

Introducing a Deposit Return Scheme (DRS) Consultation

Q1.1 Q1.1. What is your Surname?

[Redacted]

Q2 Q2. What is your e-mail address?

[Redacted]@danone.com

Q3 (ST) Q3. Which best describes you?

Product designer/ manufacturer/ pack filler

Q3.a Q3.a Other (please provide details...)

Q4 Q4. If you are responding on behalf of an organisation, what is its name?

Danone UK and Ireland

Q.5 Q5. Would you like your response to be confidential?

No

UI Unique Identifier:

ANON-HJCY-MESC-P

DRS in a post-Covid context

6 6. Given the context of the Covid-19 pandemic we are currently experiencing, do you support or oppose our proposals to implement a Deposit Return Scheme for drinks containers by 2024?

Support

6.a 6.a Please elaborate on your answer if you wish.

7 7. Do you believe the introduction of a Deposit Return Scheme will have an impact on your everyday life?

Not answered

7.a 7.a If you answered yes the scheme would have a detrimental impact, how significant would this impact be?

Large impact but still manageable

8 8. Have your views towards implementation of a DRS been affected following the economic and social impacts of the Covid-19 pandemic?

No

8.a 8.a Please elaborate on your answer if you wish.

Chapter 1: Scope of the Deposit Return Scheme

9 9. Do you agree that the cap should be included as part of the deposit item in a DRS for:

Aluminium bottle caps on glass bottles x Plastic bottle caps on plastic bottles x

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Yes

10.a 10.a Please elaborate on your answer.

11 11. Do you foresee any issues if the final scope of a deposit return scheme in England and Northern Ireland does not match the all-in decision taken in Wales? E.g. an on-the-go scheme in England and an all-in scheme in Wales.

Yes

11.a 11.a Please elaborate on your answer.

Governments across the UK should commit to a single coherent scheme design, and ensure that any DRS is interoperable with the scheme in Scotland. Any significant differences in the operation of a DRS in any part of the UK is likely to have a detrimental impact on the overall success of the schemes. This is because there will be public confusion caused by differences on what containers are included and what to do in each part of the UK leading to lower consumer engagement. An all-in scheme is likely to provide a larger supply of high quality recyclate available to be reused than an on-the-go scheme.

12 12. Having read the rationale for either an all-in or on-the-go scheme, which do you consider to be the best option for our deposit return scheme?

All-in

12.a 12.a Please elaborate on your answer.

An all-in scheme will help to drive high recycling rates for drink containers with all formats/size covered thus creating a supply of high quality recyclate and preventing litter. It will be an easier scheme for consumers to understand. An on-the-go scheme will limit the amount of material that can be recycled for use. An all-in scheme reduces incentives for consumers to switch formats/sizes. In addition, an all-in scheme will ensure alignment with the Scottish DRS.

13 13. Given the impact Covid-19 has had on the economy, on businesses and consumers, and on everyday life, do you believe an on-the-go scheme would be less disruptive to consumers?

No

14 14. Do you agree with our proposed definition of an on-the-go scheme (restricting the drinks containers in-scope to less than 750ml in size and excluding multipack containers)?

No

14.a 14.a If no, how would you change the definition of an on-the-go scheme?

It is difficult to assess what an on-the-go scheme should look like given the lack of successful international precedent, and that many drinks they may be consumed on-the-go would exceed the 750ml threshold (for example many 1l water bottles), whilst many other below 750ml would still be consumed at home or on premise. Keeping all PET bottles to the same DRS stream will ensure a focus for waste processors.

15 15. Do you agree that the size of containers suggested to be included under an on-the-go scheme are more commonly consumed out of the home than in it?

Difficult to say

16 16. Please provide any information on the capability of reverse vending machines to compact glass?

Others are better placed to answer this question.

17 17. Do you agree that the scope of a deposit return scheme should be based on container material rather than product?

Yes

18 18. Do you agree with the proposed list of materials to be included in scope?

Yes

19 19. Do you consider there will be any material switching as a result of the proposed scope? Please provide evidence to support your response.

Yes

19.a 19.a Please provide evidence to support your response.

