
Agenda

- 10:00 – 10:05 **Welcome and Introduction**
Kayti Boorman, Engagement Lead, CPR Delivery
- 10:05 – 10:15 **Reflections BRF 10 January 2023**
Lynne Phillips, Director of Programme Delivery
Environment Group
- 10:15 – 10:25 **Labelling Update**
Kate Brown and Linda Crichton, EPR Policy
- 10:25 – 10:40 **Questions**
Kayti Boorman, Engagement Lead, CPR Delivery

Upcoming EPR Activities

Webinar	Date / Time
Household and non-Household Packaging	Thursday 2 February 2.30pm - 4pm
Nation Data and Sales	Wednesday 15 February 10am - 11:30am
Data Definitions and Reporting	Thursday 23 February 10am - 11:30am

Business Readiness Forum	Date / Time
Binned Waste – part of agenda	Tuesday 7 February 10am - 11:30am

Packaging Recyclability Labelling

- Initial proposals for labelling set out in 2019 consultation - 90% of respondents supported proposals for a binary labelling system
- Further views sought on approach to implement labelling in 2021 consultation.
- Government response published March 2022 set out Government's intention to proceed with the requirement for mandatory labelling of packaging to indicate recyclability

Approach

- Primary and shipment packaging to be labelled as 'recycle' or 'do not recycle' along with an accompanying logo.
- Following support at the 2021 consultation for a single UK-wide approach, WRAP has agreed for the 'Recycle Now' mark to be used as the 'logo' for packaging



Who is obligated to label?

- **Brand Owners:** Businesses who either put goods into packaging, or have goods put into packaging, and place those goods on the UK market under their brand name (and where no brand owner the packer/filler)
- **Importers:** Businesses who are responsible for the import of filled packaging into the UK for sale
- **No de-minimis:** However, distributors (of unfilled, plain packaging) will be required to provide small businesses with information on the recyclability of the packaging they supply, and some flexibility in how they provide recycling information will be provided to users of this packaging

Key information

- Labelling requirements will be introduced as part of the new UK-wide packaging Statutory Instrument (SI) expected later in 2023
- Labelling must be in place for majority of packaging materials by 31 March 2026 (approx. 2.5-year transition period).
- A further year will be permitted for labelling of plastic films and flexibles (31 March 2027) to align with requirement for local authorities to have recycling collections in place for these materials

Key information

- Key requirements will be set out in the SI, including the
 - requirement to assess packaging to determine its recyclability (to inform the correct label to apply);
 - minimum size requirements (which align with mandatory nutrition labelling requirements) and
 - terminology which must accompany the logo - 'recycle' or 'do not recycle'
- Further recommendations will be included in guidance such as use of colour, labelling of multi-material/component packaging and the inclusion of additional information on where to recycle (such as through take-back schemes)

Questions

Linda Crichton – EPR Policy

Kate Brown – EPR Policy (Labelling)

Paul Bradley – EPR Policy

Charmaine Beer – Department of Agriculture, Environment and Rural Affairs

Howard Davis – Resource Efficiency and Circular Economy Division, Welsh Government

Peter Collins - Head of Digital Delivery

Virginia Woolley – Environment Agency



Department
for Environment
Food & Rural Affairs

Deposit Return Scheme for Drinks Containers

Post consultation response



Llywodraeth Cymru
Welsh Government



Department of
Agriculture, Environment
and Rural Affairs

What is a deposit return scheme?

- A deposit return scheme for drinks containers (DRS) is a system where consumers are **charged a deposit up-front** when they buy a drink in a container that is “in scope” of the scheme. The **deposit can be redeemed** when the empty container is returned to a designated return point.
- A deposit return scheme aims to boost recycling levels, reduce littering, and promote a circular economy.
- Deposit return schemes are a well-established feature across Europe and the world. They often focus on single-use drinks containers, with the most effective schemes achieving collection rates of over 90%.

Boost recycling

Reduce litter from drinks containers

Improve quantity of high-quality recycled materials

DRS in England, Wales, and Northern Ireland

- Introducing a DRS is a joint policy programme across England, Wales, and Northern Ireland. The scheme is due to **go live on 1 October 2025**. Scotland have developed a separate scheme, due to go live on 16 August 2023.
- We will continue to work across the devolved administrations to support successful DRS delivery across the UK.
- There have been two consultations on DRS in England, Wales and Northern Ireland (2019 and 2021). The 2021 consultation received **2,590 total responses** and **83% of respondents expressed support for DRS**.
- We have worked closely with two other major waste reforms:
 - Extended Producer Responsibility for packaging (EPR) - across UK
 - Consistency in Household and Business Recycling in England – in England

