

# DRS IAG Producer and Distributor Working Group



## IAG Producer and Distributor Working Group

### Meeting 1: 20/06/19

#### Attendees:

Redacted, Highland Spring  
Redacted, National Hydration Council  
Redacted, Scottish Wholesale Association  
Redacted, Zero Waste Scotland  
Redacted, AG Barr  
Redacted, Molson Coors  
Redacted, Zero Waste Scotland  
Redacted, Vimto (by phone)  
Redacted, Tennent's Caledonian Brewers/C&C Group  
Redacted, Scottish Government  
Redacted, Scottish Manufacturing Advisory Service  
Redacted, Aston Manor Cider  
Redacted, Zero Waste Scotland  
Redacted, Danone  
Redacted, Tennent's Caledonian Brewers/C&C Group  
Redacted, Red Bull  
Redacted, British Soft Drinks Association  
Redacted, Scottish Beer and Pub Association

#### **Agenda Item 3 – Review the Outputs of the Process Mapping Exercise**

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Redacted gave an overview of the morning process mapping session (high level notes to be circulated separately) and outlined that the key areas of discussion were the balance between the costs required for Scottish specific labelling and SKUs against the risk of fraud. In addition, the group had requested a review of the programme plan to explore which items are on the critical path and a review of the data needed.

The morning process mapping workshop identified four potential work streams:

- the impact of different fraud levels and labelling,
- labelling technology options to futureproofing the scheme,
- data needs, and



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- labelling design.

The Producer and Distributor meeting discussed these work packages and merged them as follows:

- **Labelling** (covering total costs, fraud risks, futureproofing for technology advances and label design requirements). SBPA, NHC, Danone and Aston Manor Cider offered to provide support to this work package. BSDA can also support via information they have already gathered on costs, with Molson Coors and C&C Group looking to have further internal discussions.
- **Data** – it was acknowledged that current data, such as sales onto the Scottish market cannot be identified at a Scottish level as the UK is treated as a single market. It was felt that as retailers and wholesalers will be asked for information on this to assist with the logistics work package that this data work package would be better placed in the **Retail Working Group**, with producers feeding in where needed

## Agenda Items 5 & 6 – Identify any additional concerns held by producers and priorities areas for further work

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There was discussion around what the other priority areas should be focused on, with attendees feeling material specifications, cash flows and producer fees, label design, consumer information and changes in consumer buying habits are key areas.

The Group identified six recommendations to the Implementation Advisory Group and Scheme Administrator Working Group to be resolved by the Scheme Administrator when formed:

1. **Labelling and future technologies** – the outputs of the workstream will be presented to the IAG
2. **On pack messaging requirements** – in light of range of other requirements and consider options such as whether the deposit level be specified or not – cases were presented for and against.
3. **Cash Flow** – e.g. payment terms for redeemed deposits
4. **Producer Fees** – how and when these are they determined and what are payment terms?
5. **Material Specifications** – if detailed (e.g. adhesive for labels) will this be a factor in determining the producer fee?
6. **Material Sales** – can the brand owners have a first right of refusal for recycled materials? How is this best achieved?

The Producer and Distributor Working Group highlighted that the Scheme Administrator needs to be formed as soon as possible to allow definite decisions to be made on issues that the Group is exploring.





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The Group would like to put the following questions to the retail working group:

- What does a Scottish specific SKU mean to them and would they reduce product lines if producers create Scottish specific SKUs?
- What is the tipping point between storage and product lines?

## Action Item 7 – Discuss and agree how the Working Group moves forward

The Group agreed to meet again in four weeks (Zero Waste Scotland to schedule) with future meetings being a combination of in person and online.

### Actions

ID	Action	Owner	Due Date
P&D_1.1	Scope the labelling workstream to explore: the costs of labelling vs fraud costs (considering high/medium and low scenarios); and scope futureproofing labelling (e.g. RFID and blockchain).	Redacted	
P&D_1.2	Schedule next meeting (suggestion of an online meeting)	Redacted	ASAP
P&D_1.3	Share the Programme Plan at the next Producer and Distributor Working Group Meeting	Zero Waste Scotland/Scottish Government	
P&D_1.4	Involve industry representative in consumer research work	Redacted	
P&D_1.5	Share work stream summary slides	Redacted	Share with meeting note



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P&D_1.6	Share 6 recommendations from the Producers Working Group with the IAG and SA Working Group – Redacted	Potentially Redacted as a comment member of all groups	
P&D_1.7	Look for ways to secure positive outcomes around provision for brand owners to have the right of first refusal on reprocessed materials		
P&D_1.8	Consider the best way to record risks to the group		



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