

A Deposit Return Scheme for Scotland

Full Business and Regulatory Impact Assessment



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Full Business and Regulatory Impact Assessment (BRIA)

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1.0 Title of Proposal: A Deposit Return Scheme for Scotland

1. This document is the full Business and Regulatory Impact Assessment (BRIA), which is a development of the partial BRIA published in June 2018 and is written subject to the best available information at the time. Following further development of a Scottish deposit return scheme, a final BRIA will be developed and published, building detail into the current proposals.

2.0 Purpose and Intended Effect

2. Scotland's household recycling rate has increased substantially in the last decade. The latest figures, published in September 2018¹ by the Scottish Environment Protection Agency (SEPA), confirm that in 2017 the recycling rate reached 45.6%.
3. This has been driven by substantial investment by central and local government in kerbside collections. The result has been a dramatic increase in the number of households who have access to recycling facilities. All 32 local authorities are now nearing completion of these rollouts, covering most of the properties in their area.
4. The rate of growth has, however, been slowing. Since 2014 and the introduction of a new methodology for calculating recycling rates, it has only increased by 2.8%. A complex range of factors contribute to this limited improvement and further interventions are required to stimulate growth in recycling rates in order to achieve national recycling targets: 70% of all waste recycled and a maximum of 5% to landfill by 2025.
5. In September 2017, the Scottish Government announced in the Programme for Government (PfG) that it would move to implement a deposit return scheme (DRS) for Scotland for single-use drinks containers². The 2018 Programme for Government reaffirmed this commitment. The scheme will be tailored to meet Scotland's specific needs, and with the specific aims of increasing recycling rates and reducing littering.
6. The consideration of a DRS is referenced in the Scottish Government's circular economy strategy *Making Things Last – A Circular Economy Strategy for Scotland* (MTL)³ published in February 2016. The strategy sets out the aims of cutting waste and carbon emissions, reducing reliance on scarce resources, increasing productivity and improving resilience.

¹ [Scottish Household Waste – summary data 2017](#)

² [Programme for Government 2017](#)

³ [Making Things Last 2016](#)

7. Towards a Litter-Free Scotland⁴ (TLFS), published in June 2014, is Scotland's first national litter strategy with a focus on litter prevention. This is being delivered by encouraging people to take personal responsibility through activities related to infrastructure, information and enforcement. The aim of the strategy is to reduce the estimated £46 million of public money spent removing litter and flytipping from the environment each year and the wider negative impacts of litter; at least a further £361 million in costs on our society and economy. It will also enable the lost value of resources to be recovered; littered material could be worth at least £1.2 million a year.
8. A Marine Litter Strategy for Scotland⁵ (MLSS) was launched in 2014 as a sister document to Towards a Litter-Free Scotland, focused on protecting Scotland's coastal environment as a major resource. This will contribute to collaborations under the OSPAR Convention (Convention for the Protection of the Marine Environment of the North East Atlantic)⁶ and the Marine Strategy Framework Directive.

2.1 Objectives

9. It is proposed that a Scottish DRS will:
 - Increase the quantity of target materials collected for recycling.
 - Improve the quality of material collected, to allow for higher value recycling.
 - Encourage wider behaviour change around materials.
 - Deliver maximum economic and societal benefits for Scotland.
10. Achieving these strategic objectives will help Scotland progress towards its 2025 waste targets, accelerating Scotland's transition from a 'linear' economy which is environmentally unsustainable and energy and resource intensive, to a more resource efficient and sustainable circular economy.
11. Growing global and national populations are expected to increase commodity price volatility and constraints on resources availability, which could lead to adverse social and economic effects. Adoption of circular economy measures like a Scottish DRS should help to provide resilience to such shocks and constraints, and aid in delivering significant environmental benefits and economic opportunities.
12. By placing a financial value on select single-use drinks containers, a DRS will encourage consumers to return them for recycling, reducing the likelihood that they will end up as litter and increasing the likelihood they will be recycled. This will, in part, help to address a growing global concern about the volume and impact of plastic pollution, particularly in marine landscapes.

⁴ [Towards a Litter Free Scotland](#)

⁵ [Marine Litter Strategy](#)

⁶ [OSPAR](#)

13. Separate and material-specific collection of select packaging materials under a DRS will also generate higher quality, higher value material streams.
14. The fit with Scottish Government policy has already been indicated in the background sections above. The UK Department for Environment and Rural Affairs (DEFRA), Welsh Government and Northern Ireland Executive recently consulted on a potential DRS for England, Wales and Northern Ireland⁷.
15. The introduction of DRS will clearly have an impact on businesses in Scotland. As a form of producer responsibility, it will require those businesses to take responsibility for the environmental impact of their products and for the costs of managing products at end of life. We have had a system of producer responsibility for packaging in place in the UK since 1997 and that system has helped to drive significant increases in recycling. However, more must be done and the European Commission⁸ with reference to its Circular Economy Package, support DRS as an effective response to the challenge we face.

2.2 The Preferred Scheme Design

16. The preferred scheme design enables consumers to take single-use containers back and redeem a 20p deposit from any retailer selling drinks covered by the scheme.
17. Businesses that sell drinks to be opened and consumed on-site, such as pubs and restaurants, will not have to charge the deposit to the public and will only be required to return the containers they sell on their own premises.
18. Online retailers will be included in the scheme. This means that those customers who are dependent on online delivery, because for a variety of reasons they are unable to travel to shops, are able to easily get back the deposits paid on containers.
19. Non-retail spaces will be able to act as return locations. These could include recycling centres, schools or other community hubs. The only difference with retailers is that they will be required by legislation to provide a return service and others will be able to apply to opt in.
20. Bigger retailers with more space may install machines to both collect the bottles and cans and enable people to return deposits. Smaller retailers with less space have the option to return deposits over the counter, collecting the containers manually.
21. The scheme will include plastic bottles made from PET (the most common type of bottle for products such as fizzy drinks and bottled water), aluminium and

⁷ [DEFRA](#)

⁸ [EU Circular Economy Package](#)

steel cans and glass bottles.

22. Schemes that run on similar principles in places such as Scandinavia and the Baltic states capture up to 95% of eligible drinks containers for recycling. Scotland's DRS will target a return rate of 90%. This is almost double the current capture rates for the materials that are in scope. Having a deposit level which provides a sufficient incentive to return containers, together with provision of high coverage of return points, means that this target is ambitious but achievable. This target will be written into legislation for the Scheme Administrator to deliver.
23. It is important to note that the true national recycling rate for the containers targeted through Scotland's DRS will be slightly higher than the scheme capture rate itself. This is because some items not returned will continue to be returned through other recycling facilities.
24. The schematic in Annex A illustrates the preferred scheme design for a Scottish DRS.

2.3 Rationale for Government Intervention

25. With reference to the National Performance Framework, the scheme is expected to support the National Outcomes:
 - We value and enjoy our built and natural environment and protect it and enhance it for future generations
 - We reduce the local and global environmental impact of our consumption and production
26. Relevant National Indicators are:
 - Improve people's perceptions of their neighbourhood
 - Increase natural capital
 - Improve the state of Scotland's marine environment
 - Reduce Scotland's carbon footprint
27. The introduction of a DRS for Scotland will contribute to objectives set out in the Climate Change (Scotland) Act 2009⁹, and the Climate Change Plan: Third Report on Proposals and Policies 2018-2032¹⁰ (RPP).
28. The RPP was published in February 2018. This sets out plans to achieve decarbonisation of the economy in the period to 2032, making progress towards the target of reducing emissions by 80% by 2050.
29. Resource use and waste generation are recognised as key sources of

⁹ [Climate Change \(Scotland\) Act 2009](#)

¹⁰ [Climate Change Plan: The Third Report on Proposals and Policies 2018-2032](#)

greenhouse gas generation and the Scottish Government reports on progress against both territorial and consumption emissions.

30. United Nations Draft Resolutions on Marine Litter and Microplastics¹¹ (2017) and Management of Marine Debris¹² (2014), both reference the role that DRS can have on preventing the harmful escape of plastics into marine environments.
31. In 2015, the Scottish Government signed up to support the United Nations Sustainable Development Goals¹³. The ambition behind the goals is to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. A DRS will have a positive impact on a number of these goals, most explicitly Goal 12: Responsible Consumption and Production.
32. In May of 2018 the European Commission's Circular Economy Package¹⁴ was approved. The legislation aims to move supply chains towards a circular economy maintaining the value of products, materials and resources in the economy for as long as possible. This includes more ambitious recycling targets and full cost recovery of recycling costs from producers.

3.0 Consultation

3.1 Consultation Within Government

33. As the Scottish Government's delivery partner for DRS, Zero Waste Scotland has engaged with a number of public organisations. Police Scotland and SEPA have been consulted on issues relating to fraud and cross border trade, while Food Standards Scotland (FSS) and The Royal Environmental Health Institute of Scotland (REHIS) have been consulted on issues relating to hygiene and the storage and transport of empty containers. Zero Waste Scotland has also been in discussions with Scottish Enterprise and COSLA.

3.2 Public Consultation

34. Between 27 June and 25 September 2018, the Scottish Government undertook a public consultation to explore options for establishing a DRS in Scotland. The consultation paper, A Deposit Return Scheme for Scotland, discussed the key features of a scheme and set out different options for its operation – without putting forward a preferred option. The consultation contained 54 questions seeking views on:
 - System components
 - The potential risks and opportunities associated with deposit return schemes

¹¹ [Marine Litter and Microplastics](#)

¹² [Management of Marine Debris](#)

¹³ [UN Sustainable Development Goals](#)

¹⁴ [EU Circular Economy package](#)

- Cooperation with the UK Government
- A partial equalities impact assessment (EQIA)

35. The analysis was based on 3,215 responses. These comprised responses from 159 organisations, 2,008 individuals and 1,048 postcard campaign respondents submitted by supporters of the Have You Got The Bottle (HYGTB) campaign.
36. Organisational respondents included a wide range of public, private and third sector organisations based in Scotland, elsewhere in the UK, and overseas. The largest categories of organisational respondents were: public sector organisations (25); food and drink producers (24); environmental, conservation, food and health charities (22); retail, vending and retail representative bodies (20); recycling and waste management organisations (16); and packaging manufacturers (16).
37. A full analysis of the consultation responses and key messages was published on 21st February 2019 and is available [here](#).

3.3 Business Consultation

38. The 12 businesses in Table 1 below were selected as being a representative cross-section of businesses along the supply chain that will be influenced by the introduction of a Scottish DRS. A questionnaire was sent out to each company in advance of face-to-face interviews which were undertaken in March and April 2018. Individual responses were recorded.

Table 1. Businesses Consulted for Views on Proposed Scottish DRS

Business	Type
Ardagh Group	Packager
Changeworks	Third Sector
The Coca Cola Company	Producer
The Co-operative Group	Retailer
Costa Coffee	Hospitality
Crieff Hydro Hotel	Hospitality
Highland Spring Group	Producer
National Federation of Retail Newsagents	Trade Body
Road Haulage Association	Trade Body
Scottish Environmental Services Association	Trade Body
Scottish Whisky Association	Trade Body
Williams Brothers Brewing Company	Producer

39. In addition, consultation responses were received from key business representatives during the public consultation period as discussed in the above section.

4.0 Options

40. To ensure a Deposit Return Scheme is the correct delivery mechanism for Scotland, a number of alternative delivery options have been considered, in order to compare the benefits and costs of each option.
41. Firstly, the alternative options need to achieve the four strategic objectives:
- Increase the quantity of target materials collected for recycling
 - Improve the quality of material collected to allow for higher value recycling
 - Encourage wider behaviour change around materials
 - Deliver maximum economic and societal benefits for Scotland
42. These objectives are ambitious and will aid Scotland's transition to a circular economy. Any option considered as an alternative to a DRS would therefore need to deliver in equal measure on these strategic objectives.
43. One alternative option to a DRS is a tax on the materials used in the production of drinks containers. Taxes or fiscal incentives could target the manufacture of specific packaging materials, which could result in greater use of recycled content or alternative materials.
44. Raising the cost of single-use drinks containers through a targeted on-the-go consumer tax would make these products more expensive and could therefore reduce total consumption, but it would not reduce the litter rate for those products which are consumed and may have other unintended consequences. Due to these limitations and tax remaining a reserved matter, this option was not considered further.
45. A DRS that captures only on-the-go containers was considered as an alternative option but defining exactly which drinks containers should be treated as on-the-go is not straightforward. The on-the-go definition could be by point of sale type, item type or a combination of the two. These definitions are not self-evident: hospitality businesses with on-site consumption and/or off-site consumption, retail sites with a mix of sales or a supermarket chain with different outlet types and sales. Customer behaviour could complicate this further.
46. An on-the-go DRS would also capture significantly lower container numbers than a comprehensive DRS. Scottish data¹⁵ shows that about 30% (0.8 billion) of total drinks containers are consumed out of home and this figure falls to 25% when consumption in restaurants, hotels, bars and cafes is accounted for. Fewer container numbers captured will push up the scheme's unit costs, reduce the number of return points and make it less convenient for consumers. An on-the-go DRS could also impact disproportionately on smaller stores where total turnover can rely on relatively high sales of takeaway drinks.

¹⁵ Kantar Worldpanel for Zero Waste Scotland

47. Overall, respondents to the consultation were strongly of the view that the DRS should not be limited to 'on the go' only – 88% answered 'no' in response to this question. Individuals were more likely than organisations to answer 'no' (90% vs 61%, respectively). There were substantial differences in the views expressed by different organisational types.
48. Taking the above factors into account, this option was considered unsuitable against the objectives sought.
49. An extended producer responsibility scheme (EPR) for household packaging (including drinks containers) combined with a litter enforcement strategy was selected as the most comparable policy alternative to a Scottish DRS. The EPR element of the alternative policy covers a broader range of packaging materials than DRS and the complementary litter enforcement strategy operates differently from DRS in the way that it influences littering behaviour. It should be recognised that these differences will have some impact on the four strategic objectives when comparing the various policy options. The alternative policy option is presented in detail below.
50. Full cost recovery is included in all the options considered below. Under the "polluter pays" principle, producers are required to cover the costs of collecting household packaging and the costs associated with sorting and disposal. The value generated from sales of materials are counted as a positive income stream and disposal costs for packaging in the residual stream as a negative. Supporting measures that require improved data on packaging materials (e.g. tonnes collected and placed on the market) and that encourage better recycling and reduced littering are also covered under full cost recovery. Management and administration costs of any compliance scheme are met by obligated businesses.
51. The options considered are:
- **Option 1.** No policy change – business as usual
 - **Option 2.** A Scottish DRS is implemented and return rates of 90% are achieved. Return to any place of purchase and a deposit level of 20p is assumed
 - **Option 3.** An EPR scheme combined with a separate litter enforcement strategy is implemented. EU recycling targets are achieved and full cost recovery is assumed

4.1 Calculating the Costs and Benefits of Recycling

52. Each tonne of recycling diverted from landfill or energy from waste (EfW) has associated costs and benefits. Costs per tonne have been calculated for collecting, sorting and disposing of the recycled materials that fall within the scope of DRS and EPR scheme. Benefits per tonne have been calculated for material revenue, carbon savings, residual collection, landfill savings and litter reduction benefits. Landfill tax is not included in this analysis as it is counted as a transfer payment.

53. Net Present Value (NPV) over 25 years has been used to place quantitative values against the baseline for the options under consideration (discounting value set at 3.5%)¹⁶. NPV is defined as the sum of a stream of future values that have been discounted to bring them to today's value¹⁷. While the principles are measured by a value within the NPV, not all benefits and costs can be easily monetised and many of these tend to be associated with an increase in the benefits from recycling, suggesting that the NPV's calculated for each option represents the lower bound. Factors that are difficult to monetise include:

- Improved material quality when the collection method almost eliminates the potential for contamination.
- Capturing wider litter benefits that include the value of litter reduction in a broader range of locations e.g. avoiding marine litter, the wider Scottish countryside, tourist locations and areas where people visit regularly. These particular benefits are likely to be higher for DRS¹⁸ when compared with an EPR scheme.
- The disamenity impacts of activities at landfill sites will reduce when volume of waste being sent to landfill declines but the waste being diverted to recycling will also incur environmental impacts. There is insufficient evidence to accurately monetise these impacts.
- Savings in carbon resulting from recycling are monetised but the negative impact of the loss of scarce virgin materials for future generations are unlikely to be fully reflected in the current value of those materials.
- Benefits from higher recycling targets such as shifts in public attitudes towards recycling and the environment, which could reduce waste collection costs over time, are currently subject to too much uncertainty to be monetised.

4.2 Option 1. No policy change – business as usual

54. This option is the baseline against which the costs and benefits of the alternative DRS and household EPR policy options are compared. It assumes a small annual population increase which is one of the drivers of household packaging waste. It further assumes that there is no change in waste and recycling policy, resulting in a modest upward trend for household packaging waste. In effect this baseline is notional because commitments to meeting future recycling targets under the European Commission's Circular Economy Package¹⁹ have been made.

4.3 Option 2. DRS preferred scheme design is implemented

55. The DRS outlined in this option features return to any place of purchase, with

¹⁶ [Green Book](#)

¹⁷ [Green Book](#)

¹⁸ Non-monetised benefits of DRS are discussed more fully in the [Outline Business Case](#)

¹⁹ [European Commission circular economy package](#)

in scope materials being PET, metal cans and glass bottles. The deposit level is 20p and the target capture rate is 90%. The range of containers in scope are 50ml and above and three litres and below, representing 98% of all drinks containers and being consistent with the size of containers that most RVMs can accommodate. Producers are responsible for the full cost of implementing and operating the DRS.

56. A Scheme Administrator will run the DRS, the costs of which are included in the model. This body will be industry-led and not-for-profit. Costs of scheme administration include operating/refunding return locations, haulage/logistics, material processing, payments, fraud, communications and staff. Unredeemed deposits and material value are retained by the Scheme Administrator, supplemented by a producer fee, to cover running costs of the DRS and to provide an incentive to maximise the quality of materials collected by the scheme.
57. The costs of operating the return points include staff time, the value of any lost retail space, miscellaneous supplies and maintaining and operating RVMs. As the operator of these return locations will be fully reimbursed, no overall net benefit or loss is anticipated.
58. The value of unredeemed deposits, based on the assumption of a 90% capture rate, represents a cost to consumers and a source of revenue to the Scheme Administrator.
59. Producers are defined as those companies that put deposit bearing products onto the market. Producers contribute to the Scheme Administrator's operating costs and will incur capital and operating costs associated with labelling and distribution changes.
60. Local authority costs include reduced revenue from sale of materials in scope and increased sorting costs per tonne as a consequence of valuable materials being removed. Benefits include handling reduced tonnage, lower disposal costs and waste and litter collection efficiencies. An overall net benefit to local authorities is predicted.
61. Commercial premises which currently pay for waste collection services will experience a reduction in waste volume as a consequence of consumers returning drinks containers to return points to redeem their deposit.
62. Participation in a DRS requires effort on the part of consumers, who need to collect and return containers. Under the return-to-retail model, it is assumed that almost all returns will be part of existing shopping trips. While there is little stakeholder consensus on the costs to consumers of participation, they are expected to be modest.
63. The benefit to society from the introduction of a DRS is considerable, with the majority being derived from the reduced disadvantage to local neighbourhoods from targeting a highly visible component of the litter stream and the value of avoided carbon emissions.

64. Table 2 below provides a summary of the key components, numbers and values used to calculate the costs and benefits of a Scottish DRS.

Table 2. Key components, numbers and values used to model a Scottish DRS

Component	Description	Number	Value (NPV 25 yr)
Materials in scope	PET drinks, cans and glass containers	1.7 billion drinks containers (150,500 tonnes)	N/A
Materials out of scope	HDPE containers, cups and cartons and wider household food containers	0.8 billion drinks containers (17,500 tonnes)	N/A
System performance	Return rate of in-scope material	Target 90%	N/A
Return locations	Any place of purchase	17,407 return locations	N/A
Bulking and counting centres	Cost of constructing and running costs	N/A	£78.7 million
Re-labelling costs	Cost of designing, producing and applying DRS compliant labelling to containers (or otherwise paying a higher producer fee)	1.7 billion containers	£101.9 million
Reverse Vending Machines (RVM)	Automated machine that returns the container deposit and is capable of counting and verifying the container is scheme compliant	3,021 RVMs dealing with 85% of returned containers	£819.2 million Includes value of lost floorspace
Manual take back	Manual deposit return location. Costs include value of storage space, consumables and labour requirements.	14,386 manual return points dealing with 15% of returned containers	£21.7 million
Handling fee	Reimbursement of all costs associated with operating a return point	N/A	£887 million
Producer fee	Paid by business to cover any shortfall in finances for the Scheme Administrator	N/A	£567 million
Fraud	Value of fraudulently redeemed containers	17.5-23.3 million drinks containers annually	£74.3 million
Scheme administration	Staff and equipment costs	N/A	£16.8 million
Communications	National stakeholder and consumer awareness raising	N/A	£7.6 million
Material revenue	Scheme income	N/A	£297.3 million
Carbon factors	Carbon factors are used to calculate the carbon benefits of recycling glass, plastic, aluminium and steel	See link	See link

65. Table 3 below utilises the components, numbers and values from Table 2 to calculate the costs, benefits and net benefit of a Scottish DRS on the below actors. A net benefit of £81.6m is perceived under the modelled DRS policy.

Table 3. Costs and Benefits of a DRS for Scotland – NPV

Actor Name	Costs (£m)	Benefits (£m)	Net Benefit (£m)
Local Authorities	- 46.3	237.5	191.1
Business	-1,537.7	1,153.4	- 384.3
Regulator	-4.8	-	-4.8
Society	-821.9	1,101.3	279.4
Total	- 2,410.7	- 2,492.2	81.6
Note. The DRS for Scotland is designed to optimise delivery against the four strategic outcomes and to be complimentary to any future packaging EPR scheme.			

66. The above NPV is different from that set out through the Deposit Return Scheme Full Business Case Stage 1 due to the adoption of different baselines. In line with established practice, the baseline for the purposes of this BRIA assumes that commitments to achieve EU Circular Economy targets and Scotland’s own domestic recycling targets will **not** be achieved. The NPV calculated for the purposes of the Full Business Case Stage 1 takes account of the avoided compliance costs associated with meeting such targets as a result of the introduction of DRS.

4.4 Option 3. An EPR scheme for household packaging waste combined with a separate litter enforcement strategy are implemented.

67. The EPR scheme outlined in this option covers household packaging waste including glass, paper, card, steel, aluminium and plastics. Drinks containers captured under DRS (Option 2) are also captured under this broader EPR scheme. Kerbside collections from households, and recycling collected from bring sites such as household waste recycling centres, are included. All additional costs of collection, sorting and disposal under this EPR scheme are considered.
68. The EPR scheme would operate under a single national collection service for three household packaging streams; (1) glass, (2) paper/board, (3) mixed plastics, metal containers and packaging (dry mixed recycling). These collection streams are consistently colour coded across local authorities. Infrastructure investment costs for the altered and expanded collection and sorting are included. A small number of service variations are allowed under the scheme to account for collections in urban areas, for example covering flats and tenements.
69. The roll-out and operation of the services are underpinned by a national programme of communications and householder engagement. Participation in the EPR scheme requires no significant additional effort on the part of consumers compared to business as usual.

70. Two new bodies would be set up, the costs of which are included. The first, a single accredited organisation, acts as the Scheme Administrator and runs on a not-for-profit basis. The second, a regulatory body, has oversight of the scheme and its administration. It monitors and reports collection, sorting and other scheme costs, audits member declarations to prevent free-riding and checks that legal obligations are being met.
71. The accredited organisation for the EPR scheme has two main sources of funding; producer fees and the revenues from the sales of sorted recyclate. The costs to local authorities and commercial waste management companies of collecting and sorting household packing and disposing of any packaging in the residual waste stream are billed to the accredited organisation. If these activities are compliant with the scheme requirements e.g. collection method, frequency of collection, levels of permitted contamination, and fall within a specified price range²⁰, collectors and sorters of household packaging have their costs fully reimbursed by the scheme administrator.
72. Packaging producers are obligated to comply if they package or allow household products to be packaged in Scotland or import household products onto the Scottish market.
73. The de-minimis for the current Packaging Recovery Note (PRN) system obligates producers that place more than 50 tonnes of packaging and have a turnover of more than £2 million per year to register for the scheme. This threshold could potentially be lowered to more evenly spread the costs of the new EPR scheme (this alternative has not been modelled).
74. The total amount of packaging placed on the UK market in 2017 was around 11.5 million tonnes²¹. According to the National Packaging Waste Database (NPWD), compliant companies declared 9.8 million tonnes over the same comparison. The 15% difference is accounted for by exempt producers or free-riders who do not comply with the regulations. Not enough is known about this segment of the market for Scotland to model the full distributional effects of lowering de-minimis but this does not alter the overall producer costs of the EPR scheme presented here.
75. Obligated producers can create their own system for collecting and recycling packaging and supply the required evidence to the regulatory body with oversight of the scheme. Alternatively, they can join the accredited scheme and meet its producer fees according to the amount and type of household packaging placed on the market. A requirement exists for producers to label packaging as being scheme compliant. One example of this is the Green Dot symbol²². This cost to business has been included in the analysis.

²⁰ In the Belgian EPR, for example, stakeholders agree on the average annual costs for collecting and sorting household packaging. This falls under the remit of the scheme's regulatory body.

²¹ [Defra](#)

²² [Green Dot](#)

76. The litter enforcement strategy costed in this option reflects that an EPR scheme has significantly lower impact on littering behaviour (but on a wider range of packaging materials) than the impact achieved by a DRS. Obligated producers are required to contribute to the national litter enforcement strategy as part of their producer fee. Benefits of the litter enforcement strategy are captured as part of the societal benefits in Table 5.
77. Table 4 below provides a summary of the key components, numbers and values used to calculate the costs and benefits of a Scottish EPR.

