

## Document A: 12 December 2022

Ref	Issue/Risk	Description	Proximity	Priority	Confidence in controls	Risk owner	[Redacted]	[Redacted]
SW.01	VAT	Impact of uncertainty on producers and retailers system choice given that Treasury have not yet confirmed VAT model.	Current	High	Low	All	[Redacted]	[Redacted]
SW.02	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to (legitimately) supply certain products to the Scottish Market, resulting in lower consumer choice OR increased supply through internet sales from English retailers not complying with the regs. Particular risk for smaller-batch products (e.g. craft beers, wines, spirits). May also impact sales if fewer SKUs.	From August 2023	High	Medium-Low	Producers , CSL	[Redacted]	[Redacted]
SW.03	Business engagement	Majority of affected businesses (including UK businesses) must be engaged by summer 2022 to allow enough time to implement changes to stock and business models, and register during producer registration window. Many businesses in 'survival mode' making it difficult to engage or prioritise DRS. Particularly a risk that producers outside Scotland are not aware.	Current	High	Medium	All	[Redacted]	[Redacted]
SW.04	Business compliance at launch	Given tight timetables, likely that many businesses will not be fully compliant with DRS Regulations at launch	From August 2023	High	Medium	SEPA, All	[Redacted]	[Redacted]
SW.05	Clarity on online takeback	Operating models have yet to be defined by affected retailers.	Current	High	Medium	Retailers	[Redacted]	[Redacted]
SW.06	Cut-over processes and stock	Impacts producer choices on labelling and production and wholesaler choices on stock Clarity needed on financial cost of border of deposits, sell through of non-DRS stock, protection against fraud	Current	High	Medium	Producers , Retailers	[Redacted]	[Redacted]

SW.07	Waste contracts and infrastructure	Lead time to update existing waste collection contracts - both for businesses and local authorities. Lead times for establishing / building required infrastructure, including planning and permitting requirements, power etc.	Current	High	Medium	CSL, Retailers, hospitality, local authorities	[Redacted]	[Redacted]
SW.08	Global supply chain	Equipment, transport, labour and expertise (e.g. IT) availability (inc. RVM availability). If there are delays to key information that would delay RVM orders, then this could have an impact of readiness at launch	From summer 2022	Medium	Medium	CSL, retailers, producers, wholesale	[Redacted]	[Redacted]
SW.09	Consumer communications	Need to communicate DRS to consumers, inc. timing, operation and implications of scheme	Spring 2023	Medium	Medium	Comms working group, CSL, obligated businesses, ZWS, SG	[Redacted]	[Redacted]
SW.10	Digital system updates (inc. SKUs)	Potential for large number of updates required to internal and CSL IT systems, particularly around processing of new SKUs. Depending on timescales for implementation, potential for these to be concentrated in final months up to scheme launch.	From March 2023	Medium	Medium	CSL, producers, retailers, hospitality	[Redacted]	
SW.11	Integration with UK DRS	Interoperability of UK schemes with Scottish scheme, including potential for fraud. Clarity needed on cross-border trade and imports.	Awaiting outcome of rUK consultation	Medium	Medium	UKG, input from SG; CSL	[Redacted]	
SW.12	Exemptions process	If the ZWS exemptions process does not operate effectively, or small retailers are unable to reach agreement with larger retailers to act as their alternative return point, then there will be disruption, delay, and potential backlash to the scheme, particular from small retail stakeholders	Ongoing	Medium	Medium	SG, ZWS, CSL, retailers	[Redacted]	[Redacted]
SW.13	Cyber security	Protection of DRS IT system and information	From summer 2022	Medium	High	CSL	[Redacted]	

SW.15	System integration	System integration across technologies, and with potentially future technologies (e.g. digital DRS)	Managed	Low	High	CSL, SEPA	[Redacted]	[Redacted]
SW.16	COVID-19	Further restrictions on trading as a result of lockdowns – possibly affecting some sectors more than others e.g. hospitality.	Managed	Low	High	All	[Redacted]	[Redacted]
SW.14	DRS/EPR overlapping regulatory obligations	Clarity needed on the interaction of DRS and other EPR regulatory obligations	Closed	Low	High	SG, Defra	[Redacted]	
SW.17	Producer fee lead time	Completion of the producer fee is on the overall scheme launch critical path (affecting producers' choices and implementation plans)	Closed	Low	High	CSL	[Redacted]	
SW.18	RHF lead time	Completion of the RHF is on the overall scheme launch critical path (affecting retailers implementation plans)	Closed	Low	High	CSL	[Redacted]	
SW.19	Co-mingling of DRS materials	Storage of co-mingled PET and aluminium would mean that premises no longer able to operate under an exemption and would need waste management licence. Affects handling fees and return point design (storage, RVM spec, etc.)	Closed	Low	High	Retailers, hospitality, local authorities	[Redacted]	

Document B: 24 January 2023

Ref	Issue/Risk	Description	Proximity	Priority	Confidence in controls	Risk owner	Actions in place / underway	Actions planned
SW.01	VAT	Impact of uncertainty on producers and retailers system choice given that Treasury have not yet confirmed VAT model.	Current	High	Low	All	[Redacted]	[Redacted]
SW.02	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to (legitimately) supply certain products to the Scottish Market, resulting in lower consumer choice OR increased supply through internet sales from English retailers not complying with the regs. Particular risk for smaller-batch products (e.g. craft beers, wines, spirits). May also impact sales if fewer SKUs.	From August 2023	High	Medium-Low	Producers, CSL	[Redacted]	[Redacted]
SW.03	Business engagement	Majority of affected businesses (including UK businesses) must be engaged by summer 2022 to allow enough time to implement changes to stock and business models, and register during producer registration window. Many businesses in 'survival mode' making it difficult to engage or prioritise DRS. Particularly a risk that producers outside Scotland are not aware.	Current	High	Medium	All	[Redacted]	[Redacted]
SW.04	Business compliance at launch	Given tight timetables, likely that many businesses will not be fully compliant with DRS Regulations at launch	From August 2023	High	Medium	SEPA, All	[Redacted]	[Redacted]
SW.05	Clarity on online takeback	Operating models have yet to be defined by affected retailers.	Current	High	Medium	Retailers	[Redacted]	[Redacted]