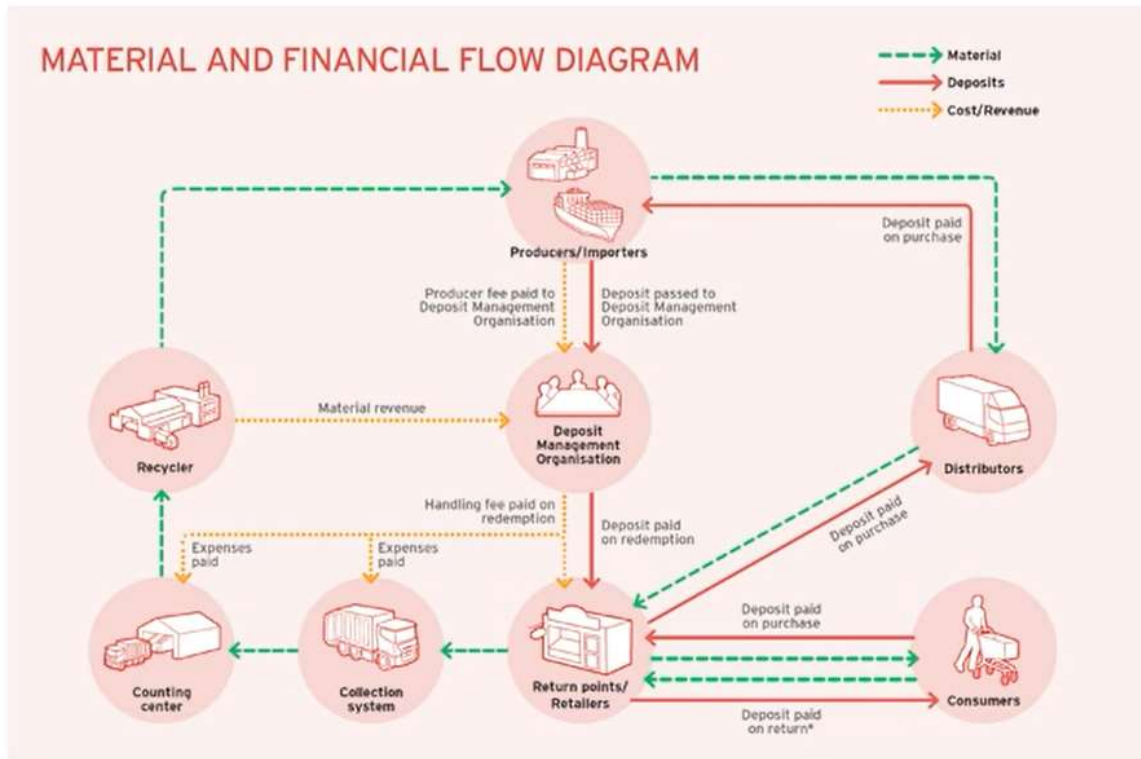
The model

Key features:

- Centralised model
- Return to retail
- DMO manage the collection arrangements of material

Scope:

	England	Northern Ireland	Wales
PET plastic			
Aluminium /steel			
Glass			



*Where drinks containers covered by the DRS are not returned by consumers for reimbursement of the deposit value, this deposit value is automatically retained by the DMO. This is known as an 'unredeemed deposit'.

Next steps and stakeholder engagement

1) Regulations

- We are currently drafting regulations to set out the requirements needed to deliver DRS.
- England and Northern Ireland will have joint legislation. Wales will have its own legislation.
- Once finalised, the regulations need to go through a series of approvals including WTO notification and Parliamentary procedures.

2) DMO appointment

- We will be starting to engage with prospective DMO applicants.
- We are aiming to be in a position to appoint the DMO as soon as is feasible after the regulations have entered into force, following a fair and open process.

3) Stakeholder engagement

- We will be increasing our industry engagement, including setting up groups to work through key priorities.

Materials in scope of the DRS

- **The DRS will capture single-use drinks containers.**
- As announced in March 2022, the materials in scope of the scheme are:
 - **Size of containers in scope of DRS:** 50ml – 3 litre.
 - **Materials in scope of DRS – England and Northern Ireland:** Polyethylene terephthalate (PET) plastic bottles; steel and aluminium cans.
 - **Materials in scope of DRS – Wales:** As above; and glass bottles.
- All producers of drinks containers captured above will be required to register with the Deposit Management Organisation (DMO) and participate in the scheme.

Labelling

- **We recognise that labelling of the drinks container is important to ensure the DRS operates effectively and improve consumer engagement.**
- Overwhelming support (95%) for introducing some form of mandatory labelling (through a DRS logo or similar).
- All three nations intend to mandate the use of
 - a) a mark to identify the product as part of a DRS
 - b) an identification marker such as a barcode or QR code to enable the container to be recognised at the return point
- Specific details and design will be determined by the DMO.

Deposit Management Organisation (DMO)

DRS will be an industry led scheme.

The DMO is the central body whose role is to administer the operation of the DRS.

- The DMO will be an independent, not for profit, private organisation made up of membership of individual companies or trade associations which represents producers and retailers.
- The DMO will be appointed **through an application process set out in the regulations.**
- Given there will be two legally separate schemes, **two separate DMO applications will be required:** England/NI (UK Govt / DAERA) and Wales (Welsh Govt).