Table 4. Key components and values used to model a Scottish EPR scheme

Component	Description	Number	Value
Materials in scope	Household packaging: glass, paper/board, mixed plastics and metal containers	545,000 tonnes of household packaging (collected from kerbside and bring sites) of which 245,000 tonnes (46%) currently recycled	N/A
System performance	Recycling rates of in-scope materials	EU Circular Economy Package targets for 2030; glass 75%, paper/card 85%, plastics 55% aluminium 60% steel 80%	N/A
Infrastructure costs	Costs of upgrading and expanding sorting facilities to handle additional recycling. Costs associated with collection service change	Additional 135,000 tonnes recycled annually compared with the baseline option	£179.7 million
Re-labelling costs	Costs to businesses of modifying existing labels to mark EPR scheme compliant packaging	N/A	£149.4 million
Producer fee	Fee charged by EPR scheme to packaging producers either for the number of items or the tonnage of household packaging placed on the market	N/A	Subject to overall scheme costs and material price development
Scheme administration and regulation	Two new bodies set up to fulfil these functions. Assumed that bodies are integrated into existing regulatory structures to save overhead costs	N/A	£49.1 million

Communications	National campaign prior to EPR launch. On-going campaigns to reinforce new recycling methods and door-to-door engagement with householders	2.46 million Scottish households in 2017	Pre-launch national campaign £73.5 million
Litter enforcement strategy	A summary of the costs of the litter reduction strategy are given in Annex B	N/A	£115.4 million
Material revenue	Various publicly available sources	N/A	£189.9 million
Carbon factors	Carbon factors used to calculate the carbon benefits of recycling glass, paper, cardboard, plastic, aluminium and steel	See link	See link

78. Table 5 below utilises the components, numbers and values from Table 4 to calculate the costs, benefits and net benefit of a Scottish EPR on the below actors. A net benefit of £50.7m is presented under the modelled EPR policy.

Table 5. Costs and Benefits of an EPR for Scotland - NPV

Actor Name	Costs (£m)	Benefits (£m)	Net Benefit (£m)
Local Authorities	0	284.3	284.3
Business	- 669.7	189.8	- 479.9
Regulator	- 5.3	0	- 5.3
Society	0	251.7	251.7
Total	- 675.1	725.8	50.7

Note. The average capture rate for the three collection streams is modelled to reach a maximum of 71% of which the household plastics packaging capture reaches a maximum of 55%. The EU Plastics Directive requiring a 90% separate collection target for plastic bottles by 2029 is unlikely to be reached under this packaging EPR. The four strategic outcomes are not optimised under this packaging EPR.

4.5 Comparison of Options

79. The above economic analysis of a Scottish DRS (option 2) and a Scottish EPR (option 3) provides a comparable NPV for each option. The NPV output for a Scottish DRS is £81.6m, compared to an NPV output for an EPR scheme of £50.7m. From an economic perspective, a Scottish DRS is therefore the favourable option. However, it is difficult to directly compare these options like-for-like, because the in-scope materials differ (DRS is drinks containers only whereas EPR is drinks containers and wider household packaging). It is not possible to isolate the costs and benefits of DRS containers within the EPR output, so the NPV analysis provided includes wider household packaging material as well. As a result, total additional tonnage recycled via DRS is 2.18 million, whereas total additional tonnage recycled via EPR is 2.98 million.
80. Despite the higher tonnages achieved by the EPR scheme, it is anticipated that the quality of the recyclate will be significantly higher via DRS. Labelling of EPR material and a single collection system across Scotland are expected to address householder's uncertainty around which material can currently be recycled and will therefore reduce contamination within the recycling streams. However, the quality of recycled material from mixed collections at kerbside will be lower than that of a DRS scheme because it separates material at the point of collection, which will return high value material into the reprocessing cycle. This is one of the strategic objectives of the policy intervention.
81. EPR also falls short against a DRS on some of the other strategic objectives, such as encouraging wider behaviour change around materials. While an EPR will facilitate recycling efforts by consumers already engaged, it does not incentivise behaviour change in the same way that a DRS will. As a result, there is likely to be limited impact on littering behaviour and it will take longer for recycling rates to increase significantly. In comparison, a DRS will have significant impact very quickly. Loss aversion is likely to act as a powerful motivator to incentivise behaviour change, both in terms of littering fewer drinks containers (which make up a considerable share of the litter stream) and

returning drinks containers for recycling in order to redeem the deposit. It is possible that the DRS incentive might lead to a change in behaviour regarding other items typically littered, and general recycling behaviour, however these have not been modelled.

82. Since a DRS has a strong behaviour change incentive, recycling rates of material in scope are expected to increase within a short timeframe (DRS achieves its target capture rate of 90% in year three and the EPR scheme reaches its target capture in year nine). For DRS, the attributed environmental and societal benefits are accrued almost immediately, positively impacting the overall performance of the scheme in terms of NPV.
83. In addition, the target capture rate for a DRS is 90%. This capture is not anticipated to be achievable under the EPR where a rate of 71% is modelled. As a result, a smaller percentage of drinks containers will end up in landfill under the DRS option.
84. As a result of these wider benefits, a DRS for Scotland is more closely aligned to the strategic objectives of the policy. By delivering impact in a shorter timeframe, by providing wider litter benefits via behaviour change and by increasing the quality of the collected materials, it offers key benefits that are not directly fulfilled by the introduction of an EPR policy.

5.0 Scottish Firms Impact Test

85. The Scottish Firms Impact Test considers the impact of a DRS on key sectors and groups by consulting 12 businesses of varying sizes and sectors as appropriate. Below is the full summary of responses of face-to-face discussions with interviewed businesses, giving details of the questions asked, responses given and how business engagement fed into the development of this proposal. These interviews were conducted as part of the development of the partial BRIA. A complete account of individual responses can be accessed in “Associated downloadable documents”.
86. **Question 1** “The value of the deposit that will be placed on returnable single use containers by the scheme will be decided partly by economic modelling, and partly as a result of engagement with industry and stakeholders more generally. It is expected that the deposit will range from 10p to 30p per item. Does your organisation hold a view on the level of deposit that would be appropriate to achieve the preferred outcome for your organisation and, if different, the level required to meet the Scottish Government’s ambitions for a DRS in Scotland?”
87. **Low or Zero Value Deposit** Two organisations (Ardagh and Highland Spring), stated that the rate should be low or zero. Ardagh is concerned that a higher rate would increase the risk of fraud, and potentially negatively impact on demand for products whilst Highland Spring conducted a survey of consumers which suggested that demand for its products would decrease substantially if

the sale price of its products were increased to cover even the lower rate of deposit of 10p.

88. **High Value Deposit** Conversely, three respondents (Changeworks, Crieff Hydro and the Co-op Group) believed that the rate should be at the higher end – “as high as possible to change behaviour” (Changeworks), and “nearer 30p than 10p” (Crieff Hydro). The Co-op cited its understanding of the experience of AG Barr which secured no more than 50% returns on glass beverage bottles when offering a deposit of 30p as justification for a higher rate.
89. **Specific Value Deposit** Costa Coffee and Coca-Cola both preferred a rate of circa 10p with Coca-Cola suggesting between 5p and 10p. The National Federation of Retail Newsagents (NFRN) recommended a rate of 20p.
90. **Variable Rates** Two organisations (Coca-Cola and Crieff Hydro) believed that consideration should be given to the application of variable rates. Coca-Cola suggested a higher rate for “on the go” packaging with a view to minimising littering whilst Crieff Hydro believe that a variable rate should be considered “to take account of established recycling systems”.
91. **No Fixed View** Four organisations, the Scottish Environmental Services Association (SESA), the Scotch Whisky Association (SWA), Williams Brothers Brewing Company and the Road Haulage Association (RHA), had no fixed view on the level of deposit that would be appropriate, although SESA, Williams Brothers and the SWA expressed the view that it should be high enough to encourage consumers to use the scheme but not so high as to encourage fraud.
92. **Question 2** “The type of returnable single use containers that will be included in the scheme will be decided partly by economic modelling and partly as a result of engagement with industry and stakeholders more generally. Does your organisation hold a view on what containers should be included or excluded in the scheme and why?”
93. **All Containers/As Inclusive as Possible** Five organisations, Changeworks, Highland Spring, RHA, Williams Brothers and SWA, favoured an approach that was as inclusive of as many materials as possible, although Williams Brothers suggested that biodegradable/compostable containers should be exempt.
94. **Limited Range of Containers Included in the Scheme** Coca-Cola and NFRN believed that the scheme should be limited to rigid packaging such as glass, plastic and aluminium. Costa Coffee believed that the focus should be on on-the-go packaging and should possibly exclude glass because of its weight. The Co-op Group believed that the scheme should target on-the-go packaging and that which contributes most to littering, although milk and wine bottles should be exempt.

95. **Specific Container Exclusions** Ardagh believed that glass should be excluded because its inclusion would, in its view, result on pressure by retailers to reduce the use of glass packaging in favour of plastics and laminates. This view was based on the belief that glass is less likely to be accommodated in reverse vending machines and because returned glass packaging will be more problematic to store in retail establishments than other packaging. Costa Coffee also believed glass should “possibly” be excluded. Crieff Hydro believed that metals should be excluded because they are well catered for under established dry mixed recycling (DMR) collection systems. Williams Brothers suggested that biodegradable/compostable containers should be exempt. NFRN believed that milk containers should be exempt on the grounds of hygiene and that coffee cups should be excluded because they believed there is a lack of facilities to recycle them.
96. **Question 3** “Does your organisation have specific concerns on how the scheme might impact smaller retailers if it is rolled out across this segment of the market?”
97. **Space and Logistical Constraints for Small Retailers** This was raised as a concern by eight organisations (Ardagh, Changeworks, Costa Coffee, Crieff Hydro, The Co-op Group, Highland Spring, NFRN and SESA).
98. **Reduced Sales** Ardagh, Crieff Hydro, the Co-op Group and Highland Spring all raised concerns that small retailers would experience a reduction in sales of products covered by the scheme. However, two respondents also expressed concern that if small retailers were not included in the scheme or were given the opportunity to opt out, there is risk of a drift of footfall away from them to larger retailers.
99. **Cash Flow** Crieff Hydro expressed concern about potential cash flow challenges for small retailers if there were delays in recovering deposits they may pay out to consumers. Williams Brothers expressed similar concerns, particularly if small traders are required to pay out deposits for containers that are purchased elsewhere, for example supermarkets.
100. **Other Concerns** Coca-Cola expressed the view that clear criteria needed to be established to determine which, if any organisations, should be excluded from the scheme. The Co-op Group suggested that where feasible, communal RVMs should be provided close to small retail outlets to minimise the impact on this sector. Costa Coffee were of the view that questions about status of small retailers should include all retail outlets with a small footprint, even if the outlet is part of a larger chain. The Co-op had a not dissimilar concern and are keen to understand the definition of “smaller retailers”. SESA expressed concerns about potential confusion that the scheme will cause small retailers, many of whom are still coming to terms with their obligations to recycle under

the Waste (Scotland) Regulations. NFRN believed that the space taken up by RVMs should be exempted from the calculation of business rates.

101. **No Fixed View** Neither the SWA nor the RHA had a fixed view on this issue
102. **Question 4** “Does your organisation have specific concerns on how the scheme might impact more remote areas of Scotland e.g. logistical constraints?”
103. **Logistical/Critical Mass Issues/Cost/Cash Flow Issues** Four organisations expressed concerns about logistical and/or critical mass issues - Ardagh, Costa Coffee, NFRN and SESA. The Co-op Group was concerned about the added costs to stores serving island communities where goods have to be delivered by ferry. It suggested that rather than exempting those from the scheme, the body responsible for administering the scheme should make financial provision to island stores to cover the extra cost of back loading returned packaging. Williams Brothers expressed concerns that “out of season” cash flow challenges for small independent retailers in remote areas might be exacerbated.
104. **Explicit Support for Full Geographic Coverage/No Concerns** Coca-Cola and SWA supported full geographic coverage. Changeworks and RHA expressed no concerns about the potential impact in more remote areas.
105. **Remote Areas Exemption** Crieff Hydro and SESA recommended that consideration be given to the introduction of Remote Areas Exemptions to exclude specified areas from the scheme.
106. **No Fixed View** Highland Spring had no fixed view on this issue.
107. **Question 5** “Administration of the scheme can include representation from the main stakeholder groups, primarily drinks manufacturers, importers and the retail sector. Does your organisation hold a view on what this body should look like including its remit and what groups should be represented?”
108. **Majority View on Scheme Administration** The majority of organisations interviewed were in favour of the scheme being administered by representatives of stakeholders. However, there was no unanimity of who those stakeholders might be.
109. **Additional Views** Some, like Coca-Cola and Ardagh Group, took a narrower view than others, with the former suggesting the membership should be limited to organisations responsible for funding the scheme, and the latter recommending that membership be limited to retailers, manufacturers and fillers. Others, including the Co-op Group and SESA, were in favour of expanding membership to include organisations representing local authority waste managers and the wider waste management industry. A number of

organisations were explicitly of the view that the administering body should operate on a not-for-profit basis.

110. **No Fixed View** Two organisations had differing views to the majority; Changeworks had no fixed view on the issue whilst RHA was of the view that the scheme should be administered by the Scottish Government.
111. **Question 6** “It is expected that the scheme will result in lower levels of litter. How would this impact your organisation?”
112. **No or Minimal Impact on Litter** This was the view of four organisations, Ardagh, Highland Spring, SWA (in relation to packaging used/produced by SWA members) and SESA. A number of these organisations indicated that studies had shown that drinks packaging was not a significant contributor to litter. The Co-op Group was of the view that its costs for litter management would not reduce, although there may be a modest reduction in littering.
113. **Contribution to Social Responsibility/Improved Reputation** Two contributors, Coca-Cola and Costa Coffee, identified these outcomes from lower levels of litter resulting from the implementation of the scheme.
114. **Other** Crieff Hydro anticipated that reduced levels of litter on its estate would reduce clear-up costs. The RHA said that reduced roadside litter would be welcomed. Changeworks said that the scheme might improve attitudes to recycling and managing waste as resource. NFRN advised that they would welcome the benefits that reductions in littering would realise. Williams Brothers expressed no firm view on the matter.
115. **Question 7** “It is expected that the scheme will result in higher recycling rates, a decrease in contamination and an increase in the quality of secondary materials available to the recycling industry. How will this impact your organisation?”
116. **Positive Impact on Recycling** The majority of responses were positive. Changeworks, Coca-Cola, Costa Coffee, Crieff Hydro, the Co-op Group, Highland Spring and SWA all believed that increased recycling rates, a decrease in contamination and an increase in the quality of secondary materials would result in benefits to their organisations. Williams Brothers advised that if the quality of glass cullet improved as a result of the scheme, that in turn would improve the quality of containers available to it.
117. **Negative Impact** Ardagh and SESA were not persuaded that there would be any improvement in recycling rates, a decrease in contamination or an increase in the quality of secondary materials as a result of the scheme. Ardagh expressed concern that the scheme might even result in a reduction in the quality of glass packaging presented for recycling, especially if glass

packaging is crushed to reduce its volume. SESA believed that DRS will, to a great extent, displace existing recycling collection systems and further decrease the quality of dry mixed recyclate that is sent to materials recovery facilities for sorting. If so, this would have a negative impact on the waste industry.

118. **No Impact** NFRN's view was that independent retail sector would realise no impact from an increase in the quality of secondary materials.
119. **Question 8** "The proposed scheme will include a range of measures and safeguards that will deter fraudulent transactions. Does your organisation have any concerns regarding potential misuse of the system? Are there specific issues in this area that you would like to raise?"
120. **Specific Views on Fraudulent Misuse:** Coca-Cola had very specific views on fraud. They noted that fraud prevention is critically important in any DRS given that each empty pack has a monetary value and needs to be taken very seriously in any detailed design, especially at the boundaries of any scheme. RVMs provide better fraud control than manual schemes but are more expensive to establish and will not be feasible in all outlets.
121. Return points and counting/clearing centres will need specific controls to detect and manage individual attempts at low scale fraud as well as to reduce risks of more systematic fraud. Besides potential physical fraud with return, logistics and counting and clearing, potential data fraud also needs to be mitigated. For this reason, the role of hardware and logistics service providers will have to be arranged in detail. Typically, well-designed and run Central Deposit Management Organisations operate an anti-fraud programme in their operations. Anti-fraud measures need to be closely monitored to assess their success or otherwise, and updated if they are shown to be less than fully effective.
122. **Theft Concerns** Three organisations, Ardagh, Williams Brothers and Changeworks, expressed concern that the scheme could encourage theft of containers; in the case of Changeworks the concern is that packaging material stored for collection by its customers might be stolen, whilst Ardagh and Williams Brothers are concerned that it might have to introduce measures at its premises to prevent theft by employees and others.
123. **Cross Border Fraud** Four organisations, Ardagh, Costa Coffee, NFRN and Highland Spring, expressed concerns about the potential for cross border fraud if a scheme is introduced in Scotland but not elsewhere in the UK. Highland Spring advised that in order to minimise this risk for its products it would have to introduce changes to bottle labelling that would reduce operational efficiency and significantly increase costs. This issue was also of concern to the Co-op

Group who believed that there was also the potential for reduced consumer choice unless a common UK-wide scheme was introduced.

124. **More Information Required/Not Yet Considered** Crieff Hydro advised that they required more information on the fraud risks and the measures to be considered to prevent it before they could provide a response whilst SESA advised that they had not yet considered the issue in any detail.
125. **Other** RHA advised that they had no concerns whilst SWA welcomed the use of tools and technology to manage fraud at reasonable cost. NFRN expressed the view that fraud management measures should not be unduly complex.
126. **Question 9** “One option under consideration for the scheme is for deposits to be gifted by users at the point of return directly to local and national charities. Is this something your organisation would support? Do you have a view on the selection process for appropriate charities?”
127. **Support/No Objection to Charitable Donations** Five organisations, Coca-Cola, Costa Coffee, the Co-op Group, NFRN and RHA, supported the gifting of deposits by users at the point of return. Coca-Cola believed that charities that benefit should be those concerned with environmental stewardship, reducing litter or improving local environments. Costa Coffee advised that beneficiaries should be local, community-based charities with a positive local environmental impact. The Co-op Group would wish to make use of their existing Community Fund which channels money into local charities and community groups. Three organisations, SESA, Williams Brothers and SWA, had no objections to the proposal, although Williams Brothers requested clarity that consumers would be able to decide whether to receive the deposit or gift it to a charity. SESA had no view on the selection process whilst SWA believed that there would be relevance in the beneficiaries being charities operating in the environment sector. Williams Brothers preference was that beneficiaries should be smaller, local charities.
128. **Oppose** Two organisations, namely Crieff Hydro and Highland Spring, opposed the gifting of deposits to charities. Highland Spring believed that all monies should be used to finance the running of the scheme or invested specifically in projects to meet the aims of the scheme.
129. **No View** Ardagh and Changeworks advised that they had no view on the matter.
130. **Question 10** “What in your opinion will be the biggest potential impacts to Scottish businesses as a result of introducing a DRS?”
131. A number of respondents limited their views to forecast impacts in their own industry or sectors, whilst others provided views on impacts for the wider

economy. One organisation, the RHA, advised that it had no views on the matter.

132. **Own Industry or Sector** Five out of seven respondents forecast consequences which they regarded as negative and/or would involve significant changes to operational practices. These include the following:
- A reduction in the volume and quality of cullet for glass bottle manufacture (Ardagh Group).
 - Displacement of glass packaging by plastics and laminate. (Ardagh Group).
 - Additional business costs, the need for more space to store used packaging, and confusion about how the scheme will operate in licensed premises (Crieff Hydro).
 - Risk to the continued employment of some or all the company's employees and a negative impact on communities in the vicinity of the company's bottling plants (Highland Spring).
 - Changes in labelling and bottling for SWA members and need for changes in distribution practices to reflect the fact that the majority of products are sold UK-wide (SWA).
 - Williams Brothers expressed concern regarding labelling costs, with major concerns about cost implications for different labelling requirements for goods sold outside Scotland.
 - Changeworks regarded the scheme as an opportunity for it to capture a significant volume of challenging waste as a resource, whilst NFRN viewed it as an opportunity for the smaller retail sector to increase footfall and revenue.
133. **Wider Economy** The views of the four organisations who expressed opinions on the wider economy can be summarised as follows:
- Two considered that the main positives would be the potential to increase recycling rates and recover more high-quality packaging for recycling.
 - One expressed the view that there is potential for increased employment in the new activities created by the scheme although this might displace existing employment in waste collection and litter clearance.
 - All four expressed concerns about an ill-designed scheme resulting in increased costs, with one also expressing concern about possible reduction in consumer choice, especially if the scheme is limited to Scotland.
134. SESA expressed a number of additional concerns, including:
- Disruption to businesses at the outset as they come to terms with the scheme and its impact on them.
 - Additional disruption due to new infrastructure.
 - Responsibilities that councils had for household and business collections would be displaced, resulting in confusion and reduced revenues for councils.

- Lack of clarity about who would be responsible for collection of materials from storage locations.
- Negative impact on existing collection systems and concern that quality and value of what remains to be collected would deteriorate.

135. **Question 11** “Is there anything else you wish to add not covered by the above questions?”

136. There were few common themes in responses to this question. However, two themes did emerge:

- The view of a number of organisations that more information was needed about DRS to enable informed and detailed opinions to be given on it.
- The desire for a single UK-wide scheme or a significant degree of commonality between schemes introduced by the different countries of the UK, including a common start date, to avoid confusion and unnecessary cost.

137. **Summary** The above responses have helped to shape the development of the preferred scheme design and the wider detail of the DRS. The range of issues raised have been addressed throughout the suite of published documents associated with the Full Business Case Stage 1, including the potential impact on small retailers, concerns regarding fraud, and the desire for a UK-wide scheme. These responses, in addition to further stakeholder engagement, will continue to inform the development of a Scottish DRS and ensure that the introduced scheme meets the four strategic objectives.

6.0 Consumer Assessment

138. It is important to consider the impact of the introduction of a DRS on the consumer, taking into account consumers of specific industries, firm types and businesses of different sizes. As per guidance, consumer impact is assessed against the questions below.

Table 6. Consumer Assessment Questions

Q1. Does the policy affect the quality, availability or price of any goods or services in a market?

The policy will apply a 20p deposit on eligible drinks containers. This deposit will be reimbursed once the consumer returns the container to a return point. Any potential pass-through of increased costs on producers to consumers will be considered in the Final BRIA. The impact of the deposit is assessed in the DRS Equality Impact Assessment and Fairer Scotland Impact Assessment.

A number of businesses have highlighted the additional production, warehousing and distribution costs that would arise as a result of the introduction of a DRS in Scotland in advance of the rest of the UK. These costs are linked to the introduction of distinct Scottish labelling as a fraud prevention measure for the scheme.

Producers in particular have indicated that these increased costs could influence the number of product ranges supplied to the Scottish market, with lower volume products likely to be most at risk. The scheme design seeks to mitigate this risk by introducing a degree of flexibility around the fraud prevention measures to be adopted by producers. It is not the intention to mandate distinct Scottish labelling on products and it will be left to producers (working with the scheme administrator) to identify the most effective and efficient combination of fraud prevention measures for the purposes of the scheme.

Q2. Does the policy affect the essential services market, such as energy or water?

No.

Q3. Does the policy involve storage or increased use of consumer data?

The methods of payment for the returned deposit to consumers are yet to be confirmed, however one option is to return the deposit via an online payment system, such as paypal or similar. This would require the consumer to register their personal details, resulting in the storage of consumer data either via a third-party platform or via a directly managed system. In this instance, it would be the responsibility of the Scheme Administrator to ensure that consumer data was stored appropriately and securely as per regulation.

Q4. Does the policy increase opportunities for unscrupulous suppliers to target consumers?

Unscrupulous suppliers could place drinks on the Scottish marketplace without paying a deposit into the scheme. If consumers pay a deposit, they would lose this when the container was not accepted by automated or manual return point. The issue of fraud is discussed in the Full Business Case Stage 1 and mechanisms are presented in order to limit these potential impacts.

Q5. Does the policy impact the information available to consumers on either goods or services, or their rights in relation to these?

No.

Q6. Does the policy affect routes for consumers to seek advice or raise complaints on consumer issues?

No.

7.0 Competition Assessment

7.1 Summary of Competition Impact Assessment Findings

139. This section assesses the potential impacts of the preferred scheme design on competition among producers and retailers in the Scottish market. The DRS is not expected to have a material effect on competition, and the scheme design will not place any significant restrictions on particular suppliers operating in the Scottish market. The obligations placed on producers and retailers are not expected to have disproportionate impacts on any particular market participants, with the scheme design affording sufficient flexibility to accommodate a wide range of businesses.
140. In particular, the scheme has been designed with features that mitigate the potential impact on smaller producers and retailers. These include flexibility around the fraud prevention measures to be adopted by producers and alternative collection mechanisms for smaller retailers. These mitigations will need to be kept under review as the scheme is developed and implemented.
141. Another area of potential impact is the Scottish border with England. Other DRS implemented internationally have seen some impact on cross-border trade as consumers modify behaviour. In Scotland's case, the relatively low levels of population with easy access to the English market and the low costs to the consumer of refunding any deposits paid, mean these impacts are again not expected to be significant. The decision to proceed with a Scottish DRS in advance of the rest of the UK creates increased potential for fraudulent activity, with non DRS containers being transferred from England to Scotland in order that deposits might be fraudulently obtained. A degree of fraud is common in most international schemes although it has been highlighted that this is likely to be amplified in Scotland due to the integrated nature of the UK drinks market. The scheme design outlined through the Full Business Case Stage 1 affords producers the necessary flexibility to adopt the most effective and efficient combination of fraud prevention measures for the purposes of the scheme.
142. Finally, there is a need to consider the potential consumer response to any price changes caused by the scheme. International experience suggests that, once refunds are taken into account, the impacts of price changes are low and this section presents some demand and elasticity modelling which supports this conclusion.

