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Scotland's Deposit Return Scheme Information for Stakeholders

Scotland's Deposit Return Scheme

Scotland has announced the design of our national Deposit Return Scheme, a blueprint for a world-class recycling system that makes it easy for everyone to recycle their bottles and cans.

We are the first nation in the UK to commit to a scheme which is proudly ambitious, and it has been tailored to Scotland's unique needs.

It will be among the world's top-performing deposit return schemes for drinks containers.

This means more containers will be recycled and more can be recycled into high-quality items, for example for the food and drinks industry, potentially creating closed-loop recycling here in Scotland.

Deposit return is established in many countries, as an effective way of diverting resources from being thrown pointlessly away, instead capturing them for recycling. This generates carbon savings, tackles climate change and prevents litter.

It is an important step in the fight against climate change. It will save the equivalent of 160,000 tonnes of CO2 each year, which equates to taking 85,500 cars off the road.

Scotland's Deposit Return Scheme has been designed to make it easy for us all to do the right thing.

Deposit return incentivises behaviour change, presents a symbolic challenge to a throwaway culture and is a significant further step on our journey to developing a more circular economy.

It will protect our beautiful country and its environment for generations to come.



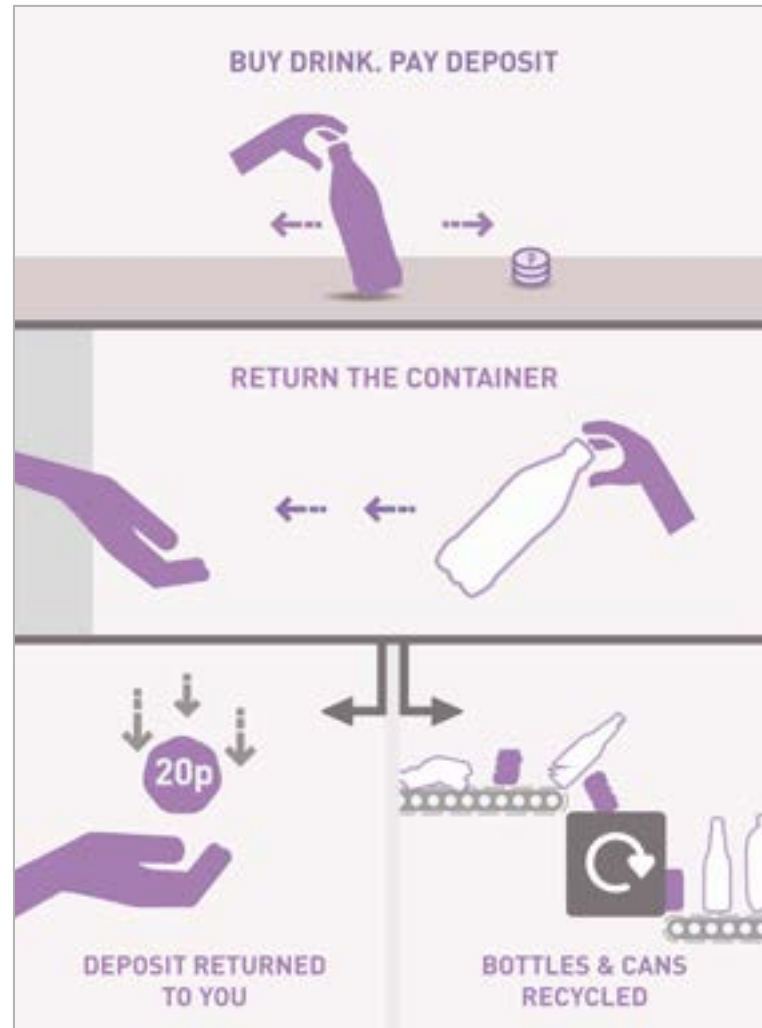
What is deposit return?

Deposit return is operated by 45 countries and territories around the world.

It works by asking the consumer to pay a small deposit on top of the retail price when they buy a drink in a single-use container.

It's a proven method of increasing the quantity and quality of recycling, while reducing litter.

