

Copies of communications involving the Scottish Government and Coca Cola relating to the Deposit Return Scheme:

From: Nick Brown
Sent: Thursday, 7 February 2019 16:15
To: [Redacted]; [Redacted]
Subject: RE: Scheme Design follow-up

Great – that works for me. Do you have conf-call/webex details or shall I send some?
Nick

Nick Brown
Head of Sustainability, Coca-Cola European Partners, Great Britain

[Redacted]@cokecce.com Pemberton House
[Redacted] Uxbridge, Middx
[Redacted] UB8 1EZ



From: [Redacted] [[Redacted]@zerowastescotland.org.uk]
Sent: 07 February 2019 13:47
To: Nick Brown <[Redacted]@cokecce.com>; [Redacted]@gov.scot
Cc: Iain Gulland <[Redacted]@zerowastescotland.org.uk>
Subject: RE: Scheme Design follow-up

Nick,

Would Monday at 3pm suit?

Thanks,

[Redacted]

Sent from my Windows Phone

From: Nick Brown
Sent: 07/02/2019 11:44
To: [Redacted]; [Redacted]@gov.scot
Cc: Iain Gulland
Subject: RE: Scheme Design follow-up

Hi [Redacted],
Any thoughts on this? Do you and [Redacted] have time tomorrow for a chat on the phone?

Nick

Nick Brown

Head of Sustainability, Coca-Cola European Partners, Great Britain

[Redacted]@cokecce.com Pemberton House

[Redacted] Uxbridge, Middx

[Redacted] UB8 1EZ



From: Nick Brown

Sent: 04 February 2019 12:34

To: [Redacted] <[Redacted]@zerowastescotland.org.uk>; [Redacted]@gov.scot

Cc: Iain Gulland <[Redacted]@zerowastescotland.org.uk>

Subject: RE: Scheme Design follow-up

[Redacted].

Happy to have a conf/video call to discuss where you and the team are at – Our commercial teams in Edinburgh & Glasgow have been pulling together some ideas on trade visits to show how the route to market works for different types of outlets. This could be really useful and something we would be able to do reasonably quickly after the call. Have you been in discussion with any of the team who put in place the scheme in New South Wales in Australia? That has a few “cautionary tales” of what we think should be avoided in a scheme for Scotland.

Could you and [Redacted] do a call on Thursday or Friday this week? We could then sort out a meeting and trade visit after that if useful?

Nick

Nick Brown

Head of Sustainability, Coca-Cola European Partners, Great Britain

[Redacted]@cokecce.com Pemberton House

[Redacted] Uxbridge, Middx

[Redacted] UB8 1EZ



From: [Redacted] [[Redacted]@zerowastescotland.org.uk]

Sent: 01 February 2019 14:52

To: Nick Brown <[Redacted]@cokecce.com>; [Redacted]@gov.scot

Cc: Iain Gulland <[Redacted]@zerowastescotland.org.uk>

Subject: RE: Scheme Design follow-up

Hi Nick,

It would be good if [Redacted] and I could meet you and your commercial colleagues around the issue of unintended consequences and understanding some more of the detail that underpins these.

What would be the best way of doing this? I'm happy to set up a conference/video call or meeting as appropriate?

Regards,

[Redacted] | Project Lead - DRS | Zero Waste Scotland
Direct [Redacted] | **Mobile** [Redacted] | **Reception** [Redacted] **Email:**
[Redacted]@zerowastescotland.org.uk

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From: [Redacted]
Sent: 30 January 2019 13:29
To: Nick Brown <[Redacted]@cokecce.com>; [Redacted]@gov.scot
Cc: [Redacted] <[Redacted]@zerowastescotland.org.uk>
Subject: RE: Scheme Design follow-up

Nick

Good to see you too – and thanks again for the hospitality and the tour!
I'm copying in Stuart from my team re a possible meeting as we discussed.
I have briefed him on our conversation and think he would be the best person to facilitate something.
I hope that helps

[Redacted]

Iain Gulland | Chief Executive | Zero Waste Scotland
Tel [Redacted] | **Mobile** [Redacted] |
Email [Redacted]@zerowastescotland.org.uk

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Zero Waste Scotland: Inspiring change for Scotland's resource economy

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From: Nick Brown <[Redacted]@cokecce.com>
Sent: 30 January 2019 11:18
To: [Redacted]@gov.scot; Iain Gulland <[Redacted]@zerowastescotland.org.uk>
Subject: Scheme Design follow-up

Gentlemen,

It was good to see you both again last week. I wonder if you have had a chance to get your heads together and decide the best way of taking forward the discussion on the issues we discussed at East Kilbride? I'm happy to meet you, and your teams, to talk through some of the specific things we think need to be addressed in the design of an effective DRS in Scotland. I am also happy to bring along some commercial colleagues to help explain some of the possible unintended consequences we should all seek to avoid.