SW.06	<b>Cut-over processes and stock</b>	Impacts producer choices on labelling and production and wholesaler choices on stock Clarity needed on financial cost of border of deposits, sell through of non-DRS stock, protection against fraud	<b>Current</b>	<b>High</b>	Medium	Producers, Retailers	[Redacted]	[Redacted]
SW.07	<b>Waste contracts and infrastructure</b>	Lead time to update existing waste collection contracts - both for businesses and local authorities. Lead times for establishing / building required infrastructure, including planning and permitting requirements, power etc.	<b>Current</b>	<b>High</b>	Medium	CSL, Retailers, hospitality, local authorities	[Redacted]	[Redacted]
SW.08	<b>Global supply chain</b>	Equipment, transport, labour and expertise (e.g. IT) availability (inc. RVM availability). If there are delays to key information that would delay RVM orders, then this could have an impact of readiness at launch	<b>From summer 2022</b>	<b>Medium</b>	Medium	CSL, retailers, producers, wholesale	[Redacted]	[Redacted]
SW.09	<b>Consumer communications</b>	Need to communicate DRS to consumers, inc. timing, operation and implications of scheme	<b>Spring 2023</b>	<b>Medium</b>	Medium	Comms working group, CSL, obligated businesses, ZWS, SG	[Redacted]	[Redacted]
SW.10	<b>Digital system updates (inc. SKUs)</b>	Potential for large number of updates required to internal and CSL IT systems, particularly around processing of new SKUs. Depending on timescales for implementation, potential for these to be concentrated in final months up to scheme launch.	<b>From March 2023</b>	<b>Medium</b>	Medium	CSL, producers, retailers, hospitality	[Redacted]	
SW.11	<b>Integration with UK DRS</b>	Interoperability of UK schemes with Scottish scheme, including potential for fraud. Clarity needed on cross-border trade and imports.	<b>Awaiting outcome of rUK consultation</b>	<b>Medium</b>	Medium	UKG, input from SG; CSL	[Redacted]	

SW.12	Exemptions process	If the ZWS exemptions process does not operate effectively, or small retailers are unable to reach agreement with larger retailers to act as their alternative return point, then there will be disruption, delay, and potential backlash to the scheme, particular from small retail stakeholders	Ongoing	Medium	Medium	SG, ZWS, CSL, retailers	[Redacted]	[Redacted]
SW.13	Cyber security	Protection of DRS IT system and information	From summer 2022	Medium	High	CSL	[Redacted]	
SW.15	System integration	System integration across technologies, and with potentially future technologies (e.g. digital DRS)	Managed	Low	High	CSL, SEPA, SG	[Redacted]	[Redacted]
SW.16	COVID-19	Further restrictions on trading as a result of lockdowns – possibly affecting some sectors more than others e.g. hospitality.	Managed	Low	High	All	[Redacted]	[Redacted]
SW.14	DRS/EPR overlapping regulatory obligations	Clarity needed on the interaction of DRS and other EPR regulatory obligations	Closed	Low	High	SG, Defra	[Redacted]	
SW.17	Producer fee lead time	Completion of the producer fee is on the overall scheme launch critical path (affecting producers' choices and implementation plans)	Closed	Low	High	CSL	[Redacted]	
SW.18	RHF lead time	Completion of the RHF is on the overall scheme launch critical path (affecting retailers implementation plans)	Closed	Low	High	CSL	[Redacted]	
SW.19	Co-mingling of DRS materials	Storage of co-mingled PET and aluminium would mean that premises no longer able to operate under an exemption and would need waste management licence. Affects handling fees and return point design (storage, RVM spec, etc.)	Closed	Low	High	Retailers, hospitality, local authorities	[Redacted]	

Document C: 8 March 2023

Risk ID	Headline	Description	Proximity	Impact	Likelihood	Score	Confidence in controls	Risk owner	Status	Actions in place	Actions planned	Notes	Date last updated	Date closed
DRS-R021	Political change	If there is a change in political desire to implement DRS (or a change in Government), then this would prevent scheme implementation and result in substantial financial and commercial loss to businesses.	Ongoing	50	3	150	High	SG	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
DRS-R004	Internal Market Act	Depending on the scope of the rUK scheme, an exemption for Deposit Return Scheme regulations from the UK Internal Market Act may be required. If this is the case, then enforcement of the scheme could be open to legal challenge at launch for failing to comply with the principles of mutual recognition and/or non-discrimination. If an exemption is not secured in principle, then this may undermine business confidence in the scheme and undermine implementation. If the legislation for an exemption is not in place by August 2023, then there will be an 'air gap' in legislation, resulting in potential legal challenge to enforcement by UK businesses.	Current, until exemption secured	50	2	100	Medium	SG	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/22	

