JUUL Labs, Inc.'s response to the Department for Environment, Food and Rural Affairs (DEFRA) 2023 consultation and call for evidence on reforming the producer responsibility system for waste electrical and electronic equipment (WEEE)

Introduction, context, and observations to inform the consultation

JUUL Labs, Inc. (JLI) was founded and is headquartered in the United States and has been operating in the UK since July 2018. JLI's mission is to transition the world's one billion adult smokers away from combustible cigarettes, eliminate their use, and combat underage use of its products. Our vapour products (vapes) are sold in countries around the world, including the US, Canada, and the UK.

Combustible cigarettes remain the number one cause of preventable premature death in the UK, 6.9 million people smoke combustible cigarettes and at least 94,900 people die annually from smoking-related causes.¹ Public Health England attributes vaping with helping 50,000 smokers quit per year.² JLI strongly supports the government's goal for the UK to become smoke-free by 2030. We believe that such an approach will create an environment that supports adult smokers to switch to potentially less harmful non-combustible alternatives while combating use among non-users, especially those who are underage.

JLI is pleased to provide our response to this consultation and would be happy to participate further as DEFRA considers how to reform the producer responsibility system for WEEE.

We support a transparent and collaborative approach between public authorities and responsible actors in the vaping industry to address the environmental impact of vaping products. We share the government's commitment to delivering impactful policy solutions that enable consumers to properly and easily dispose of WEEE, and for the industry to act in a responsible manner to achieve that goal.

Strengthening compliance in the vaping products sector

We believe that more can and should be done to promote sustainability in the vaping industry. In particular, increasing consumer and business awareness of WEEE obligations (e.g., through engaging with business groups and public information campaigns) to ensure all stakeholders are aware of their obligations under the WEEE Regulations. Meanwhile, cross-departmental collaboration within government could contribute to increased awareness and compliance. For example, DEFRA could work with the MHRA to ensure that vapes published on the MHRA's list of notified products are registered and compliant with the WEEE Regulations.

Responses to specific proposals in the consultation

We have responded to DEFRA's specific proposals thematically rather than the order in which they appear in the consultation document itself.

¹ Office for National Statistics. Adult smoking habits in the UK: 2019. Link.

² McNeill, A., Brose, L.S., Calder, R., Simonavicius, E. and Robson, D. (2021). Vaping in England: An evidence update including vaping for smoking cessation, February 2021: a report commissioned by PHE. London: PHE. <u>Link</u>.

Response to Proposal 3.1: creating a new discrete category of equipment for vapes

We support the creation of a specific category of EEE (and therefore, WEEE) for vapes and we believe that it is an important step in improving the sustainability of our industry. However, we believe it will be important to consult with industry on specific parameters that will define the proposed operating model and to input into compliance fees for a new category.

Response to Proposal 2.3: for retailers with a turnover of over £100k of electrical sales each year to provide free takeback of unwanted electrical equipment in store without the need to purchase a new item (0:1 takeback)

We believe that the disposal of vaping products should be simple for consumers and that industry has a role to play in facilitating opportunities for them to do so in a convenient and responsible manner. We fully support the reinforcement of takeback obligations for retailers that sell vaping products.

However, we consider that the specific requirements need to take into account the realities of retailers' capacity to take back WEEE without creating an overwhelming burden for them. We believe this balance can be struck by ensuring retailers are only required to take back WEEE that is of the same type as the EEE that they stock and sell. We are concerned that a 0:1 takeback obligation applicable across different categories of WEEE could impose an unreasonable and potentially unaffordable burden particularly on small, specialist retailers. For example, JLI operates a small shop in the Westfield London shopping centre that sells only JUUL products. We support the requirement for our store to take back vaping products produced by other manufacturers, which would then be fed into a sector wide scheme. However, we would have significant concerns should there be an expectation for our store to take back non-vaping WEEE products. Our store would not have the facilities or space to deal with large or specialist EEE.

Response to Proposal 2.4: providing information on disposal options at point of sale

We believe that providing clear information to consumers on how to dispose of WEEE is the cornerstone of an effective and responsible system of disposal, collection, and recycling.

We would support a scheme that makes it a requirement for retailers selling any type of EEE to share general information with customers about what to do with EEE when they wish to dispose of it. This could also include a requirement to inform consumers that more detailed information is available for specific types of WEEE if this is the case, for example pointing consumers to information on a category-wide takeback and recycling scheme for vapes when one is developed.