This pack explains how Scotland's scheme will work.



How will it work?

The scheme will be available throughout Scotland.

When consumers go into a shop or hospitality business, such as a café to buy a drink to take away, they will pay a small deposit on top of the retail price.

The deposit will be 20p.

Consumers get their deposit back when they return their empty bottle or can, to a retail, hospitality or community return point.

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.

The following materials are covered by the scheme:

- **PET plastic bottles** (like most fizzy drinks and water bottles)
- **Steel and aluminium cans**
- **Glass bottles**

All types of drinks in these containers, size 50 ml (items such as whisky miniatures) and above, and up to 3 litres (such as an extra-large soft drink bottle) in size are included.

Across Scotland, wherever people can buy a drink in a container made from one of these materials, from the islands to our major cities, they will be able to return it at any return point to reclaim the deposit.

Online retailers will also be included in the scheme, ensuring it's accessible to people that are dependent on online delivery.

As well as retailers and hospitality businesses, schools

and other community hubs will be able to act as return locations.

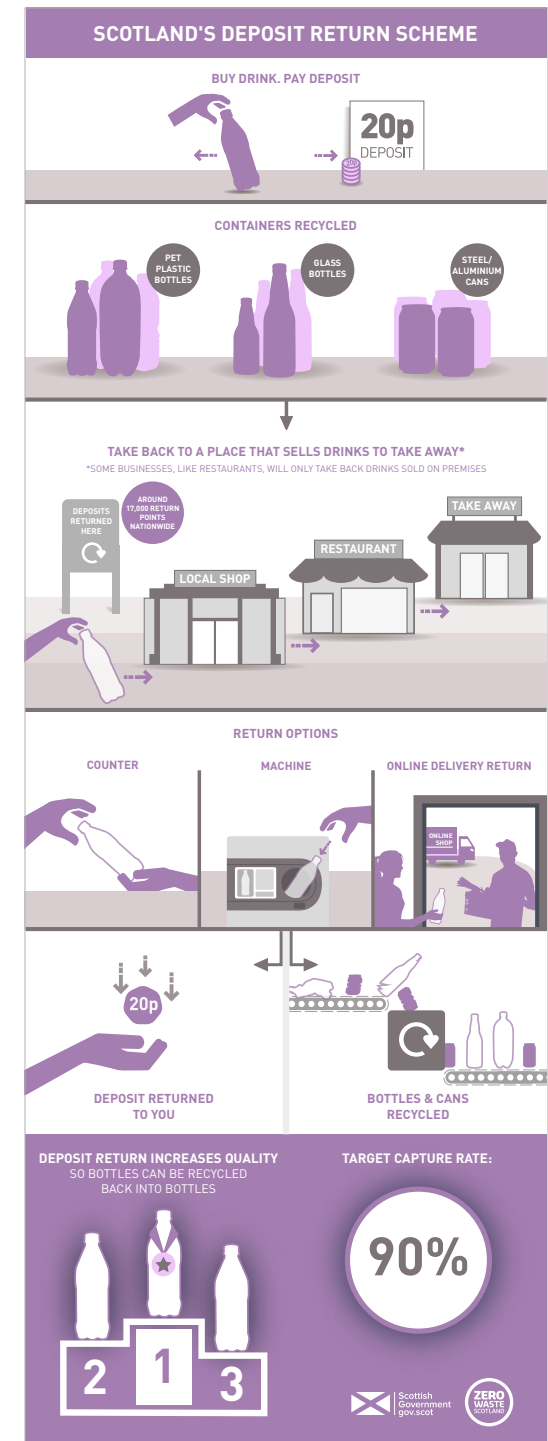
There will be **two ways consumers can return their empty containers – over the counter, or by using a reverse vending machine (RVM)**. An RVM is a machine that scans containers when they are returned and then refunds the customer's deposit. There will be a range of ways to get the deposit back, including over the counter.

Community organisations will also have the opportunity to get involved as collection points. The scheme has been designed to be as accessible as possible to people.

It aims to capture 90% of containers which attract a deposit for recycling.

