

## Single Use

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**From:** [REDACTED]@vending-europe.eu>  
**Sent:** Wednesday 23 November 2022 13:48  
**To:** SingleUse  
**Cc:** [REDACTED]  
**Subject:** Draft regulations to introduce an environmental levy on single-use disposable cups - EVA comments  
**Attachments:** EVA - Response to Ireland Circular Economy (Environmental Levy) (Single-Use Cup) Regulations.pdf  
**Importance:** High

Dear Sir/Madam,

Please find attached comments on behalf of the European Vending & Coffee Service Association (EVA) in response to the consultation on the draft regulations to introduce a levy on single use cups. These are submitted in the 'other stakeholder' category, but the industry players would also be considered 'retailers.'

We have deep concerns on the impact such a levy would have on the vending industry and its business model in Ireland.

We are more than happy to discuss further with you our position.

Kind regards,

[REDACTED]

[REDACTED]  
**Communication & Public Affairs Manager**

European Vending & Coffee Service Association (EVA)  
44 rue Van Eyck, 1000 Brussels, Belgium  
Tel.: [REDACTED]  
Mobile: [REDACTED]  
E-mail: [REDACTED][@vending-europe.eu](mailto:[REDACTED]@vending-europe.eu)  
[www.vending-europe.eu](http://www.vending-europe.eu)



Brussels, 23 November 2022

**Re: EVA response to Circular Economy (Environmental Levy) (Single-Use Cup) Regulations**

The European Vending & Coffee Service Association (EVA) would firstly like to state its support for appropriate measures to reduce the negative impact on the environment that unnecessarily discarded single use waste can bring. We also welcome the objective of promoting the transition to a circular economy with innovative and multi-purpose materials. However, we also believe that measures must be proportionate and carried out adequately and effectively.

The Vending & Office Coffee Service (OCS) industry is an economic sector that mainly supplies hot drinks (coffee, tea, hot chocolate), cold drinks (mainly water in bottles or through water dispensers, and soft drinks) and food (snacks, sandwiches, fresh food). It is an unattended channel which is open 7 days a week and 24 hours a day, and which is used for meals and breaks throughout the day in locations where there is hardly any other alternative for food and drinks, such as for instance in production plants, hospitals, schools or universities.

Vending machines and the single use products used in vending are the result of European technology. 10,000 vending and manufacturing companies operate across Europe and employ more than 85,000 people.

**The vending market in the Republic of Ireland**

According to the EVA Market Report 2021, the Irish vending industry has an annual turnover of approximately €74 million; a figure which is supplemented by those employed within the wider vending channel supply chain. There are over 20,000 machines in Ireland vending snacks, food, soft drinks, water, hot and cold beverages, with around 9,000 hot beverage machines vending approximately 40 million drinks a year.

In the Republic of Ireland, vending machines sell 0.20 million food and drink items every day, but machine penetration is fairly low: one machine for around every 250 people, compared with the European average of 190 people per machine.

Our colleagues in the Vending & Automated Retail Association (AVA) confirm that the vending industry in Ireland comprises some 121 companies employing around 2,000 people. Vending operator companies, those who provide, fill and maintain vending machines, automated retail and office coffee services, are almost exclusively SMEs - often family owned - and with a small administrative staff. Many such companies operate across both sides of the Republic of Ireland - Northern Ireland border.

**The average price of a vended beverage across Europe is €0.46 - a single use beverage cup levy of €0.20 would be extremely damaging to vending.**

We are deeply concerned that the proposed single use cup levy of €0.20 would be extremely detrimental to the vending industry, which is notably distinct from other retail channels.

The average selling price for hot beverages in the Irish vending industry is only €0.46, according to the 2021 EVA Vending & OCS Market Report. The proposed €0.20 cup charge would result in a 43% increase overnight in the selling price and have a significant negative impact on machine throughput, profitability and thus viability of the whole industry in Ireland.



Further to this, within workplaces a majority of hot beverage machines are 'free vend' meaning the equipment has no payment system, and so there is no facility to charge the consumer per cup. In addition many of the sites in which these free vend machines are located would not have the administration necessary to account to the Government for the levy, including through the provision of a receipt (again receipt providers are not typically provided in vending). Finally in certain circumstances – and depending on contractual provisions – a bulk fee could possibly be charged by the vending operator to a client for a certain amount of cups, but this would mean that the final consumer would or could not pay for the levy based on their individual choice. In our view this would defeat the whole purpose of a levy which aims to direct link the charge to a consumer decision.

Vending contracts tend to be agreed over three to five year periods. In many cases these contracts will include a specific clause detailing consumer price – with no mechanism in place to accommodate a charge or levy, even where a cup charge can be technically implemented. A significant number of these agreements in Ireland are with Public Sector clients.

### **Standardisation of cup sizes**

We note in the consultation for these Regulations that steps should be taken to standardise the cup sizes in the vending industry. In short, we firmly believe that this approach is not feasible in reality. In Ireland two formats of cup sizes dominate in vending – namely the 200-220ml cup and the >220ml cups – but the 80-100ml and 120-180ml cup sizes are also used, albeit in smaller numbers. Due to the raft of nozzle height differences and flexibilities, the machine types and categories themselves, alongwith the current diversity of cup sizes in vending, we do not believe that a standardisation of cup sizes in vending is a credible or workable proposal.