7.2 Introduction

143. This Competition Impact Assessment analyses the likely economic impact of introducing a DRS on the competitiveness of producers and retailers of single-use drinks containers. It further considers the consequential impact on consumers in the Scottish drinks market.
144. A DRS requires that a deposit is charged on single-use drinks containers, which is refunded upon return of the container. As set out in the Scottish Government's *A Nation with Ambition: The Government's programme for*

*Scotland 2017-2018*²³, a DRS is being introduced in Scotland to increase the quantity and quality of materials captured for recycling, encourage positive behaviour change and deliver economic and societal benefits for Scotland.

7.3 Competition and Markets Authority Guidelines

145. The Competition and Markets Authority (CMA) defines competition as a “process of rivalry between firms” which in theory “encourages firms to deliver benefits to customers in terms of lower prices, higher quality and more choice”²⁴. A concentrated market, with a corresponding high degree of competition, leads firms to distinguish themselves from their rival firms in order to attract demand. Hence, if there are fewer firms in a market, the goods and/or services supplied are less varied and subsequently, consumers have fewer options. Therefore, consumer choice is dependent on this rivalry between firms, with less rivalry leading to less consumer choice²⁵. This is particularly evident in cases where goods are standardised or homogeneous, as it will be harder for consumers to determine the best option. However, in this case, firms may compete in other ways such as through branding and the use of different sales channels.

7.4 Competition Checklist

146. This assessment followed the guidelines set out by CMA, which outline how to determine any competition impact. These guidelines recommend considering four key questions in order to assess whether a proposed policy would have an impact on competition. These are:

- Will the measure directly or indirectly limit the number or range of suppliers?
- Will the measure limit the ability of suppliers to compete?
- Will the measure limit suppliers’ incentives to compete vigorously?
- Will the measure limit the choices and information available to consumers?

147. These questions have been applied to the Scottish DRS with the assessment being primarily based on data provided by Kantar Worldpanel on the Scottish drinks market as well as further research gathered by Zero Waste Scotland. In order to allow for a more in-depth analysis, the first question has been divided into two sub-questions below, differentiating between direct and indirect effects on the number and range of suppliers. While the CMA guidelines solely make reference to suppliers as a whole, where necessary a distinction has been made between drinks producers and drinks retailers, in order to assess the varying impacts on competition.

²³ [Programme for Scotland 2017-18](#)

²⁴ [Competition Impact Assessment](#)

²⁵ [Completing Competition Assessments in Impact Assessments](#)

7.5 Definition of Markets

148. Listed below are the markets and sectors which have the potential to be affected directly (downstream) and indirectly (upstream) by the introduction of the DRS.
149. Markets directly affected:
- Drinks retailers and wholesalers selling onto the Scottish market (including the hospitality sector)
 - Producers and importers of drinks for the Scottish market
150. Markets indirectly affected:
- Bottling
 - Labelling and packing
 - Packaging
 - Glass production
 - Plastic production
 - Aluminium production
 - Steel production

7.6 Overview of the Scottish Drinks Market

151. Multinational companies are the dominant suppliers in the Scottish drinks market²⁶ with Scottish markets supplied by a combination of Scottish production facilities, those in the rest of the UK and imports from the rest of the world. Food and drinks manufacture generates around £14 billion each year for the Scottish economy and accounts for around one in five manufacturing jobs²⁷. Whisky production dominates the drinks industry, contributing almost 90% of the sector's GVA and just short of 75% of employment. However, large volumes of production are destined for the rest of the UK or wider export (£5.35 billion of Scottish distilling is exported internationally²⁸). In common with the rest of the UK, there is growing interest in smaller producers such as craft brewers and distillers, with the number of small brewers increasing by 229% between 2010 and 2018²⁹.
152. In total around 1.7 billion drinks³⁰ containers are expected to be in scope of the DRS. A breakdown of the percentage of containers by type can be found in Figure 1 below.

²⁶ [Scottish Licensed Trade News in conjunction with CGA](#)

²⁷ [Scottish Government \(2019\) Food and Drink](#)

²⁸ [Export Statistics Scotland 2017](#)

²⁹ [Brewing and Distilling in Scotland - Economic Facts and Figures, Scottish Parliament](#)

³⁰ Kantar Worldpanel for Zero Waste Scotland

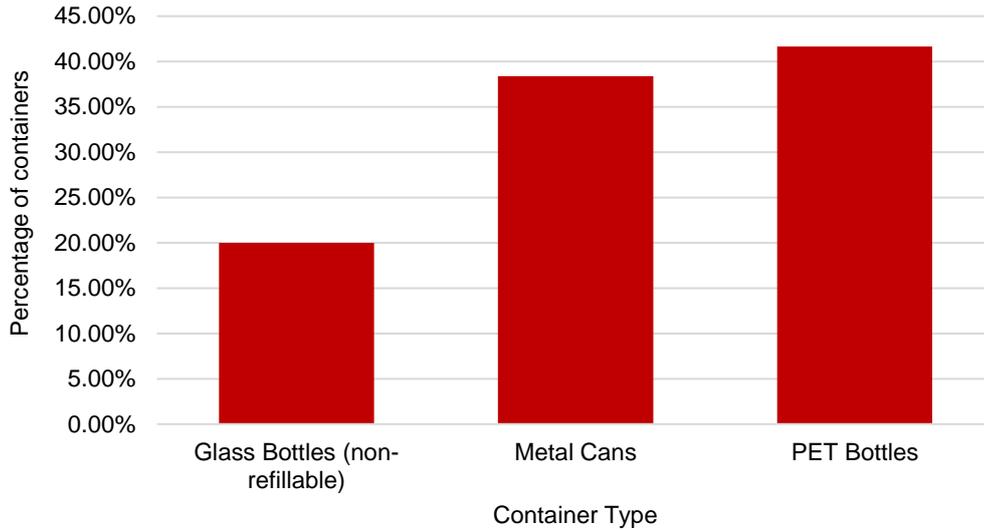


Figure 1. Drinks containers distributed in Scotland in 2017 by container type

153. There is a wide variety of retailers operating in the Scottish drinks market from large supermarkets through to smaller retailers such as discounters, independents, “multiples”³¹, “symbols”³², and convenience shops. The largest volume of sales of single-use containers is by supermarkets, although these account for just over half of all total sales (Figure 2).

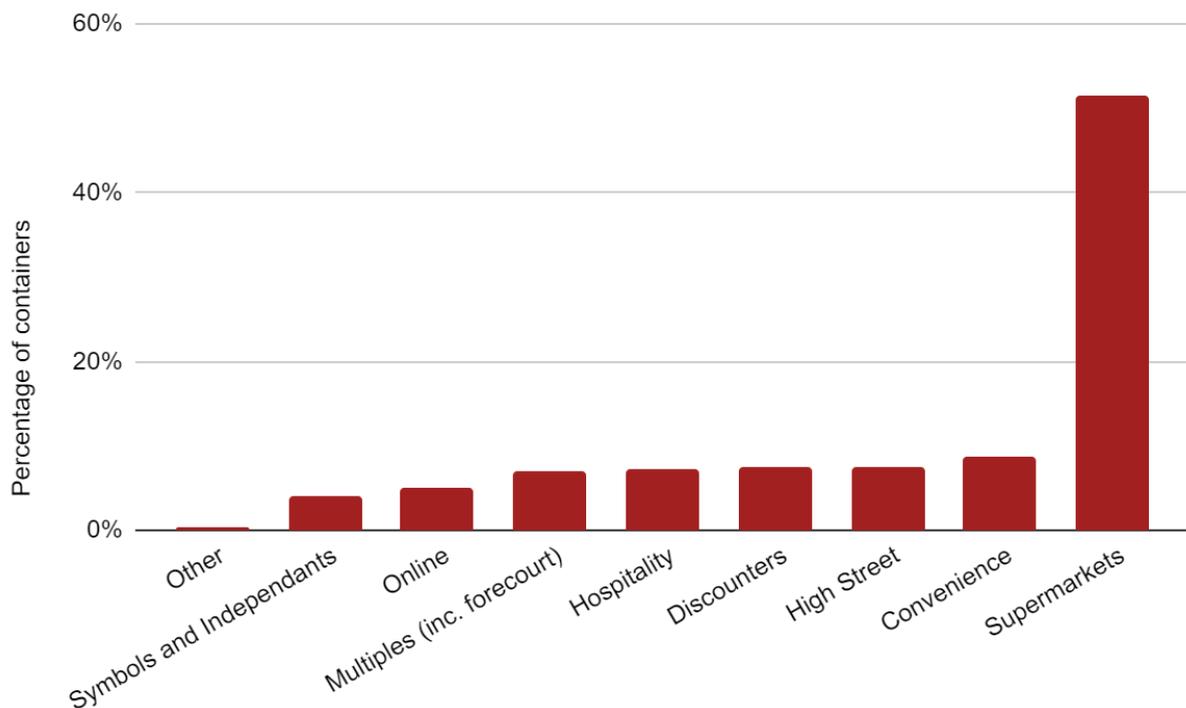


Figure 2. Drinks containers distributed by outlet type in Scotland in 2017³³

154. Smaller retailers are responsible for a significant proportion of sales overall. There are a large number of retailers operating in these categories. Around

50% of retailers (not including hospitality) have a retail space of less than 250m² excluding storage space (Figure 3).

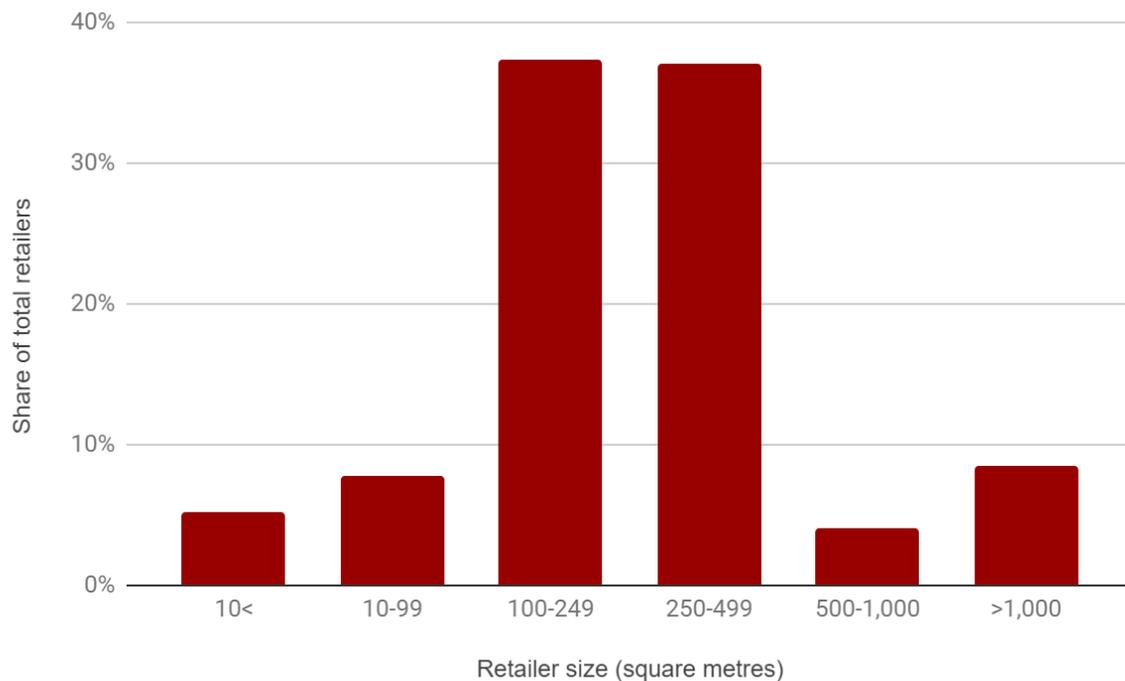


Figure 3. Scottish retailers (excluding hospitality) by sales area³⁴

7.7 Detailed Competition Assessment

Question 1a: Will the measure directly limit the number or range of suppliers?

155. **No competition impact is anticipated.** The Scottish drinks market is competitive (research by Zero Waste Scotland suggests the availability of more than 5,000 brands on the market) and the DRS will not involve awarding limited exclusive rights to supply or introducing a licensing scheme restricting the number of suppliers. The regulations and criteria governing the scheme will not directly limit suppliers ability to participate in the scheme. Any incentives for improving the quality of materials within the DRS, such as through a variable producer fee, will not constitute a direct restriction on participation in the Scottish market.

Question 1b: Will the measure indirectly limit the number or range of suppliers?

³¹ Multiple groups are chains of convenience shops, based on common ownership of shops. Examples include Tesco Express or Little Waitrose.

³² Symbol groups are a form of franchise, where the shops themselves are independently owned but are supplied by the franchise and trade under a common brand. Examples include Costcutter, NISA and Spar

³³ See Annex C Table 2

³⁴ Nielson data for Zero Waste Scotland

156. As set out in the Full Business Case, implementing a DRS in Scotland will result in significant benefits in the form of improved recycling quality and quantity, as well as a reduction in litter. While the net present value of the scheme will be positive for the above reasons, the scheme will generate an increase in direct and indirect costs for suppliers of drinks containers in scope of the scheme. This section considers the implications of these costs on the competitiveness of suppliers in the Scottish market.

I) Impact on Producers

157. **New producers: no competition impact is anticipated.** New producers will face the same type and relative scale of costs as existing suppliers with regards to DRS and the scheme will not create any barriers to entry.

158. **Producer fee: no significant competition impacts are expected** although the extent of the impact will depend on the design of the scheme and level of fee charged. Income for the scheme will be generated from three streams: the sale of materials collected through the scheme, unredeemed deposits, and a fee paid by producers. The producer fee will likely be applied on a per container basis, with the level of the fee determined by the type of material used in the production of the containers. Materials that attract a higher sale value for the Scheme Administrator, such as aluminium, will likely be subject to a lower fee. Materials which have a lower sale value, such as glass, will be subject to a higher fee reflecting the higher net cost to the Scheme Administrator. Additionally, the final scheme design may also incorporate incentives to encourage producers to use materials which generate high-quality recyclable material along the lines of those seen, for instance, in Norway³⁵. The fee levels have not been set for Scotland, however, if they are in line with international examples³⁶ they are likely to be less than 5p per container with higher fees typically charged on harder-to-recycle materials.

159. It is not anticipated that the fee will disproportionately affect particular types of producer. The variation in fee charged will be offset to some degree by differences in the underlying cost of the materials as more expensive materials will be subject to lower fees because of the higher resale value (see Table 7 below). In general, it is not expected that there will be significant shifts in material used given the costs involved and limits on the substitutability of materials. The degree to which a producer change in use of materials could result in a competition impact will be further explored in Question 2 under '*Materials of containers*'.

³⁵ [Scottish Parliament](#)

³⁶ [Deposit systems for one-way beverage containers: global overview, CM Consulting](#)

Table 7. Prices for recycled materials and containers sold per material type

Material type	Price per tonne (Jan 2019 average) ³⁷	Number of containers sold ³⁸
Aluminium	£880	639,431,088
Steel	£114	
Clear glass	£20	111,258,258
Brown glass	£17	
Green glass	£8	
Mixed glass	£15	
Clear PET Plastic	£110	697,758,557
Coloured PET Plastic	£30	

160. **Higher first year costs: no significant competition impacts are expected** although the impact will depend on the final level of set-up costs and the funding model chosen. In addition to the ongoing fee, set-up costs associated with the scheme will require additional funding from producers, which again are expected to be raised on a per container basis. The Full business Case estimates set-up costs in the region of approximately £28 million. If the costs passed on to producers were significant, there would be the potential for a disproportionate impact on smaller producers who could face higher relative costs raising capital. Funding models that required any additional charge to be in the form of a one-off payment would be likely to have a greater potential impact. A range of funding models should therefore be explored.
161. In addition, other first year effects have the potential to largely or entirely offset the higher costs and mitigate these impacts. In the first year of the scheme, unredeemed deposits are likely to be higher as scheme participants restock their supply chain with DRS eligible containers. This has been experienced by some other countries that have implemented a DRS. In Lithuania³⁹, the return rate in the first year of DRS was approximately 75%, before growing to over 90% in the following year. If a similar impact was seen in the Scottish market, this would yield additional tens of millions of pounds in year one of the scheme, based on current estimates of the number and value of returns.
162. **Changes in packaging processes: no or minimal competition impact is anticipated.** It is expected that the majority of containers sold onto the Scottish market will incorporate new identifying marks once the DRS is implemented, allowing them to be easily distinguished as part of the scheme. Similarly to other DRS, these are expected to include a DRS identifying barcode, which would facilitate automatic collection via an RVM, and a specific symbol allowing easy visual recognition for manual returns.
163. Labelling changes are not mandatory and a series of options will exist to mitigate any potential competition impact. These options are 1) to amend primary packaging to include an identifying deposit mark and barcode; 2) to purchase adhesive labels from the Scheme Administrator displaying the

deposit mark and barcode; 3) make no amendment to current labelling but pay a higher producer fee to account for the increased risk of fraud. These three options offer a variety of solutions to suit the size of the producer/importer. It is anticipated that it would make financial sense for the larger producers to change their primary packaging, whereas smaller producers/importers may choose an adhesive label or the higher producer fee, in order to avoid investment in primary packaging changes.

164. For producers who change their labelling, there will be some extra costs including any costs from redesigning labels and changes in production processes. Zero Waste Scotland estimates that these additional costs associated with marking the containers would be similar across all material types and therefore a significant competition impact is not expected on producers using different types of materials.
165. Domestic and foreign producers would be treated equally for the purposes of DRS and there would be no direct or indirect advantage created for either. Any familiarisation costs affecting foreign producers are unlikely to be significant in addition to the general familiarisation requirements associated with selling onto the Scottish market. Therefore, significant competition impacts falling specifically on domestic or international producers are not anticipated as a result of the introduction of the DRS.
166. The DRS will only apply to relevant containers that are sold in Scotland. Therefore, the labelling requirements associated with the DRS could create additional costs for producers who supply to Scotland and the rest of the UK, compared to those who just supply the Scottish market. It is common that UK-wide producers operate in markets where competitors also serve the whole UK market and therefore there are no expected significant competition impacts on producers associated with the English/Scottish borders.
167. **Administrative costs of the scheme: no significant competition impacts expected.** While it is envisaged that there would be new requirements on producers, for example delivering monthly sales reports to the Scheme Administrator and registering for the scheme, these would build on existing requirements to track sales and production.

II) Impact on Retailers

168. The Scottish DRS will oblige all retailers of products within the scope of the scheme to offer a return service, which would allow consumers to recover the deposit paid on the products in exchange for returning the used containers. Retailers will be required to check the containers received are within the scheme using a barcode and/or symbol discussed above⁴⁰. They will receive a

³⁷ [LetsRecycle](#) (extracted on 1/3/2019)

³⁸ Kantar Worldpanel for Zero Waste Scotland. Data does not differentiate between aluminium and steel can containers, or different types of glass or PET plastic. These are therefore aggregate figures.

³⁹ [Recycling: Lithuania deposit scheme exceeds all expectations](#)

⁴⁰ Provided that they have checked the symbol or bar code, retailers would not be liable for any costs associated with fraud or counterfeit and no competition impacts are anticipated in this regard.

handling fee from the Scheme Administrator to fully compensate them for the costs involved in the collection, checking and storage of used containers. Retailers would have the option of refusing returns where the quantity of returned material grossly exceeds what the retailer might consider reasonable.

169. Retailers will be able to choose whether they operate the return service through the installation of an RVM which would automatically check, collect and refund the deposit on returned containers or, alternatively, a system of manual collection and return (specific options for online retailers and the hospitality industry are discussed in more detail below). If they chose to install an RVM, the retailer would bear the costs associated with implementation and maintenance, although over time these would be covered by the handling fee they received. Generally, high-volume retailers will choose to introduce RVMs as they will be able to process returns with greater efficiency, while low-volume retailers would choose to operate manual collection and return, as the costs and space requirements of an RVM may be prohibitive.
170. The choice will be clearly explained, and it is not anticipated that the smallest retailers (such as convenience stores) will opt for an RVM, unless they receive very high volumes of returns; nor that high-volume retailers would opt for manual collection and return. Typically, in other DRS a high proportion of overall returns are received automatically (for example 80% of returns are automated in Germany; 95% in Norway⁴¹).
171. For the purposes of this analysis, any potential positive benefits associated with retailers offering collections for deposit-bearing containers, such as increased footfall, are not considered. These would potentially mitigate the effects described above further.
172. **Retailers using the RVM method: no significant competition impacts are expected.** While the smallest retailers would not be expected to use RVMs, there is still the potential for some differential impacts by size of retailers. Given the much larger size of supermarkets, and the likelihood they will choose to install more than one RVM in many cases, the potential competition impacts are likely to be greater in the case of medium-sized retailers.
173. The cost of an RVM, which could vary from between £19,000 to £25,000 for a small machine and around £30,000 for a larger machine, is a potentially significant capital outlay and would represent a larger share of revenues for smaller retailers. Illustrating this point, Table 8 below sets out the proportion of average annual revenues that the upfront costs of a small RVM would represent for Symbol retailers compared to Multiples.

⁴¹ [Deposit Systems for One-Way Beverage Containers: Global Overview 2016, CM Consulting.](#)

Table 8. Upfront cost of an RVM as a share of average annual revenue by retailer type⁴²

Retailer type	Symbols	Multiples
Revenue per store	£962,357	£1,997,596
Upfront cost of an RVM	£19,000 to £25,000	
Upfront cost of an RVM as a share of annual revenue	1.97% - 2.60%	0.95% - 1.25%

174. In addition to the financial costs discussed above, the loss of space associated with the installation of an RVM could potentially result in a loss of revenue for retailers. An example small RVM takes up around 0.5 square metres of floor space⁴³, which would equate to between 0.45% and 0.15% of the average floor space of a smaller or medium sized retailer (Table 9). The revenue impacts of any loss of retailer space are likely to be smaller if retailers choose to substitute the RVM for lower value stock and the handling fee will also offset the loss in revenues.

Table 9. Example RVM floor space as a share of total floor space by retailer type⁴⁴

Retailer type	Symbols and independents	Multiples	Co-ops	Supermarkets ⁴⁵
Average floor space (m2)	123	282	310	3178
Example RVM floor space (m2)	0.53			
Example RVM floor space as a share of total floor space	0.43%	0.19%	0.17%	0.02%

175. **Retailers using manual collection and return: unlikely to be significant competition impacts.** While retailers receiving high volumes of returns would be expected to install an RVM, among those who do not install automatic collection there is the potential for competition impacts on those who receive relatively higher volumes of returns. This reflects the potential storage and handling costs associated with returns. Competition impacts will be mitigated by the handling fee which will be paid at higher levels to those receiving higher

volumes. There is qualitative evidence from international DRS that implementation choices, such as the frequency with which collections are made, will have an effect on the level of differential impact felt by those operating a manual collection system⁴⁶.

176. Retailers using manual collection and return will need to fund the returned deposits themselves until they are reimbursed by the Scheme Administrator. This will have a cash flow impact. Analysis estimating the value of deposits received as a share of revenues for different types of retailers suggests this will not be significant (Table 10). This is based on the assumption that the number of DRS-applicable bottles sold by a particular store will be proportionate to the number of DRS-applicable bottles likely to be returned to the same store.

Table 10. Estimates of annual impacts by store type of refunding deposits⁴⁷

Retailer type	Average annual revenues per store (£)	Estimated number of containers returned ⁴⁸	Estimated value of deposits per store (£)	Value of deposits as share of revenues
Independents	342,789	38,269,865	3,184	0.93%
Symbols	962,357	16,659,920	3,511	0.36%
Multiples	1,997,596	94,559,765	22,731	1.13%

⁴² [ACS Local Shop Report 2018](#)

⁴³ [Envipco](#)

⁴⁴ Kantar Worldpanel for Zero Waste Scotland

⁴⁵ Supermarkets includes big 4: Tesco, Sainsbury's, Morrisons, ASDA

⁴⁶ [What can England and Scotland learn from deposit return schemes overseas?. Recycling and Waste World](#)

⁴⁷ [ACS Local Shop Report 2018](#)

⁴⁸ Based on a 90% return rate.

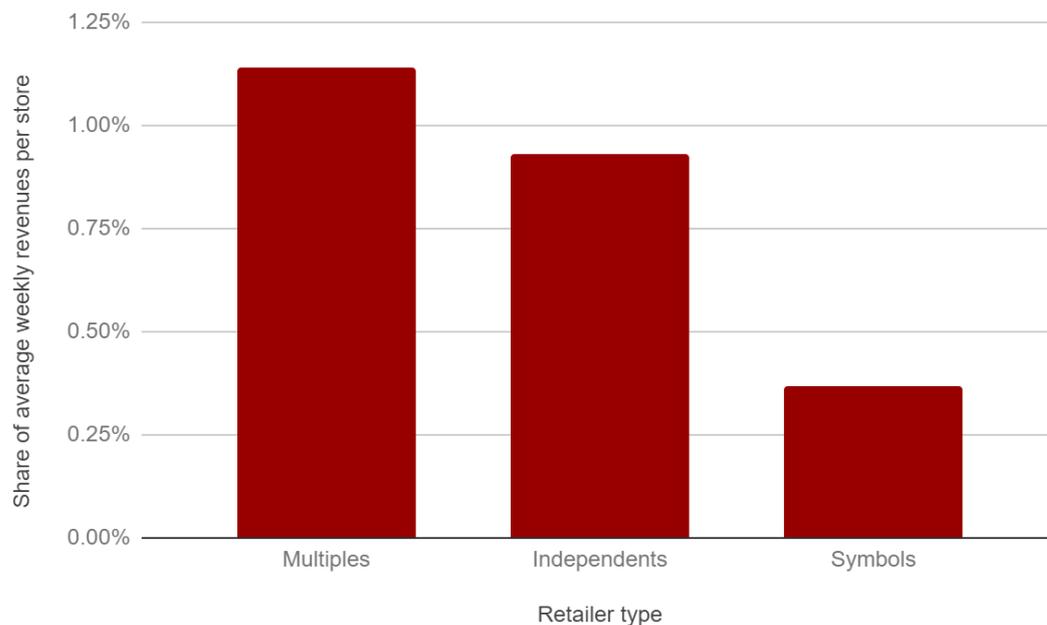


Figure 4. Expected value of deposits on bottles returned to different store types per week as a share of average weekly revenues

177. This does not suggest disproportionate impacts on different types of retailers (Figure 4). The exact scale of any impact on small retailers will depend on the timing of the return of deposits by the Scheme Administrator, as well as the payment of handling fees that are designed to reimburse retailers for their costs. Given that both these payments are expected to be made on a regular basis, a significant competition impact is not anticipated in relation to cash flow as a result of retailers having to pay consumer deposits for DRS-applicable bottles.
178. **Level of handling fee: no competition impact is expected.** The amount of the handling fee has not been decided, but in other DRS the amount varies significantly due to differing scheme designs and structures. For example, in Denmark it ranges between 1-5% of the deposit amount, whereas in New York it is around 70%. In Scotland, the elements determining the handling fee (staff time, lost floor space, etc.) would depend on the collection system employed by the retailer. However, the fee would be based on full cost recovery.
179. **Online retailers: significant competition impacts are not anticipated.** However, given this is a fast-developing section of the market, it may be necessary to monitor developments to ensure no new or unanticipated competition effects arise in the future.
180. Under the proposed DRS, consumers will be able to return their containers to any place of purchase, which includes online retailers. Around 5% of sales of containers within the scope of the DRS are made by online retailers⁴⁹. Under

⁴⁹ Kantar Worldpanel for Zero Waste Scotland

the proposed DRS, online retailers of single-use containers would be responsible for providing a method of container collection and deposit return.