Some consumers may switch to materials outside the scope of a DRS to avoid paying a deposit. One material that consumers may switch to is fibre-based composite packaging (drinks cartons and Tetrapaks) which will fall under EPR. The Government will need to explain why they are not



Chapter 2: Targets

20 20. Which of the following approaches do you consider should be taken to phase in a 90% collection target over 3 years?

70% in year 1, 80% in year 2, 90% in year 3 and thereafter

21 21. What collection rate do you consider should be achieved as a minimum for all materials after 3 years?

85%

22 22. Is it reasonable to assume that the same collection targets could be met with an on-the-go scheme as those proposed for an all-in scheme for in-scope materials?

No

22.a 22.a Please provide any evidence to support your answer

An on-the-go scheme will be collecting less material, and its lack of simplicity also means that collection rates are likely to be lower as consumers may be confused. Governments across the UK should commit to a single coherent scheme design, and ensure that any DRS is interoperable with the scheme in Scotland. Any significant differences in the operation of a DRS in any part of the UK is likely to have a detrimental impact on the overall success of the schemes.

23 23. Who should report on the volumes of DRS material placed on the market in each nation?

Both the producer/ importer and retailer

23.a 23.a What would be the implications of obligations to report on volumes of deposit return scheme material for producers/ importers and retailers? Please provide evidence to support your answer.

24 24. What evidence will be required to ensure that all material collected is passed to a reprocessor for the purpose of calculating the rate of recycling of deposit return scheme material?

To ensure all material is then passed to a reprocessor, there should be a list of approved reproducers, as well as a verification process to confirm the material has been passed on to reproducers. The producers should get first refusal of the output stock.

Chapter 3: Scheme Governance

25 25. What length of contract do you think would be most appropriate for the successful bidder to operate as the Deposit Management Organisation?

5 - 7 years

26 26. Do you agree that the above issues should be covered by the tender process?

Yes

26.a 26.a Please list any further issues you believe should be covered as part of the tender process.

27 27. Do you agree that the above issues should be monitored as Key Performance Indicators ?

Yes

27.a 27.a Please list any further issues you believe should be covered by Key Performance Indicators .

28 28. Do you agree that Government should design, develop and own the digital infrastructure required to register, and receive evidence on containers placed on the market on behalf of the Deposit Management Organisation and regulators?

No

28.a 28.a Please elaborate on your answer

The DMO, which represents the obligated stakeholders, is better placed to create all the digital infrastructure that is relevant to the DRS' operation. This is typical in international schemes and will be the case in Scotland.

29 29. Government will need to understand the needs of users to build digital services for DRS. Would you like your contact details to be added to a user panel for DRS so that we can invite you to participate in user research (e.g. surveys, workshops interviews) or to test digital services as they are designed and built?

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Chapter 4: Financial Flows

30.a 30.a If any other please specify

30 30. Q. What is an appropriate measure of small producers for the purposes of determining the payment of registration fees?

Drinks containers placed on the market ×

31 31. Is a high level of unredeemed deposits funding the scheme problematic?

Yes ▼

31.a 31.a Please explain your answer.

A high level of unredeemed deposits will mean that a large amount of material is not being recycled, which will make it difficult to achieve the 90 per cent collection target.

32 32. Which option to treatment of unredeemed deposits do you support?

Option 1 ▼

33 33. With option 2, do you foresee any unintended consequences of setting a minimum percentage of the net costs of the deposit return scheme that must be met through the producer fee?

Yes. Option 2 would undermine the viability of the DRS by removing a key part of the scheme funding and create a further disparity with the Scottish DRS by increasing the scheme costs for producers selling in England, Wales and Northern Ireland. Such differences in funding and fees may inhibit the ability of the DMO to work with Circularity Scotland in terms of allowing financial exchanges and material flow, thus increasing the risk that the single market for drinks in the UK would be fragmented, with separate SKUs adopted for each DRS scheme.

34 34. If a floor is set do you consider that this should be set at:

Other ▼

34.a 34.a Please provide any evidence to support your response.

We do not support a floor. All unredeemed deposits should part-fund the scheme with producers covering the remaining operational costs.

35 35. Do you agree that any excess funds should be reinvested in the scheme or spent on other environmental causes?

Reinvested in the scheme ▼

36 36. Q. What should be the minimum deposit level set in legislation?

