



Cash Industry Environmental Charter Group

Part one

14 November 2022

The journey so far...

UK Finance is the collective voice for the banking and finance industry.

Representing around 300 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

We work for and on behalf of our members to promote a safe, transparent and innovative banking and finance industry.

We offer research, policy expertise, thought leadership and advocacy in support of our work.

We provide a single voice for a diverse and competitive industry.

Our operational activity enhances members' own services in situations where collective industry action adds value.

The journey so far...

Cash services

Supports an orderly market for the wholesale distribution of cash and foster cooperation across the supply chain.

Supports its members' objectives to ensure the efficient use of authentic banknotes and coin of the right denomination to meet public demand.

Maintains up-to-date incident management plans and procedures for the UK cash supply chain.

Supports an efficient industry model, adapting to changes in demand and regulatory pressures.

Gathers, shares and interprets payments market information on the needs of consumers and the role of cash.

The journey so far...



The journey so far...

In January 2020 Cash Services convened a meeting with its members to discuss the carbon footprint of cash. This is the agenda from that meeting.

To :

- Review current packaging
- Consider ways to reduce / re-use / recycle
- Share best practice
- Save money
- Save the planet



The journey so far...

Examples of the types of packaging in use across the cash supply chain:



The journey so far...

Standard packaging of new coin from The Royal Mint is comprised of six separate components.

Over 3,000 of these were despatched from the Mint in 2021.

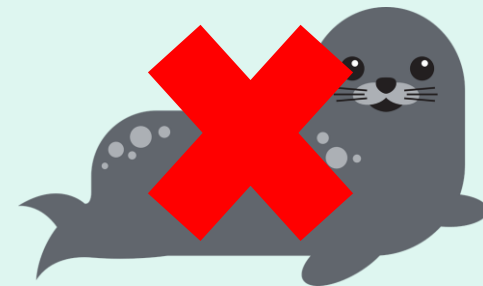


The journey so far...

Current plastic use

(Conservative) estimates from wholesale data:
Over 130 tonnes of plastic wrappings (that's the weight of ten double decker buses) and almost 4,000 plastic seals used to package £1 coins in 2021.

In the same year, over 7,000 plastic liners were used to move notes to and from the Bank of England – some of these will have been reused and/or recycled but not all.



Save the seals

The journey so far...

NatWest summits in September 2020

Three areas of focus:

- ❖ Sustainable energy
- ❖ Plastic
- ❖ CO₂

Industry Charter proposed, with targets.

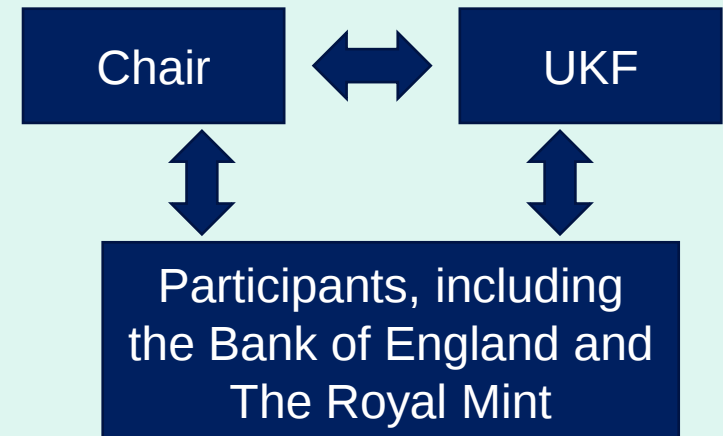
The journey so far...

In 2021 responsibility for the Charter passed to UK Finance.

A group was set up and a Chairperson selected from among the participants.

Membership was advertised to everyone that had attended the original seminars, and anyone that expressed an interest in joining became part of the group.

New members are always welcome.



The journey so far...

Terms of Reference:

Purpose

- to meet on a bi-monthly basis, or as agreed by attendees.
- to be responsible for collaborative, non-commercial discussions in line with the Cash Industry Environmental Charter.
- to share operational best practice (transport, packaging etc.) to allow members of the group to reduce the environmental impact of cash.
- to update the UK Finance Cash Policy Committee and seniors within member organisations on environmental matters relating to the cash supply chain in the UK.