DRS-R029	CSL Readiness	If CSL do not complete all tasks on the critical path to implementation then this will impact on successful implementation resulting in lower levels of participation and reputational damage.	Until August 2023	50	2	100	Medium	CSL	Risk to launch	[Redacted]	[Redacted]	[Redacted]	4/2/23	
DRS-R006	Integration with UK DRS	If the UK schemes are not interoperable with the Scottish scheme, then there will be confusion and additional barriers for businesses, and a higher potential for fraud. Clarity needed on cross-border trade and imports.	From January 2023	25	4	100	Medium	UKG, input from SG	Wider risk	[Redacted]	[Redacted]	[Redacted]	8/3/23	
DRS-R026	Retailer-Business Readiness	If retailers are not implementing changes, such as revising business models and ordering RVM's, to ensure they ready for go-live on the 16th of August 2023, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits.	Current, until go-live	25	4	100	Low-medium	Retailers	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
DRS-R034	Price Marking Order	If retailers must display the deposit cost in the final price indication to customers, as outlined in the Price Marking Order 2004 regulations, then there will be a lack of customer understanding that a deposit has been applied to their purchase resulting in lower performance of the	Until resolved	25	4	100	Low	SG	Risk to launch	[Redacted]		[Redacted]	8/3/23	



		DRS scheme and potential damage to customer opinion of DRS.											
<b>DRS-R038</b>	Proactive communications	If there is a lack of proactive timely communication from organisations targeted at stakeholders then there is a risk that the vacuum will be filled by misinformation resulting in confusion and more resource time needed to correct.	Until go-live	25	4	100	Medium	CSL, SEPA, SG, ZWS	Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23
<b>DRS-R027</b>	Producer-Business Readiness	If producers are not implementing changes, such as revising business models and defining the cut-over process, to ensure they ready for go-live on the 16 <sup>th</sup> of August 2023, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits.	Current, until go-live	25	4	100	Low-medium	CSL, SG, SEPA and producers	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23
<b>DRS-R014</b>	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to supply certain products to the Scottish Market, resulting in lower consumer choice.	From August 2023	25	4	100	Low	Producers, SG	Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23

<b>DRS-R005</b>	Consumer confusion	If DRS is poorly or insufficiently communicated to consumers, inc. timing, operation and implications of scheme, then there may be substantial consumer confusion, resulting in lower uptake or backlash to scheme.	2023	25	3	75	Medium	Comms working group, all	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R012</b>	Exemptions process	If ZWS are unable to resource the exemption service to adequately deal with the scale and phasing of the applications received then there may be fewer exemptions granted than estimated resulting in reputational damage and the scheme being very inefficient in terms of cost and carbon.	Ongoing	25	3	75	Medium	ZWS, retailers	Risk to launch	[Redacted]	[Redacted]	[Redacted]	27/2/23	
<b>DRS-R018</b>	Resource	If there are insufficient funding or resources within SG or public bodies (ZWS, SEPA) to formulate DRS policy, respond to public scrutiny, process exemptions, or carry out regulatory responsibilities, then this may impact scheme delivery or benefits, and / or may undermine business and public confidence in the scheme	Ongoing	25	3	75	Medium	SG, SEPA, ZWS	Issue	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R028</b>	Judicial review against CSL	If the judicial review against CSL requires CSL to work with individual retailers to calculate their specific retailer handling fee then the scheme won't be ready to go-live in August 2023.	Current	25	3	75	Low	CSL	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	

		This will result in a delay or non-delivery of the expected benefits.												
<b>DRS-R010</b>	Clarity on online takeback	If clarity is not given to the largest retailers about what their takeback obligations are then there may not be time for them to implement a solution resulting in a lack for service provision for those who may not be able to get to a physical return point and therefore be unable to get their deposit back.	Current	25	2	50	Medium	Retailers	Wider risk	[Redacted]	[Redacted]	[Redacted]	5/2/23	
<b>DRS-R013</b>	Cyber security	If there is insufficient protection and testing of the DRS digital system, then it is possible that the system or personal / commercial information could be vulnerable to cyber-attack	From summer 2022	25	2	50	High	CSL, SG, SEPA and ZWS	Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R022</b>	SEPA new regulatory service	If SEPA is not ready to carry out statutory obligations and regulate DRS on 16/08/23, industry compliance with Regulations and realisation of scheme benefits may be significantly undermined.	Ongoing	25	2	50	High	SEPA	Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R009</b>	Consumer prices	If producers pass on the costs associated with the Deposit Return Scheme to consumers, then the price of in-scope DRS products is likely to increase. This risk is particularly sensitive while the cost of living is increasing and poses a	From August 2023	10	4	40	Low	SG	Wider risk	[Redacted]	[Redacted]		31/1/23	

		reputational risk to the scheme.											
<b>DRS-R015</b>	Fraud	If specific organised groups decide to stockpile scheme articles and then bring them into Scotland in order to claim the deposit back resulting in increased costs for others who are complying with the scheme which may be passed on to the consumer.	From August 2023	10	4	40	Medium	SEPA, CSL, producers, retailers	Wider risk	[Redacted]	[Redacted]	[Redacted]	5/2/23
<b>DRS-R003</b>	VAT	<p>If there is ongoing uncertainty over VAT requirements, or legislation for new VAT requirements is not completed by August 2023 (given potential need for primary legislation), then there could be delays or additional costs to digital systems for CSL and businesses, delays to producer decision-making on stock / labelling / SKUs that will reduce their readiness for scheme launch, or potential 'air gaps' in VAT legislation at launch that could undermine scheme feasibility or success.</p> <p>Majority of risk now sits with producers and retailers as CSL will have delivered systems design (and most of implementation) before HMT confirms the VAT</p>	Current, until VAT legislation in place	10	3	30	Low	HMT, HMRC, CSL, industry,	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23

		treatment. Impact of uncertainty on producers and retailers system choice given that Treasury will not confirm VAT system in law until spring 2023.												
<b>DRS-R016</b>	Job creation and materials processing	If operations jobs and infrastructure, and materials processing and flows, are not based in Scotland, then this will reduce the economic benefits of the scheme and pose a reputational risk to Scottish Ministers.	From summer 2022	10	3	30	Medium	CSL, SG	Wider risk	[Redacted]	[Redacted]		31/1/23	