In addition 90% of the cups used in vending in Ireland are paper, which is a result of vending operators investing in recent years in certified recyclable paper cups and moving away from plastic cups. The proposed levy will needlessly punish vending operators for their positive efforts.

### **Concerns on going beyond the scope of Directive EU 2019/904 and potential barriers to the EU Single Market**

The EVA would highlight that the proposed cup levy, and especially its application to all single use beverage cups no matter the material, would in effect ban the provision of disposable cups in the vending industry. Although EU 2019/904 does stipulate that member states can introduce economic instruments (i.e. levies) to encourage a reduction of single use *plastic* items, this levy in covering all material types goes much further than the challenging EU Directive.

We note that other EU countries have met plastic reduction targets by for example banning 100% plastic items or placing progressive levies based on plastic content percentage. This incentivises the industry to opt for recyclable and compostable products with lower plastic levels. In Germany for example, the vending industry has industry-specific rules to provide consumer the possibility to choose reusable cups at machines.

The EVA has deep concerns that a blanket levy on all single use beverage cups could introduce potential barriers to the smooth functioning of the EU single market.

### **Lack of evidence that reuse is better for the environment than single use items**

We have concerns as to the environmental motivations for introducing a levy on single use beverage cups, and believe that the levy could in fact contradict the core principles of a circular economy. Due to the required increase in reusable cups from this levy, the amount of plastic in circulation



with undoubtedly increase. Further to this, credible Life Cycle Assessments (LCAs) (e.g. <https://www.eppa-eu.org/scientific-facts/lca-studies-new.html>) show that that reusable items involve water use, transport and plastic packaging which creates 2.8 times more carbon dioxide and uses 3.4 times more freshwater, than renewable paper-based single use products.

### **'Bring your own cup.'**

It is important to point out that vending machines often have the facility for consumers to use their own cup for a dispensed beverage. While a single use beverage cup may sometimes be the only feasible choice (e.g. at a railway station), within an office environment for example workers can already choose to use a single use cup or a reusable one.

A €0.20 levy would unfairly punish consumers in locations where no alternative is available or feasible.

### **Vending is mainly a 'closed site' industry – therefore collection of used cups can be easily facilitated.**

Across Europe, the vending and office coffee service industry places 90% of its total machines (over 4 million) within buildings of private and public companies, hospitals, schools, public administration and universities equipped with waste separation systems. In our sector, products are typically consumed within the same premises as the vending machine, and often directly beside it. In contrast to other retail channels – such as a high street coffee shop – a single use beverage cup used in vending is therefore much less likely to end up outside a building and littered.

### **Vending is taking steps to develop a circular economy.**

Since our industry is principally in-house and dedicated to providing food and drink to employees within closed environments, waste collection is therefore easily facilitated leading to greater product recycling. This is aided by the fact that vending machine locations are typically already equipped with plastic waste separation systems and the industry is rolling out an innovative and sustainable project (initially in Italy) called 'RiVending', aiming to create a true circular economy for vending cups.

The RiVending project ([www.rivending.eu](http://www.rivending.eu)) in vending takes advantage of the recyclability of polystyrene plastic cups through a separate collection scheme, and once kept separate from generic waste the plastic becomes a high value secondary mono material that can be easily recycled, with the eventual aim of becoming new vending cups. This innovative project, aiming to create a true circular economy in vending, is something that we believe could have a greater environmental benefit than a cup levy, and could address better the specific needs of our industry.

### **Conclusion**

In conclusion, the impact on the vending industry from the €0.20 cup charge would be disproportionate and unduly compromise the vast proportion of our business. Moreover, the impact on litter from vending is therefore negligible, and so any charge would have little real impact on littering nor the environment, yet have detrimental consequences on our industry and threaten an important channel of the food and beverage distribution. In addition, the proposal for a 'flat levy' of €0.20 on all disposable cups would not be appropriate, representing a 43% increase in price instantly, as it would also not take into consideration the technical and usage differences of cups used in vending, as well as the collection reuse opportunities that differentiates our industry from for example a high street coffee shop.





Indeed in contrast to other retail channels, our industry is principally in-house and mainly dedicated to providing food and drink to employees on site. **We therefore consider that single-use cups specifically designed for and used in our industry should not be included in the levy on single use cups.**

We would be pleased to discuss further with you the impact the €0.20 levy proposal would have on the vending industry.

Sincerely,

[Redacted signature]

Director General

#### **About the EVA**

The European Vending & Coffee Service Association (EVA) is a not-for-profit organisation established and situated in Brussels since 1994. It represents the interests of the European coffee service and vending industry vis-à-vis the European Institutions and other relevant authorities or bodies. Its membership is composed of 13 national associations and 90 individual companies across Europe. The EVA represents all segments of the coffee service, water dispenser and vending industry: machine and component manufacturers, suppliers of commodities (coffee, ingredients, snacks, cold drinks, cups etc.), and operators.



**European Vending & Coffee Service Association (EVA)**  
aisbl

44 rue Van Eyck, 1000 Brussels, Belgium

[Redacted]  
[Redacted]@vending-europe.eu - www.vending-europe.eu