181. The principle impact is likely to be felt by supermarket retailers. However, it is anticipated that they would be able to accommodate the requirements relatively simply and without significant competition effects. Currently, some supermarkets already operate a system that allows them to collect carrier bags, either from the same delivery or previous deliveries.
182. **Retailers operating close to the border between Scotland and England: impacts are unlikely to be significant.** Retailers in Scotland who are situated near the border could potentially suffer as a result of consumers shifting higher volume purchases to retailers in England who would offer identical products but at cheaper (non-DRS) prices. The level of cross-border shopping in other countries that have implemented DRS varies. Between Germany and Denmark, there have been substantial volumes of cross-border shopping. In Denmark, it was estimated that almost 500 million cans were imported in 2011 from Germany⁵⁰. However, levels were substantially lower between other jurisdictions⁵¹. A study on the possibility of the economic impact of a container deposit in the state of Kentucky in the USA found that grocery sales were likely to decline by 3.2% in counties that border non-deposit states⁵².
183. In order to investigate the potential competition impact in Scotland and given the lack of excise differentials with the rest of the UK, an investigation has been made into the proportion of the Scottish population who live within easy access of supermarkets in England. There are four supermarkets from six of the largest chains in the UK within five driving miles of the nearest border with Scotland, eleven within ten miles, and 13 within twenty miles⁵³. All 13 of these are located in and around either Berwick-upon-Tweed or Carlisle. Six of the eight Scottish electoral wards which sit on the border with England⁵⁴ are mostly or entirely located within thirty driving miles from one of these two towns⁵⁵. For the purpose of this analysis, it is assumed that these six electoral wards correspond to the areas of Scotland from which it is feasible for consumers to visit supermarkets in England.
184. Scottish Government statistics from 2017 show that the population of these six wards was approximately 65,100⁵⁶. Scottish Census data from 2011 found that the average share of households with access to at least one car or van across the two local authorities, within which these wards sit (Scottish Borders and Dumfries and Galloway) was 78.8%⁵⁷. Using this figure as an average for

⁵⁰ [A European refunding scheme for drinks containers, European Parliament](#)

⁵¹ [Ibid](#)

⁵² [Minnesota Pollution Control Agency](#)

⁵³ [Google Maps](#)

⁵⁴ Electoral wards: East Berwickshire, Mid Berwickshire, Kelso and District, Jedburgh and District, Annandale East and Eskdale, and Annandale South.

⁵⁵ Location of stores: [ASDA](#), [Tesco](#), [Morrisons](#), [Sainsburys](#), [Lidl](#), [Aldi](#), Distances in driving miles: [Google Maps](#)

⁵⁶ [Scottish Statistics](#).

⁵⁷ [Scotland Census](#)

these six wards, the estimated population with access to a car or van who are able to shop at retailers in England instead of those in Scotland is approximately 51,300, or just under 1% the Scottish population⁵⁸ (Table 11).

Table 11. Scottish electoral wards within driving distance of supermarkets in Carlisle and Berwick-upon-Tweed

Electoral ward	Catchment town within England	Population ⁵⁹	Estimated population with access to a car or van ⁶⁰
Jedburgh and District	Berwick-upon-Tweed	9,156	7,215
Annandale East and Eskdale	Carlisle	9,799	7,722
Kelso and District	Berwick-upon-Tweed	10,321	8,133
Mid Berwickshire	Berwick-upon-Tweed	10,387	8,185
East Berwickshire	Berwick-upon-Tweed	10,558	8,320
Annandale South	Carlisle	14,874	11,721
Total		65,095	51,295

185. According to data provided by Kantar, 3.6% of supermarkets in Scotland are located in the wider border region made up of Dumfriesshire, Roxburghshire and Berwickshire⁶¹. This provides a rough catchment area for supermarkets which could be impacted by changes in cross-border consumption patterns induced by a DRS, although the population assessment above suggests the overall impact will be low, particularly as the price impact of DRS will be offset by the value of returned deposits as discussed below (see paragraph 190).

186. **Familiarisation costs: no significant impacts anticipated.** The introduction of any new piece of legislation, regardless of the size of the regulatory impact, will cause some degree of familiarisation costs for businesses within scope. Familiarisation costs usually have a relatively larger impact on smaller businesses, as these enterprises are less well-equipped to adapt and evolve with the changing regulatory environment. Given expected support from the Scottish Government these impacts are expected to be small.

187. **Communication costs: no significant impacts anticipated.** Retailers would have a degree of responsibility for communicating the impact of DRS on consumers, often using materials made available by the Scheme

⁵⁸ Ibid

⁵⁹ [Scotland Statistics](#).

⁶⁰ [Government of Scotland](#)

⁶¹ Zero Waste Scotland Kantar Data.

Administrator. This would carry some limited costs for the retailer (although some retailers may see positive benefits through being associated with the scheme). The costs associated with communications would likely be heavily concentrated in the start-up and initial phases of DRS and would progressively decline as behaviour change and adaptation to the new system takes place. An example of these costs is the cost of staff time used to explain the scheme to customers. A larger retailer will have more capacity and dedicated resources to carry out these activities than a smaller retailer. However, given expected support from the Scheme Administrator these impacts are expected to be small.

188. **Impacts on the hospitality sector: no significant impacts anticipated.** In general, the impacts on the hospitality sector will be the same as discussed above for other retailers. However, it is proposed that the sector will have the option of running a distinct “closed loop” system. This would remove the obligation to charge a deposit to the consumer but instead require an establishment to pay the deposit itself and retain responsibility for collecting and returning containers within the scheme. This section examines whether this aspect has the potential to generate specific competition effects.
189. The standard DRS system could be described as an “open loop” in that the consumer would typically take the deposit bearing container off the premises of the retailer and be able to return it to any participating retailer rather than just the one where the container was purchased. In contrast a “closed loop” would operate where the container stayed on the premises and was returned to the original retailers without a deposit being charged. Instead the deposit would be applied to purchases made by the relevant establishment from the producer or wholesaler, and the establishment would be able to claim it back from the Scheme Administrator following the collection of containers. For the purposes of this assessment, an assumption has been made that hotels, pubs and bars and full-service restaurants would be likely to choose to operate a “closed loop” arrangement.
190. Compared to the “open loop” system, establishments operating a “closed loop” would be responsible for meeting the deposit costs paid to the wholesaler but would not receive deposits paid from the consumer. Instead, they have to wait for these to be paid by the Scheme Administrator. Depending on how long this takes, there could be a small potential cash flow impact. However, the total annual value of deposits will be on average under one per cent of turnover (Table 12) and assuming relatively frequent refunds are received from the Scheme Administrator, the cash flow impact will not be significant.

Table 12. Value of deposit as a share of annual turnover for pubs/bars

Estimated value of deposits on drinks sold as a share of turnover per pub/bar in Scotland	
Number of DRS-eligible containers sold in	45,448,535

pubs/bars in Scotland per year ⁶²	
Annual value of deposits on containers sold in pubs/bars in Scotland ⁶³	£9,897,070
Number of pubs/bars in Scotland ⁶⁴	2,840
Estimated annual value of deposits per pub/bar in Scotland	£3,200
Annual turnover of pubs/bars in the UK ⁶⁵	£21,320,000,000
Annual turnover per pub/bar in the UK	£549,272
Estimated value of deposits on drinks sold as a share of turnover per pub/bar in Scotland	0.6%

191. In addition, establishments operating a “closed loop” system will be liable for the costs associated with failures to achieve a 100% collection rate. It is likely that there would be some degree of natural wastage as result of customers taking the container away or breakages. In order to investigate this, an estimate has been made of potential financial losses, based on low, medium and high rates of non-return in a closed loop system. This analysis suggests that the financial loss would not be significant (Table 13).

Table 13. Potential average financial loss for closed loop establishments

Rate of non-return	Estimated annual value of deposits per pub/bar in Scotland	Estimated financial loss
1%	£3,200	£32
5%	£3,200	£160
10%	£3,200	£320

Question 2: Will the measure limit the ability of suppliers to compete?

192. **No significant impacts are anticipated given the overall low-price impacts expected to be associated with the scheme once returns are taken into account.** The analysis throughout this section assumes that, although consumers would be able to claim back the deposit they pay on DRS-applicable purchases, there will be some degree of ‘real’ cost placed upon them as a result of the DRS. This will be a combination of the cost of

⁶² Kantar Data for 2017

⁶³ Based on the number of containers sold in Scotland in 2017, assuming a deposit of £0.20

⁶⁴ ONS data for 2018

⁶⁵ ONS data for 2016

unreturned deposits being incident on the consumer and the cost to them of complying with the scheme.

193. The nature of the scheme means that this cost will vary depending on the individual consumers' propensity to return DRS applicable items and receive the deposit. There are a number of factors that will determine this, including:
- A consumer's total and disposable income
 - Their views and preferences around recycling
 - Their current recycling activity
 - Their proximity to deposit return points
 - Their DRS-applicable consumption patterns
194. Consistent with the analysis that a Scottish DRS is likely to raise recycling rates across the country to around 90%, it is expected that the costs placed upon the consumer in Scotland as a result of having to pay an increased price on DRS-applicable products would be largely offset, and that the majority of consumers would be able to obtain their deposit refund at minimal additional cost or inconvenience.
195. This is further supported by research and modelling undertaken to assess the impacts of introducing other similar DRS in Spain and Slovakia. For instance, in Slovakia it was estimated that the annual cost of the inconvenience to the consumer would be approximately £2.24 - £3.46 (2.55 - 3.94 EUR)⁶⁶. This estimate included the value of the time it would take to return the containers along with the cost of potentially storing the containers. In the case of Spain⁶⁷, it was estimated that the inconvenience to consumers would be minimal. The primary cost applied to those who did not return their container and thus forfeited their deposit.
196. For the purposes of the analysis in this Competition Impact Assessment, sensitivity analysis is applied and a range based on the evidence discussed above for the average real cost that a Scottish DRS system is likely to place on a consumer per product bought is modelled (Table 14).

Table 14. Estimates of real cost to consumer (per container)

	Low	Medium	High
Real cost to the consumer (per container)	0.5p	1p	1.5p

197. **Volume of containers: no significant impacts are anticipated.** The Scottish DRS would apply a 20p deposit on all containers within scope, regardless of the size of the product in question. This means that a 330ml can of soft drink would have the same deposit as a 500ml or 2,000ml equivalent product, which would increase the price per ml of smaller products relatively to larger products

⁶⁶ [Slovakia Deposit Study](#)

⁶⁷ [Deposit Refund System in Spain](#)

(Figures 5 and 6). In turn, this could have an impact on consumer demand and consumption decisions.

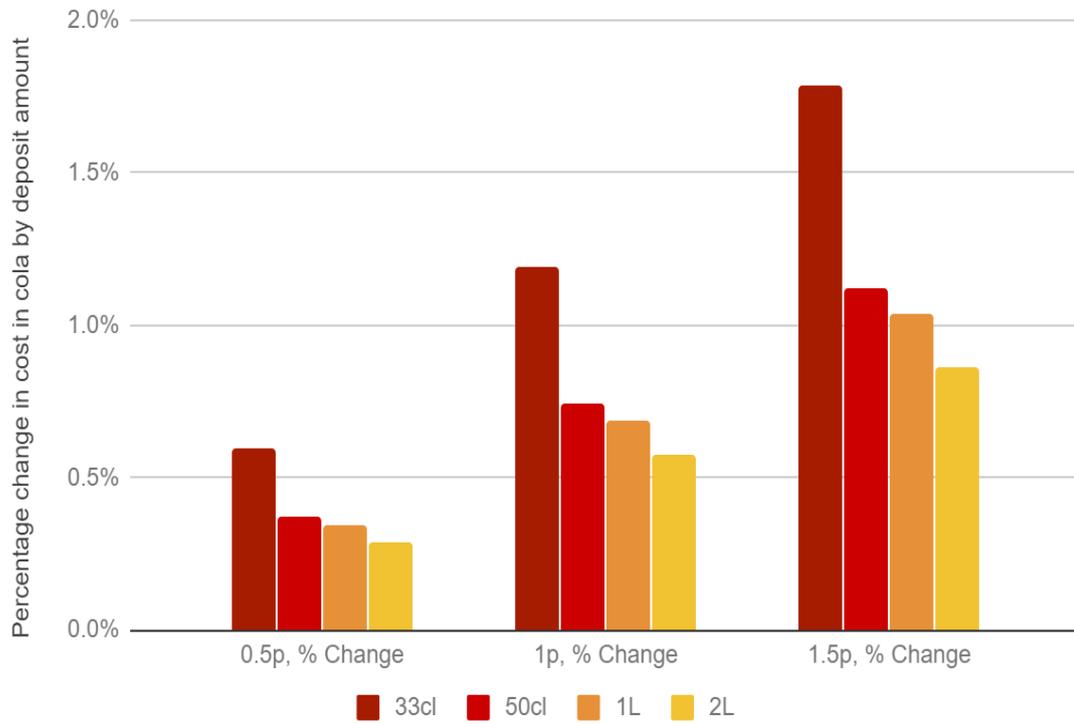


Figure 5. Impact of price changes on different sized containers of cola products⁶⁸

⁶⁸ See Annex C Table 4

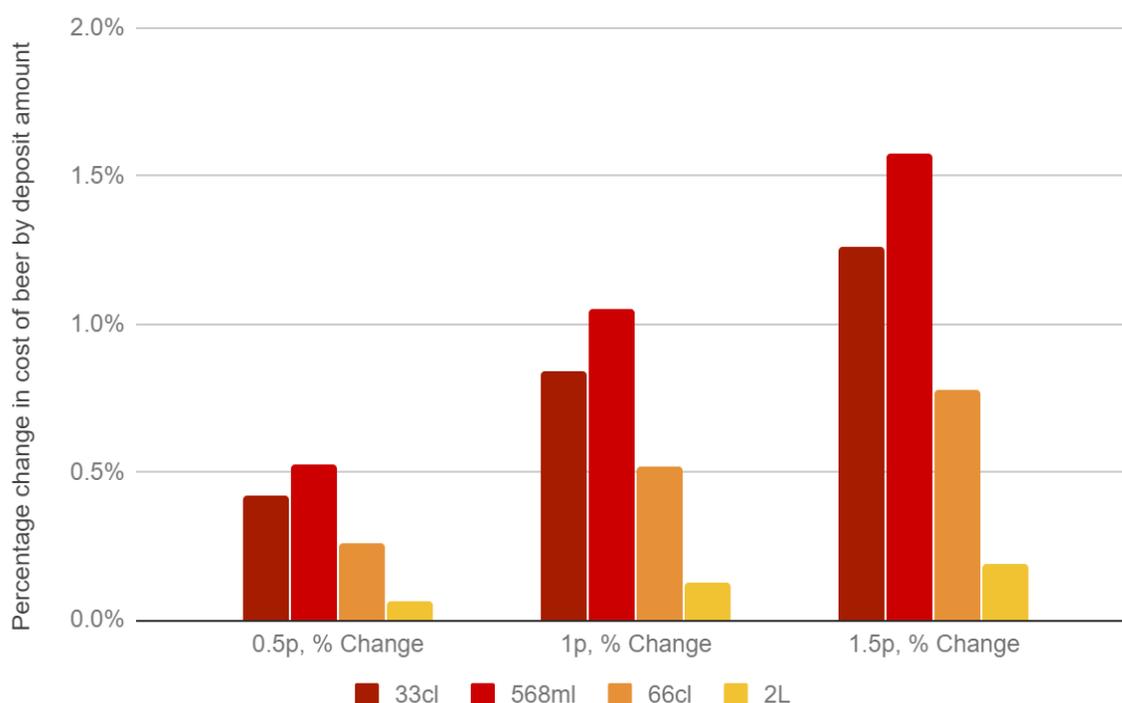


Figure 6. Impact of price changes on different sized containers of beer products⁶⁹

198. This increase in the real average price per ml of DRS-applicable products is mirrored across all different product types that have been analysed, in both the soft and alcoholic sectors, using the Kantar data. This suggests that DRS could impact consumer choice, incentivising a shift, to some extent, towards purchasing larger sized products compared to what they were purchasing before although the magnitude of this change is likely to be small and would not be expected to cause consumers to change their choice or preference for a certain brand. The decision to pursue a scheme design which maximises consumer convenience and targets a high capture rate should also help to mitigate this impact.

199. **Quality of products: the competition effect is not expected to be significant.** The DRS will introduce a flat per container deposit on all types of in-scope products and the price impact is also expected to be uniform across products. To investigate whether this would have any impact on consumer demand, these effects have been modelled for different types of products using price elasticity data⁷⁰. This shows a very small change in the relative demand of different quality products of the same size (Table 15) and that the impacts are greatest on lower priced drinks.

Table 15. Percentage change in demand for different products under low, medium and high price change assumptions⁷¹

Non-Alcohol Products	Budget Price	0.5p			1p			1.5p		
		Budget Price	0.5p	1p	1.5p	Premium Price	0.5p	1p	1.5p	
Juice Drinks	£0.65	-0.58%	-1.17%	-1.75%	£1.50	-0.25%	-0.51%	-0.76%		

(1L)								
Sports Drinks (1L)	£1.00	-0.41%	-0.81%	-1.22%	£1.75	-0.23%	-0.46%	-0.69%
Cola (1L)	£0.50	-0.81%	-1.62%	-2.43%	£1.45	-0.28%	-0.56%	-0.84%
Pure Juices (1L)	£0.89	-0.54%	-1.09%	-1.63%	£2.50	-0.19%	-0.39%	-0.58%
Beer (50cl)	£1.00	-0.30%	-0.60%	-0.90%	£3.00	-0.10%	-0.20%	-0.30%
Wine (75cl)	£3.65	-0.12%	-0.24%	-0.35%	£15.00	-0.03%	-0.06%	-0.09%
Cider (50cl)	£0.85	-0.36%	-0.72%	-1.09%	£2.20	-0.14%	-0.28%	-0.42%
Spirits (70cl)	£11.00	-0.03%	-0.07%	-0.10%	£28.00	-0.01%	-0.03%	-0.04%

200. **Impact on choice of materials used in drinks packaging: competition impacts are likely to be small.** DRS will only apply to particular material types of single-use drinks containers (glass, PET plastic, and steel and aluminium cans). Other containers (including reusable containers, cartons, pouches and those made from HDPE plastic) fall outside the scope of the scheme. There are potentially competition impacts where producers could be incentivised by the scheme to change from containers within the scheme to those outside, or where they compete in markets where there are both DRS and non-DRS containers.
201. Scotland's DRS is not expected to incentivise a significant shift to reusable containers, which would be outside of the scope of the scheme, in part because of the significant upfront costs to replace machines and introduce bottle washing or cleaning facilities. Additionally, there is evidence to suggest that the level of reusable containers is declining across Europe even after the introduction of DRS⁷².
202. Producers are also constrained in switching to containers outside of the scope of the scheme. For instance, cartons and HDPE plastic cannot be used to contain carbonated drinks due to their material qualities. However, some products are sold in containers both inside and outside of the scope of the DRS (Figure 7) although each accounts for a relatively small part of the total non-alcoholic drinks market⁷³.

⁶⁹ See Annex C Table 5

⁷⁰ [Oxford Economics](#) and [HMRC](#)

⁷¹ A scan of Supermarkets online catalogues, including Tesco, Sainsbury's, ALDI was undertaken to assess common price points for budget (e.g store brand) and premium type goods (e.g. brand name) for each of these categories at the particular size of 1L. Demand effects were modelled using own price elasticities sourced from HMRC and Oxford Economic studies.

⁷² [DEFRA](#)

⁷³ Pure Juices account for 6.6% of cold non-alcoholic drinks sold, smoothies: 1.3% and juice drinks: 8.9%.

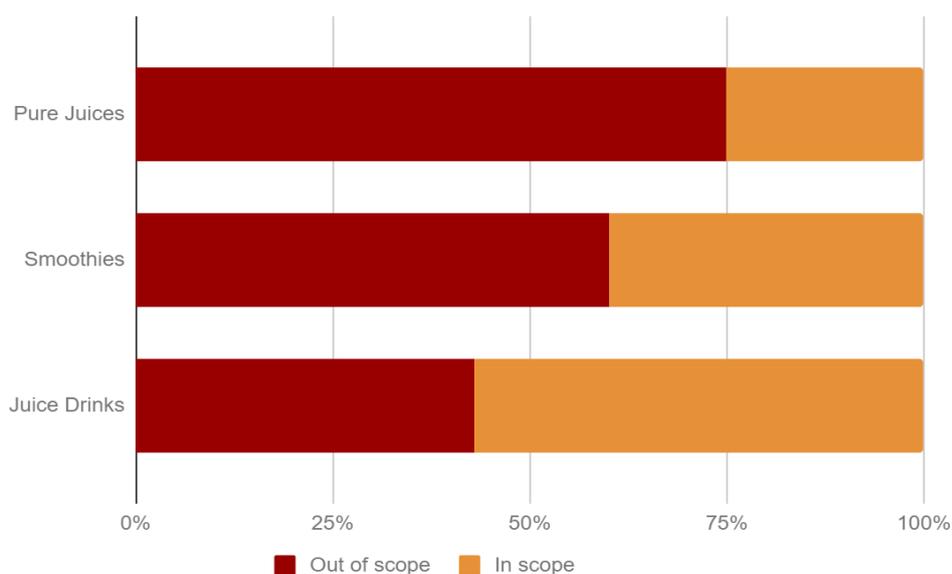


Figure 7. Use of DRS and non-DRS containers in selected segments of the drinks market⁷⁴

203. Using the price effects already discussed, potential changes in demand for DRS eligible pure juices have been modelled (where 75% of the market falls outside of scope of the scheme). These effects are small (Table 16).

Table 16. Percentage change in demand for pure juice products under low, medium and high price change assumptions⁷⁵

DRS vs Non-DRS Products	Average Price	Own price Elasticity of Demand	0.5p Quantity demanded Change	1p Quantity demanded Change	1.5p Quantity demanded Change
Pure Juices (1L)	1.41	-0.76	-0.27%	-0.54%	-0.81%

204. **Sales channels: no competition impact is expected.** The introduction of a DRS in Scotland is not expected to limit the sales channels a supplier, whether a producer or retailer, can use.

205. **Geographical areas of supply: no significant competition impacts are expected.** The introduction of a Scottish DRS would not directly limit the geographic area in which suppliers (producers or retailers) could operate. Therefore, no direct competition impact is expected as a result of its introduction. Potentially indirect effects on both producers and retailers are discussed in Q1b. As concluded, there is the potential for some competition impacts on smaller producers for the Scottish market, which could limit their ability to operate in that market, although these are likely to be minor. For retailers, the potential competition impacts on the area of supply created by the distinction between Scottish and non-Scottish containers could have some competition impacts but these will be relatively minor taking into account the low level of the population affected.

206. **Advertising of products: no competition impact is anticipated in this respect.** There would be no restrictions on product advertising by suppliers as a result of the introduction of the DRS.

207. **Restrictions on production processes and governance of suppliers: impacts are not expected to be significant.** As described in Q1b, new requirements would be introduced both for producers and retailers as a result of the introduction of a Scottish DRS. These will require some governance changes, with a Scheme Administrator expected to be responsible for ensuring that producers meet their responsibilities. At this stage, the governance arrangements for retailers are still being developed. In line with the conclusions of Q1b, while there may be some competition impacts as a result of these changes the overall impacts are not expected to be significant.

Question 3: Will the measure limit suppliers' incentives to compete vigorously?

208. **No competition impact is anticipated.** The introduction of the DRS should not incentivise suppliers to coordinate activities over which they would ordinarily compete. The Scottish drinks market is a competitive one, where products are sufficiently differentiated and there is a significant number of competitors both in terms of producers and retailers.

Question 4: Will the measure limit the choices and information available to consumers?

209. **Limit on consumers ability to decide from whom they purchase: no competition impact is expected.** There is no evidence that the introduction of the DRS would limit the ability of consumers to decide from whom they purchase. The scheme would not require containers to be purchased from a set number, list or type of retailers. Under the scheme, consumers would not be required to return containers to the outlet from which they were purchased, therefore placing no restrictions on the ability of consumers to choose where they purchase their deposit-bearing containers from.

210. **Limit on information available to consumers: no significant competition impacts are anticipated.** New information would be available to consumers explaining the operation of the scheme and, for example, identifying the containers within the scheme. It is anticipated that consumers would be provided with sufficient information prior to the introduction of the scheme and once it is in place to allow them to make informed choices.