Risk ID	Headline	Description	Proximity	Impact	Likelihood	Score	Confidence in controls	Risk owner	Named owner	Status	Actions in place	Actions planned	Notes	Date last updated	Date closed
DRS-R004	Internal Market Act	Depending on the scope of the rUK scheme, an exemption for Deposit Return Scheme regulations from the UK Internal Market Act may be required. If this is the case, then enforcement of the scheme could be open to legal challenge at launch for failing to comply with the principles of mutual recognition and/or non-discrimination. If an exemption is not secured in principle, then this may undermine business confidence in the scheme and undermine implementation. If the legislation for an exemption is not in place by March 2024, then there will be an 'air gap' in legislation, resulting in potential legal challenge to enforcement by UK businesses.	Current, until exemption secured	50	2	100	Medium	SG		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/22	

<b>DRS-R029</b>	CSL Readiness	If CSL do not complete all tasks on the critical path to implementation then this will impact on successful implementation resulting in lower levels of participation and reputational damage.	Until March 24	50	2	100	Medium	CSL		Risk to launch	[Redacted]	[Redacted]	[Redacted]	4/2/23	
<b>DRS-R006</b>	Integration with UK DRS	If the UK schemes are not interoperable with the Scottish scheme, then there will be confusion and additional barriers for businesses, and a higher potential for fraud. Clarity needed on cross-border trade and imports.	From January 2023	25	4	100	Medium	UKG, input from SG		Wider risk	[Redacted]	[Redacted]	[Redacted]	8/3/23	
<b>DRS-R026</b>	Retailer-Business Readiness	If retailers are not implementing changes, such as revising business models and ordering RVM's, to ensure they ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits.	Current, until go-live	25	4	100	Low-medium	Retailers		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	

DRS-R034	Price Marking Order	If retailers must display the deposit cost in the final price indication to customers, as outlined in the Price Marking Order 2004 regulations, then there will be a lack of customer understanding that a deposit has been applied to their purchase resulting in lower performance of the DRS scheme and potential damage to customer opinion of DRS.	Until resolved	25	4	100	Low	SG		Risk to launch	[Redacted]		[Redacted]	8/3/23	
DRS-R027	Producer-Business Readiness	If producers are not implementing changes, such as revising business models and defining the cut-over process, to ensure they ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits. Obligated businesses require sight of proposed Regulatory Amendments and more information about how these	Current, until go-live	25	4	100	Low-medium	CSL, SG, SEPA and producers		Risk to launch	[Redacted]	[Redacted]	[Redacted]	4/5/23	



		will work in practice (per changes to scope/scale/go-live date announced by Ministers 18/05/23 and 20/05/23).												
<b>DRS-R018</b>	Resource	If there are insufficient funding or resources within SG or public bodies (ZWS, SEPA) to formulate DRS policy, respond to public scrutiny, process exemptions, or carry out regulatory responsibilities, then this may impact scheme delivery or benefits, and / or may undermine business and public confidence in the scheme	Ongoing	25	3	75	Medium	SG, SEPA, ZWS	Issue	[Redacted]	[Redacted]	[Redacted]	4/5/23	
<b>DRS-R022</b>	SEPA new regulatory service	If SEPA is not ready to carry out statutory obligations and regulate DRS on 01/03/24, industry compliance with Regulations and realisation of scheme benefits may be significantly undermined.	Ongoing	25	3	75	Low-medium	SEPA	Wider risk	[Redacted]	[Redacted]	[Redacted]	4/5/23	

<b>DRS-R038</b>	Proactive communications	If there is a lack of proactive timely communication from organisations targeted at stakeholders then there is a risk that the vacuum will be filled by misinformation resulting in confusion and more resource time needed to correct.	Until go-live	25	3	75	Medium	CSL, SEPA, SG, ZWS		Wider risk	[Redacted]	[Redacted]	[Redacted]	04/0523	
<b>DRS-R005</b>	Consumer confusion	If DRS is poorly or insufficiently communicated to consumers, inc. timing, operation and implications of scheme, then there may be substantial consumer confusion, resulting in lower uptake or backlash to scheme.	2023	25	3	75	Medium	Comms working group, all		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R012</b>	Exemptions process	If ZWS are unable to resource the exemption service to adequately deal with the scale and phasing of the applications received then there may be fewer exemptions granted than estimated resulting in reputational damage and the scheme being very inefficient in terms of cost and carbon.	Ongoing	25	3	75	Medium	ZWS, retailers		Risk to launch	[Redacted]	[Redacted]	[Redacted]	27/2/23	

