

Deposit Return Scheme (DRS) - Member Briefing - April 2024

Overview

The UK and Scottish governments have confirmed plans to implement a Deposit Return Scheme (DRS) across the UK by October 2027.

The UK Government's statement is here and the Scottish Government's is here.

Interoperability

A UK wide scheme will enable better interoperability, a key request from Scotland's producers. Much of the work that went into the Scottish scheme is being put into plans for the UK scheme, which is positive. This will help ensure more unified processes and requirements such as labelling/logo and deposit levels. It means that containers bought anywhere in the UK will be returnable anywhere in the UK, reducing the fraud risk and simplifying the scheme for businesses and consumers.

Key Proposals

- ✓ The scheme will cover drinks containers ranging from 150ml to 3L.
- ✓ A de minimis threshold of 5,000 units per SKU seems likely.
- ✓ Return points will initially be only supermarkets and convenience stores, with an exemption for certain sizes or locations of smaller retailers.
- ✓ There will be no online take-back requirement.
- ✓ DRS articles will be exempt from Extender Producer Responsibility (pEPR).

Glass

The latest agreement suggests the scheme will <u>not</u> include glass. The UK government has chosen not to include it and the Internal Market Act (IMA) means that devolved nations cannot currently include it. The Welsh Government continues to seek the inclusion of glass and, if this happens, Scotland will likely do the same.

Outstanding Issues

- It is not yet clear how the scheme will manage the potentially disproportionate impact on smaller businesses, particularly the set up and ongoing costs.
- A cut-off point for the decision about glass would avoid ongoing uncertainty. For example, if it is not confirmed by October 2025, it should not be reconsidered until an extended period (such as two years) after the scheme goes live.

Scotland Food & Drink's Position

Establishing an effective and manageable DRS will represent a significant step towards improved recycling rates and reducing litter. It is vital that any scheme is workable and implemented in a manner that considers the operational and economic impacts on all those affected, including businesses in Scotland's vibrant drink sector.

Questions or feedback? Contact: Joe Hind, Policy Manager, joe@foodanddrink.scot