The journey so far...

Terms of Reference:

Objectives

To provide an impartial, non-competitive forum where strategic discussions can be held to identify operational changes that will enable the industry to work towards the Charter targets and generally improve efficiencies in the cash cycle.

Membership

Membership is open to any organisation with an interest in the cash supply chain in the UK, together with The Royal Mint and Bank of England.

The journey so far...

Terms of Reference:

Decision making

Wherever possible, consensus is to be reached on all substantive matters considered. If consensus cannot be achieved, members are entitled to develop their own solution either individually or bilaterally.

Confidentiality

Members must ensure that all Confidential Information related to the Group and its Members which comes into their possession as a result of participation in meetings is kept confidential.

The journey so far...

Meetings

No
commercial
discussions

Guest
speakers

Round robin
updates

Dashboard of
consumables

Inventory of
packaging

Minutes



The journey so far...

The aim:

To reduce the environmental impact of cash processing in the UK.

Success criteria:

Any reduction in plastic or rationalisation of processes to ensure their efficiency.

Data sharing:

Dashboard and inventory documents.

Example dashboard entry

Cash-in-transit fleet	2017/18	2018/19	2019/20	2020/21
Annual mileage	4,984,836	5,088,711	4,875,019	4,602,496
Litres used	1,099,808	1,064,906	1,010,308	909,046
Gallons used	241,846	234,247	222,237	199,962
Emissions tonnes	2,852	2,762	2,620	2,358
Average mpg	20.61	21.72	21.91	23.02
% Increase in MPG	N/A	5.3%	1.1%	4.9%

The journey so far...

Example inventory entry:

Item	Material	Use	Recycled/recyclable/biodegradable/reusable? - how do you deal with this waste
PBNE (Plastic Bank Note Envelope)	Natural film using BOPP Material; printed with denomination in coloured ink and sealed with tamper evident tape	Used to send bank notes to / from branches and customers	Recyclable

Possible alternatives? What do you use instead? What controls are in place?	Any blockers to change / Is there anything the group can do to help with this?	Any other activity / pilot schemes or trials underway?	If you need help or information on a particular area, please indicate below
Sent to our branches without PBNE's, cash centre currently bands the notes	Branches still using PBNE's to return excess cash to the cash centres,	Change request raised internally to cease potentially use rubber bands although would like to know alternatives	Secure alternatives required for our branches



Cash Industry Environmental Charter Group

Part two

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The journey so far...

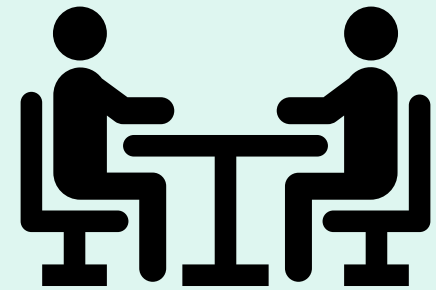
Achievements to date:

Revising industry packaging standards (Standard 21) to reduce the number of seals required on a cage.



Comparing branch processes to share best practice and reduce the amount of single use plastic.

Putting people together that may not previously have been connected to trial new ideas.



The journey so far...

Achievements to date:



The Royal Mint have started to pack some denominations into the same standard, reusable metal cages that the rest of the industry use.

In 2022 we estimate that more than 200 single use box/pallet combos have been replaced with reusable cages.

The journey so far...

Achievements to date:



The Post Office can generate over 50kg of surplus rubber bands in their cash centres each week.



They reuse where they can within their operations/ branch network but also worked with a charity who included excess bands in over 1200 craft packs distributed to children during lockdown.

