

# GETTING READY FOR SCOTLAND'S DEPOSIT RETURN SCHEME



## STOP PRESS - DRS DELAYED UNTIL 1ST JULY 2022, GIVING RETAILERS AND PRODUCERS TIME TO PREPARE FOR A SUCCESSFUL SCHEME FROM DAY ONE.

Retailers that sell drinks will have a legal requirement to accept returns of empty drinks containers for recycling. Regulations for Scotland's Deposit Return Scheme are expected to be in place by April 2020, after which there will be at least a year to prepare for the scheme going live. It will give retailers an important role in tackling climate change.

Under the scheme, all retailers that sell drinks will have a legal requirement to accept returns of empty drinks containers for recycling. This also includes on line retailers of drinks. Although some details will not be finalised until the legislation is passed, it's important that as retailers, you begin to familiarise yourselves with the obligations you'll have, so you're ready for the scheme coming into place.

### WHAT YOU NEED TO KNOW

Scotland's Deposit Return Scheme places the responsibility on drinks producers for the collection and recycling of the containers their products come in. However, the draft legislation allows for drinks producers to nominate a scheme administrator to fulfil these obligations on their behalf. This will make it easier for retailers, who will benefit from dealing with one centralised operator. There is a scheme administrator in other territories where deposit return scheme operates, so for the purposes of this briefing, we'll assume a scheme administrator is in place.

### COMPENSATION

For every container you collect as a retailer, you will receive a reasonable handling fee from the scheme administrator. This will cover the costs associated with taking part in the scheme.

The fee will consider costs of:

Purchase, lease, maintenance or upkeep of any infrastructure associated with the collection and storage of scheme packaging.

This includes any vehicle solely used for the purpose of collecting scheme packaging

Materials used in resit of the collection and storage of scheme packaging

The rental value of any floor space utilised solely for the collection and storage of scheme packaging

Staff time dedicated solely to the collection and storage of scheme packaging

### CONTAINERS

All drinks producers will have to register with SEPA, who will publish information on who is part of the scheme. Producers will have to make sure their products can be identified as part of the scheme. This could include specific labelling or a barcode.

The rules apply to all products sold in in-scope drink containers in Scotland, whether specialist or mass market and whether imported, or brewed or bottled in Scotland.

All drinks, including soft drinks and alcoholic drinks, are included in the scheme, if they come in the following materials:

PET plastic- e.g. most bottled water and many fizzy drinks

Steel and aluminium - e.g. many fizzy drinks and canned beer

Glass - e.g. bottles of wine or premium soft drinks

Only containers between 50ml and 3 litres in size are included in the scheme

The exclusion of HOPE plastic (which is used for most milk bottles) means that very few dairy items will be included in the scheme. However, milk or milk-related products contained in PET and glass bottles or cans will be included.

Deposits only apply to single-use containers, so re-usable glass milk bottle schemes will not be included in the scheme.

### SELLING

As a retailer, you will be required to:

Make sure that all in-scope products include the deposit in sale price

Make it clear the container is part of the scheme

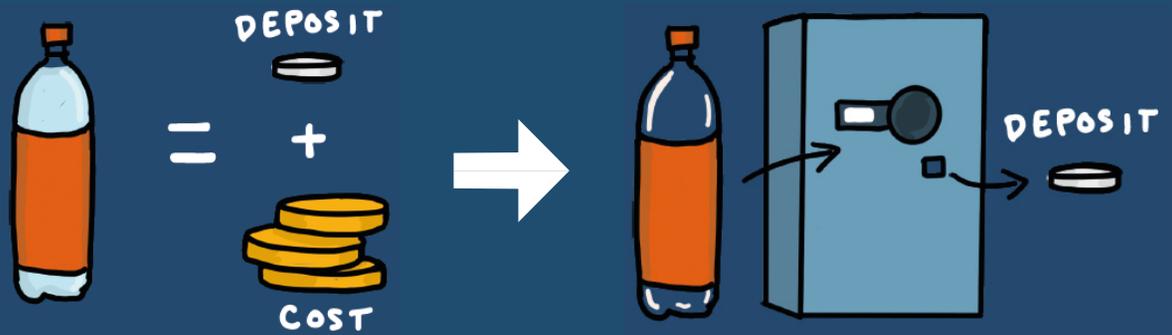
Display the deposit value separately from the product price

Clearly display information about how to redeem the deposit in-store

### OLD STOCK

During the initial period of the scheme, it is anticipated that shops will have stock that was purchased before the go-live date. So, where retailers still have a stock of non-deposit bearing products, purchased before the scheme goes live, you can sell these as normal.