The scheme will be **managed by those businesses who have a responsibility for delivery of the scheme; the producers of the drinks and retailers**. As a form of extended producer responsibility, it will be funded by producers.

The scheme will be paid for through three sources of funding: **unredeemed deposits, revenue from the sale of materials and a producer fee**.



Scheme investment objectives

There are four strategic objectives which guide the design:

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



What are the benefits?

- **It's ambitious** – Scotland's Deposit Return Scheme is a blueprint for a world-class recycling system. It aims to collect 90% of included cans and bottles for recycling, placing this among the world's top performing schemes.
- **It's Scotland's scheme** – Our scheme has been designed with Scotland's unique needs in mind and will work for you whether you live in Stromness or Stranraer.
- **It's easy** – Getting your money back will be easy, wherever you live. It will be just as easy to return a drink as it is to buy one.
- **It's accessible** – Being able to return a container to wherever you have bought it from will ensure easy access for all groups within the community, for example, individuals who have physical impairments, or those with limited access to transport.
- **It will tackle climate change** – Scotland's Deposit Return Scheme will play a crucial role in the fight against climate change, encouraging more and better recycling. Recycling is one of the most effective actions we can take as individuals to tackle climate change. There is a significant carbon benefit associated with greater recycling and Scotland's Deposit Return Scheme will contribute to the fight against climate change by reducing emissions by the equivalent of 4 million tonnes of CO2 over 25 years. That's an average of around 160,000 tonnes of CO2 each year, the equivalent of taking 85,550 cars off the road in the UK.
- **It's a game-changer for recycling** – more bottles and cans will be recycled and produce a better quality of recycle. We currently recycle just half of all containers. Scotland's deposit return scheme aims to capture an estimated 1.5bn drinks containers each year for recycling, or 90% of all

containers included in the scheme for recycling within four years, potentially almost doubling the amount currently recycled.

It will increase the quality of recycled material collected here and make better use of our existing resources. It will also increase the number of items being recycled into items of the same use or quality – for example, bottles being recycled back into bottles. This is a particular benefit to industry, which has an increasing demand for recycled content of high quality.

- **It will prevent litter** – The scheme will tackle a visible source of litter that blights our town centres, country paths and burns. Scotland's scheme will cut the volume of litter in the country by a third. It will reduce the £46 million of public money spent cleaning up litter every year, and the wider negative impacts of litter, representing at least a further £361 million in costs on our society and economy.
- **It reinforces Scotland's leading position** – Scotland is making a name for itself as a frontrunner in the 'circular economy' – where we make the best use of our resources and minimise waste – and our Deposit Return Scheme will keep us in the front rank of circular nations.
- **It's circular** – Scotland's deposit return scheme will help us tackle a single-use, throwaway culture. It's a proven behaviour change initiative, that incentivises us all to do the right thing. It is a significant milestone towards a circular economy and is one piece of a broader platform of change to transition away from a make-use-dispose society.
- **It's good for the economy** – Scotland's Deposit Return Scheme offers direct economic benefits through reduced litter clean-up costs and a reduction in the substantial

negative impacts of litter, the economic gain from reducing carbon emissions (as estimated by the Department for Energy and Climate Change) and lower waste disposal costs. An increase in job creation, as well as the potential for greater recycling and opening up reprocessing opportunities here in Scotland.

- **It's evidence-based** – the design of Scotland's Deposit Return Scheme is based on extensive research and analysis, evidence-gathering from a range of international schemes and through the public consultation, as well as through a thorough programme of consultation with hundreds of stakeholders.
- **It's industry-funded** – the Scottish Government is placing the responsibility on the producers of these products to deliver a highly beneficial and ambitious recycling initiative for the people of Scotland.

What the scheme means for industry

The scheme will be led by industry, in common with most schemes around the world. Industry has the expertise and experience to make Scotland's scheme a success and a showcase.

The Implementation Advisory Group (IAG) has been set up by the Scottish Government to provide industry expertise and advice on practical issues related to the operation of the scheme and how it interacts with production, retail and hospitality industries.

