

## **A new report exposes the plastic polluters fighting against the introduction of a deposit return system in Austria.**

**Brussels, May 27, 2020** - Today, the Dutch campaigning organisation, Changing Markets Foundation, and the Break Free From Plastic movement have published an investigation revealing industry lobbying against the introduction of a deposit return system (DRS) in Austria, a proven way to reduce plastic pollution and meet the European Union's Single-Use Plastics (SUP) Directive requirements. In other European countries deposit return systems have proven to lead to collection rates of beverage containers above 90%.<sup>i</sup>

[The report](#) is part of an ongoing investigation by the Changing Markets Foundation into unscrupulous lobbying by the plastics industry and consumer goods companies to delay or undermine legislation to tackle plastic pollution. It reveals that a coalition of powerful companies is trying to stop the introduction of a deposit return system, even though a recent poll by YouGov shows an overwhelming majority of Austrians (83%) supports the introduction of this system, while 93% think plastic producers should contribute to managing plastic waste.<sup>ii</sup>

With plastic bottles representing a major source of pollution, Austria is currently considering how to implement the targets set out in the EU SUP Directive, which stipulates that 90% of all plastic beverage bottles will need to be collected separately by 2029, and that beverage bottles will need to contain at least 30% recycled plastic by 2030. A recent report commissioned by the Austrian ministry of environment shows that a deposit on all plastic bottles has the highest collection rates, the strongest anti-littering effect and is also the most cost-effective option to meet the targets set out in SUP, costing €27 million less than some other options.<sup>iii</sup>

Yet a powerful coalition of companies – including retail giants REWE Group (Billa, Merkur, Penny, Bipa, etc.), Spar, Hofer and Lidl, as well as beverage companies including Brau Union, Spitz and Pfanner – are working to influence the government's decision against a deposit system, orchestrating their lobbying efforts through the highly reputed Altstoff Recycling Austria AG (ARA), Austria's largest extended producer responsibility (EPR) organisation. The investigation revealed that these companies and ARA sent letters vehemently opposing DRS to key figures in Austrian political parties, which resulted in DRS not being included in the government programme, launched in January 2020.

"Unfortunately, this clearly shows how hard individual players are fighting to preserve their business model, which hinders a badly needed transition towards a resource-efficient system with high levels of reuse and recycling through a deposit return system," said Reinhard Uhrig, head of the political department at GLOBAL 2000, a leading environmental organisation in Austria.

ARA, the leading waste operator, is currently responsible for managing 70% of all waste in Austria and the investigation revealed its vested interest against a DRS, which would see beverage containers collected separately from ARA. The loss of licence fees currently paid for PET bottles would reduce ARA's income by €24 million. A closer look at ARA's particular

corporate structure reveals that its supervisory board is made up of its main customers, such as the retail giants Spar and Rewe, including Billa, Merkur, ADEG and Sutterlüty, and the milk product giant Nöm. ARA's customers hold shares and decision-making power, creating favourable rules to their advantage, which is why they have a vested interest in maintaining ARA's dominant market position.

"We were surprised to discover that large retailers such as Hofer (ALDI), Spar, Lidl and Rewe, which operate in many EU countries that run successful and popular deposit return systems, lobby against the introduction of deposit system in Austria," said Nusa Urbancic, Campaign Director at the Changing Markets Foundation. "All these companies finance voluntary clean-up initiatives such as "Reinwerfenb statt Wegwerfen" (throw-in instead of throw-away), but then they oppose legislation that actually reduces litter at the source." Other supporting organisations of these clean-ups are the very same companies that produce much of the littered waste found in Austria, including Coca-Cola, McDonald's and Red Bull. "Clean-up initiatives not only push the blame onto consumers, but also only fight the aftermath of garbage rather than the root cause. It's pure greenwashing." concluded Urbancic.

The report shows over €120 million of public money is spent annually on clean-up costs in Austria, with plastic packaging representing over half of all litter. For Break Free From Plastic's European Coordinator, Delphine Levi Alvares, "Robust and well implemented deposit systems are successful in ensuring better collection and reducing pollution. Industry pushback on largely supported DRS is unacceptable, as they leave public authorities and citizens to pay the bill for the pollution linked to their products. Governments need to step up and choose to allocate public money towards a green future."

Link Changing Markets Report: <https://changingmarkets.org/portfolio/talking-trash/>

Link petition: <https://www.global2000.at/pfand-drauf>

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<sup>i</sup> In Europe currently Sweden, Denmark, Finland, Germany, The Netherlands, Iceland, Norway, Lithuania and Croatia operate deposit return systems.

<sup>ii</sup> Global 2000, 2020. Where do Austrians Stand on a deposit return scheme? [Online] Available at: <https://www.global2000.at/sites/global/files/Survey-depositreturn-2020.pdf>

<sup>iii</sup> Hauer, W., Merstallinger M., Allesch, A., Beigl, P., Happenhofer, A., Huber-Humer, M., Obersteiner, G. and Wellacher, M. (2020). Möglichkeiten zur Umsetzung der EU-Vorgaben Betreffend Getränkegebinde, Pfandsysteme und Mehrweg. HAUER Umweltwirtschaft GmbH [ONLINE] Available at: <https://bit.ly/2T0uVi7>