211. **Costs of changing supplier: no significant competition impacts are anticipated.** In addition, the introduction of the scheme is not expected to increase the cost of changing supplier and while there is the potential for some impacts if consumers close to the border can access retailers in both Scotland

⁷⁴ ZWS Modelling using Kantar Data

⁷⁵ Oxford Economics for price elasticity and a scan of Supermarkets online catalogues, including Tesco, Sainsbury's, ALDI was undertaken to assess average price points for pure juices at the particular size of 1L.

and England at similar convenience, as is shown above the share of the population is small and a significant impact is not anticipated.

8.0 Test Run of Business Forms

212. Following passage of the secondary legislation to establish DRS , all new forms required for the scheme will be designed and test run with stakeholders to ensure they are clear, simple and easy to complete. BRIA guidance⁷⁶ requires that 6 to 12 businesses likely to be affected by DRS be involved in the development and testing of the new forms. Full details of the new forms and how they were developed in partnership with business stakeholders will be published in the final BRIA.
213. Existing forms from several global DRS systems have been reviewed. The matrix below in Table 17 identifies new business processes and forms that are likely to be required in a Scottish DRS and Annex D provides a series of example forms that already exist from other DRS models around the world. These example forms (as well as guidance documents and contract terms) provide an indication of forms and documentation that are likely to be developed under the Scottish system.
214. Table 17 is divided into five key process activities and eight key process stakeholders. It identifies which stakeholder, under which activity, will be exposed to a new business form or process.
215. The key stakeholders and transaction points are:
- Producers – companies that put a deposit-bearing product onto the market
 - Return Points – location points for the return of a deposit-bearing product
 - RVMs – reverse vending machines for the return of a deposit-bearing product
 - Hauliers – transport for the collection of deposit-bearing products from return points to counting/processing centres
 - Counting centres – locations owned and operated by the Scheme Administrator where the deposit-bearing products are taken to be counted, separated and sorted
 - Consumers – individuals who have purchased a deposit-bearing product
 - Charities – charities that register to receive returned deposits if chosen by the consumer
 - Scheme Administrator – the appointed entity managing the Scottish DRS
216. The key process activities are:
- Registration - of producer companies, return point locations and charities, as well as registration and testing of beverage container products to ensure that they meet quality standards and criteria for return via RVMs
 - Payments In/Out - of fees and refund of deposits

⁷⁶ <https://www.gov.scot/publications/business-regulatory-impact-assessments-toolkit/pages/9/>

- Container identification and collection - throughout the material flow via suitable labelling and sorting
- Reporting - of data to track material and deposit movement throughout the system, and management of any arising complaints or feedback

Table 17. Stakeholder/Transaction Point

		Producer	Return Point	RVMS	Haulier	Counting Centre	Consumer	Charity	Scheme Administrator	
Activity	Registration	Company Details	Form	Form	Form			Form	Process	
		Bank Details	Form	Form	Process			Form	Form	Process
		Service Agreement	Form	Form		Form				Process
		Product	Form/Process		Process					Process
	Payments In	Producer Fee	Process							Process
		Deposit Fee	Process							Process
	Payments Out	Deposit Fee		Process	Process			Process	Process	Process
		Handling Fee		Process						Process
		Service Fee				Process				Process
		Transaction Process	Process	Process						Process
	Container Identification & Collection	Drinks Container Barcode & Deposit Mark	Process		Process		Process			Process
		Stick-on Drinks Container Labels	Form/Process							Process
		Bags & Tags		Form/Process						Process
		Collections		Form/Process						Process
		Unique Barcode Identifier		Form/Process		Process	Process			Process
	Reporting	Sales	Form/Process							Process
		RVM Data			Process				Process	Process
		Manual Return Point Data		Process		Form/Process	Process			Process
		Haulier Data				Form/Process				Process
		Counting Centre Data					Process			Process
Complaints		Form/Process	Form/Process	Form/Process	Form/Process	Form/Process	Form/Process	Form/Process	Form/Process	Process

217. These matrix entries are discussed below, providing further detail on new forms and processes which are not considered business as usual activities for the stakeholders involved. It also provides reference to form examples in Annex D.

8.1 Registration

218. **Company Registration:** To register as producers, return points (including RVMs) and charities, there will be a requirement to complete and submit a registration form to the Scheme Administrator. Producer companies accepted as members of the scheme will also be required to sign a service or supplier agreement form, outlining the terms of participation. Scheme registration will not be a new concept for some stakeholders, since larger retailers and producers will have previously registered with compliance schemes to meet their Producer Responsibility Obligations (Packaging)⁷⁷ or to other global DRS. Examples of company registration forms used by other schemes have been provided in Annex D.1 and examples of service agreement documents in Annex D.2. Subject to any exemptions in relevant regulation, some retailers may have the ability to opt-out as a return point. As a result, the retailer may need to register as opting-out via an appropriate form.

219. **Product Registration and Testing:** Producers wishing to sell beverage containers onto the Scottish market will be required to register their containers with the Scheme Administrator and provide technical specifications to confirm physical compliance and labelling as per a published technical specification manual. Containers accepted by the scheme will be registered on a central database, the data from which will be programmed into RVMs and counting centre sorting equipment to ensure that they pay out deposits on deposit-bearing products only. Producers will be informed if containers do not meet the acceptance criteria and will have the option to modify and re-submit their containers. If the producer chooses not to adhere to the labelling requirements, they can opt to pay a higher producer fee or alternatively purchase adhesive labels from the Scheme Administrator. An example of a technical specification manual can be found in Annex D.3 and a product testing process example in Annex D.4. Additionally, if a registered project is changed or if it is discontinued and needs to be removed from the register, the producer will need to inform the Scheme Administrator. Examples of a product registration form can be seen in Annex D.5, a product cancellation form in Annex D.6 and a product database example in Annex D.7.

8.2 Payments In

220. **Producer Fee:** Producers will be required to pay a producer fee to the Scheme Administrator for every container placed on the market – this fee will cover the overall running of the system and the cost of registering, testing and recovering each container. A payment process will be set up to

⁷⁷ The Producer Responsibility Obligations (Packaging Waste) Regulations 2007, available at: <http://www.legislation.gov.uk/ukxi/2007/871/contents/made>

facilitate the transaction. Payment of fees/invoices will not be a new or unique activity for producers, however it may add to the volume of administration activity for smaller businesses.

221. **Deposit Amount:** Producers will be required to pay a deposit amount to the Scheme Administrator for each container they sell onto the market. This may be held in security for the duration of the company's membership to compensate for any shortfalls in producer payments (e.g. producer going out of business). A payment process will be set up to facilitate the transaction. Payment of fees/invoices will not be a new or unique activity for producers, however it may add to the volume of administration activity for smaller businesses.

8.3 Payments Out

222. **Handling Fee:** The Scheme Administrator will pay a handling fee to every company registered as a return point (either an RVM or manual return point). The handling fee will be set to compensate the financial impact of collecting, sorting and packaging containers for collection. Return points will need to register their bank details with the Scheme Administrator to receive handling fee payments. A payment process will be set up to facilitate the transaction. Receipt of payment will not be a new or unique activity for these companies, however it may add to the volume of administration activity for smaller retailers and HORECA (Hotel/Restaurant/Café).
223. **Service Fee:** Depending on the final scheme design and contractual arrangements for logistics, a service fee may be paid to contractors such as hauliers to cover transportation costs. The utilisation of and payment to haulage contractors is not a new process, however it is noted here for reference.
224. **Deposit Fee Refund - Consumer:** The mechanism by which money is returned to the consumer will be subject to further stakeholder engagement to explore the options available and therefore the processes and forms that may be required. If the deposit return is made available via online banking or PayPal, the consumer will be required to register relevant details via a new process/form. Return points may also offer consumers the option to donate the money to charity, should the consumer wish to select this option rather than receiving the deposit back themselves. RVMs will record this data and submit it to the Scheme Administrator to ensure that the correct donations are made to the registered charities and a clear financial record of these transactions are kept.
225. **Deposit Fee Refund – Return Points:** Deposits will be returned to retailers and hospitality, restaurants and cafes (HORECA) that have registered as a return point. For those hosting RVMs, data collected from each machine will inform the deposit refund payment due. For manual return points, the owner of the manual return point (small retailers, HORECA etc) will be required to pay out the deposit and will receive a credit payment after the containers have been collected and counted centrally. Return points will need to

register their bank details with the Scheme Administrator to receive deposit refund payments. A payment process will be set up to facilitate the transaction.

226. **Transaction Process:** The deposit cost of a container will need to be displayed appropriately on invoices and receipts as the intention is that the deposit amount should not be subject to tax. This will have implications on retailers, electronic point of sale (EPOS) providers and finance departments throughout the supply chain, to ensure that the charge is displayed correctly on all invoicing/receipts.

8.4 Container Identification and Collection

227. **Container Labelling:** It is expected that the majority of containers sold onto the Scottish market will incorporate new identifying marks once the DRS is implemented, allowing them to be easily distinguished as part of the scheme. In common with other DRS schemes, these would be expected to include a DRS identifying barcode, which would facilitate automatic collection via an RVM, and a DRS symbol allowing easy visual recognition for manual returns.
228. Labelling changes are not mandatory and a series of options will exist to mitigate any potential competition impact. These options are:
1. To amend primary packaging to include an identifying deposit mark and barcode;
 2. To purchase adhesive labels from the Scheme Administrator displaying the deposit mark and barcode;
 3. Make no amendment to current labelling but pay a higher producer fee to account for the increased risk of fraud.
229. These three approaches offer an array of options to suit the size of the producer/importer. Guidance on labelling and barcodes will be provided by the Scheme Administrator. An example of deposit symbol and barcode specifications can be found in Annex D.3 within the technical specification document. An example of label ordering forms for adhesive labels can be found in Annex D.8.
230. **Bags and Tags:** Stakeholders involved in manual take-back of containers will be required to order branded bags and tags from the Scheme Administrator (or an approved contractor) to correctly store and label the containers. An example of bag and tag ordering forms can be found in Annex D.8.
231. **Bag Label Barcode:** Manual return points will be required to label their bags with a unique barcode identifier which will be issued by the Scheme Administrator when the company registers as a manual return point. The haulier may scan the barcode upon uplift and the counting centre will scan the barcode on receipt. Stakeholders involved in manual take-back of containers will be required to order these unique barcode identifier labels

from the Scheme Administrator (or an approved contractor). An example of label ordering forms can be found in Annex D.8.

232. **Collections:** Guidance on the collection and storage of containers will be provided by the Scheme Administrator to all registered return points. Companies that are registered as return points may have the option to request additional collections outside of standard collection times if the need arises. Additionally, consumers that purchase their goods online and receive home delivery may require the option of requesting the uplift of used drinks containers from their online retailer during their next/upcoming delivery. This collection request service will need to be made available by the retailer, potentially via their website or by phone.

8.5 Reporting

233. **Sales Data:** Producers will submit monthly reports to the Scheme Administrator regarding monthly sales onto the Scottish market. This data will be used to calculate the appropriate producer fees and deposit amounts due. An example of a sales reporting form can be found in Annex D.9.
234. **RVM Data:** Each RVM will have an individual IP address so that it is identifiable. Data from RVMs will automatically upload to the Scheme Administrator's central IT system on a regular basis. This will track data such as the number of deposits returned, type of container returned and charitable donation submissions. This data will be used to calculate the appropriate handling fee and deposit refund to the RVM hosts, and to calculate the appropriate financial donations to registered charities.
235. **Manual Return Point Data:** Counting centres will count the materials received from the manual return points and refund the deposit amounts and handling fees as appropriate. The bags of materials received from the manual return points will be identifiable via the unique barcode identifier label.
236. **Haulier Data:** Hauliers will issue waste transfer notes for the containers collected (not a new process), however they may also be required to scan the identifying barcode or manually report their collections in order to track the transfer of materials from the return points to the counting centres. It may be possible to integrate barcode data into waste transfer notes to avoid the duplication of these records. The introduction of edoc (electronic duty of care) will also allow these records to be held electronically.
237. **Counting Centre Data:** Counting centres will count the materials received from the manual return points and refund the deposit amounts and handling fees as appropriate. Data from counting centres will be automatically uploaded to the Scheme Administrator central IT system on a regular basis.
238. **Complaints:** A complaints system will be put in place to ensure that complaints can be effectively received and processed by the Scheme Administrator or the relevant impartial adjudicator. Complaints could be

made by, or regarding, any of the listed stakeholders. An example of a complaints/feedback form can be found in Annex D.10.

9.0 Digital Impact Test

239. Changes to policy, regulation or legislation can often have unintended consequences, should government fail to consider advances in technology and the impact this may have on future delivery. This digital impact test is a consideration of whether the changes being made can still be applied effectively should business/government processes change – such as services moving online. The below details the evaluation of the proposed DRS on current and future digital developments. Overall, it is viewed that the proposed DRS will not have an adverse impact on digital technology developments.

Table 18. Digital Impact Test Questionnaire

Question 1. Does the measure take account of changing digital technologies and markets?

Changing digital technologies and markets have been taken into account during the development of the Scottish DRS. Customers remain able to order drinks through online services and reclaim the deposit through both online and traditional retailers. Similarly, online services will not be adversely impacted by the scheme. This is assessed further in the Competition Impact Assessment.

Question 2. Will the measure be applicable in a digital/online context?

A Scottish DRS would apply to both online and offline retailers, as deposits would apply to all drinks containers within the scope of the scheme that enter the Scottish market. Work is ongoing to identify how container take-back arrangements should operate for online retailers.

Question 3. Is there a possibility the measures could be circumvented by digital/online transactions?

The measure could not be circumvented by digital/online transactions, as it is the aim to:

- Increase the quantity of target materials collected for recycling
- Improve the quality of material collected, to allow for higher value recycling
- Encourage wider behaviour change around materials
- Deliver maximum economic and societal benefits for Scotland

As drinks containers are not only sold by traditional but also by online retailers, the DRS would also need to apply to online transactions in order to serve the original purpose.

Question 4. Alternatively, will the measure only be applicable in a digital context and therefore may have an adverse impact on traditional or offline businesses?

The Scottish DRS would be applicable equally to both digital and traditional businesses and would therefore not result in an adverse impact on traditional or offline businesses.

Question 5. If the measure can be applied in an offline and online environment will this in itself have any adverse impact on incumbent operators?

No.

10.0 Legal Aid Impact Test

240. There will be no impact on Legal Aid.

11.0 Enforcement, Sanctions and Monitoring

241. In order to achieve an ambitious DRS for Scotland, sufficient enforcement, sanctions and monitoring systems will be put in place to achieve the four strategic objectives of the Scottish DRS. These are to increase the quantity of target materials captured for recycling, improve the quality of material captured, encourage wider behaviour change around materials, and deliver maximum economic and societal benefits for Scotland.

242. Secondary legislation to establish DRS is due to be introduced in 2019. Once passed and a final scheme design is approved, a Scheme Administrator will manage the provision of a DRS for Scotland. The Scheme Administrator will be responsible for running the Scottish DRS and delivering the four strategic objectives.

243. The Scheme Administrator will be subject to third party scrutiny to provide assurance that money is spent properly, efficiently and effectively. A benefits realisation plan is included in the Full Business Case and the Scheme Administrator would be expected to deliver these benefits. They will maintain a transparent operation and publicly report on the achievements of the scheme. A capture rate will be legislated within the DRS regulation.

244. The Scheme Administrator's operational activities will be undertaken in accordance with Environmental Protection (Duty of Care) (Scotland) Regulations, The Environmental Authorisations (Scotland) Regulations

2018, Waste (Scotland) Regulations 2012, Trans-Frontier Shipment of Waste Regulations, Consumer Rights Act 2015 and Business Protection from Misleading Marketing Regulations 2008. The intention is that DRS return points will be covered by General Binding Rules.

245. The implementation of compliance mechanisms will depend on the final scheme design and the structure of the appointed Scheme Administrator. The relevant stakeholders and the roles they will take will be detailed in the final BRIA. The enforcement and monitoring roles that will need to be filled are highlighted below.
246. **Monitoring the Scheme Administrator** – A regulator will be appointed to monitor the performance of the Scheme Administrator in running a Scottish DRS. The appointed regulator will request and review annual reports that detail performance of the Scheme Administrator against the capture rate target and strategic objectives of the Scottish DRS. Sanctions will be put in place and enforced if the Scheme Administrator fails to adhere to reporting requirements and meet the capture rate target.
247. **Monitoring Retailers and Producers** - An appointed regulator will have a role in monitoring and enforcing waste compliance such as waste storage, transport and treatment of deposit return beverage containers. This will be undertaken as routine waste regulatory activity. An existing institution that currently fulfils a comparable function is SEPA.
248. In addition, illegal trading practices with regards to DRS compliance will need to be monitored by an appointed body. Existing institutions that fulfil comparable functions include Trading Standards Scotland, managed by COSLA. Trading Standards Scotland is the local government service that works to protect consumers and support legitimate business. SEPA also fulfil a similar function through regulation of the Packaging Waste Regulations, regulating packaging producers.
249. **Monitoring Consumer Concerns** – Consumer complaints with regards to DRS will need to be received and triaged by an appointed body. A similar institution that currently fulfils a comparable consumer protection role is the Citizens Advice Consumer Service (CACS), delivered in partnership with The Society of Chief Officers of Trading Standards in Scotland (SCOTSS). This service provides confidential and impartial advice to Scottish citizens.
250. The appointment of relevant regulatory and enforcement bodies as described above will be confirmed following the agreement of the final scheme design. This information will be published in the final BRIA.
251. The secondary legislation establishing the scheme will be kept under review during its introduction and operation.

12.0 Implementation and Delivery Plan

252. A detailed implementation plan is currently being developed, supported by the Scottish Government's DRS Implementation Advisory Group whose membership includes:
- British Soft Drinks Association
 - Federation of Small Businesses
 - Natural Hydration Council
 - Scotch Whisky Association
 - Scottish Beer & Pub Association
 - Scottish Grocer's Federation
 - National Federation of Retail Newsagents
 - Scottish Wholesale Association
 - Scottish Licensed Trade Association
 - Scottish Retail Consortium
 - UK Hospitality

13.0 Summary and Recommendations

253. This document is the full Business and Regulatory Impact Assessment (BRIA), which is a development of the partial BRIA published in June 2018 and is written subject to the best available information at the time. Following the passage of legislation to establish a deposit return scheme, a final BRIA will be developed and published. In the meantime, the findings contained in this full BRIA will inform the detailed implementation planning for the scheme which is now underway.

14.0 Declaration and Publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:

Date: 25 June

Minister's name Roseanna Cunningham

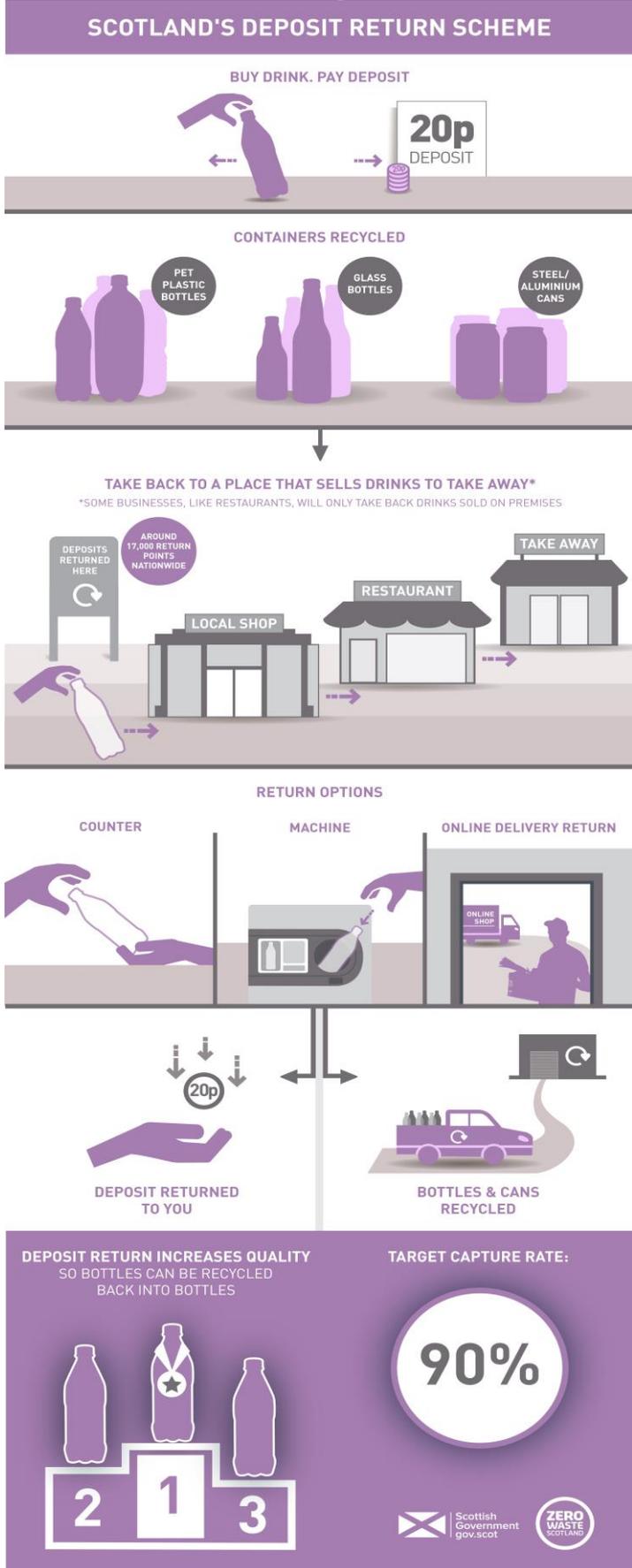
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15.0 Annex A: Preferred Scheme Design Schematic



16.0 Annex B: Litter Prevention Options

Rationale

Scotland's National Litter Strategy⁷⁸, Towards A Litter-Free Scotland, outlines 12 interventions across three strategic areas – information, infrastructure and enforcement. These provide a basis for potential prevention initiatives, coupled with overseas examples, that aim to achieve comparable reductions in litter alongside a household packaging EPR scheme for Scotland. In keeping with the aims of the National Litter Strategy, activities outlined below have a firm focus on prevention. This differs from some European litter funding which commonly includes a significant contribution towards clean-up rather than prevention.

The initiatives outlined in the low, medium and high scenarios:

- Cover the range of interventions discussed in the National Litter Strategy e.g. to address needs and gaps in Information/Education, Infrastructure and Enforcement
- Are aimed at litter prevention, not clean-up
- Are primarily aimed at local authority participation due to the application of the household packaging EPR scheme's full cost recovery payments, but include involvement from other recognised key stakeholders such as other duty bodies and statutory undertakers, businesses, private landowners, communities and the third sector
- Are considered in the current Scottish context. The Zero Waste Scotland litter and flytipping team have engaged the target audience of litter prevention measures extensively, therefore the categorisation of initiatives is based on known barriers, likely engagement requirements and willingness of stakeholders to get involved
- Take account of 'standard' initiatives included in litter prevention funding for other European EPR schemes. These align well with the measures most commonly requested by key stakeholders in Scotland, and therefore may be prioritised in the low or medium scenarios despite relatively high costs, difficulty to implement or low likely impact on litter volumes
- Exclude the introduction of other legislative or policy instruments, in part due to the cost of planning and implementation and based on the remit and scope of litter prevention funding from other European EPR schemes for packaging.

Accepting the above considerations, initiatives have been considered for the low, medium and high scenarios on the characteristics outlined in Annex B Table 1.

Annex B Table 1. Litter Prevention Scenarios

Low Contribution	Medium Contribution	High Contribution
Small investment, few barriers to implementation, small additional effort to prevent litter generation	Includes all low contribution activities e.g. the contribution is cumulative	Includes all low and medium contribution activities

⁷⁸ [Litter Strategy](#)

Includes initiatives commonly requested by key stakeholders and members of the public e.g. aims to satisfy National Litter Strategy interventions and the minimum expectations of stakeholders	Managed, ambitious effort to prevent litter with initiatives that are medium cost, may not currently take place and require significant engagement to implement	Strategic, multi-disciplinary approach to litter prevention including place-making, health, wellbeing and social amenity impacts that have direct or indirect links to litter on the ground e.g. local environmental quality
	May include initiatives that are conducted rarely/piecemeal across Scotland which would provide benefit from wider coordinated uptake	May include higher investment initiatives already outlined low and medium contribution
	May include higher investment initiatives already outlined low contribution	

Proposed Scenarios

Annex B Table 2. Activity List for Low, Medium, High Contribution Scenarios

	YEAR 1 (£million)			ONGOING ANNUAL (£million/year)		
	Low	Med	High	Low	Med	High
Local Authority Shared Service - formal, six regional agreements	-	-	1	-	-	2
Local Authority Shared Service - non-formal, multiple agreements	-	1.2	-	-	1	-
Strategic Partnership	0.01	0.01	0.01	0.01	0.01	0.01
Litter Prevention Action Plans (community x 32; regional x6)	-	1	1	-	0.2	0.2
National Consumer Campaign	1.1	1.35	1.6	1	1.25	1.5
Community Empowerment	0.6	1.1	1.6	0.5	1	1.5
Education and Skills	0.39	0.39	0.39	0.33	0.33	0.33
Citizen Science	0.2	0.2	0.2	0.1	0.1	0.1
Monitoring and Data Improvements	0.25	0.5	0.75	0.25	0.5	0.75
Next Generation Monitoring System	-	-	0.5	-	-	0.1

Recycle on the Go Improvements	0.25	0.35	0.45	0.25	0.35	0.45
Escaping Waste from Containers and Vehicles	0.25	0.5	1	0.25	0.5	1
National 'Binrastructure' Improvements	0.5	1	1.5	0.5	1	1.5
Optimisation of Enforcement System	0.5	0.5	0.5	0.05	0.05	0.05
Additional Enforcement Funding	0.5	1	2	0.5	1	2
CCTV Infrastructure	-	-	0.5	-	-	0.1
TOTAL COST (£million)	4.55	9.1	13	3.74	7.29	11.59

Low Contribution Scenario

Annex B Table 3: Low Contribution Scenario Activities

Activity	Year 1 Cost (£millions)	Ongoing Cost (£millions/year)
Local Authority Shared Service – formal, 6 regional agreements	-	-
Local Authority Shared Service – informal, multiple agreements	-	-
Strategic Partnership	0.01	0.01
Litter Prevention Action Plans (community x32; regional x6)	-	-
National Consumer Campaign	1.10	1.00
Community Empowerment	0.60	0.50
Education and Skills	0.39	0.33
Citizen Science	0.20	0.10
Monitoring and Data Improvements	0.25	0.25
Next Generation Monitoring System	-	-
Recycle on the Go Improvements	0.25	0.25
Escaping Waste from Containers and Vehicles	0.25	0.25
National 'Binrastructure' Improvements	0.50	0.50
Optimisation of the Enforcement System	0.50	0.05
Additional Enforcement Funding	0.50	0.50
CCTV Infrastructure	-	-
Total Cost	4.55	3.74

The Low Contribution Scenario includes a number of positive initiatives which would have a low-moderate impact on litter volumes. Activities include common requests from key stakeholders and members of the public, particularly the consumer campaign and investment in education, and is therefore likely to be viewed favourably by both. It contains a number of modest contributions to infrastructure and data capture that would improve on current practices.