<b>DRS-R028</b>	Judicial review against CSL	If the judicial review against CSL requires CSL to work with individual retailers to calculate their specific retailer handling fee then the scheme won't be ready to go-live in March 2024. This will result in a delay or non-delivery of the expected benefits.	Current	25	3	75	Low	CSL		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R021</b>	Political change	If there is a change in political desire to implement DRS (or a change in Government), then this would prevent scheme implementation and result in substantial financial and commercial loss to businesses.	Ongoing	25	2	50	High	SG		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R010</b>	Clarity on online takeback	If clarity is not given to the largest retailers about what their takeback obligations are then there may not be time for them to implement a solution resulting in a lack for service provision for those who may not be able to get to a physical return point and therefore be unable to get their deposit back.	Current	25	2	50	Medium	Retailers		Wider risk	[Redacted]	[Redacted]	[Redacted]	4/5/23	
<b>DRS-R013</b>	Cyber security	If there is insufficient protection and testing of the DRS digital	From summer 2022	25	2	50	High	CSL, SG, SEPA and ZWS		Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	

		system, then it is possible that the system or personal / commercial information could be vulnerable to cyber-attack													
<b>DRS-R014</b>	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to supply certain products to the Scottish Market, resulting in lower consumer choice.	From March 24	10	4	40	Low	Producers, SG			[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R009</b>	Consumer prices	If producers pass on the costs associated with the Deposit Return Scheme to consumers, then the price of in-scope DRS products is likely to increase. This risk is particularly sensitive while the cost of living is increasing and poses a reputational risk to the scheme.	From March 24	10	4	40	Low	SG			[Redacted]	[Redacted]		31/1/23	
<b>DRS-R015</b>	Fraud	If specific organised groups decide to stockpile scheme articles and then bring them into Scotland in order to claim the deposit back resulting in increased costs for others who are complying with the scheme which may be	From March 24	10	4	40	Medium	SEPA, CSL, producers, retailers			[Redacted]	[Redacted]	[Redacted]	5/2/23	

		passed on to the consumer.													
DRS-R003	VAT	<p>If there is ongoing uncertainty over VAT requirements, or legislation for new VAT requirements is not completed by March 2024 (given potential need for primary legislation), then there could be delays or additional costs to digital systems for CSL and businesses, delays to producer decision-making on stock / labelling / SKUs that will reduce their readiness for scheme launch, or potential 'air gaps' in VAT legislation at launch that could undermine scheme feasibility or success.</p> <p>Majority of risk now sits with producers and retailers as CSL will have delivered systems design (and most of implementation) before HMT confirms the VAT treatment. Impact of uncertainty on producers and retailers system choice given</p>	Current, until VAT legislation in place	10	3	30	Low	HMT, HMRC, CSL, industry,		Risk to launch	[Redacted]	[Redacted]	[Redacted]		1/3/23

		that Treasury will not confirm VAT system in law until spring 2023.													
<b>DRS-R016</b>	Job creation and materials processing	If operations jobs and infrastructure, and materials processing and flows, are not based in Scotland, then this will reduce the economic benefits of the scheme and pose a reputational risk to Scottish Ministers.	From summer 2022	10	3	30	Medium	CSL, SG		Wider risk	[Redacted]	[Redacted]		31/1/23	

Document E: 19 May 2023

Risk ID	Headline	Description	Proximity	Impact	Likelihood	Score	Confidence in controls	Risk owner	Named owner	Status	Actions in place	Actions planned	Notes	Date last updated	Date closed
DRS-R004	Internal Market Act	Depending on the scope of the rUK scheme, an exemption for Deposit Return Scheme regulations from the UK Internal Market Act may be required. If this is the case, then enforcement of the scheme could be open to legal challenge at launch for failing to comply with the principles of mutual recognition and/or non-discrimination. If an exemption is not secured in principle, then this may undermine business confidence in the scheme and undermine implementation. If the legislation for an exemption is not in place by March 2024, then there will be an 'air gap' in legislation, resulting in potential legal challenge to enforcement by UK businesses.	Current, until exemption secured	50	2	100	Medium	SG		Risk to launch	[Redacted]	[Redacted]	[Redacted]	19/5/23	

<b>DRS-R029</b>	CSL Readiness	If CSL do not complete all tasks on the critical path to implementation then this will impact on successful implementation resulting in lower levels of participation and reputational damage.	Until March 24	50	2	100	Medium	CSL		Risk to launch	[Redacted]	[Redacted]	[Redacted]	4/2/23	
<b>DRS-R006</b>	Integration with UK DRS	If the UK schemes are not interoperable with the Scottish scheme, then there will be confusion and additional barriers for businesses, and a higher potential for fraud. Clarity needed on cross-border trade and imports.	From January 2023	25	4	100	Medium	UKG, input from SG		Wider risk	[Redacted]	[Redacted]	[Redacted]	8/3/23	
<b>DRS-R026</b>	Retailer-Business Readiness	If retailers are not implementing changes, such as revising business models and ordering RVM's, to ensure they ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits.	Current, until go-live	25	4	100	Low-medium	Retailers		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	



DRS-R034	Price Marking Order	If retailers must display the deposit cost in the final price indication to customers, as outlined in the Price Marking Order 2004 regulations, then there will be a lack of customer understanding that a deposit has been applied to their purchase resulting in lower performance of the DRS scheme and potential damage to customer opinion of DRS.	Until resolved	25	4	100	Low	SG		Risk to launch	[Redacted]		[Redacted]	8/3/23	
DRS-R027	Producer-Business Readiness	If producers are not implementing changes, such as revising business models and defining the cut-over process, to ensure they ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits. Obligated businesses require sight of proposed Regulatory Amendments and more information about how these	Current, until go-live	25	4	100	Low-medium	CSL, SG, SEPA and producers		Risk to launch	[Redacted]	[Redacted]	[Redacted]	4/5/23	

		will work in practice (per changes to scope/scale/go-live date announced by Ministers 18/05/23 and 20/05/23).												
<b>DRS-R018</b>	Resource	If there are insufficient funding or resources within SG or public bodies (ZWS, SEPA) to formulate DRS policy, respond to public scrutiny, process exemptions, or carry out regulatory responsibilities, then this may impact scheme delivery or benefits, and / or may undermine business and public confidence in the scheme	Ongoing	25	3	75	Medium	SG, SEPA, ZWS	Issue	[Redacted]	[Redacted]	[Redacted]	4/5/23	
<b>DRS-R022</b>	SEPA new regulatory service	If SEPA is not ready to carry out statutory obligations and regulate DRS on 01/03/24, industry compliance with Regulations and realisation of scheme benefits may be significantly undermined.	Ongoing	25	3	75	Low-medium	SEPA	Wider risk	[Redacted]	[Redacted]	[Redacted]	4/5/23	

