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INTRODUCING THE **DEPOSIT** **RETURN** **SCHEME**

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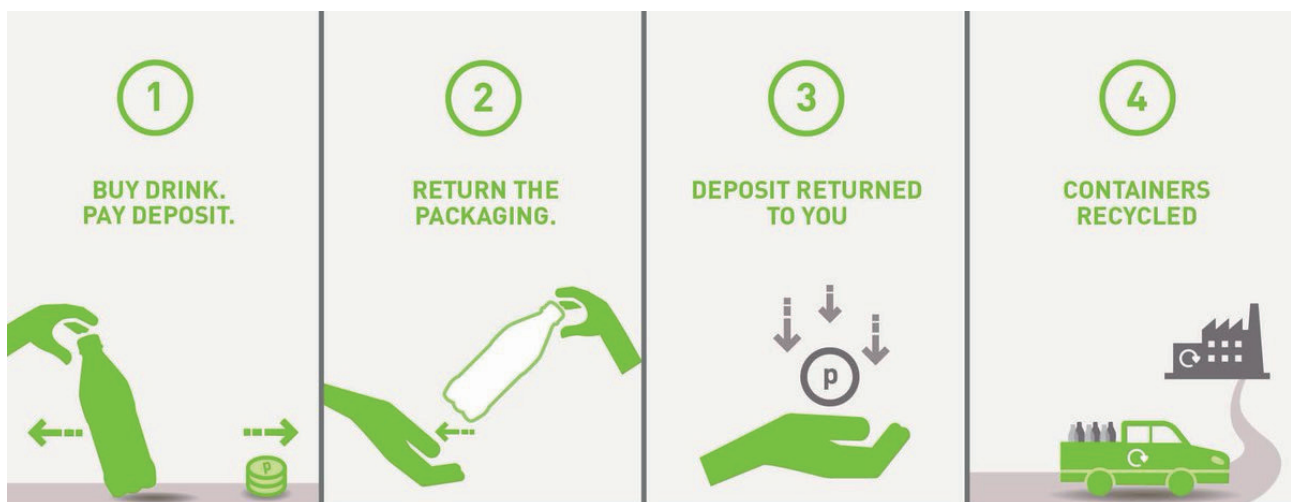
WHAT IS A DEPOSIT RETURN SCHEME?

Awareness of the need to reduce packaging waste to minimise impact on the environment, reduce resource waste and waste management costs, and to move to more circular economy is increasing. Deposit Return Schemes (DRS) are to be introduced in the UK to financially incentivise consumers to reuse and recycle drinks containers.

DRS sees a small deposit added to the price of each unit sold, which the consumer gets back upon returning eligible containers to designated DRS return points. The returned containers are then sold to recyclers for recycling.

The scheme is proposed for implementation in Wales, England, and Northern Ireland during late 2024.

Did you know?
Each year, UK consumers use
14 billion plastic drinks bottles
9 billion drinks cans
1.5 billion ????



HOW DEPOSIT RETURN WORKS

The proposed Scheme

A not-for-profit Scheme Administrator will be established, whose role it will be to set up and manage the operation of DRS. Their primary role will be to establish and administer:

- Infrastructure required to manage the newly segregated waste stream
- Setting maximum and minimum deposit rates
- Costs of communications for consumers and retailers and help encourage returns
- Deciding fees payable by producers to cover costs of administering the scheme
- Collation and reporting on performance (target of 90% container return rate)

The size of containers covered under DRS is yet to be determined, however, for simplicity, the preference in Wales is for a 'catch all' scheme i.e. all containers up to 3L in size. This is being considered alongside consistency with Wales, England, and NI.

What will DRS cover?

Single-use drinks can or bottle and intended to be sold in an airtight state, including:



PET
plastic
bottles



steel and
aluminium
cans



glass
bottles

Not covered by DRS



Tetra
Paks



Sachets



Pouches



Cups

What does DRS mean for my business?

'Producers' are UK brand owners and importers of non-UK brands and online retailers.

Payments made to the DRS Administrator will replace Extended Product Responsibility (EPR)/Packaging

Recovery Note (PRN) payment where applicable. For example, plastic used to contain a multi-pack of cans would be captured under EPR/PRN, but the cans themselves would be covered by the DRS.

Retailer Responsibilities

Retailers include physical shops, online retailers, and vending machine owners.

Retailers must:

- provide DRS information to consumers at the point of sale, stating which products are in scope, the applicable deposit rate, and how and where a deposit can be redeemed
- operate a return point for empty DRS containers. Exemptions may be granted due to factors like floor space, cost of hosting
- (online retailers) offer DRS container takeback service from site of delivery. Can charge collection fees that must be reimbursed to consumers
- (hospitality retailers) charge deposits and operate a return point if allowing off-site consumption.