Medium Contribution Scenario

Annex B Table 4: Medium Contribution Scenario Activities

Activity	Year 1 Cost (£millions)	Ongoing Cost (£millions/year)
Local Authority Shared Service – formal, 6 regional agreements	-	-
Local Authority Shared Service – informal, multiple agreements	1.20	1.00
Strategic Partnership	0.01	0.01
Litter Prevention Action Plans (community x32; regional x6)	1.00	0.20
National Consumer Campaign	1.35	1.25
Community Empowerment	1.10	1.00
Education and Skills	0.39	0.33
Citizen Science	0.20	0.10
Monitoring and Data Improvements	0.50	0.50
Next Generation Monitoring System	-	-
Recycle on the Go Improvements	0.35	0.35
Escaping Waste from Containers and Vehicles	0.50	0.50
National 'Binrastructure' Improvements	1.00	1.00
Optimisation of the Enforcement System	0.50	0.05
Additional Enforcement Funding	1.00	1.00
CCTV Infrastructure	-	-
Total Cost	9.10	7.29

The Medium Contribution Scenario builds on the prevention measures implemented in the Low Contribution Scenario, with increased funding for activities where added value could be achieved, such as the National Consumer Campaign and investment in Community Empowerment, Recycle on the Go infrastructure, and 'Binrastructure'.

A number of new initiatives are included based on the larger contribution that present notable shifts in behaviour and approach towards litter, including the informal shared service which would overhaul the local authority approach to litter prevention, and litter prevention action plans, which would create shared responsibility within and between council departments and their key stakeholders. These practices would address institutional barriers to litter prevention and provide suitable funding levels to effectively tackle known litter routes, in particular escaping waste and higher funding to ensure enforcement is seen as a credible deterrent.

High Contribution Scenario

Annex B Table 5: High Contribution Scenario Activities

Activity	Year 1 Cost (£millions)	Ongoing Cost (£millions/year)
Local Authority Shared Service – formal, 6 regional agreements	1.00	2.00
Local Authority Shared Service – informal, multiple agreements	-	-
Strategic Partnership	0.01	0.01
Litter Prevention Action Plans (community x32; regional x6)	1.00	0.20
National Consumer Campaign	1.60	1.50
Community Empowerment	1.60	1.50
Education and Skills	0.39	0.33
Citizen Science	0.20	0.10
Monitoring and Data Improvements	0.75	0.75
Next Generation Monitoring System	0.50	0.10
Recycle on the Go Improvements	0.45	0.45
Escaping Waste from Containers and Vehicles	1.00	1.00
National 'Binrastructure' Improvements	1.50	1.50
Optimisation of the Enforcement System	0.50	0.05
Additional Enforcement Funding	2.00	2.00
CCTV Infrastructure	0.50	0.10
Total Cost	13.00	11.59

The High Contribution Scenario largely builds upon the Low and Medium Contribution Scenarios, providing substantive funding for information, infrastructure and enforcement initiatives that would ensure a comprehensive, multi-faceted, well-funded approach to litter prevention. The key changes at this level include the formalisation of a local authority shared service, the formality of which is more likely to radically shift working practices and ensure senior level buy-in to prevention. This contribution level would also ensure forward planning and best use of technology was adopted for monitoring data collection, evaluation and application that would underpin all other activities and ensure optimal, targeted investment in each area.

17.0 Annex C: Competition Impact Assessment

Annex C Table 1: Summary of Competition Impacts

Competition checklist question		DRS competition impacts
Q1	<i>Will the measure directly limit the number or range of suppliers by:</i>	
a	Awarding exclusive rights to supply?	No impact anticipated.
	Purchasing, franchising or licensing from a single supplier or a restricted group of suppliers?	No impact anticipated.
	Introducing a licensing scheme that places a fixed limit on the number of suppliers?	No impact anticipated.
	Introducing a licensing scheme that controls quality?	No impact anticipated.
Q1	<i>Will the measure indirectly limit the number or range of suppliers by:</i>	
b	Significantly raising the costs of current suppliers, causing them to leave the market?	No significant impacts anticipated.
	Significantly raising the costs of new suppliers relative to existing suppliers?	No impact anticipated.
	Significantly raising the costs of some current suppliers relative to other current suppliers?	No significant impacts anticipated.
Q2	<i>Will the measure limit the ability of suppliers to compete by:</i>	
	Controlling or substantially influencing the price a supplier may charge?	No significant impacts anticipated.
	Controlling or substantially influencing the characteristics of the products supplied?	No significant impacts anticipated.
	Limiting the sales channels a supplier can use, or the geographic area in which a supplier can operate?	No significant impacts anticipated.
	Substantially restricting the ability of suppliers to advertise their products?	No impact anticipated.
	Introducing restrictions on production processes or how suppliers are governed?	No significant impacts anticipated.
Q3	<i>Will the measure limit suppliers' incentives to compete vigorously by:</i>	

	Incentivising suppliers to coordinate activities over which they would ordinarily compete?	No impact anticipated
Q4	<i>Will the measure limit the choices and information available to consumers by:</i>	
	Limiting the ability of consumers to decide from whom they purchase?	No significant impacts anticipated.
	Changing the information available to consumers but not improving their ability to make informed decisions?	No significant impacts anticipated.
	Increasing the cost of changing supplier?	No significant impacts anticipated.

Annex C Table 2: DRS containers distributed in Scotland in 2017 by container type

Container Type	Number of Containers	Percentage of Containers
Glass Bottles (non-refillable)	333,011,097	20%
Metal Cans	639,361,200	38%
PET Bottles	694,115,099	42%
Total	1,666,487,396	100.0%

Source: Kantar Data for Zero Waste Scotland

Annex C Table 3: DRS containers distributed in Scotland in 2017 by outlet type

Outlet Type	Number of Containers	Percentage of Containers
Supermarkets	857,548,074	51.5%
Convenience	145,840,578	8.8%
High Street	126,626,502	7.6%
Discounters	125,633,914	7.5%
Hospitality	121,683,735	7.3%
Multiples (inc. forecourt)	115,166,835	6.9%
Online	85,011,398	5.1%
Symbols and Independents	66,944,281	4.0%
Other	22,032,076	1.3%
Grand Total	1,666,487,393	100%

Source: Kantar Data for Zero Waste Scotland

Annex C Tables 4 and 5 below set out the estimated real change in the price of different sizes of cola and beer across Scotland, based on the impacts discussed above. They show a flat-rate applied deposit would result in smaller products, in general, becoming relatively more expensive per millilitre than larger sized equivalents.*

Annex C Table 4: Percentage change in average cost to consumer of purchasing cola

Real cost to consumer	33cl	50cl	1L	2L
Low (0.5p)	0.60%	0.37%	0.34%	0.29%
Medium (1p)	1.19%	0.75%	0.69%	0.57%
High (1.5p)	1.79%	1.12%	1.03%	0.86%

Source: Kantar Data for Zero Waste Scotland

Annex C Table 5: Percentage change in average cost to consumer of purchasing beer

Real cost to consumer	33cl	568ml	66cl	2L
Low (0.5p)	0.40%	0.53%	0.26%	0.06%
Medium (1p)	0.84%	1.05%	0.52%	0.12%
High (1.5p)	1.26%	1.58%	0.78%	0.19%

Source: Kantar Data for Zero Waste Scotland

* The proportional price of the deposit increase for beer first rises between 33cl & 1 pint, before dropping. This is due to the average price being lower for the pint size compared to the smaller 33cl size. This is predominantly due to the fact that a majority of craft and imported beer is sold in the 33cl format, pushing up the price compared to that of the pint size, which is more utilised by domestic and lower price options.

18.0 Annex D

Annex D.1: Company Registration Form Examples Example 1: Company Registration Form ⁷⁹



Supplier sign-up

Use the form below to register as a Return and Earn supplier

Supplier Name*

Please use the registered company name not the trading name. If you are an individual, please use your own name.

Supplier Registered Address*

Please enter the full registered address of the supplier or (if you are an individual) the address of the business

ABN ACN

ABN / ACN*

Please enter the ABN or ACN of the supplier.

Supplier Contact Name*

Please enter a name that a notice under the contract should be addressed to.

Supplier Email Address*

Please enter an email address for receipt of notices under the contract.

Supplier Contact Phone Number*

Please enter the suppliers contact phone number.

Ultimate Australian Holding Company

Executive Negotiator*

Please nominate an Executive Negotiator that has the authority to negotiate on behalf of the Supplier in the event of a dispute. You may nominate a different individual at any time by notification to the Scheme Co-ordinator.

Supplier Structure*

Please select the supplier structure.
Registered Company - Two directors or a director and company secretary should sign the contractual documents. If you are the sole director and company secretary you and a witness should sign.
Individual - You and a witness should sign the contractual documents.

⁷⁹ Available at: <https://returnandearn.org.au/partners/drinks-suppliers/supplier-sign-up/>

Signatory 1

Signatory Name*

If a registered company, please enter the name of a director who will sign documents on behalf of the company. If an individual, please enter the name of the individual.

Signatory Title*

Please enter the title of the first signatory.

Signatory Email*

Please enter the email address of the first signatory.

File upload (for Photo ID)*

 No file chosen

Please upload certified copy of identity document for the first signatory as outlined in the FAQ.

Signatory 2

Signatory Name*

If a registered company with more than one director, please enter the name of a second director or company secretary who will sign documents on behalf of the company. If a registered company with a sole director/secretary, please enter the name of the person nominated to witness the signature of the first signatory. If an individual, please enter the name of the person nominated to witness the signature of the first signatory.

Signatory Title*

Please enter the title of the individual who will sign the documents.

Signatory Email*

Please enter the email address of the individual who will sign the documents.

File upload (for Photo ID)*

 No file chosen

Please upload certified copy of identity document for the second signatory as outlined in the FAQ.

Your message

Submit

Example 2: Company Registration Form ⁸⁰

Supplier Registration

Use this form to register your organisation as a beverage supplier on the Portal. If your organisation is based overseas and you are unable to register because you do not have required details such as an Australian contact number, please email container.approval@epa.nsw.gov.au.

Please note:

- you will receive an email with your login and password once the Environment Protection Authority (EPA) approves your registration
- each organisation can only register once
- only one login will be given to each organisation
- the EPA will send notifications to the email address you have provided
- refer to the [EPA website](#) to see if you should register an account.

Company Name*	ABN/ACN*
<input type="text"/>	<input type="text"/>
First Name*	Last Name*
<input type="text"/>	<input type="text"/>
Title*	Job Title*
<input type="text" value="Mr."/> ▼	<input type="text"/>
Telephone*	Mobile
<input type="text"/>	<input type="text"/>
Fax	
<input type="text"/>	
Email*	Confirm Email*
<input type="text"/>	<input type="text"/>
Supplier Type*	Supply Arrangement Number
<input type="text" value="Brand Owner"/> ▼	<input type="text"/>
Physical Street*	
<input type="text"/>	
Physical City*	
<input type="text"/>	
Physical State*	
<input type="text" value="NSW"/> ▼	
Physical Postcode*	
<input type="text"/>	
Physical Country*	
<input type="text" value="Australia"/> ▼	
Website	
<input type="text"/>	
<input type="checkbox"/> Is Postal Address different from Physical Address?	
<input type="checkbox"/> I accept the Terms of Use	

REGISTER

CANCEL

⁸⁰ Available at: <https://cds.epa.nsw.gov.au/cdsregistration>

Example 3: Company Registration Form ⁸¹



PRODUCERS & IMPORTERS



Register a new importer/producer

Company information

Name *

Organization number *

VAT number *

Has F-tax

VAT registered

Optional contract: Sales of syrup and/or juice

Foreign company

Sales forecast

Set the sales forecast to number of pieces per year

At least one annual sales forecast is mandatory

Metal packaging

Below 3,5% Alcohol - Deposit 1kr

Above 3,5% Alcohol - Deposit 1kr

Plastic packaging up to 1 liter

Below 3,5% Alcohol - Deposit 1kr

Above 3,5% Alcohol - Deposit 1kr

Plastic packaging larger than 1 liter

Below 3,5% Alcohol - Deposit 2kr

Above 3,5% Alcohol - Deposit 2kr

Invoice address

Street *

Zip code *

City *

Country *

Sweden

Email

Contacts

Use same contact information for all responsibilities

Contract

Authorised signatory

Product

Sales reporting

First name *

Last name *

Email *

Email is mandatory

Phone *

Mobile phone *

I confirm that I have read the terms and conditions. [Read the terms and conditions here](#)

By clicking on SEND you accept Returpack's [Privacy Policy](#)

Confirmation of application, specify both first and last name *

Send

⁸¹ Available at: <https://pant.returpack.se/SupplierWeb/ArticleSupplierErrand>

Example 4: Charity Registration Form ⁸²



Eligibility assessment form for local donation partners to appear on the Return and Earn RVM network

Complete and save the information required in this form and e-mail it together with copies of the required supporting documentation to donations.nsw@tomra.com. Responses without the required supporting documentation including your 'Awareness and Promotion Plan' will not be considered (please refer to Section 5).

Note: Only use this form if you are requesting a position as a local donation partner on the Return and Earn RVM network. A different form is available to request a position as a major donation partner. Be sure to read the 'General Information' section included at the end of this form.

1. About Your Organisation

Registered name	
ABN (if any)	
Street Address	
Postal Address	
Website (if any)	

2. About the Person Making This Request

First & Last Name	
Position / Title	
E-mail address	
Telephone	

3. Eligibility Criteria

a) Select which of the following primary eligibility criteria applies to your organisation (if none, do not proceed with this eligibility assessment). Your organisation:

- Is currently registered as a charity in NSW
- Has Deductible Gift Status with the Australian Taxation Office
- Is a registered school (public or private but not-for-profit)
- Is a community, education or environmental organisation that is incorporated as a not-for-profit organisation either under the Associations Incorporation Act 2009 or as a company limited by guarantee.
- Is a sporting club that is incorporated as a not-for-profit organisation either under the Associations Incorporation Act 2009 or as a company limited by guarantee and which can demonstrate an affiliation with a recognized state sporting organisation.

If none of these criteria applies to your organisation, your organisation is not eligible to become a donation partner. Please do not proceed with this eligibility assessment.

⁸² Available at: http://www.tcnsw.com.au/wp-content/uploads/2018/04/Local-Donation-Partner-Application-Form_A4-editable_v5.pdf

- b) Local donation partners must be an organisation with a predominantly local presence that demonstrate a broad community benefit within the local area or the municipal area in which the proposed reverse vending machines are located. Please provide a brief description of your organisation to demonstrate that it fulfils this criteria. In addition, please also specify the reverse vending machine collection point(s) your organisation wishes to be featured on as a donation partner – if possible, please specify the kiosk number found on the front right-hand side. (maximum 250 words).

Sporting clubs only: please also provide information about your affiliation with a recognized state sporting organisation.

- c) Acknowledgement. Place a tick in the box below to if you have read and agree with the following statement:

- I have read the eligibility criteria on the tcsnsw.com.au website that apply specifically to local donation partners and also those criteria that apply to all donation partners. I believe my organisation satisfies all of those criteria and I am aware the organisation will be required to enter into an agreement to that effect.

4. Bank Details

Please provide details of the bank account to which payments should be made if your organisation becomes a donation partner. Please note, the account name must match the registered name of your organisation.

Account Name	<input type="text"/>
BSB	<input type="text"/>
Account Number	<input type="text"/>

5. Supporting Information

When submitting your completed eligibility assessment form by e-mail, please be sure to also attach the following as pdf files.

- i. Evidence of your
 - registration a charity in NSW, or
 - registration as a Deductible Gift Recipient organisation, or
 - registration a school, or
 - if you are a sporting club or other community, educational or environmental organisation, then evidence of your incorporation as a not-for-profit Association in NSW or as a not-for-profit company limited by guarantee.
- ii. Your Awareness and Promotion Plan (refer note below)

What is an Awareness and Promotion Plan?

All donation partner applicants are requested to demonstrate their willingness to use their own networks and resources to promote awareness of their presence on the RVM network and of the Return and Earn Scheme. Please provide a brief 'Awareness and Promotion Plan' that demonstrates how you would go about encouraging supporters of your organisation and members of the public within your locality to use the RVM collection points requested and to donate the proceeds to your organisation. Your response need only be a brief summary of ideas; bullet points are preferred; and your plan should not exceed one A4 page. If you are planning a specific campaign or seeking a particular date to be on the RVM network, please provide details at the beginning of your plan.

Please note, there is no expectation that your organisation would commit to spending funds – efforts are sought only from your existing networks and resources for creating publicity and awareness. At the commencement of a fundraising period, we will provide some standardized or pro forma creative assets in electronic form that donation partners can adapt and use in their promotion and awareness raising activities.

See the guide to completing this application for more information.

6. Legal Agreement

Once your Eligibility Assessment is assessed, and if your organisation appears to satisfy all the eligibility criteria, we will provide you with a copy of TOMRA's standard legal agreement for you to review.

General information about donation partner arrangements

The reverse vending machine (RVM) network operates across NSW. Most RVMs can feature four potential donation partners for users (consumers returning containers) to choose from – as well as offering electronic cash transfer and voucher options.

There are two types of donation partners including:

- Major donation partners: state-wide or international not-for-profit organisations who will appear as a donation partner on reverse vending machines across NSW, and
- Local donation partners: local, not-for-profit organisations who will appear as a donation partner on reverse vending machines in their local town, suburb, municipality or similar region.

Generally, three of the four positions on the RVM network will be allocated to major donation partners with one position being dedicated to local partners in each locality. The selection criteria for local partners are less stringent than those for major donation partners with the idea that a wide variety of qualifying grass roots community organisations will be able to participate.

The eligibility criteria for both major and local donation partners can be found on the TOMRA Cleanaway website tcnsw.com.au.

The Return and Earn Scheme has commenced with four initial donation partners. From the 1st of March, 2018, donation partners will be rotated every three months to give a range of not-for-profit organisations the opportunity to benefit.

Major donation partners will appear across the RVM network. Donation partners will be rotated on a regular basis – usually on a three-monthly basis but as may be agreed with donation partners from time to time. Local donation partners may be rotated more frequently (for example to align with local drives, awareness raising activities, school visits or other events).

TOMRA (the direct operator of the RVM network under contract to the TOMRA Cleanaway joint venture) has a standard form of legal agreement which donation partners will be expected to sign. This legal agreement sets out relevant requirements and expectations including the duration and location of the organisation's presence as a donation partner on the RVM network. The agreement outlines TOMRA's payment and reporting obligations to donation partners, as well as giving TOMRA permission to collect donations (and where appropriate, issue tax deductible receipts) on behalf of the donation partner.

Completed eligibility assessment forms will be acknowledged soon after receipt. Respondents will be advised of the success or otherwise of their request within 30 days, and generally before one month prior to the commencement of the next cycle of donation partners. TOMRA reserves the right to exercise a cut off for considering eligibility assessments for any three-month cycle up to one calendar month before that cycle commences in order to finalise relevant evaluations, contracts and operational considerations. Any requests received subsequently will be considered for the following donation partner cycle.



Example 5: Beverage Distributer Registration Form ⁸³



Communities, Land and Environment

Beverage Distributor Registration Form

The information on this form is collected under section 9 of the *Beverage Containers Act* and will be used for registering distributors who import or distribute beverage containers on Prince Edward Island. If you have any questions about this collection of information, you may contact Director of Environment Division, Department of Communities, Land and Environment, PO Box 2000, 11 Kent Street, Charlottetown, PE C1A 7N8 Tel: 902-368-5474

Distributor Name:	Location:
Mailing Address:	Telephone: _____ Fax: _____ Email: _____ Contact Person:

Collection System

Will Encorp Atlantic be managing your containers? Yes No
If you answered "Yes", please skip to question 4 below.

If containers are to be managed in a manner independent of Encorp Atlantic, please complete the following questionnaire.

- Describe the means of retrieving empty beverage containers from beverage container depots.

- List the facilities used for refilling or recycling your empty beverage containers.

⁸³Available at: https://www.princeedwardisland.ca/sites/default/files/publications/beverage_distributor_registration_form.pdf

3. Describe the means of delivering empty beverage containers to the refilling or recycling facility.

4. Are containers packaged or held together in such a way as to present danger to wildlife?

Date: _____

Signature: _____

Markings/Labeling

All Beverage Distributors are required to register each product sold on Prince Edward Island, by completing a Beverage Container Registration Form. The form will identify the following information required under the *Beverage Containers Act*:

- (1) Return for refund message
- (2) Product name
- (3) Type and size of container

Distributors must submit an actual sample, or clear photocopy or PDF file image of the labeling for each individual product registered on the Beverage Container Registration Form.

A copy of the Beverage Container Registration Form is available for download at:
www.princeedwardisland.ca

All labeling must meet the requirements of the PEI *Beverage Containers Act*, and regulations under this act.

Return this form to: Beverage Container Coordinator
Department of Communities, Land and Environment
PO Box 2000, 11 Kent Street
Charlottetown, PE C1A 7N8
Telephone: 902-368-5474 Fax: 902-368-5830
Email: beveragecontainers@gov.pe.ca

Annex D.2: Service Agreement Documents Example 1: Supplier Agreement Proforma⁸⁴



Summary of Supplier Agreements

This document is a summary of the various agreements to be entered into by Suppliers for the purpose of the NSW Container Deposit Scheme. The content of this document does not constitute legal advice. If you have any questions in relation to the terms of these documents you should seek your own independent legal advice.

1. Who needs to enter into these agreements?

A supplier who provides the first supply in the State (NSW) of eligible beverages in an eligible container will need to enter into various agreements with Exchange for Change, the Scheme Coordinator. More information about eligible containers and eligible beverages can be found here <http://returnandearn.org.au/>

For more information about whether you are a supplier for the purposes of the NSW Container Deposit Scheme please refer to [the supplier eligibility document](#).

2. Why do Suppliers need to enter into these agreements?

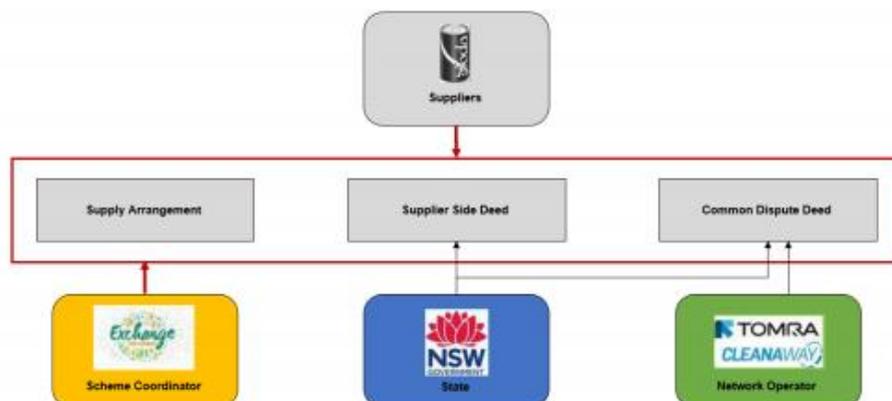
A Supplier for the purposes of the NSW Container Deposit Scheme is prohibited from supplying (or offering to supply) beverages in the NSW unless it has first entered into various agreements with Exchange for Change, the Scheme Coordinator.

The contributions to be made by Suppliers will be determined in accordance with the Scheme Payments and Contribution Methodology. An individual Supplier's contributions will be based on its market share by number of containers supplied into the NSW.

3. What agreements will Suppliers need to enter into?

Suppliers will need to enter into the following agreements as detailed in Diagram 1.

Diagram 1 - Supplier Agreements NSW Container Deposit Scheme



⁸⁴ Available at: <https://returnandearn.org.au/wp-content/uploads/2018/05/Summary-of-Supplier-Agreements-PDF-Version.pdf>

Supply Arrangements

1. What is a Supply Arrangement?

The Supply Arrangement is an agreement between the Supplier and the Scheme Coordinator which requires the Supplier to:

1. make contributions towards the cost of the management, administration and operation of the Scheme;
2. report on the volume of its supplies in NSW; and
3. provide access to independent auditors to verify the data it has provided to the Scheme Coordinator.

A summary of the key obligations of Suppliers and the Scheme Coordinator under the Supply Arrangement are detailed in figures 1 and 2 below.