However, it must be clearly communicated at point of purchase that these are not part of the scheme and cannot be exchanged for a deposit. Therefore, it's your responsibility to display the deposit clearly, highlighting which items that you sell are part of the scheme and also that you display the deposit value separately from the product price.



### Becoming a return point

All retailers of drinks must operate a return point. This obligation applies to each store, not the owner. As a result, if you have multiple shops, all of them must act as a return point. All online retailers must operate a take-back service (see below).

As a return point you must:

Accept scheme containers returned by consumers

Redeem the deposit for each container returned

Retain the packaging for collection by a scheme administrator

Provide a complaints procedure and contact details for making such a complaint, as well as contact details for SEPA

It is also likely that return points will have to register with administrators of the scheme.

Retailers will have to collect all the types of material/products that are included in the scheme -even if you don't sell them. This will ensure consistency across return locations. **So, if you sell drinks in plastic and glass, you will still have to accept returns of metal cans.**

### Retailers will be able to refuse to accept an empty bottle or can if:

It is not identifiable as scheme packaging

It is soiled

It is not empty

The scheme administrator has not carried out a collection in accordance with their operational plan

### You have two options for collecting containers for the public.

#### 1. Manual return

Under this option, the public simply hand over empty containers at the counter and you issue a cash refund. You store the empty containers, most likely in bags provided by the scheme administrator, until they are collected.

#### 2. Reverse Vending Machines

A reverse vending machine, or RVM, works like a vending machine, only in reverse. People put their empty bottle or can in the machine and get their 20p deposit back in return. RVMs give out vouchers rather than cash, which people can either use against their purchases, or to get a cash refund at the till. All deposits you pay out will be reimbursed by the scheme administrator.

If retailers decide to get an RVM for a store or return point, there are a range of manufacturers to choose from. The funding for an RVM will be included in the retailer handling fee.

Key issues which will be decided by a scheme administrator include:

Ways to store the returned containers e.g. bags or boxes

### Handling fee

If accepting returns manually, you will be expected to check that containers are part of the scheme before refunding a deposit.

### Collections from your store

The scheme administrator will be responsible for collecting empty containers from stores for recycling. This will be done free of charge, and will result in a saving to those retailers who currently pay for the removal of these containers.

### Cash flow

The flow of deposits is cost neutral. However, the timing of sales and deposit refunds may have an impact on cash flow.

You will pay the 20p deposit on every item of stock you buy from a wholesaler or drinks producer

You will receive 20p from shoppers when they buy a drink in your store

You will pay 20p to people when they return an empty container to your store - please note, this might not have been purchased in your store

You will receive 20p from the scheme administrator for every bottle or can you collect

Enter your email address below and receive occasional updates from Zero Waste Scotland

### Exemptions

Retailers can apply to Scottish Ministers for an exemption from acting as a return point. Exemptions are available for on-site consumption and for duty free shops.

There are two criteria which must be satisfied in order for any retailer to be granted an exemption. This is to ensure the core principle of accessibility in all local areas is maintained:

There is an alternative return point located within reasonable proximity to the premises, and the operator of that return point has agreed to accept the returns on behalf of the exempted retailer;

If the exemption is granted, this will still provide consumers with reasonable access to a return point locally.

Applications will open in due course.

### Handling fee

The scheme administrator will pay a reasonable handling fee per container to return point operators, reflecting the costs they have incurred. Such costs include shop space and staff time required to accept returned drinks containers.

The expectation is that the handling fee will be agreed between retailers and a scheme administrator.

### Preventing Fraud

The administrators of the scheme will be responsible for deciding on the most efficient and effective measures for minimising fraud. This could include the adoption of specific on-pack labelling and/or a Scottish specific barcode.