Hospitality retailers selling DRS products for on-site consumption are only required to operate return points if they charge deposits to consumers.

What do Producers need to do?

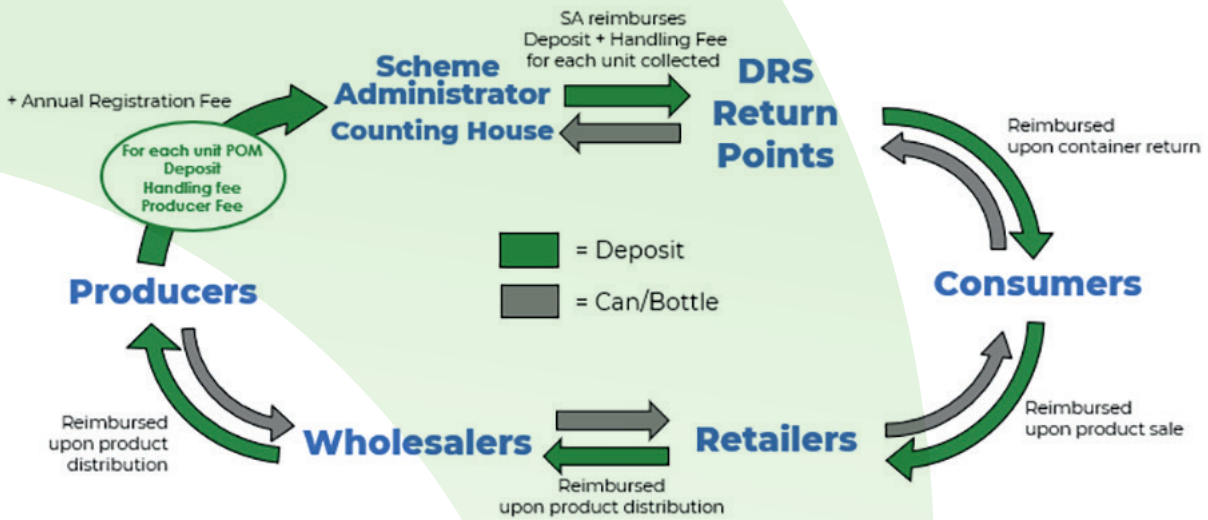
Register with the Scheme Administrator each year, declaring sales numbers of in-scope products (previous years & forecast)

Record & report DRS products sold in each nation, by material (at intervals TBC)

Finance

- a) pay DRS administrators costs through paying 'producer fees'
- b) pay operating costs of return points and services through paying 'handling fees'

Material & Deposit Flow



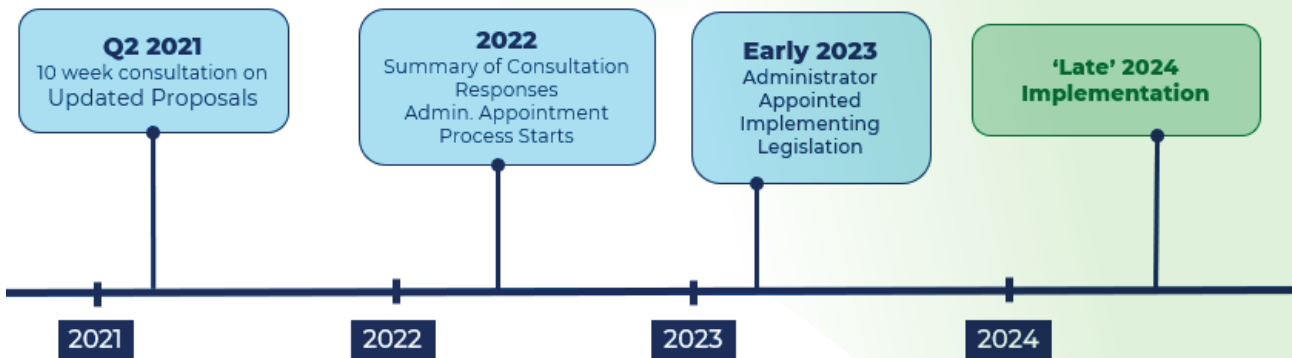
Valpak, 2022

Financing the DRS

The Scheme Administrator's costs will be met through a combination of:

- The sale of the collected containers to recyclers
- Deposits unredeemed by consumers
- Shortfall made up by producer fees

Timeline for Implementation



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WHERE CAN I FIND MORE INFORMATION?

[Welsh Government: Recycling & Waste](#)

[Defra: Introducing a Deposit Return Scheme \(DRS\) in England, Wales and Northern Ireland - Defra - Citizen Space](#)

[Valpak](#)

[Business Wales – Green Growth Pledge](#)

You can speak to a Business Wales Advisor to talk about introducing a Deposit Return Scheme to your business as part of the Green Growth Pledge.