.g. for collection or washing), provided such collaboration does not violate applicable antitrust laws and regulations.

Scaling returnable packaging

The Ellen MacArthur Foundation report *"Unlocking a Reuse Revolution: scaling returnable packaging"*[24], creates a shared understanding of the key considerations for scaling return systems, informed by expertise and data from 30+ organisations.

To realise the full benefits of return systems, a fundamentally new approach is required where industry peers, policymakers, and financial institutions work together to build shared systems. A major transition that won't happen overnight. However, the report's modelling[25] shows that return models have the potential to be scaled for a wide range of applications:

- Returnable plastic packaging can achieve substantial environmental benefits compared to single-use: reducing GHG emissions and water use by up to 70%, and material use by up to 75% for selected applications
- When designed collaboratively and at high scale, return systems can also compete economically with single-use for some applications (e.g. beverage and personal care applications)

[22] Zero Waste Europe (2023) The economics of reuse systems: a study into what makes a financially viable reusable packaging system

[23] For instance, CITEO (the French Producer Responsibility Organisation) dedicates a proportional part of its budget to deliver the 5% target of reusable packaging per the French Circular Economy Law.

[24] Ellen Macarthur Foundation (2023) Unlocking a reuse revolution: scaling returnable packaging

[25] The findings from the report are underpinned by analytical modelling based on a comprehensive and granular packaging flow model elaborated by Systemiq and Eunomia. Conducted in collaboration with the Ellen MacArthur Foundation's network, this analysis builds on expertise and real-life data from 20+ global brands and retailers, and 30+ reuse service providers, NGOs, and policy and finance institutions. See more here.

Aligned with the enabling conditions outlined above, the Ellen MacArthur Foundation's report shows that making the economics work for returnable packaging and maximising environmental benefits requires collective action across three key drivers of performance:

- **Scale through shared infrastructure:** sharing infrastructure provides economies of scale for all steps of the value chain (collection, sorting, cleaning, and transportation). It is particularly crucial to collaborate on collection infrastructure, not only to share costs, but also to offer customers a consistent and smooth experience. Customers are much more likely to participate when they do not have to segregate packaging for, and interact with, different systems.

- **Packaging standardisation and pooling:** harmonising the structural design of packaging within a product category while using labels and closures to differentiate brand and product lines can significantly increase the efficiency of the system. Standardisation can drive down sorting, cleaning, and storage costs, and pooling of packaging can dramatically decrease transport distances and associated emissions and costs.

- **High return rates,** reached through incentivising return and a frictionless return experience, are a key performance driver for all reuse systems. When transitioning, it is paramount to progress through the early stage, when return rates are likely very low, as quickly as possible. Amongst other factors, a wide range of products and customer convenience can help achieve high return rates, by driving behaviour change. All actors must work together to learn how to reach the high return rates found in established systems which this study shows are needed.

Realising the potential of reuse-return will require a major transformation and a big shift from today's single-use model. Alongside businesses from across the value chain, financial institutions, and civil society, policy makers have a key role to play in developing the enabling conditions by creating a level playing field, fostering industry-wide collaboration, de-risking the initial investments, and creating the right incentives for return systems.

Key actions that policy makers can take are:

- **Setting up and expanding the adoption of Extended Producer Responsibility (EPR) systems** – developed in collaboration with brands, retailers, and other industry stakeholders – with mechanisms (e.g. eco-modulation of EPR fees) to incentivise reuse.
- **Fostering the uptake of reuse**, for example by setting ambitious, evidence-based reuse targets.
- **Creating and implementing health, hygiene safety, and quality standards** to ensure safe return systems.
- **Establishing effective take-back systems** such as deposit return schemes (DRS) and developing guidelines for wider financial measures (e.g. EPR, taxes, subsidies) to ensure financial viability and incentivise widespread adoption and investment in shared return infrastructure.

Just transition to reuse systems

Beyond the environmental and economic benefits, the transition to reusable plastics and in particular reusable plastic packaging, will pose socio-economic challenges and create new opportunities for workers, businesses, consumers and communities[26] such as:

- Reuse offers potential to create new business models, deliver on environmental promises, control packaging costs and offer enhanced customer experiences. Research that looked into the impacts on hospitality, restaurant and cafe businesses in the EU[27] suggests reuse may offer particular benefits to SMEs, particularly when they can access existing pooled infrastructure.
- Across the world, the transition to reuse will impact jobs[28] - by creating new jobs, or substituting, eliminating or transforming existing jobs. There will be new local employment opportunities in collection, sorting, washing, return, transportation, and logistics, but reduced employment in the collection and sorting of recyclables.
- A just transition to reuse systems must provide improved working conditions and training opportunities. Training will be required for the sorting and washing system and also for collection of reusables providing gateways for upskilling. This will be particularly relevant for informal sector waste pickers and collectors.

Leading the just transition to reusable packaging will need targeted policy support, starting by mapping the jobs impacted, enabling social dialogue so that workers impacted and their associations can fully participate in designing, framing and implementing the transition they will be subject to, and ensuring social protection for affected jobs.

[26] Global Plastics Policy Centre, University of Portsmouth, UK (2023) Making reuse a reality: A systems approach to tackling single-use plastic pollution
[27] Unpackaged (2022) A just transition to reusable packaging
[28] Chatham House (2020) Promoting a just transition to an inclusive circular Economy