10p ▼

36.a 36.a If other please specify

The setting of the deposit level should be a function of the DMO. The DMO should be permitted to set the deposit level in relation to achieving the collection and recycling targets, as set by government. If different DRS systems are to be run in different parts of the UK, we would recommend that the DMO/scheme administrator(s) adopt common deposit values to reduce complexity, consumer confusion, market distortion, and to mitigate against fraud and cross-border issues. The setting of these, however, should still be determined by the DMO/scheme administrator. We would recommend that, to aid consumer understanding, any DRS introduced in the UK should be established with a single, consistent deposit value. We believe this value should be determined by the scheme administrator on the basis of achieving the targets set by government rather than fixed within legislation.

37 37. Do you agree that there should be a maximum deposit level set in legislation?

No ▼

37.a 37.a If yes, then what should be the maximum deposit level set in legislation?

Not answered ▼

37.b 37.b If other please specify

38 38. Recognising the potentially significant deposit costs consumers could pay on a multipack purchase, how best can we minimise the impact of the scheme on consumers buying multipacks?

Allowing a reduced deposit level for multipacks of healthy drinks would go some way to alleviate this unintended consequence of DRS. In addition, the DMO should have the authority to set the maximum deposit level for multipacks.

39 39. Do you agree with our approach to letting the Deposit Management Organisation decide on whether to adopt a fixed or variable deposit level, particularly with regards to drinks containers sold in multipack form?

Yes

39.a 39.a Please provide evidence to support your answer

Chapter 5: Return Points

40 40. Do you agree that all retailers selling in-scope drinks containers should be obligated to host a return point, whether it is an all-in or on-the-go deposit return scheme?

Yes

40.a 40.a Please provide any evidence to further explain your answer.

The most effective recycling occurs when it is made easy and accessible for citizens – including the opportunity to return the container to where you purchased it.

42 42 . Do you have a preference, based on the 3 options described above, on what the schemes approach to online takeback obligations should be? We welcome views from stakeholders on who this obligation should apply to, including if there should be an exception for smaller retailers or low volume sales.

Option 1

41 41. Given the proposed extensive distribution and availability of return points for consumers to return bottles to, do you think customers would be likely to experience delays / inconveniences in returning drinks containers?

No

41.a 41.a If so, how long or how frequently would such delays be likely to arise for?

42.a 42.a Please explain your answer.

Option 1 would maximise the collection of in-scope drinks containers by obligating retailers to provide a takeback service.

43 43. Do you agree with the proposed criteria for the calculation of the handling fee?

Yes

43.a 43.a Would you propose any additional criteria are included for the calculation of the handling fee?

44 44. Please tick which exemptions you agree should be included under the scheme:

Breach of safetyClose proximity

44.a 44.a Any further comments you wish to make

45 45. Please can you provide any evidence on how many small and micro sized retail businesses we might likely expect to apply for an exemption to hosting a return point, on the grounds of either close proximity to another return point or on the compromise of safety considerations?

46 46. Do you think obligations should be placed on retailers exempted from hosting a return point to display specific information informing consumers of their exemption? If yes, please tick what information retailers should be required to display:

Signage to demonstrate they don't host a return pointSignage to signpost consumers to the nearest return point

46.a 46.a Anything else? Please specify

47 47. Do you agree with our rationale for not requiring retailers exempted on the basis of a breach of safety not to be required to signpost to another retailer?

No

47.a 47.a Please explain your answer.

48 48. How long do you think exemptions should be granted for until a review date is required to ensure the exemption is still required?

3 years

▼

49 49. Do you think the scheme could benefit from technological solutions being incorporated as a method of return, alongside reverse vending machines and manual return points?

No

▼

50 50. How could a digital deposit return scheme solution be integrated into existing waste collection infrastructure? Please explain your answer.

A digital DRS that relied on kerbside collections would not achieve the material quality and circularity goals of the DRS i.e. to increase the quantity and quality of the materials collected so that higher rates of recycling can be achieved in the UK. DRS removes the contamination problems associated with kerbside and comingled collection. A digital DRS – unless every kerbside recycling bin were to be separated at source – would not achieve this. Also, a digital DRS could risk reliance on consumers and households using an app-based returns system, which would not be accessible for many.

51 51. What are the potential fraud control measures a digital deposit return scheme could bring? Please explain your answer.