<b>DRS-R038</b>	Proactive communications	If there is a lack of proactive timely communication from organisations targeted at stakeholders then there is a risk that the vacuum will be filled by misinformation resulting in confusion and more resource time needed to correct.	Until go-live	25	3	75	Medium	CSL, SEPA, SG, ZWS			[Redacted]	[Redacted]	[Redacted]	04/0523	
<b>DRS-R005</b>	Consumer confusion	If DRS is poorly or insufficiently communicated to consumers, inc. timing, operation and implications of scheme, then there may be substantial consumer confusion, resulting in lower uptake or backlash to scheme.	2023	25	3	75	Medium	Comms working group, all			[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R012</b>	Exemptions process	If ZWS are unable to resource the exemption service to adequately deal with the scale and phasing of the applications received then there may be fewer exemptions granted than estimated resulting in reputational damage and the scheme being very inefficient in terms of cost and carbon.	Ongoing	25	3	75	Medium	ZWS, retailers			[Redacted]	[Redacted]	[Redacted]	27/2/23	

DRS-R028	Judicial review against CSL	If the judicial review against CSL requires CSL to work with individual retailers to calculate their specific retailer handling fee then the scheme won't be ready to go-live in March 2024. This will result in a delay or non-delivery of the expected benefits.	Current	25	3	75	Low	CSL		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
DRS-R021	Political change	If there is a change in political desire to implement DRS (or a change in Government), then this would prevent scheme implementation and result in substantial financial and commercial loss to businesses.	Ongoing	25	2	50	High	SG		Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
DRS-R010	Clarity on online takeback	If clarity is not given to the largest retailers about what their takeback obligations are then there may not be time for them to implement a solution resulting in a lack for service provision for those who may not be able to get to a physical return point and therefore be unable to get their deposit back.	Current	25	2	50	Medium	Retailers		Wider risk	[Redacted]	[Redacted]	[Redacted]	4/5/23	
DRS-R013	Cyber security	If there is insufficient protection and testing of the DRS digital	From summer 2022	25	2	50	High	CSL, SG, SEPA and ZWS		Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	

		system, then it is possible that the system or personal / commercial information could be vulnerable to cyber-attack													
<b>DRS-R014</b>	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to supply certain products to the Scottish Market, resulting in lower consumer choice.	From March 24	10	4	40	Low	Producers, SG		Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R009</b>	Consumer prices	If producers pass on the costs associated with the Deposit Return Scheme to consumers, then the price of in-scope DRS products is likely to increase. This risk is particularly sensitive while the cost of living is increasing and poses a reputational risk to the scheme.	From March 24	10	4	40	Low	SG		Wider risk	[Redacted]	[Redacted]		31/1/23	
<b>DRS-R015</b>	Fraud	If specific organised groups decide to stockpile scheme articles and then bring them into Scotland in order to claim the deposit back resulting in increased costs for others who are complying with the scheme which may be	From March 24	10	4	40	Medium	SEPA, CSL, producers, retailers		Wider risk	[Redacted]	[Redacted]	[Redacted]	5/2/23	

		passed on to the consumer.													
DRS-R003	VAT	<p>If there is ongoing uncertainty over VAT requirements, or legislation for new VAT requirements is not completed by March 2024 (given potential need for primary legislation), then there could be delays or additional costs to digital systems for CSL and businesses, delays to producer decision-making on stock / labelling / SKUs that will reduce their readiness for scheme launch, or potential 'air gaps' in VAT legislation at launch that could undermine scheme feasibility or success.</p> <p>Majority of risk now sits with producers and retailers as CSL will have delivered systems design (and most of implementation) before HMT confirms the VAT treatment. Impact of uncertainty on producers and retailers system choice given</p>	Current, until VAT legislation in place	10	3	30	Low	HMT, HMRC, CSL, industry,	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23		

		that Treasury will not confirm VAT system in law until spring 2023.													
<b>DRS-R016</b>	Job creation and materials processing	If operations jobs and infrastructure, and materials processing and flows, are not based in Scotland, then this will reduce the economic benefits of the scheme and pose a reputational risk to Scottish Ministers.	From summer 2022	10	3	30	Medium	CSL, SG		Wider risk	[Redacted]	[Redacted]		31/1/23	