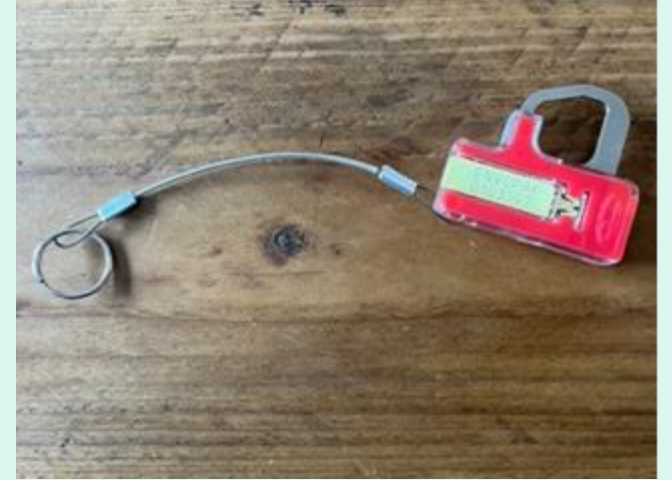
The journey so far...

Achievements to date:

Group members have worked with a seal supplier to find an alternative to the use of multiple plastic seals on each note cage.

There has also been work to source seals that contain no metal and can be easily recycled.

Several members of the group have expressed an interest in trialling the new seals and it is hoped that changes will be implemented in 2023.



The journey so far...

Examples of challenges encountered:

- Proposal:

Increasing the number of coins in a sachet (e.g. £2) This could reduce the volume of plastic used considerably but has been cited as being too disruptive to retailers and branches to implement. Further discussion needed with customers.

- Proposal:

Changing bulk bags for coin from one colour per denomination to clear with simple printing Could reduce the volume of bags ordered across the industry but needs effort from CIT to ensure orders don't get mixed up.

- Proposal:

Reducing number of plastic bags used by retailers to deposit cash takings Multiple bags sometimes used for audit purposes within stores, but it might be as simple as educating the right people on workflows.

The journey so far...



There are even greater challenges around transport...

There are currently insurance constraints that limit the value of notes that can be moved on one vehicle. This may mean that the vehicle is carrying equal parts empty space and notes.

The limiting factor for coin is weight – for some coins only 17 cages can be carried in a vehicle with a capacity of 20 or more.

Moving to electric vehicles is also tricky...

- ❖ There are few, if any commercial vehicles with a range great enough.
- ❖ The weight of the batteries is often as much again as the weight of the contents which reduces the range even further.
- ❖ Replacement vehicles are very expensive.
- ❖ There are few charging points for commercial use.

The journey so far...

THE GREATEST CHALLENGE

Cash use has changed and continues to change since the pandemic.

It can be difficult to quantify how much of a reduction has been made by changing processes and how much is a natural by-product of reducing volumes.

COIN PROCESSED THROUGH WHOLESALE CASH CENTRES		
2018	£8.0bn	15% down on 2017
2019	£7.2bn	10% down on 2018
2020	£3.8bn	47% down on 2019
2021	£3.6bn	7% down on 2020

NOTES PROCESSED THROUGH WHOLESALE CASH CENTRES		
2018	£305.6bn	15% down on 2017
2019	£283.3bn	7% down on 2018
2020	£212.3bn	25% down on 2019
2021	£204.6bn	4% down on 2020

Where we are now...

1. Achieve Net Zero for “Own Operations & Business Travel” by 2030

Participants are pursuing this individually as there is little opportunity for collaboration. The group are, however, monitoring CO2 emissions by CIT fleets and the use of telematics has helped to reduce CO2 by allowing companies to monitor and improve driver performance.

2. Eliminate single-use non-recyclable plastic in note centres by 2030 (3yrs 25%, 5yrs 50%, 10yrs 100%)

3. Reduce single-use non-recyclable plastic in coin centres to below 45% of plastics waste (by weight) by 2030 (3yrs <70%, 5yrs <60% 10yrs <45%)

Group members are gathering data to demonstrate their progress against the Charter targets.

4. 100% Renewable Electricity - Own Operations by 2022

Most of the organisations that have signed (or support) the Charter have achieved the target in respect of 100% renewable energy for cash operations.

Where we hope to be...

BUILDING on the great work done so far.

INVOLVING manufacturers and retailers in the journey too, to ensure that nothing is assumed and all alternatives are considered at every stage of the supply chain.

REDUCING the carbon footprint of cash.

KEEPING cash available for those who need it, when they need it.

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