A digital DRS may remove the risk of fraud if attempts were made to redeem containers twice by voiding further return attempts of a serialised container. However, it is unclear how fraud could be prevented where products are falsely scanned for redemption pre-sale (e.g. using an app in a shop, rather than at a return point/at home). Likewise, a digital DRS does not appear to stop people redeeming but not physically returning the containers (e.g. scanning but not placing in a bin), which would defraud the DRS system of the material and material value, and return points of their handling fees.

52 52. Do you think a digital deposit return scheme could ensure the same level of material quality in the returns compared to a tradition return to retail model, given containers may not be returned via a reverse vending machine or manual return point where there is likely to be a greater scrutiny on quality of the container before being accepted?

No

52.a 52.a Please explain your answer.

A purpose of the DRS is to increase both the quantity and quality of the materials collected so that higher rates of recycling can be achieved in the UK. A digital DRS which relies on at-home kerbside collections, and/or on-the-go recycling bins, would not achieve the same material quality as a return-to-retail DRS that used reverse vending machines and manual return points.

53 53. If the digital DRS system can be integrated into the existing waste collection infrastructure would its implementation and running costs be lower? Please provide evidence to support your answer.

Digital collection points may be simpler in design than some reverse vending machines, and potentially could have a lower cost. However, the majority of costs in the scheme would be similar. The scheme would still be serving a network of tens of thousands of return-to-retail and voluntary return points, and would still have the same core scheme infrastructure and management costs. It would also be losing out from reduced material quality reducing the value of collected materials. Furthermore, any requirement to serialise uniquely label in-scope products/containers would be costly for producers and importers. And it is not yet possible in the UK, given that the vast majority of labels are not created and printed digitally, and therefore cannot be serialised.

54 54. Do you support the proposal to introduce a new permitted development right for reverse vending machines, to support the ease of implementation for the scheme?

Yes

54.a 54.a Do you have any amendments or additional parameters you would propose are reflected in the permitted development right?

Chapter 6: Labelling

55 55. Do you agree that the following should be part of a mandatory label for deposit return scheme products?

A mark to identify the product as part of a deposit return scheme. ✕

An identification marker that can be read by reverse vending machines and manual handling scanners. ✕

56 56. Are you aware of further measures that can be taken to reduce the incidence and likelihood of fraud in the system?

Avoiding discrepancies with the DRS in Scotland will reduce the risk of fraud.

57 57. Do you agree with our proposals to introduce mandatory labelling, considering the above risk with regards to containers placed on the market in Scotland?

No

No



58.a 58.a Please provide any evidence to support your answer.

Ensuring the UK and Scotland schemes are closely aligned will mitigate the risk.

59 59. Do you consider leaving any labelling requirements to industry to be a better option than legislating for mandatory labelling requirements?

Yes



59.a 59.a Please explain your answer.

60 60. Are you aware of any other solutions for smaller producers who may not currently label their products? Please explain your answer.

61 61. We believe 18 months is a sufficient period of time for necessary labelling changes to be made. Do you agree?

Yes



61.a 61.a Can you provide any evidence to support your answer?

62 62. Will your processes change as a result of mandatory labelling?

Yes



62.a 62.a Please explain your answer.

We will have to change our labels to conform with mandatory labelling, as well as complying with existing labelling requirements. This will require redesigning and possibly new labelling machines. Any labelling requirements, whether set by the Government or the DMO, should be determined in consultation with producers, and be considered in tandem with mandatory recycling labelling proposals e.g. OPRL.

63 63. Do you agree that our proposed approach to labelling will be able to accommodate any future changes and innovation?

Don't know



63.a 63.a Are you aware of any upcoming technology in the field of labelling?

Chapter 7: Local Authorities

64 64. Do you agree that local authorities will be able to separate deposit return scheme containers either themselves or via agreements with material recovery facilities to regain the deposit value?

No



64.a 64.a Please explain your answer

The consultation document says recycle quality would be adversely impacted by kerbside collections, which would lead to "less circularity." We do not believe that local authorities / material recovery facilities will be able to separate out containers in a way that prevents contamination and preserves the material quality required. Furthermore, we do not believe that such arrangements could be made without creating an incentive for local authorities to compete with the DRS and promote returns via kerbside, which would undermine the DRS and the DMO's ability to achieve its obligations.