Kind regards,
Nick

Nick Brown

Head of Sustainability, Coca-Cola European Partners, Great Britain

[Redacted]@cokecce.com Pemberton House
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From: [Redacted] <[Redacted]@ccep.com>
Sent: 10 June 2021 08:47
To: Cabinet Secretary for Net Zero, Energy and Transport
<CabSecNetZET@gov.scot>
Subject: Coca-Cola letter

Hi,

Please find attached Coca-Cola's letter to the Cabinet Secretary.

Do let me know if you have further questions.

Kind regards,
[Redacted]





10th June 2021

BY EMAIL: cabsecNetZET@gov.scot

Dear Cabinet Secretary,

Re: Congratulations and meeting request

Congratulations on your appointment as the Cabinet Secretary for Net Zero, Energy and Transport. As a business with a factory in Scotland and colleagues and customers across the country, we are committed to improving our environment here.

Part of this commitment is sharing your government's ambition to establish a deposit return scheme (DRS). We were instrumental in bringing the industry along during the previous government's quest to make it possible.

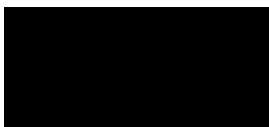
In partnership, the industry has made significant progress, and a DRS will help drive forward a circular economy in the coming years. The pandemic has understandably placed tremendous pressure on businesses and consumers alike, but our belief in the scheme has not waned. However, it critical that enough time is given to ensure the project is successful from Day One.

Given that our bottles are made from 50% recycled content, a DRS will accelerate our journey to 100% and progress the circular economy. We would welcome meeting with you and welcoming you to our East Kilbride factory to discuss our shared ambitions for packaging and the environment.

Yours sincerely,



Jim Fox
Head of Public Affairs
Coca-Cola Europacific Partners Great Britain



Kieran O'Connell
Head of Public Affairs
Coca-Cola, GB

Ivan McKee MSP
Minister for Business, Trade & Tourism
St Andrews House,
Regent Road
Edinburgh
EH1 3DG

7th November 2021

Dear Minister,

I am writing to follow-up on our meeting of the 5th November 2021, where I briefed you on our concerns regarding the current regulatory implementation date for a Deposit Return System (DRS) in Scotland. That date has been subject to a 'Gateway Review', of which the result is yet to be announced. We believe that announcement will be made in the next 10 days so time to influence that is already short.

Our business is a long-time supporter of a DRS in Scotland. In fact, a well-designed DRS is essential if we are to achieve our public packaging improvement commitments and zero carbon pathway.

DRS will be great for Scotland's environment, but we will only get one chance to get it right. If on day 1, retailers and producers are not ready, and the logistics required to make the system work is not ready then shoppers will face a very confusing scenario, creating disillusion, and the new system will fall into disrepute. Subsequent attempts to correct the situation are likely to face a huge task to regain the support and confidence of shoppers.

The main reasons we need a postponement are as follows -

1. COVID19 restrictions closed down many of the businesses obligated by the DRS regulations and other businesses which did continue to trade were fully focussed on keeping the public & employees safe while remaining financially viable in extraordinary circumstances. An earlier review of the regulatory implementation date was carried out when COVID was expected to be a 3-4-month issue but that was well over a year ago and some restrictions remain in place now. The impact of that situation on implementation planning was that all sectors could not be involved and other businesses did not have the strength in depth or financial viability to respond meaningfully.
2. BREXIT also shifted focus and so depleted project planning capabilities.
3. The design of the regulations also made it very difficult for Industry to move quickly. A scheme of such ambition cannot be delivered by individual companies. Like all other DRS across Europe, the forming of a scheme

administrator is critical to the overall success. The regulatory pre-requisite that Retailers had to endorse any application to Government to form a scheme-administrator, despite the regulations financially obligating only the Producers, created a negotiating hurdle which proved very difficult and time-consuming to overcome.