Document F: 1 June 2023

Risk ID	Headline	Description	Proximity	Impact	Likelihood	Score	Confidence in controls	Risk owner	Named owner	Status	Actions in place	Actions planned	Notes	Date last updated	Date closed
DRS-R042	CSL Viability	If there is continued uncertainty around DRS, then there is a risk that CSL will no longer be viable which may result in a lack of a scheme administrator able to deliver DRS>	Until resolved	50	4	200	Low	CSL , SG	Risk to launch	1. SG and CSL working closely together to understand changes and their impact on CSL business model.					
DRS-R004	Internal Market Act	Depending on the scope of the rUK scheme, an exemption for Deposit Return Scheme regulations from the UK Internal Market Act may be required. If this is the case, then enforcement of the scheme could be open to legal challenge at launch for failing to comply with the principles of mutual recognition and/or non-discrimination. If an exemption is not secured in principle, then this may undermine business confidence in the scheme and undermine implementation . If the legislation for	Current, until exemption secured	50	2	100	Medium	SG	Risk to launch	1. SG proposal for a DRS exclusion from the IMA raised since 2021 through common frameworks process2. Officials are liaising with DEFRA and Ministers to secure a decision by end May.3. Awaiting formal decision from UKG. UKG recognised urgency and are working on it.	[Redacted]	[Redacted]	26/5/23		



		an exemption is not in place by March 2024, then there will be an 'air gap' in legislation, resulting in potential legal challenge to enforcement by UK businesses.													
<b>DRS-R006</b>	Integration with UK DRS	If the UK schemes are not interoperable with the Scottish scheme, then there will be confusion and additional barriers for businesses, and a higher potential for fraud. Clarity needed on cross-border trade and imports.	From January 2023	25	4	100	Medium	UKG, input from SG	[Redacted]	Wider risk	[Redacted]	[Redacted]	[Redacted]	8/3/23	
<b>DRS-R026</b>	Retailer-Business Readiness	If retailers are not implementing changes, such as revising business models and ordering RVM's, to ensure they are ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits.	Current, until go-live	25	4	100	Low-medium	Retailers	[Redacted]	Risk to launch	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R027</b>	Producer-Business Readiness	If producers are not implementing changes, such	Current, until go-live	25	4	100	Low-medium	CSL, SG, SEPA and producers	Risk to launch	1. CSL focusing on ensuring all required guidance and information is	[Redacted]	[Redacted]	4/5/23		

		as revising business models and defining the cut-over process, to ensure they ready for go-live on the 1st March 2024, then there will be a lack of capability to deliver the minimum viable product resulting in consumer confusion and a delay or non-delivery of the expected benefits. Obligated businesses require sight of proposed Regulatory Amendments and more information about how these will work in practice (per changes to scope/scale/go-live date announced by Ministers 18/05/23 and 20/05/23).								supplied in a timely manner.2. CSL have developed a risk assessment process for all producers who won't use a 3cottish SKU.4. SEPA have provided clarity around compliance requirements.5. CSL have undertaken a series of cross-country roadshows and industry webinar (in February).6. Continued comms strategy, led by new Communications Director.7. Cutover guide issued in February by CSL.					
<b>DRS-R029</b>	CSL Readiness	If CSL do not complete all tasks on the critical path to implementation then this will impact on successful implementation resulting in lower levels of participation and reputational damage.	Until March 24	50	2	100	Medium	CSL	Risk to launch	1. CSL are a part of EOG and provides input for ensure the group has strategic oversight of implementation2. CSL are part of SWAG and provide input to ensure successful monitoring of system widereadiness.	[Redacted]	[Redacted]	4/2/23		
<b>DRS-R034</b>	Price Marking Order	If retailers must display the deposit cost in the final price	Until resolved	25	4	100	Low	SG	[Redacted]	Risk to launch	[Redacted]	[Redacted]	8/3/23		

		indication to customers, as outlined in the Price Marking Order 2004 regulations, then there will be a lack of customer understanding that a deposit has been applied to their purchase resulting in lower performance of the DRS scheme and potential damage to customer opinion of DRS.												
<b>DRS-R005</b>	Consumer confusion	If DRS is poorly or insufficiently communicated to consumers, inc. timing, operation and implications of scheme, then there may be substantial consumer confusion, resulting in lower uptake or backlash to scheme.	2023	25	3	75	Medium	Comms working group, all	Risk to launch	1. Engagement and communications group established with ZWS CSL, SEPA and SG as coremembers. 2. Consumer-focused communication campaigns being developed for launch in 2023.3. Communications plan and stakeholder toolkit under development.4. Stakeholder mapping exercise completed.5. Comms and engagement workshop on 06/2/23 which included agreement of roles and responsibilities.6. Comms and engagement fortnightly reporting established.	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R012</b>	Exemptions process	If ZWS are unable to resource the exemption service to	Ongoing	25	3	75	Medium	ZWS, retailers	Risk to launch	1. SG published updated exemptions guidance November 2022.2.	[Redacted]	[Redacted]	27/2/23	

		adequately deal with the scale and phasing of the applications received then there may be fewer exemptions granted than estimated resulting in reputational damage and the scheme being very inefficient in terms of cost and carbon.								Proximity exemptions support tool launched <sup>3</sup> . ZWS have established an exemptions team, processes, and communications materials to manage the exemptions process. <sup>4</sup> RVM spec and year 1 RHF published <sup>5</sup> . ZWS updating website, guidance and application process in line with new guidance <sup>6</sup> . Additional resource procured by ZWS to support the exemption process.					
<b>DRS-R018</b>	Resource	If there are insufficient funding or resources within SG or public bodies (ZWS, SEPA) to formulate DRS policy, respond to public scrutiny, process exemptions, or carry out regulatory responsibilities, then this may impact scheme delivery or benefits, and / or may undermine business and public confidence in the scheme	Ongoing	25	3	75	Medium	SG, SEPA, ZWS	[Redacted]	Issue	[Redacted]	[Redacted]	[Redacted]	4/5/23	
<b>DRS-R022</b>	SEPA new regulatory service	If SEPA is not ready to carry out statutory obligations and regulate DRS on 01/03/24, industry compliance with Regulations and realisation	Ongoing	25	3	75	Low-medium	SEPA	Wider risk	1. SEPA has full programme in place to manage regulatory function, with assurance provided by SEPA PMO, project control board, and internal governance functions as required. SG	[Redacted]	[Redacted]	[Redacted]		