Figure 1 Supplier Obligations under the Supply Arrangement

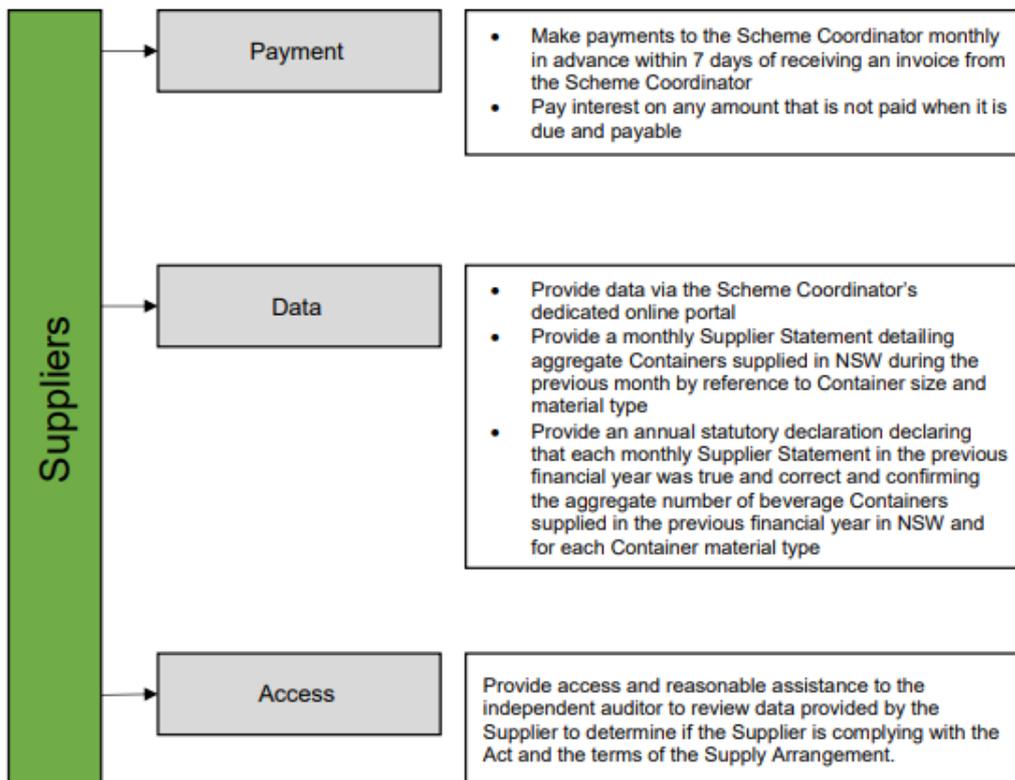
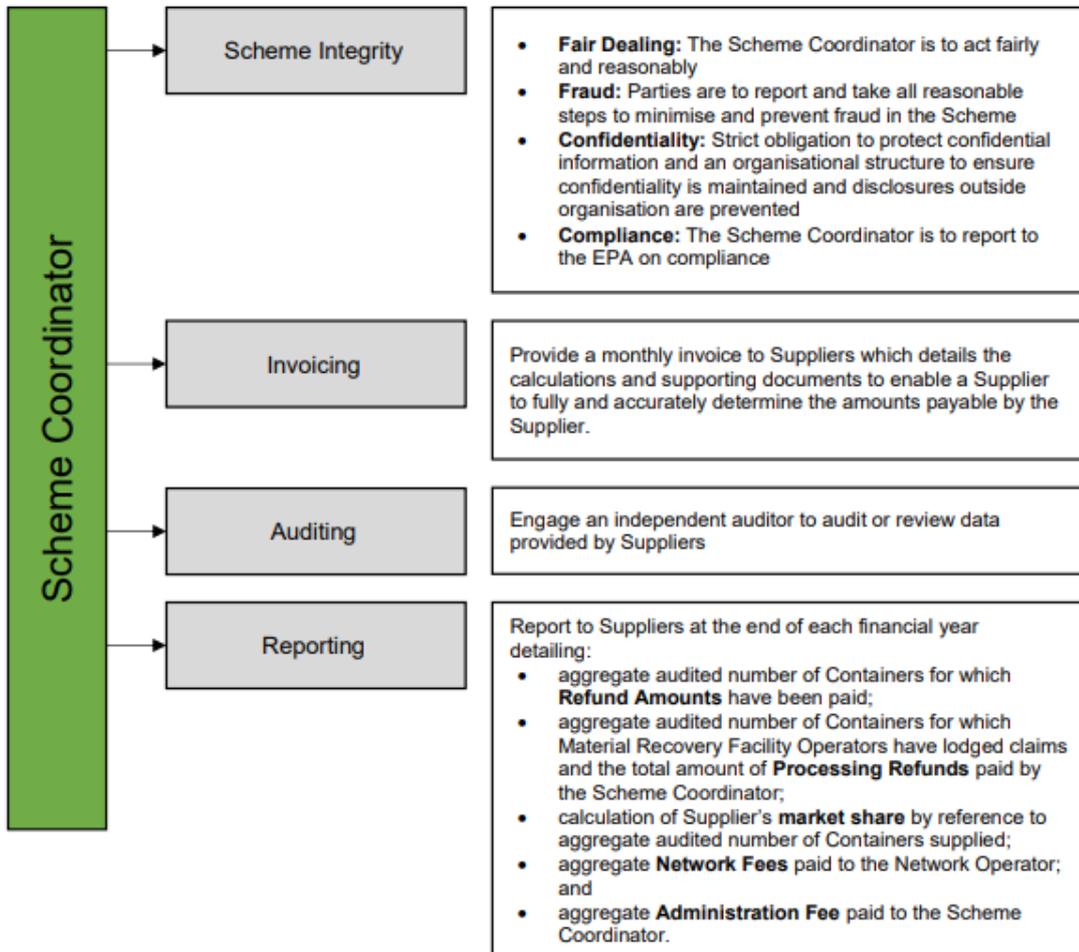


Figure 2 Scheme Coordinator obligations under the Supply Arrangement



2. How much will a Supplier have to pay?

Each month a Supplier will receive an invoice from the Scheme Coordinator for its share of the monthly Scheme Costs. The Supplier contributions will be based on the market share of each Supplier and based on the number of Containers supplied into NSW.

For further details about how the monthly supplier contributions are calculated please refer to this [link for Scheme Costs](#).

3. What happens if a Supplier is late in making a payment?

If a Supplier fails to pay any amount within the time that is required that they must pay interest on that amount from the date on which the payment was due until the date on which the payment is made in full.



If a Supplier fails to pay any amount within 20 Business Days of that money becoming due and payable the Scheme Coordinator may, subject to the written approval of the State, terminate the supply arrangement at which point the Supplier will no longer be permitted to supply beverages in NSW.



Supplier Side Deed

1. What is the Supplier Side Deed?

The Supplier Side Deed:

- a. enables the State to carry out an obligation of the Scheme Coordinator to a Supplier under the Supply Arrangement if the Scheme Coordinator failed to carry out the obligation; and
- b. facilitate the transfer of Supply Arrangements to a replacement Scheme Coordinator (or to the State or a nominee of the State).

2. When can the State takeover (step-in to) a Supply Arrangement?

Where the Scheme Coordinator fails to carry out and comply with its obligations under the Supply Arrangement with Suppliers or the Scheme Coordinator Agreement with the State, the State may, but is not obliged to, carry out an obligation which the Scheme Coordinator failed to carry out.

3. When can the State novate (transfer) a Supply Arrangement?

The State may novate (transfer) the Supply Arrangement to itself (or to a nominee of the State) or any replacement Scheme Coordinator:

- a. when the current Scheme Coordinator Agreement expires or is no longer in force; or
- b. if the State terminates the Scheme Coordinator Agreement.

4. What happens if the Supply Arrangement is transferred/novated?

There is no need for Suppliers to enter into any additional documents.

The Supplier is obliged to continue to comply with the terms of the Supply Arrangement on its original terms irrespective of a novation to the State or its replacement Scheme Coordinator.

After the novation, the State or its replacement Scheme Coordinator is responsible for carrying out all of the original obligations of the Scheme Coordinator.



Common Dispute Deed and Accession Deed Poll

1. What is the Common Dispute Deed?

The Common Dispute Deed provides a process for the determination of certain disputes that may involve other Suppliers, the Scheme Coordinator, Network Operator and the State.

The purpose of the Common Dispute Deed is to provide a process for the determination of a dispute arising under a related agreement (such as the agreement with the Scheme Coordinator or with a Network Operator) to bind related parties without the need to have the dispute determined again separately under other agreements.

2. What is the Accession Deed Poll?

The Accession Deed Poll is the mechanism by which a Supplier becomes party to the Common Dispute Deed. A Supplier will be required to provide the Scheme Coordinator with an executed Accession Deed Poll when entering into the Supply Arrangement.

3. When will the Common Dispute Deed apply?

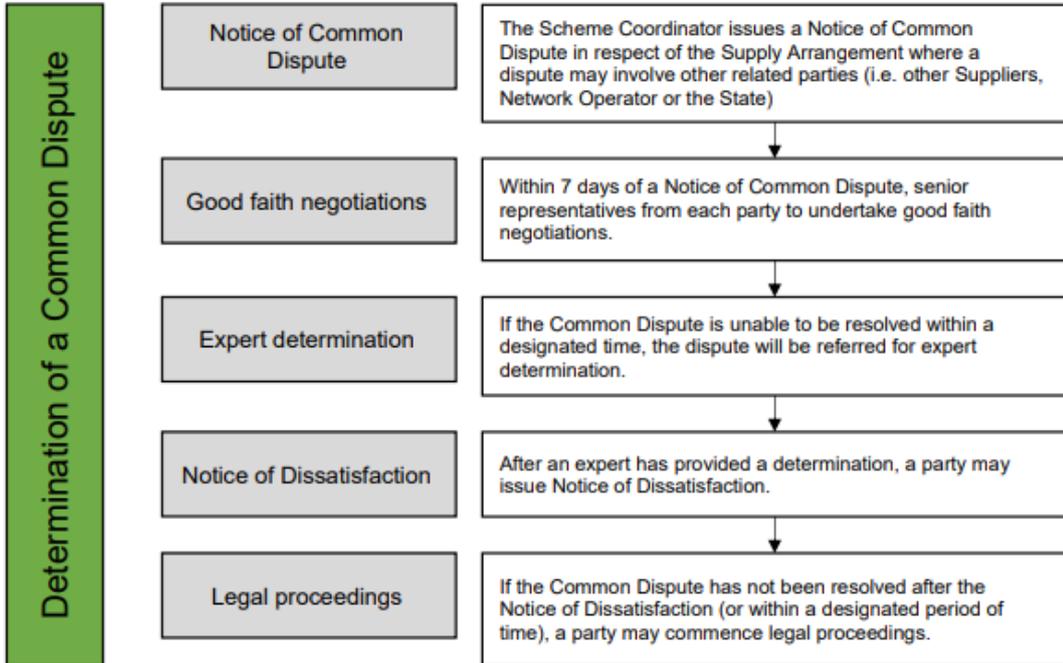
Where there is a dispute between the Supplier and the Scheme Coordinator in respect of the Supply Arrangement and the Scheme Coordinator considers that the dispute may relate to other parties, the Scheme Coordinator will provide a notice to the Supplier (and related parties) that the dispute will need to be resolved in respect of the Common Dispute Deed.

Similarly, a Supplier may receive a notice from the Scheme Coordinator in respect of a dispute that arises under another agreement that the Supplier is not a party (for example a Supply Arrangement with another Supplier, an agreement with the Network Operator or an agreement with the State) where the Scheme Coordinator considers that the dispute relates to the Supplier.

4. What is the process for resolving a Common Dispute?

The process for resolving a Common Dispute is set out in Figure 3.

Figure 3 Dispute Resolution Process under the Common Dispute Deed



GENERAL TERMS

FOR ACCESS TO RETURPACK'S RECYCLING SYSTEM

APPLICABLE FROM 2018-10-22

1. Background

1.1 Returpack has created a system, hereinafter **"the Recycling System"** for collecting and recycling of aluminium cans and steel cans as well as PET bottles and other recognised plastic bottles, hereinafter **"Packaging"**.

1.2 The Recycling System has been approved by the Swedish Board of Agriculture in accordance with the Ordinance on Recycling System of Plastic Bottles and Metal Cans (2005:220). During the validity of this Agreement, the Recycling System may be subject to change owing to technological development, law or the regulations of authorities. The changes in the Recycling System as well as in the amount of the Deposit or Fees are implemented in co-ordination by Returpack and the relevant branch organisations.

1.3 Returpack is responsible for the administration of the Recycling System. Returpack also bears the general responsibility for the co-ordination of the functioning of collection of Packaging in all stages.

1.4 The Company bottles, arranges the bottling or imports beverages ready for consumption in Packaging for professional delivery. According to the Ordinance on Recycling System of Plastic Bottles and Metal Cans (2005:220) the Company undertakes to ensure that the Packaging is part of an approved Recycling System. Therefore, the Company wishes to attach its Packaging to the Recycling System.

2. Definitions

As used in this Agreement, the following terms denote:

"Administration fee" is a fee valid for each specific Packaging payable in due course from time to time by the Company to Returpack in accordance with this Agreement;

"Aluminium can" is an aluminium can attached to the Recycling System;

"Affiliation fee" is the fee that Returpack is obliged to pay annually to the Swedish Board of Agriculture due to the Company joining the Recycling System (currently *förordning (1998:940) om avgifter för prövning och tillsyn enligt miljöbalken*). Changes of the law regarding the fee will change the definition of "Affiliation fee" accordingly;

"Fees" are the Administration fee and/or Sorting fee;

"Agreement" is this Agreement (including the page with the Company's signature, and the appendixes) on joining the Recycling System;

"Company" is the legal person with whom Returpack has concluded this Agreement;

"Packaging" is an aluminium can, a steel can, a PET bottle or a plastic bottle;

"Deposit" is the deposit valid for a specific Packaging from time to time, payable to Returpack by the Company in accordance with this Agreement;

"Parties" are the Company and/or Returpack;

"PET-bottle" is a recyclable PET bottle attached to the Recycling System;

"Plastic bottle" is a plastic bottle of a type other than PET, which has, from time to time, been accepted and attached to the Recycling System. The information on the types of plastic bottles (other than PET-bottles) accepted to the Recycling System is available from Returpack;

"Reverse Vending Machine" (RVM) is a machine for the collection of returned Packaging;

"Returpack" means Returpack-Burk Svenska AB (VAT No. SE556218911701) and Returpack-Pet Svenska AB (VAT No. SE556478420401);

"Recycling System" is Returpack's recycling system for the collection and recycling of Packaging;

"Sorting fee" is the fee valid for each specific

Packaging and payable in due course from time to time by the Company to Returpack in accordance with this Agreement;

⁸⁵ Available at: <https://pantamera.nu/wp-content/uploads/2018/11/Appendix-1-General-terms-2018-09-04.pdf>

"Steel can" is a steel can attached to the Recycling System.

3. Description of the Recycling System

3.1 The Recycling System means that producers bottling or arranging the manufacturing of beverages ready for consumption into Packaging as well as importers when making a delivery within Sweden must debit the receiver of goods a compensation attached to the Packaging, hereinafter "Deposit", per each Packaging, and forward the Deposit, with applicable Fees, to Returpack, provided that the manufacturer or importer is part of the Recycling System. Further, the manufacturer or the importer shall inform Returpack of the relevant barcodes, whereupon Returpack shall arrange for the updating of Reverse Vending Machines with the information on valid barcodes. The Deposit shall thereafter follow the Packaging at all stages of the journey from the manufacturer or importer and the retailer to the consumer – i.e. the manufacturer or importer shall debit the retailer the Deposit and the retailer in turn shall debit the consumer.

3.2. The consumer returns empty Packaging to the retailer, whereupon the retailer controls that the Packaging is part of the Recycling System. If the Packaging is part of the System, the retailer shall repay the Deposit to the consumer. The control shall mainly be carried out by means of registering and counting the Packaging in Reverse Vending Machines with the help of the barcode, whereupon the retailer shall gather and deliver the Packaging to the collecting party in pallets approved by Returpack. For such mechanically counted Packaging Returpack shall reimburse the retailer for the Deposit and handling compensation on the basis of the reading of Reverse Vending Machines in accordance with an agreement between Returpack and the retailer. The collecting party shall thereupon debit Returpack a collecting fee based on the number of pallets with material that the respective collecting party has delivered for recycling in accordance with an agreement between Returpack and the collecting party.

4. The Packaging's design

4.1 In order to be attached to the Recycling System, the Packaging shall be designed in accordance with the attached technical specification in [Appendix 2](#). There are different design regulations for different types of Packaging. After consultation with relevant industry organisations, Returpack may amend the regulations concerning the design of a specific Packaging with at least three months' notice.

4.2 Concerning Plastic bottles, it is also necessary for the type of Plastic bottle (i.e. its material) to be approved for connection to the Recycling System.

4.3 The Company undertakes to deliver to the Recycling System only Packaging attached to the System, designed in accordance with the above design regulations. Prior to attaching a new Packaging, or changing the design of a Packaging already attached to the System, the Company shall send a design sample of the new Packaging, an application form and specifications to Returpack for approval. The Company may only deliver the Packaging to third parties after approval from Returpack.

4.4 The Company shall reimburse Returpack completely for any damages suffered by Returpack if a Packaging delivered by the Company fails to satisfy the current design regulations.

5. Marking of the Packaging

5.1 In order to join the Recycling System, the Packaging shall be marked in accordance with the attached marking manual, [Appendix 2](#). This includes clearly indicating that the Packaging is part of the Recycling System as well as the amount of Deposit that the respective Packaging entitles to. The Marking Manual also contains further regulations on the legibility and quality of the marking, including tests. There are different marking requirements for different types of Packaging. After consultations with relevant branch organisations, Returpack has the right to amend the regulations for the marking of a specific Packaging with at least three months' notice.

5.2 In order to safeguard the functioning of the Recycling System, it is necessary for the Packaging to be traceable to the responsible supplier/importer. The Company therefore undertakes, to mark its Packaging in accordance with the abovementioned Manual prior to the delivery of Packaging to other parties. The Company furthermore undertakes to ensure that its Packaging are marked with a barcode containing a so-called supplier number that is, unique for the Company as well as the type of Packaging and the Deposit levels attached to the Recycling system.

5.3 If the Company has attached its Packaging to other recycling systems in Sweden besides Returpack, the barcode used by the Company for marking the Packaging shall be unique for the Recycling System (and thus difference from the barcodes used by the Company on Packaging attached to other recycling systems.) When reporting a previously registered barcode to

Returpack the barcode may furthermore not have been entitled to Deposit for a period of six months prior to the reporting

5.4 Supplier numbers for barcodes can be obtained from GS1 Sweden. Before activating a new barcode in the Recycling System, the barcode must be reported to and approved by Returpack.

5.5 After reporting the barcode to Returpack in accordance with Item 5.4, the Company is responsible for all the Packaging bearing the Company's barcode, which also means that the Company undertakes to pay the Deposit and the applicable Fees to Returpack in accordance with Item 7 for all Packaging marked with the Company's barcodes.

5.6 The Company may convey the barcode to third parties, after having reporting to Returpack and obtaining Returpack's approval. To report conveying a barcode to a third party, the Company shall use a form available from Returpack.

5.7 If the Company discontinues the delivery of a Packaging attached to the Recycling System, the Company shall inform Returpack in written form about recalling the Packaging's barcode. If not agreed otherwise by the Parties, Returpack shall remove the barcode from its register two years after the Company's recall of the barcode (provided that the Company fulfils its obligations pursuant to this Agreement). In case of termination of this Agreement, all the Company's barcodes shall be removed from Returpack's register two years after the date of termination, if not agreed otherwise by the Parties. The Company's responsibility for a certain barcode ceases at the moment of the barcode's removal from Returpack's register. After the removal of the barcode from the register, the respective Packaging no longer entitles to Deposit.

5.8 Returpack has the right to remove a certain barcode from its register with reasonable notice, whereafter the relevant barcode no longer entitles to Deposit. Returpack also has a right to with immediate effect, temporarily suspend or refuse to attach to the Recycling System a certain barcode, or otherwise require the Company to promptly change its barcodes if the Company violates this Agreement (by e.g. incorrect or deficient marking, reporting or payment), or if the Company's barcode is used by other parties or with the purpose to take advantage of the Recycling System.

5.9 In cases where the Company has no influence of the original label of the Packaging to the effect that it might comply with the currently applicable marking requirements, the Company shall follow the

marking regulations by means of using small adhesive labels. The adhesive labels shall be ordered from Returpack. The Company shall not use adhesive labels of its own making in order to comply with the marking regulations.

5.10 The Company shall fully compensate Returpack for any damage caused to Returpack if a Packaging delivered by the Company should fail to comply with the currently valid marking regulations.

6. Reporting of sales

6.1 The Company shall monthly, no later than the seventh day (or on the next working day following the seventh, if the seventh day is not a working day) of each month, report to Returpack the Packaging delivered during the previous month within the framework of the Recycling System. This shall be performed notwithstanding if the Company has imported the Packaging or bottled the beverages or arranged for a third party for the bottling process. The report shall contain information of the Company's sales per barcode, i.e. the products in the Company's report shall be divided by the amount of respective Packaging sold and the level of the Deposit. The Company shall submit a report even if there are no sales to report. The sales information reported to Returpack by the Company shall be handled in accordance with the confidentiality stipulated in this Agreement.

6.2 The above reports of the Company shall be submitted electronically and in compliance with all the instructions of Returpack.

6.3 In case of delayed report, as well as failure to report, Returpack may charge the Company an average monthly Deposit and the applicable Fees based on the sales reporting history of the Company, as well as a monthly delay charge corresponding to an 18% annual default fine interest on the average Deposit and the applicable Fees above.

7. Deposit and Fees

7.1 For each Packaging marked with the Company's barcode, the Company shall pay Deposit and applicable Fees to Returpack in accordance with [Appendix 3](#). Different Deposit levels and Fees are applicable to different Packaging. Returpack has the right to change the Deposit levels with at least three months' notice and applicable Fees with at least four weeks' notice.

7.2 On the basis of the Company's sales reports in accordance with Item 6, Returpack has the right to invoice the Company for the valid deposit including

applicable Fees. The payment shall be available to Returpack on the 22nd day of each month provided that Returpack has accepted a credit. In other cases, the payment shall be immediate. Delayed payment shall incur 18% annual interest.

7.3 If the number of collected Packaging marked with the Company's barcode exceeds the number of Packaging reported to Returpack by the Company according to Item 6, the Company is, upon Returpack's request, obliged to pay Deposit and applicable Fees to Returpack for the excess Packaging. The Company is also obliged to pay the Deposit and applicable Fees on the basis of average recycling level during the previous calendar year. (Average recycling level denotes the difference between the number of sold Packaging of a certain type and the number of the same type of Packaging returned to the Recycling System.) Delayed payment shall incur 18% annual interest.

7.4 However, the above clause shall not restrict Returpack's right to damages caused by the Company's breach of contract.

8. Affiliation fee

For each new calendar year of this Agreement a new affiliation fee is payable to Returpack by the Company at the 20th of January. Delayed payment shall incur 18 % annual interest.

9. Auditing

Returpack has a right, within reasonable extent (but at least once in a calendar year) and with the assistance of auditors, to review the accuracy of the Company's sales report and observance of this Agreement, and make sure that the Recycling System has not been subjected to fraud. Should Returpack in the course of such a review discover that the Company's sales reporting has been inaccurate, the Company shall compensate Returpack's legitimate costs related to the check.

10. Force majeure

10.1 A party is exempted from responsibility if loss, damage or delay is caused by circumstances which the party reasonably could not have anticipated, or whose consequences the party reasonably could not have prevented or surmounted (force majeure).

10.2 If force majeure persists for longer than three months, both parties shall have the right to terminate this Agreement immediately in written form.

10.3 The party wishing to plead force majeure to be exempted from contractual obligations shall

immediately undertake to inform the other party thereof in written form. This shall be the case also if circumstances that a party has pleaded for exemption from undertaken responsibility should suddenly cease.

11. Disclaimer

Returpack's responsibility pursuant to this Agreement is limited to the direct damages that Returpack has caused to the Company. Returpack is not to be held liable for indirect damages, e.g. loss of profit, declined turnover, or loss of goodwill. Returpack's obligation to pay damages shall under no circumstances exceed SEK 1 million per calendar year.

12. Intellectual property rights

All eventual intellectual property rights, similar to but not limited to copyright, patent rights, and trademark rights of the Recycling System, as well as knowledge about methods, use and other know-how related thereto is the property of Returpack. This Agreement shall not provide the Company with any rights to or right to take advantage of the Recycling System or knowledge related thereto in any other way than that explicitly stated in this Agreement.

13. Secrecy

The parties to this Agreement undertake, for the period of validity of this Agreement and within a period of five years thereafter, to observe the secrecy of confidential information about the other Party that may come to their knowledge. This concerns above all sales information.

The obligation of secrecy does not include:

- (a) information that was or has become public, provided that it has not occurred due to breach of this Agreement;
- (b) information that was already known to the receiving Party
- (c) information obtained by a third party, who is not bound by any obligation of secrecy; or
- (d) information that is required by a decision or decree of a state authority or pursuant to law.

Notwithstanding the above, Returpack has the right to give unrestricted information (whether considered confidential or not) to companies belonging to the same group of companies or ownership as Returpack, provided that such companies undertake to handle such information with the same degree of secrecy as Returpack. Furthermore, Returpack has

the right to provide information on current basis on the number of attached and collected Packaging (per barcode) to the Swedish Board of Agriculture.

14. Transfer of the Agreement

The Parties have no right to transfer the whole or part of their rights and/or obligations pursuant to this Agreement without having first obtained the written consent of the other Party. Nevertheless, Returpack has the right to cede all its rights and obligations pursuant to this Agreement to companies belonging to the same group of companies or ownership as Returpack.

15. Amendments

Returpack has, after consultations with relevant branch organisations, the right to amend this Agreement with at least three months' notice. If the Company does not accept such amendment of terms, the Company has the right to terminate this Agreement no later than two months before the amendment enters into force. Returpack shall publish the amendments to this Agreement and news about the Recycling System on the Returpack homepage (<http://www.returpack.se>).

17. Premature termination of the Agreement

17.1 Each Party has the right to terminate this Agreement in written form and with immediate effect if the other Party has committed a major breach of agreement, provided that the terminating Party has previously given the other Party a 14 days reprieve to make amends – to such extent as possible – and no improvement has occurred.

17.2 Furthermore, each Party has the right to terminate this Agreement with immediate effect if the other Party has been declared bankrupt, suspends its payments, enters into composition negotiations, goes into liquidation or may in other ways be considered insolvent.