65 65. Do you agree that local authorities will be able to negotiate agreements with material recovery facilities to ensure gate fees reflect the increased deposit values in waste streams or a profit sharing agreement on returned deposit return scheme containers was put in place?

No



65.a 65.a Please explain your answer.

Please see the answer to question 64.

66 66. In order to minimise the risk of double payments from the Deposit Management Organisation to local authorities, where should data be collected regarding the compositional analysis to prevent the containers then being allowed to be redeemed via return points?

Data on the number of redeemable containers in kerbside collections should be gathered by those responsible for its separation and should cover the amount actually recovered. This could be cross checked by the reproducers receiving it to turn into recycled content and demonstrated by their output of high-quality material for reuse.



Options 2 and 3 would be hard to administer. The most accurate way to reward local authorities for in-scope containers in kerbside collection is for the local authority to claim back the deposit on the containers they collect and separate. Options 2 and 3 would subject in-scope containers to both a DRS and EPR, allowing for the recovery of the same item to be charged for twice, which would not be equitable. They would also not have any guarantee with respect to the quality of the material to be recycled.

68 68. What option do you think best deals with the issue of deposit return scheme containers that continue to end up in local authority waste streams?

Option 1

68.a 68.a Please briefly state the reasons for your response. Where available, please share evidence to support your view.

Chapter 8: Compliance Monitoring and Enforcement

69 69. Are there any other producer obligations you believe the Environmental Regulators should be responsible for monitoring and enforcing?
No.

70 70. Are local authorities (through the role Trading Standards and the Primary Authority Scheme) best placed to enforce certain retailer obligations?

Yes

70.a 70.a To what extent will local authorities be able to add monitoring and enforcement work for the deposit return scheme to existing duties they carry out with retailers?

71 71. In addition to those in the table, are there any other types of breaches not on this list that you think should be? If so, what are they? These may include offences for participants not listed e.g. reprocessors or exporters.
No.

72 72. Are there any vulnerable points in the system? Please explain your answer?

The lack of a single, aligned scheme implemented at the same time may be the biggest risk for fraud. Different schemes could drive pricing differences between the same product in different parts of the country thus incentivising the transportation of products and used packaging between deposit and non-deposit parts of UK to take advantage. This would undermine businesses, create consumer confusion, lower consumer trust, and reduce the effectiveness of the DRS. The scheme should also be aligned across the island of Ireland to prevent risks of cross-border fraud.

73 73. Do you see a role for the Deposit Management Organisation to seek compliance before escalating to the Regulator?

The DMO should seek compliance from anyone failing to do so before escalating to the regulator. Any issue can first be identified by the DMO and this would allow any errors or oversights to be corrected without needing to involve the regulator.

74 74. Do you agree with the position set out regarding enforcement response options?

Yes

74.a 74.a If not, please expand your answer.

Chapter 9: Implementation Timeline

75 75. Do you have any comments on the delivery timeline for the deposit return scheme? Please pose any views on implementation steps missing from the above?

The difference between the timelines of the Scottish scheme and that of the rest of the UK will cause public confusion and the risk of fraud between the schemes so it should be minimised. Interoperability between the two schemes will be important to ensure their success and, therefore, Circularity Scotland and the DMO should work closely together to prevent fraud, raise consumer awareness, and maximise collection rates.

76 76. How long does the Deposit Management Organisation need from appointment to the scheme going live, taking into account the time required to set up the necessary infrastructure?

18 months

76.a 76.a Any other (please specify)

76.b 76.b Please provide evidence to support your answer.



77 77. Depending on the final decision taken on the scope of the scheme in England and Northern Ireland – all-in or on-the-go – what, if any, impact does this have on the proposed implementation period?

An all-in scheme may take longer to implement because it will need to accommodate a larger number of drinks containers, but it will be a more comprehensive and, ultimately, more effective scheme.

Chapter 10: Summary of approach to Impact Assessment

78 78. Do you agree with the analysis presented in our Impact Assessment?

Not answered

78.a 78.a Please briefly state the reasons for your response. Where available, please share evidence to support your view

ES Email Subject

FI File Upload

Select files...

Drop files here to upload

RT Response Type

Online / CSV

NF Non-fitting

DS Date Submitted

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