4. Financing the project also took much longer than expected due to the unique situation that the scheme administrator had to raise [redacted 33(1)(b) (prejudice to commercial interests)] of funds without any trading history, or a monopolistic advantage. The regulations were deliberately drafted to allow several competing scheme administrators to emerge, even when most people believed that was never going to happen. That situation went against the security required by commercial banks, and we discovered it was also a significant barrier to lending from the Scottish National Investment Bank. [redacted 33(1)(b) (prejudice to commercial interests)]
5. Even at this stage industry are uncertain how DRS will interact with other UK packaging regulations. We remain in dispute with HMRC regarding the VAT status of DRS. Both industry and the Scottish Government expected that DRS would be exempt from DRS but HMRC now say they intend to impose VAT. It also remains unclear if packaging obligated under Scottish DRS will be freed from existing Producer packaging recovery obligations (PRNs) to avoid us having to pay twice. Both of these uncertainties are confusing, concerning and impact project planning around IT systems and invoicing.
6. I am often asked to explain why it has taken so long to set-up a DRS in Scotland versus the same sort of project in other countries, such as Scandinavia. There are many differences but the most important one to consider is that in no other market did DRS effectively break-up existing supply-chains in the fundamental ways that a Scottish DRS impacts a previous single GB logistics network. We now need to duplicate established packs by creating unique DRS labels, invoice differently North and South of the border, store twice as many products and build increased production capability.

I have talked with several Producers and Retailers and had many conversations with the new scheme administrator (Circularity Scotland Ltd). I know that Government officials have also taken those soundings. We do completely understand the desire to press ahead with this project. It has already been delayed too long.

Our ask is that there is a postponement of the regulation implementation date until September 2023. A shorter postponement, while better than no move at all, will not remove enough of the very real risk to business & the public that this important project must manage.

Would you please help our businesses by conveying our justifiable concerns to the Minister directly concerned with the possible postponement decision?

Yours sincerely,

Jim Fox
Coca-Cola Europacific Partners
[Redacted]

Minister for Green Skills, Circular Economy and Biodiversity
Lorna Slater MSP

T: 0300 244 4000

E: scottish.ministers@gov.scot

Jim Fox Head of Public Affairs Coca-Cola
[REDACTED]

Our Reference: [Redacted]
1 November 2021

Dear Mr Fox

Thank you for your invitation to Lorna Slater MSP, Minister for Green Skills, Circular Economy, and Biodiversity inviting her to meet with you to discuss Coca-Cola's views on extended producer responsibility, deposit return systems, and plastics packaging tax.

Ms Slater would be delighted to accept your invitation subject to parliamentary business and diary availability. I would be grateful if you would contact the Minister's Diary Secretary [REDACTED], via email at MinisterGSCEB@gov.scot to make the necessary arrangements.

Kind Regards
[REDACTED]
[REDACTED]

Minister for Green Skills, Circular Economy and Biodiversity
Lorna Slater MSP

T: 0300 244 4000

E: scottish.ministers@gov.scot

Jim Fox
[REDACTED]

Our Reference: [Redacted]
Your Reference: Deposit Return Scheme

17 January 2022

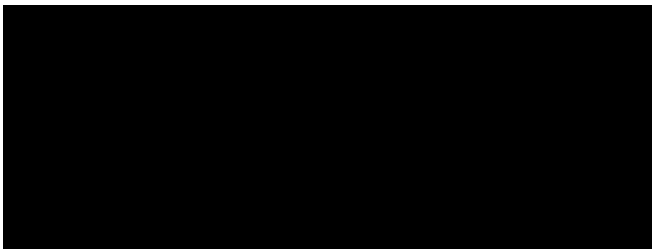
Dear Jim

Thank you for your letter of 7 November 2021 to the Minister for Business, Trade, and Tourism regarding Scotland's Deposit Return Scheme (DRS). I am responding, since I now have portfolio responsibility for the implementation of DRS. I apologise for the delay in replying.

I recognise the significant impact that COVID-19 and EU Exit have had on the businesses that will make the scheme a success, including the retail sector. That is why we commissioned an independent review into the implementation of the scheme supplemented by further stakeholder engagement; I am grateful to Coca-Cola for your helpful engagement throughout this process. I also recognise the impact of the additional cost and complexity arising from the UK Government's decision on the application of VAT. As I announced on 14 December, taking into account the findings of the review, as well as input from a wide range of stakeholders across industry, the scheme will now launch fully on 16 August 2023.

Given the extra time that industry now has to deliver DRS, I am confident that Circularity Scotland Ltd and wider industry will be able to deliver an efficient and effective DRS by the implementation date

Kind regards



LORNA SLATER

A Deposit Return Scheme for Scotland: COCA-COLA European
Partners & COCA-COLA Great Britain Consultation Response

**Attached as
PDF**