17.3 Notwithstanding the above, Returpack has the right to terminate this Agreement with immediate effect, should the Company violate any of the provisions of this Agreement devised to safeguard the functioning and security of the Recycling System (including the Company's obligation to mark the Packaging in accordance with Item 5 and Appendix 2).

17.4 Upon the premature termination of this Agreement, Returpack has the right to immediately remove from register all the barcodes reported to Returpack by the Company. After the barcodes have been removed from register, the automatic payment of the Deposit shall cease. Further, the

Company shall immediately return all information obtained from Returpack, including all copies and excerpts of such information.

18. Consequences of termination

The provisions of this Agreement that extend beyond the expiry date of the Agreement, e.g. provisions on secrecy and responsibility for Packaging marked with the Company's barcode, shall continue to be valid after the expiry of this Agreement.

19. Deposition of Security

Upon the request of Returpack, the Company is obliged to deposit a security for their obligations pursuant to this Agreement. Such a security shall, if required by Returpack, continue to be valid until the Company has no further obligations towards Returpack.

20. Law and Disputes

20.1 This Agreement is regulated by Swedish law.

20.2 Any arguments concerning this Agreement shall be settled in court, with Norrköping District Court as the court of first instance.

Example 3: Supply Arrangement⁸⁶



Supply Arrangements

Please find **attached for information only** the following pro-forma documents:

1. the Supply Arrangement;
2. the Supplier Side Deed; and
3. the Common Dispute Deed.

For the purposes of the *Waste Avoidance and Resource Recovery Act 2001 (NSW)* (the Act), a supplier (who undertakes the first supply in NSW of a beverage in a container) must not supply or offer to supply the beverage in the container in NSW unless a supply arrangement is in force between the supplier and the Scheme Coordinator.

The Scheme Coordinator will enter into a separate Supply Arrangement with each supplier. The Supply Arrangement will require the supplier to pay to the Scheme Coordinator contributions towards the cost of the management, administration and operation of the Scheme.

As a condition to the Supply Arrangement coming into force, a supplier will need to enter into two further documents, the Common Dispute Deed and the Supplier Side Deed.

The **Common Dispute Deed** will allow a dispute that involves some or all Suppliers with the State, the Scheme Coordinator and the Network Operator to be determined under a single process. This process will result in a determination that will be binding on all relevant parties and avoid the need for the dispute to be determined separately under the individual agreements to which each Scheme Participant and the State are party.

The **Supplier Side Deed** enables the State to (1) carry out an obligation of the Scheme Coordinator under the Supply Arrangement which it failed to carry out; and (2) if the Scheme Coordinator changes for whatever reason, novate the Supply Arrangement (i.e. transfer the rights and obligations of the Scheme Coordinator) to any replacement Scheme Coordinator or to the State.

The Scheme Coordinator will be required to make all three documents publicly accessible on, and enable suppliers to execute the documents electronically through, the Return and Earn website. **Suppliers should register and execute the documents through the Return and Earn website** (www.returnandearn.org.au). A Supply Arrangement will come into force once the supplier delivers to the Scheme Coordinator through the website:

1. a duly executed counter-part of the Supply Arrangement;
2. a duly executed deed poll acceding to the Common Dispute Deed (in the form set out in Schedule 2 of the Common Dispute Deed); and
3. a duly executed counter-part of the Supplier Side Deed.

The attached documents may be amended to facilitate electronic execution by suppliers.

⁸⁶ First page only. Full document available at: <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/waste/container-deposit/cds-supply-arrangement-pack.pdf?la=en&hash=F80949CD2FE66E50B1D1D2413ABB3F0F0B9C3E83>



RETURPACK

**Technical Specification and
Marking Manual
Metal and Plastic Packaging**



**2016-05-04
Returpack Svenska AB**

⁸⁷ Available at: <https://pantamera.nu/wp-content/uploads/2018/03/Appendix-2-Technical-Specification-and-Marking-Manual-2018-02-05.pdf>



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1 Revision History

Version/Date	Change
2012-01-01	Document created
2016-05-01	New template and structure, new chapter 7.1, change in 12.2
2016-05-04	Clarifying the definition of heavy metals in section 12.4



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2 Shape

The barcode reading methods used by a majority of the reverse vending machines (RVMs) require the bottles to be rotatable. Therefore, the preferable bottle shape is cylindrical and symmetrical. Furthermore, a long bottle neck may cause the bottle to wobble in the course of rotation during barcode reading. A packaging with long neck or irregular shape will need further assessment by Returpack and cannot be assured to be accepted.

Practical test: Place the bottle with the cap fastened on a flat surface. If the upper part of the bottle hits the surface, or if the bottle balances on its shoulder, there is a risk that the bottle cannot be accepted. Contact Returpack for assessment.



3 Dimensions

The following dimensions are acceptable for metal packagings:

Metal	Min	Max
Diameter	50 mm	85 mm
Height	85 mm	195 mm

The following dimensions are acceptable for plastic packagings:

Plastic	Min	Max
Diameter	50 mm	120 mm
Height	130 mm	360 mm (incl. cap)

4 Material Thickness

The hardness of the bottle is an important parameter in the approval of new products. This is particularly relevant for bottles that are much thicker and/or have harder bottom structure compared to their conventional counterparts. Hard bottles can cause problems in the RVM when compressed. There is a risk that parts get stuck in the compactor, causing blockage and machine failure.

Material thickness is measured by compression tests. The force required to compress the packaging to a maximum of 15 mm is measured. The force is not allowed to exceed 2 kN for the packaging to be accepted.



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5 Barcode Marking

The packaging must be marked with a barcode according to EAN-13, EAN-8, and UPC-A or UPC-E standard (ISO/IEC 15420).

The standard requires that the barcode has a quality of "Grade C" ANSI (equivalent to "Grade 2" ISO / IEC 15416) during the entire lifetime of the packaging.

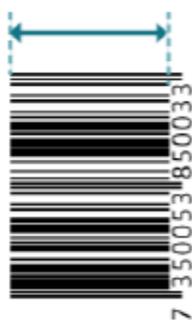
For general specification of the format and colouring of barcodes, refer to www.gs1.se.

6 Barcode Format

The barcode shall have the following format:

Factor	EAN-13	EAN-8	UPC-A	UPC-E
	Width x height (mm)			
0.8	29,8 x 20,7	21,4 x 17,0	29,8 x 20,7	21,4 x 17,0
1.0	37,3 x 25,9	26,7 x 21,3	37,3 x 25,9	26,7 x 21,3

Returpack recommends the use of factor 1.0. Minimum factor 0.8 is required.



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6.1 Quiet Zone

To the left and right of the barcode there shall always be a light margin or quiet zone. A quiet zone is an empty area required for the adjacent information, such as package decoration, not to interfere with the reading.



6.2 Barcode Position Metal Packaging

The barcode must be printed vertically, i.e. like a ladder up the side of the can. The lowest bar of the barcode must be situated from 8 to 35 mm from the lower rim of the decoration. If there is no decoration, the distance of 15 - 35 mm from the lower edge of the can is applicable.

6.3 Barcode Position Plastic Packaging

The barcode shall be placed vertically, i.e. like a ladder up the side of the bottle, at least 35 mm from the bottom of the bottle and at least 60 mm from the top of the bottle.

To improve barcode reading and avoid deformation of the barcode, the barcode should be placed/printed on the flattest surface possible on the packaging.

6.4 Barcode Colours

The barcode readability is based on the contrast between the dark bars and a light background. Black lines on a white background give the highest contrast, but other colour combinations can work. It is important to carry out performance checks in each case.

For more information about possible colour combinations, refer to www.gs1.se



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7 The Importance of an Unique Barcode

The supplier is responsible for all the packagings marked with the supplier's barcode, which also means that the supplier undertakes the responsibility to pay the deposit and fees for all packagings marked with the supplier's barcode. Therefore, it is important that the barcode reported to Returpack is unique for the supplier and for the deposit system.

A product that has been sold without deposit in Sweden has to change to a new barcode when entering the deposit system.

Barcodes can be obtained from GS1 Sweden.

7.1 Exports

Products intended for duty-free and export, that is only going to be sold outside Sweden, must not use a barcode or deposit mark connected to Returpack's deposit system.

All products sold with a Swedish deposit mark shall be reported to Returpack (and settled deposit and applicable fees for) even if they are sold outside of Sweden.

8 Deposit Mark

A deposit mark, depicted below, must be printed in the close vicinity of the barcode. The smallest acceptable size for the deposit mark is 10 x 15 mm. Black text on white background is recommended. Also other combinations may be permitted after approval by Returpack. Only the original format may be used.



Volume ≤ 1 litre



Volume > 1 litre

9 Adhesive Labels

If it is not possible to design the original label of the packaging in order to comply with the Returpack marking requirements, the requirements must be fulfilled by using adhesive labels. The labels can only be ordered from Returpack. It is not allowed to use self-made labels to cover the original label.



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10 Registration

Packaging samples along with registration form and necessary material specifications must be sent to Returpack for approval at least three weeks before a new product is planned to be made available on the market.

The packaging will be controlled to meet the requirements of this specification. Practical tests are made for measuring the quality of the barcode, dimensions and shape. Reverse vending machines and certified equipment for barcode reading are used. Material thickness is tested by compression tests. If needed, supplementary tests can be ordered from the RVM manufactures or plastic recyclers in consultation with the supplier.

After having approved the product, Returpack will register its barcode in the article register. The RVMs in the retail stores are updated on a weekly basis.

Send registration form, material specifications and samples to:

Returpack AB
Att: Artikelregistreringen
Hanholmsvägen 67
602 38 Norrköping

10.1 Modifications

When modifying the materials or the design (shape/labelling) of a packaging already attached to the system, new packaging samples and specifications must be sent to Returpack for approval.

Note that all planned changes to already registered products must first be approved by Returpack before launch can take place.

11 Material Specification for Metal Packagings

Only cans of aluminium or steel are allowed.

Not allowed: Cans combining aluminium/steel and plastic materials
Cans of three parts made of thicker material
Metal bottles of thicker material

Cans containing a small gas compartment, or a so-called "widget" containing N₂, CO₂ or a mixture of gases may be accepted, but Returpack must be consulted first in each case, as some gas containers may harm the compression machinery in the RVMs.



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12 Material Specification for Plastic Packagings

Below is a list of material requirements Returpack put on products that are registered to the recycling system. Returpack reserves the right to change the rules in accordance with paragraph 4.1 of the Agreement Terms and Conditions (Appendix 1).

The bottles are divided into two fractions; colourless and coloured. A fundamental requirement for the colourless fraction is that all the materials in the packaging are approved for the colourless fraction.

- If the product consists of materials that are not allowed, the product cannot be connected to the return system.
- If the product consists of materials that are not specified in the list, Returpack shall be contacted for assessment and eventual approval.

Specifications on all materials used should always be submitted when notifying new products and/or making changes to products that are already registered to the deposit system.

12.1 Packaging

Material	Permitted in colourless fraction	Permitted in coloured fraction	Not Permitted	Conditions
PET	X	X		The colour of the bottle and the size of the label determines the fraction. See 12.4.
PP, PE		X		coloured bottle
PVC, EVOH			X	
Colour				
Clear/colourless	X			
Light blue transparent	X			
Other colours		X		A sorting fee is applied, see Appendix 3 – Fees (Coloured fraction)
Metallic colours			X	Colours with metallic pigments are not allowed

12.2 Barrier, Coatings and Additives

For colourless bottles the use of barriers, coatings and additives is strictly regulated. A certificate for the material is required to ensure that it works all through the recycling process. Contact Returpack for more information.

For coloured bottles, the use of barriers is allowed to a greater extent. If a bottle contains a barrier, coating or additive it has to be stated in the material specification for the packaging.



Returpack AB
Box 432 • 601 05 Norrköping

Besöks- och leveransadress:
Hanholmsvägen 67 • 602 38 Norrköping

Telefon:
011-19 19 60

E-post: info@returpack.se
Webb: www.returpack.se



12.3 Cap and Liner

	Permitted in colourless fraction	Permitted in coloured fraction	Not Permitted	Conditions
Cap				
PE, PP	X	X		
PET		X		
Metal crown cap	X	X		
Other metal caps			X	
Liner				
PE, EVA, TPE	X	X		
PVC, Silicone, Metal			X	

12.4 Label

A sorting fee applies if the label covers more than 44 % of the bottle. The proportion between label and bottle is calculated by label height divided by bottle height, where bottle height is measured 15 mm from the base of the bottle and over the shoulder.

	Permitted in colourless fraction	Permitted in coloured fraction	Not Permitted	Conditions
Material				
Paper	X	X		
PP	X	X		
PE	X	X		
TPE	X	X		
PET		X		The label must cover at least 44% of the bottle and must be coloured.
Metalized labels			X	
PVC			X	
OPS			X	
Printing ink				
Water Soluble			X	
Heavy Metal			X	Definition according to EuPIA's exclusion policy*

* Exclusion Policy for Printing Inks and Related Products, EuPIA, www.eupia.org



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12.5 Glue

	Permitted in colourless fraction	Permitted in coloured fraction	Not Permitted	Conditions
Lim				
Water soluble in 70°C	X	X		Both label and glue has to come off the bottle.
Others				Hot melt glue and other adhesives may function in the recycling process. Contact Returpack for information and testing.



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Web: www.returpack.se



13 Abbreviations

EuPIA	European Printing Ink Association
EVA	Ethylene vinyl acetate
EVOH	Ethylene vinyl alcohol
OPS	Oriented Polystyrene
PE	Polyethylene
PET	Polyethylene terephthalate
PP	Polypropylene
PVC	Polyvinyl Chloride
RVM	Reverse Vending Machine
TPE	Thermoplastic elastomers



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Web: www.returpack.se

Annex D.4: Product Testing Process Example ⁸⁸

SENDING SAMPLES

2/2018

Send authentic models of bottles or cans to addresses mentioned below for barcode and shape testing. Please attach the contact information of sender (company name, name of contact person, phone number and e-mail).

COMPANY AND CONTACT PERSON	ALUMINUM CANS	PET BOTTLES	GLASS BOTTLES		
			RETAIL	HORECA	HORECA >> RETAIL
SUOMEN PALAUTUSPAKKAUS OY Tuoterekisteröinti Pasilanraito 9 B FI-00240 HELSINKI, FINLAND tuoterekisterointi@palpa.fi +358 50 467 4788 www.palpa.fi	1	1	1	1	
RVM SYSTEMS OY Heikki Lamminpää Asentajankatu 9 FI-45130 KOUVOLA, FINLAND pakkaustunnistus@rvmsystems.com +358 50 513 4904 www.rvmsystems.fi	1	1	1		1
OY TOMRA AB Sami Saari Elannontie 5 FI-01510 VANTAA, FINLAND sami.saari@tomra.com +358 44 731 1188 www.tomra.fi	1	1	1		1
SCANDING OY Lauri Tapaninen Tikkurilantie 146 D FI-01530 VANTAA, FINLAND lauri.tapaninen@scanding.fi +358 40 717 2987 www.scanding.fi	1	1	1		1

⁸⁸ Available at:

http://palpa.fi/static/studio/pub/Materiaalipankki/Juomateollisuus/Sending_samples_2018_02.pdf

Annex D.5: Product Registration
Example 1: Product Registration Form ⁸⁹



RETURPACK

REGISTRATION FORM

NEW PRODUCTS

For registration of a new product entering the deposit system, fill in this form and send it to Returpack together with three samples of the product.

Address: Returpack AB, Artikelregistreringen, Hanholmsvägen 67, 602 38 Norrköping.

For PET-products, apply material specification of all included materials (bottle composition, cap, glue and label). The material specifications shall be signed by the supplier.

<input type="text"/>	<input type="text"/>
Enterprise	Customer number (Returpack specific)
<input type="text"/>	<input type="text"/>
Address	Contact person
<input type="text"/>	<input type="text"/>
City	Telephone number
<input type="text"/>	<input type="text"/>
Date	E-mail

PRODUCT 1

Barcode:		Description:	Volume (cl):
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1) Deposit code:	2) Product type:	Date of introduction:	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Material specifications:			
<input type="checkbox"/> Attached <input type="checkbox"/> Refer to recorded product with barcode: <input type="text"/>			

PRODUCT 2

Barcode:		Description:	Volume (cl):
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1) Deposit code:	2) Product type:	Date of introduction:	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Material specifications:			
<input type="checkbox"/> Attached <input type="checkbox"/> Refer to recorded product with barcode: <input type="text"/>			

Important that a unique barcode is used for all products reported to the deposit system. After reporting the barcode, the enterprise is responsible for all the packagings bearing the barcode.

1) Deposit code	2) Product type			
01 PET ≤1 liter 1 SEK	01 Soft drink	05 Beer with alcohol ≤ 2,25%	09 Beer with alcohol >5,6%	13 Vitamin drink
02 PET >1 liter 2 SEK	02 Water	06 Beer with alcohol 2,25-3,5%	10 Wine	14 Others
06 Aluminum 1 SEK	03 Cider with alcohol ≤3,5%	07 Beer with alcohol 3,5-4,5%	11 Other drinks with alcohol	(Alcohol content in
07 Steel 1 SEK	04 Cider with alcohol >3,5%	08 Beer with alcohol 4,5-5,6%	12 Energy drink	percentage by volume)

⁸⁹ Available at: <https://pantamera.nu/wp-content/uploads/2016/04/REGISTRATION-FORM-New-products.pdf>

Example 2: Beverage Container Registration Application Form ⁹⁰

New Brunswick
Frank LeBlanc
Environment
P.O. Box 6000
Fredericton, NB E3B 5H1
Tel: (506) 453-7945 Fax: (506) 453-2390
e-mail: Frank.leblanc@gnb.ca
www.gnb.ca

Newfoundland and Labrador
Paolo Mascarin, B. Comm., Compliance Auditor
Multi-Materials Stewardship Board
P.O. Box 8131, Station 'A'
St. John's, NL A1B 3M9
Tel: (709) 757-0783, Toll Free: 1-800-901-MMSB
Fax: (709) 753-0974
e-mail: paolom@mmsb.nl.ca
www.mmsb.nl.ca

Nova Scotia
Joanne Hennigar
RRFB Nova Scotia
14 Court Street, Suite 305
Truro, NS B2N 3H7
Tel: (902) 897-4370 Fax: (902) 897-3256
e-mail: jhennigar@rrfb.com
www.rrfb.com

Prince Edward Island
Beverage Container Coordinator
Department of Environment
Labour and Justice
P.O. Box 2000
Charlottetown PEI C1A 7N8
Tel: (902) 368-5024, Fax: (902) 368-5830
e-mail: beveragecontainers@gov.pe.ca
www.beveragecontainers.pe.ca

ATLANTIC PROVINCES - BEVERAGE CONTAINER REGISTRATION FORM

Personal information on this form is collected under Section 9 of Prince Edward Island's *Beverage Containers Act* and will be used for registering distributors who import or distribute beverage containers on Prince Edward Island. If you have any questions about this collection of personal information, you may contact Director of Environment, Department of Environment, Labour and Justice PO Box 2000, 11 Kent Street, Charlottetown, PE C1A 7N8. Telephone: (902) 368-5024

Company Name: _____ Attention: _____
Distributor #: _____
Address: _____
Telephone: _____ Fax: _____ E-mail: _____

Return for Refund Message Each province requires that all beverage containers covered by local acts and regulations carry a label which includes a highly visible "Return for Refund" message. Multiple variations of wording are acceptable provided the concept of a refund is evident and the message appears in both English and French.

Size
To ensure the message is readily visible, a minimum letter size of 3.2 mm (C in.) is required.

Location
The message must be located on the container where it is readily visible and must remain on the container when empty. In other words, it cannot be located on a cap or lid which may be discarded.

Label Sample
In order for a beverage to become registered, a sample of the label must accompany this registration form with the "Return for Refund" messaging clearly evident.

Product name	Size (ml) or (L)	U.P.C	Container made of (see legend below)	Nylon content Yes (Y) No(N)	Single layer (S) Multi-layer (M)	Color of Container	Flavour

*Specify colors for plastic and glass containers only
Français au verso

⁹⁰ Available

Annex D.6: Product Cancellation Form Example ⁹¹



RETURPACK

CANCELLATION FORM

RECALLING OF PRODUCT FROM THE DEPOSIT SYSTEM

When an enterprise discontinues the delivery of a product attached to the deposit system, the enterprise shall inform Returpack about recalling the product's barcode by sending in this form. Returpack removes the barcode from the register two years after the cancelling date and after that, the product no longer entitles to deposit. A confirmation of the cancellation is sent when Returpack receives this form.

<input type="text"/>	<input type="text"/>
Enterprise	Contact person
<input type="text"/>	<input type="text"/>
Address	Phone number
<input type="text"/>	
E-mail	
<input type="text"/>	
Date	Signature

Barcode:	Description:	Last selling date:	<i>Completed by Returpack</i> Removal date:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Send to Returpack: Returpack, Box 432, 601 05 Norrköping **E-mail:** avtal@returpack.se

.....
Confirmed by Returpack

Date

Administrator

⁹¹ Available at: <https://pantamera.nu/wp-content/uploads/2017/03/CANCELLATION-FORM-Recalling-of-products.pdf>

Annex D.7: Product Database Example ⁹²



Return and Earn Container Search

Use the Return and Earn Container Search to find information about containers registered with the Environment Protection Authority (EPA) for approval.

If you have any queries, please email container.approval@epa.nsw.gov.au.

Registration status

- Pending payment
- Pending approval
- Active
- Rejected
- Expired

- Container approval application awaiting fee payment before EPA review.
- Container approval application awaiting EPA decision.
- Container approved by the EPA.
- Container approval application rejected by the EPA.
- Container approval expired.

Search Criteria

Product Name	<input type="text"/>	Product Group	--None--
Barcode	<input type="text"/>	Material Type	--None--

[Return and Earn Container Search](#) [Download List](#) [Finish](#)

⁹² Available at: <https://cds.epa.nsw.gov.au/CDSContainerSearchPage>

Annex D.8: Bag and Label Ordering Form Example ⁹³

1.3.2018



ORDERING INSTRUCTIONS FOR PACKAGING SUPPLIES HORECA

ORDER FROM PALPA			
MATERIAL	CAN	PLASTIC BOTTLE	GLAS BOTTLE
PALPA stickers (135 / 270 pcs)	X	X	X
CONTACT			
PALPA: extra.palpa.fi / asiakaspalvelu@palpa.fi			

Suomen Palautuspalkkaus Oy PALPA

PL 119
00241 HELSINKI

0008856 0000000111

ORDER FROM PACKAGING SUPPLIER			
MATERIAL	CAN	PLASTIC BOTTLE	GLAS BOTTLE
Manual bag (red print)	X	X	
Tie band	X	X	X
Small glass container (240 L)			X

CONTACT			
BEVERAGE SUPPLIERS		OTHER SUPPLIERS (bags and tie bands)	
Inex Partners Oy	010 768 7311	Kauppahuone Joremi Oy	02 438 6311
Meira Nova Oy	010 768 6550	Mercamer Oy	010 563 3155 / palvelukeskus@mercamer.fi
Olvi Oyj	0800 305 842	Solotop Oy	010 273 7000
Oy Hartwall Ab	0800 158 662	Telpak Oy	010 843 8000 / myynti@telpak.fi
Oy Sinebrychoff Ab	0800 050 50		
Ruokakesko Oy	010 535 0100		

⁹³ Available at:

http://palpa.fi/static/studio/pub/Materiaalipankki/Palautuspisteet/Pakkaustarvikkeet_HoReCa_EN.pdf

Annex D.9: Sales Data Submission Form Example ⁹⁴

New South Wales Statutory Declaration

I, _____ *[Insert declarant's name]*

Of, _____ *[Insert declarant's address],*

_____ *[Insert declarant's occupation],* do solemnly and sincerely declare that:

2. the Supplier Statements (as defined in the Supply Arrangement between Exchange for Change (NSW) Pty Ltd, ACN 620 512 469 (**Scheme Coordinator**) and,

_____ *[Insert*

Supplier Name and Supplier ACN/ABN], (Supplier) attached to this declaration as Annexure A are true and correct;

3. the number of beverage Containers Supplied by the Supplier in New South Wales in the previous financial year:

(a) in aggregate in respect of the State; and

(b) in aggregate for each Container material type is as follows:

No.	Container type	Aggregate number Supplied
1.	Aluminium	
2.	Glass	
3.	PET	
4.	HDPE	
5.	Liquid paper board	
6.	Other plastics	
7.	Steel	
8.	Other	
	Total	

⁹⁴ Available at: <https://returnandearn.org.au/wp-content/uploads/2018/05/NSW-Annual-Statutory-Declaration-Blank-Version.pdf>

Aggregate for NSW		
----------------------	--	--

4. *[insert any other matter prescribed by the State or which is otherwise required by the Act or the Regulation from time to time (as notified in writing by the Scheme Coordinator to the Suppliers)].*

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1900 (NSW).

Declared at
this day of 20..
Before me:

Signature of person before whom the declaration is
declarant made

Signature of

Full name, qualification and address of person before
whom the declaration is made

And as a witness, I certify the following matters concerning the person who made this declaration
(**declarant**):

*[*strike out the text that does not apply]*

1. *I saw the face of the declarant.
 OR
 *I did not see the face of the declarant because he/she was wearing a face covering, but I am
 satisfied that he/she had a special justification for not removing it.

2. *I have known the person for at least 12 months. OR *I confirmed the person's
 identity using the following identification document:

Identification document relied on
(may be original or certified copy)

Signature of person before whom the declaration is made

Annexure

This is "Annexure A" referred to in the statutory declaration of,

_____ *[Declarant's name as in statutory declaration]* of,

_____ *[Declarant's address as in
statutory declaration]*

made before me this day of 20..

.....
Signature of person before whom the declaration is made

Annex D.10: Complaint/Feedback Form Example⁹⁵

Contact us

If you have any questions about how Return and Earn works, have feedback about a return point or simply want to know more about locating and using our return points, contact our Customer Service Centre using the details below.

Call us on 1800 290 691

Your name*

Your email*

Your phone number

Your message is about*

Your message*

Send

⁹⁵ Available at: <https://returnandearn.org.au/contact-us/>



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