		of scheme benefits may be significantly undermined.								memberson PCB.2. SEPA's digital and contingency paper-based registration was successfully launched on 01/01/23.					
<b>DRS-R028</b>	Judicial review against CSL	If the judicial review against CSL requires CSL to work with individual retailers to calculate their specific retailer handling fee then the scheme won't be ready to go-live in March 2024. This will result in a delay or non-delivery of the expected benefits.	Current	25	3	75	Low	CSL	Risk to launch	1. There are no actions we can put in place to mitigate this risk therefore we need to toleratethe risk.	[Redacted]	[Redacted]	1/3/23		
<b>DRS-R038</b>	Proactive communications	If there is a lack of proactive timely communication from organisations targeted at stakeholders then there is a risk that the vacuum will be filled by misinformation resulting in confusion and more resource time needed to correct.	Until go-live	25	3	75	Medium	CSL, SEPA, SG, ZWS	Wider risk	1. Stakeholder communications being undertakenby individual by organisations and coordinated by C&E working group.2. CSL have undertaken a series of cross-country roadshows and industry webinar (in February).Continue d comms strategy, led by new Communications Director. Cutover guide issued in February by CSL.	[Redacted]	[Redacted]	04/0523		
<b>DRS-R010</b>	Clarity on online takeback	If clarity is not given to the largest retailers about what their takeback obligations are then there may not be time for them to implement a solution resulting in a lack for service provision for those who may	Current	25	2	50	Medium	Retailers	[Redacted]	Wider risk	[Redacted]	[Redacted]	[Redacted]	4/5/23	

		not be able to get to a physical return point and therefore be unable to get their deposit back.													
<b>DRS-R013</b>	Cyber security	If there is insufficient protection and testing of the DRS digital system, then it is possible that the system or personal / commercial information could be vulnerable to cyber-attack	From summer 2022	25	2	50	High	CSL, SG, SEPA and ZWS	[Redacted]	Wider risk	[Redacted]	[Redacted]	[Redacted]	1/3/23	
<b>DRS-R021</b>	Political change	If there is a change in political desire to implement DRS (or a change in Government), then this would prevent scheme implementation and result in substantial financial and commercial loss to businesses.	Ongoing	25	2	50	High	SG	Risk to launch	1. DRS is a key SG manifesto and PfG commitment, and the FM and other Ministers have committed publicly and in writing to the scheme.2. Updated regulations laid and passed in Parliament in February 2022.	[Redacted]	[Redacted]	1/3/23		
<b>DRS-R009</b>	Consumer prices	If producers pass on the costs associated with the Deposit Return Scheme to consumers, then the price of in-scope DRS products is likely to increase. This risk is particularly sensitive while the cost of living is increasing and poses a reputational	From March 24	10	4	40	Low	SG	[Redacted]	Wider risk	[Redacted]	[Redacted]	31/1/23		

		risk to the scheme.													
<b>DRS-R014</b>	Consumer choice	If producers consider that the costs (implementation, scheme costs) associated with the Deposit Return Scheme are too great, then they will cease to supply certain products to the Scottish Market, resulting in lower consumer choice.	From March 24	10	4	40	Low	Producers, SG	[Redacted]	Wider risk	[Redacted]	[Redacted]	01/03/23- Actions in place updated	1/3/23	
<b>DRS-R015</b>	Fraud	If specific organised groups decide to stockpile scheme articles and then bring them into Scotland in order to claim the deposit back resulting in increased costs for others who are complying with the scheme which may be passed on to the consumer.	From March 24	10	4	40	Medium	SEPA, CSL, producers, retailers	Wider risk	1. It is unlikely that a substantial number of containers will enter Scotland via this route. While unlikely to substantially impact upon scheme benefits, this practice poses risks to compliant producers.2. Ongoing monitoring of RVM and other supply chain impacts through SWAG, including progress on orders and fulfilment	[Redacted]	[Redacted]	5/2/23		
<b>DRS-R003</b>	VAT	If there is ongoing uncertainty over VAT requirements, or legislation for new VAT requirements is not completed by March 2024 (given potential need for primary legislation), then there could be delays or additional costs to digital	Current, until VAT legislation in place	10	3	30	Low	HMT, HMRC, CSL, industry,	[Redacted]	Risk to launch	[Redacted]	[Redacted]	[Redacted]	26/5/23	

		<p>systems for CSL and businesses, delays to producer decision-making on stock / labelling / SKUs that will reduce their readiness for scheme launch, or potential 'air gaps' in VAT legislation at launch that could undermine scheme feasibility or success. Majority of risk now sits with producers and retailers as CSL will have delivered systems design (and most of implementation ) before HMT confirms the VAT treatment. Impact of uncertainty on producers and retailers system choice given that Treasury will not confirm VAT system in law until spring 2023.</p>													
<b>DRS-R016</b>	Job creation and materials processing	<p>If operations jobs and infrastructure, and materials processing and flows, are not based in Scotland, then this will reduce the economic benefits of the scheme and pose a reputational</p>	From summer 2022	10	3	30	Medium	CSL, SG	Wider risk	<p>1. Requirements for collection / sorting / bulking in Scotland is very likely to result in new job creation, regardless of the location of material processing.2. We are engaging with CSL's preferred supplier through Scottish Enterprise to encourage/facilitate investment in</p>	[Redacted]	31/1/23			



		risk to Scottish Ministers.								reprocessing infrastructure in Scotland					
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