Response to the Chapter 5 proposal to create a new Scheme Administrator

We would be supportive of the proposal to establish a Scheme Administrator to assume responsibility for managing and administering specific functions of the revised WEEE system on behalf of producers and other stakeholders. This is likely to reduce the administrative burden for businesses and it would simplify the system by reducing the number of administrative bodies involved in operating the WEEE system. We firmly believe that manufacturers and other industry stakeholders should play a central role in this new body. Given the importance of addressing the WEEE issues surrounding vaping products, we believe it is essential that the independent vaping sector is also represented.

Response to Proposal 2.5: moving the point of producer responsibility to the retailer's store, distribution centre or bulking point

We are supportive of this proposal and believe it would have industry wide benefits. The introduction of an industry wide scheme would mean individual retailers will no longer have to arrange and finance the cost of transporting WEEE from stores to a Producer Compliance Scheme's nominated collection point. This will incentivise retailers nationwide to provide takeback in store for WEEE, and will lead to increased ease of access for consumers.

We believe that a category-wide recycling solution for vapes should also be developed so that all vapes taken back through the industry wide scheme discussed above can be recycled.

In the absence of such a category-wide scheme, JLI launched a pod take-back programme through our UK e-commerce platform in June 2022. This programme enables adult customers who order JUUL products through our online shop to add a free recyclable mailer to their order. Customers who purchase JUUL products fill this mailer with used JUULpods and JUUL2 pods and send it back to JLI free of charge via a Royal Mail postbox. In parallel, we worked with TerraCycle®, a global leader in recycling hard-to-recycle products and packaging, to design a supply chain for recycling JUUL products in the UK. This program involved a detailed analysis of applicable regulations, of the material composition of our products, and carrying out tests to evaluate the recyclability of JUULpods and JUUL2 pods. The outcome of the trial for JUUL and JUUL2 pods is a bespoke method where we can now separate 95% of the materials in these products for recycling. Our recycling program went live on 6 December 2023.

We would welcome the opportunity to share key learnings from this program with DEFRA to contribute to the development of a national recycling scheme for vapes.

Responses to topics on which views and evidence are sought in the accompanying Call for Evidence

Response to the Chapter 4 eco-design proposal: implementing a system of eco-modulation into the UK's WEEE system to incentivise more sustainable product design

We support efforts to incentivise sustainable design of vaping products. We believe that the requirements should be based on a distinct set of modulation criteria for each category of WEEE, including vapes, developed in consultation with industry experts.

Additionally, we consider that there needs to be total transparency as to the possible extent of the modulation (i.e., the precise level by which the compliance fee can be raised/reduced) and the precise formula for calculating the magnitude of the modulation. We strongly recommend that this is done in consultation with relevant stakeholders, including representatives from the independent vaping industry. Producers will need to be made aware of these aspects of eco-modulation well in advance of any eco-modulation taking effect to give them the necessary time to adjust the design of their products accordingly. Likewise, changes to the eco-modulation formula will need to be communicated to EEE producers well in advance.

Conclusion

We strongly support the government's plan to strengthen the producer responsibility system for WEEE in the UK and respectfully recommend the following:

- The introduction of a specific category of WEEE for vapes. We believe this is an important step in improving the sustainability of our industry. However, we believe it will be important to consult with industry on specific parameters that will define the proposed operating model and to input into compliance fees for a new category.
- The development of a category-wide national takeback and recycling scheme for vapes. We would welcome the opportunity to share our learnings from the development of our own schemes in the context of an industry working group.
- Raising consumer awareness by making it a requirement for retailers selling any type of EEE to share general information with customers about what to do with EEE when they wish to dispose of it. This could also include a requirement to inform consumers that more detailed information is available for specific types of WEEE if this is the case, for example pointing consumers to information on a category-wide takeback and recycling scheme for vapes when one is developed.
- Measures should be reasonable and proportionate and developed through a process of collaboration between regulators and industry. This will be crucial to ensure that new regulations achieve their objective without creating overly burdensome and costly conditions for businesses.

We are at DEFRA's disposal to discuss our responses in more detail and to provide any helpful information as new rules are developed.

Yours sincerely,

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