

Single Use

From: [REDACTED]@bewleys.com>
Sent: Friday 25 November 2022 15:47
To: SingleUse
Subject: SU cups levy consultation submission from Bewley's

To whom it may concern,

With respect to the SU cups levy consultation, we fully endorse the views within the IBEC cross sectoral document and we'd like to add the following submission from Bewley's Tea & Coffee limited.

Threat to Family Businesses and Micro Businesses

The levy will have a disproportional impact on micro businesses that use coffee as a core revenue generator. Coffee is prepared in the moment and – when prepared correctly – represents a profitable transaction for the operator. Hot coffee often raises the overall profitability of a small business, and allows operators to continue to provide goods or services where margins are lower. Maintaining the viability of small businesses is a core motivation for us, an independent Irish-owned coffee roaster. Small businesses that offer this type of supplementary coffee offer rely on spontaneity or impulse transactions – these transactions require a single use cup. These businesses typically understand their own viability in a measure of 'cups per day'. All operators will differ but cost of goods, overheads and labour have a threshold before 'cups per day' represents profitability; any measure that impacts on this profitability figure (even a 10-15% drop in hot beverage sales) could have bigger ramifications for the viability of small businesses overall. Of the 4,500 businesses we serve in Ireland, we estimate up to 1,000 will be impacted negatively in this way.

Lack of Differentiation in Cups is a Problem

As a business we have continued to evolve packaging and cups within our business. We have carried out difficult and costly trials to find alternatives to coffee foils, and in 2023 will roll out a first-to-market recyclable coffee bag. Similarly with cups, we have driven the positive changes from Styrofoam, to the first paper cups, to the most recent compostable iterations with very little bio-plastics and we will continue to improve in this area. We have brought our operators on a journey with us; we have promoted what we see as the most sustainable solution, often at a higher cost and not necessarily for the end consumer, rather a collective understanding that it the most positive thing we can do. With respect to the proposed SU cup levy, what we are seeing among some operators is a demand for a cheaper paper cups (with higher levels of plastic) and different buying practices around keep-cups (driven by a demand for low cost options elsewhere). We believe that the unintended consequences of the cup levy will actually increase the amount of plastic of which is being disposed. Compounding the decline in impulse coffee sales we predict this levy will negatively impact trade buying behaviour and sustainable choices for end consumers with respect to plastic.

Threat to Sustainable Business Practices

By its nature, a large percentage of coffee sales are spontaneous – roasting, grinding or brewing coffee and that sensory experience, drives footfall and builds profitable businesses. The cup levy is a barrier to these spontaneous sales, our industry, to the jobs we create and a transparent and sustainable supply chain. How we procure coffee (as Bewley's and as an industry in general) puts sustainable practices at the heart of everything we do. We source our raw materials from farms that pay living wages and we contribute heavily back into communities at origin – our buying practices as an independent Irish business promotes regenerative agriculture and raises people out of abject poverty. Our roastery was the first to become carbon neutral in Ireland, we only use renewable energy, and through Bord Bia's Origin Green certification we continue to drive the very best sustainable production practices. Moreover, we continue to contribute to the Irish Hospice movement and the support services they provide right across Ireland. Against the backdrop of significant spikes in commodity prices, the exposure to FX and extreme rises in energy costs, Bewley's will continue to practice business in a sustainable and values-led manor.

Our challenge to the cup levy is that it disproportionately impacts our industry – an industry that is intrinsically sustainable in its supply chain and in its practices.

Our ask is that you reconsider the implementation of the cup levy on the basis that its implementation will financially impact small businesses and foodservice generally. We also ask that you change your thinking with regard to the type of cup subject to any levy in the future, we believe that there are SU cups available that will have a more positive impact on the circular economy and our collective need to reduce plastic waste.

Your sincerely,

[REDACTED]

[REDACTED]

Head of Innovation and Sustainability

BEWLEY'S TEA AND COFFEE LIMITED

Northern Cross, Malahide Road,
D17 K526, Ireland

M: [REDACTED]

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