Collection targets

A key benefit of the scheme is increasing recycling rates, and we will be placing ambitious collection targets on the DMO to achieve these.

- **Collection target:** will be phased in at 70% in year 1, 80% year 2, and 90% year 3 onwards.
- **Reporting period:** based on a calendar year, 1 January - 31 December.
- **Monetary penalties:** will be imposed on the DMO by the regulators where the DMO fails to meet its collection targets.

Financial flows

There are **three main funding streams** for the DRS

1. Producer (registration) fees
 2. Revenue from selling collected material to reprocessors
 3. Unredeemed deposits - where containers are not returned into the scheme
- **Deposit level:** the DMO will be responsible for setting the deposit level, which can be fixed or variable.
 - **Set up costs:** the DMO will need to seek private finance to fund the set up costs of the scheme.
 - **VAT:** we are continuing engagement with HM Treasury and HMRC on VAT – further information will be shared shortly.

Retailers and return points (1)

- **Retailers selling in scope containers will be obligated to host a return point.**
- **An exemption service to operating a return point will be administered by the DMO**, to support retailers in seeking an exemption where it may not be appropriate for them to take containers back.
- Two criteria will be set out in the regulations under either of which a retailer may apply for an exemptions from hosting a return point:
 1. **Breach of safety** (e.g. breach of food safety or health and safety standards)
 2. **Close proximity** to another return point
- The DMO will be obligated to **consider the strategic placement of return points**, to ensure an accessible and comprehensive network of return points is available to consumers.

Retailers and return points (2)

- **Handling fee:** retailers will receive a handling fee from the DMO to provide reimbursement for the costs incurred in hosting a return point. This will be set by the DMO and reviewed on a regular basis.
- **Online takeback:** we recognise the challenges in operationalising a takeback service for online sales and want to continue to work with industry on this, in particular focussing on larger grocery retailers offering a takeback service.
- **Hospitality:** where containers are sold in a closed loop environment (e.g. pubs, hotels, restaurants and cafes) the retailer can opt to not pass on the deposit and avoid hosting a return point, on the basis that they will keep the container on site for collection by the DMO.

Digital DRS

We remain interested in the option of digital DRS technology to allow a greater range of return points including via existing kerbside collections.

- Welsh Government continues to support the evaluation of a digital DRS including a town scale pilot in Welshpool this Spring.
- Development and understanding of the many elements of a digital system continues to progress (consumer acceptance, high speed printing, smartphone tech) but there is not an off the shelf implementation plan.
- There is a direction of travel on unique product identification for medicines, tobacco products and, in China, baby food – this is seeing rapid progress in technology development.
- This technology would also support the management of any policy differences across the UK including variation in deposit levels and material types as well as potentially lower implementation and running costs.
- We will continue the discussion of the application of a Digital DRS in full or part of the initial scheme during the next phases of implementation.

Local authorities, local councils, and waste operators

A small proportion of DRS containers will continue to remain in LA waste streams such as kerbside collections where a consumer decides to forego their deposit.

- Local authorities and where relevant, waste operators, can participate in the DRS by separating out containers and redeeming the deposit on them. This was option 1 set out in the consultation.

Compliance monitoring and enforcement

Ensuring an effective compliance monitoring and enforcement scheme is in place is essential to successful delivery of the scheme

- The regulations will place specific obligations on scheme participants (producers, retailers and the DMO) with corresponding compliance mechanisms.
- The DMO will undertake the initial monitoring and compliance to ensure businesses are complying with the regulations. The DMO will be able to escalate persistent / major breaches to the regulator.
- Responsibility for monitoring and enforcing obligations will be split between the environmental regulators of England, Wales and Northern Ireland, and local authorities through Trading Standards, depending on the nature of the obligation.

Implementation timeline

The regulations will set out a commencement date for the DRS of 1 October 2025.

- This is a stretching target date. We would like to continue to work with industry to assess the feasibility of this date as more detail is developed on the implementation phases of the scheme, including as part of the DMO application process.
- There are three phases to delivering DRS:
 - **Phase 1:** Government activity up to DMO appointment - we are aiming to have the regulations complete by end of 2023. We will then appoint the DMO with the intention of announcing the appointed DMO in Spring 2024.
 - **Phase 2:** DMO Set Up – appointments, contractual partners and decision making.
 - **Phase 3:** DRS rollout – physical implementation of the infrastructure and collection arrangements.

Estimated summary timeline



DRS Questions

Dexter Davis – Deputy Director, Defra

Faye Williams – Head of DRS, Defra

David Gell – Policy Lead, DRS, Defra

Helen Little – Team Leader, DRS, Defra

Shehab Choudhury – Team Leader (Engagement) for DRS, Defra

Charmaine Beer – Department of Agriculture, Environment and Rural Affairs

Howard Davis – Howard Davis – Resource Efficiency and Circular Economy Division,
Welsh Government

Next Meeting

Tuesday 7 February

10am – 11.30am

Agenda will include

- EPR - Binned Waste
- Update on Visioning Sprints