

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]@sainsburys.co.uk

Q3 (ST) Q3. Which best describes you?

Retailer including online marketplace

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

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

Sainsbury's

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

No

UI Unique Identifier:

ANON-HJCY-ME9H-1

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 Corks in glass bottles X Plastic bottle caps on plastic bottles X

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10 10. Do you believe we have identified the correct pros and cons for the all-in and OTG schemes described above?

Yes

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

We believe that DRS for England, Wales & Northern Ireland needs to be aligned with Scotland's 'all-in' scheme.

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.

A single scheme across the UK is essential to maintain the integrity of the UK single market. There would be huge challenges for UK businesses and their supply chains if different schemes emerged.

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.

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?

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?

No

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

It is technically possible but weight is a key consideration and there are concerns about crushed glass in a food environment and for the safety of customers and colleagues.

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.

EPR products might migrate into DRS.

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?

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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

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

The producer/ importer

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?

This will be a matter for the DMO.

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?

7 - 10 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 ?

Not answered

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

There are existing organisations and data warehouses that already perform a similar functionality within the sector so there is no need to change.

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?

Yes

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?

No

31.a 31.a Please provide any evidence to support your answer



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?

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.

0%

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?

Other

36.a 36.a If other please specify

This is a matter for the DMO to decide.

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

Not answered

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

Other

37.b 37.b If other please specify

This is a matter for the DMO to decide.

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?

We do not support alternative deposit level for drink containers in a multipack.

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.

However, there should be options for exemptions where applicable.

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 3

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?

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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.

No obligation should be placed on retailers selling in-scope containers to offer a takeback service. The requirement to do so would create significant complexity to the scheme and have the potential for increased environmental harms due to increased vehicle emissions.

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

No

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

The handling fee should be subject to transparent negotiations between retailers and the DMO to reflect the actual costs of hosting a return point.

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

Breach of safety X Close proximity X

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?

No comment.

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 point X Signage to signpost consumers to the nearest return point X

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.

Signage is required regardless of the exemption.

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?

Yes

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

As long as the reverse logistics are supporting the scheme's KPIs (collection rate and recyclate quality) it should not matter who is collecting the waste.

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

It is for the DMP and producers to drive down fraudulent costs.

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?

Yes

52.a 52.a Please explain your answer.

However, it depends on the segregation of the recycling (kerbside v DRS).



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.

No comment.

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?

Ensuring the DRS is a UK wide system.

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?

Yes

58 58. Do you consider the risk of incorrectly labelled products entering the markets of England, Wales or Northern Ireland via Scotland to be a significant risk? Please provide any evidence to support your answer.

Yes

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

If there are different labelling requirements in the nations of the UK then it is inevitable that there will be a risk of incorrectly labelled products entering the respective markets. While we are supportive of mandatory labelling, this must be consistent across England, Wales & Northern Ireland and as closely aligned to Scotland as possible. Different labelling across different nations would not only increase the risk of incorrectly labelled products entering different markets within the UK, but also lead to a cost burden for with different SKUs for each product required.

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.

While our preference is for mandatory labelling, we do not want it to inadvertently lead to different labelling requirements across the UK and specifically in Scotland. The Government can mandate labelling, but leave it to industry to determine the best option to protect the integrity of the UK single market.

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

N/A

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

No

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

18 months does not give enough lead in time for businesses to adjust their operations .

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

Yes

62.a 62.a Please explain your answer.

Yes, insofar as we will be required to label our products. If different governments require different labels these products will also require different SKUs

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

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.

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?

The situation can be avoided by not using kerbside collections for in scope materials.

67 67. How difficult do you think this option would be to administer, given the need to have robust compositional analysis in place? Please explain your answer.

Almost impossible to administer and open to fraud. The solution seems more expensive than the problem.

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.

There will always be some leakage in the scheme. Even if reach 90% target, then there will be 10% ending up in local authority waste stream. Local authorities should not have access to deposits and that should go back to scheme but there should be some money of that 10% that goes to local authorities to support collection.

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?

They need to ensure all items being sold without deposits are legal and retailers in scope are providing return points. There needs to be scrutiny of DMO fulfilling its obligations towards producers and retailers.

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.

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

The absence of a UK wide scheme is the most vulnerable point in the system and opens it up to fraud.

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



Not answered

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 implementation of EPR should be aligned with DRS in 2024. We will be in a situation where products that are in scope of DRS in 2024 will require EPR labelling in 2023, which will add cost, complexity and impact the delivery timeline for DRS. If both were implemented at the same time in late 2024, there would be no need to two changes of labelling.

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?

Any other (please specify)

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

24 months.

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

The scale of what the DMO will have to deliver is vastly greater than the 24 months it has taken to produce two consultation documents (in 2019 & 2021).

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?

Differences between the nations on DRS framework will inevitably create longer implementation timescales, especially if different SKUs are required for the same product.

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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