As well as increasing the amount of recycling, deposit return will reduce contamination of target materials, compared to those collected through kerbside collection, achieving better quality recyclate, an increasingly important requirement of industry.

Industry is increasingly keen on having a good supply of high-quality recycled material for their products, which will be boosted by Scotland's Deposit Return Scheme. In January 2019, Highland Spring launched a 100% recycled PET bottle and Coca-Cola European Partners has committed to 50% recycled content of all bottles by 2025. These demonstrate the increase in demand for recycled PET, which could be accelerated by the UK Government's tax on plastic packaging with less than 30% recycled content.

Not all recycled material can be used for food packaging. A deposit return scheme will help to increase the supply of high-quality recycled material, which can be used for the same purpose.

For more information about the IAG, or how to get in touch with your representative body, visit our content hub [here](#).



The Role of Producers

Deposit return is a type of extended producer responsibility (a system where manufacturers and importers of products bear responsibility for the environmental impacts of their products throughout their life-cycle). The scheme will be funded through three routes: producer contribution, unredeemed deposits and materials revenue. It will likely be delivered through a scheme administrator comprising relevant industry representatives.

Producers will be companies who own any brand of drink, sold in Scotland, in containers included in the Deposit Return Scheme. Financial contribution will be through a producer fee, charged on each container they place on the market.

A scheme administrator would be responsible for deciding on the most efficient and effective measures for minimising fraud and informing the consumer that containers are part of the deposit return scheme. This could include the adoption of specific on-pack labelling and/or a Scottish specific barcode.



Retailers

Consumers will be able to return their empty drinks containers to any retailer or hospitality business that sells drinks in single-use containers to take away.

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 have to return the containers they sell on their own premises.

Online retailers will also be included in the scheme. This will guarantee that the scheme is accessible to people that are dependent on online delivery.

Giving consumers a wide-range of opportunities to return their empty drinks containers will make it easy for people to return their empty containers and ensure a high capture rate, regardless of location, age or situation.

Shops will have to display the deposit separately to the price of the drink on their in-store price points.

Retailers can choose either to install an RVM machine on their premises, or alternatively to accept returns manually, accepting containers by hand and issuing a cash deposit. These would then be stored in bags and then collected by the scheme administrator.

The scheme will be cost-neutral to retailers. Retailers will receive a handling fee for taking part in the scheme. This payment will compensate retailers for the costs associated with taking part in the scheme, for example shop space and staff time required to accept returned drinks containers. Costs are reimbursed to return points on a per container basis via a handling fee paid by the scheme administrator.



Local Authorities

The rate of growth in household recycling rates has been slowing. Since 2014, the rates have only increased by 2.8%. The cost and responsibility for providing and promoting recycling services has largely been borne by local authorities, through kerbside recycling services, collection centres, and communication with their residents to encourage use of these services.

We need to ensure that our evolving approach is supported and funded by all relevant sectors of society, not just the public sector, in order to stimulate growth in household recycling rates to achieve national recycling targets for 2025. Deposit return is a key part of this approach which involves private and public sectors and has multiple benefits for local authorities.

Less material in residual waste, will mean lower disposal costs for councils.

There will be less material to manage and dispose of in kerbside recycling schemes, reducing risk of contamination. Local authorities also stand to make savings from reduced litter clean-up costs for which they are currently responsible for in many of our public areas. There will be further benefit to local areas in terms of reducing the indirect costs associated with litter, such as negative impact on house prices, community well-being and tourism.

The Scottish Government and COSLA's Household Recycling Charter code of practice is due for review, to bring it in line with Scotland's ambitions and policies for increasing the volume and quality of recycling and reducing waste. It will help local authorities to improve their kerbside collections as

a result of changes in extended producer responsibility and deposit return.

In addition to retailers and hospitality businesses, schools and other local authority-run community hubs will be able to act as return locations.



Other Content

Deposit Return Scheme animation



Click [here](#) to download **animation**

Quotes

Roseanna Cunningham, Cabinet Secretary for the Environment, Climate Change and Land Reform, said:

“Scotland was the first part of the UK to commit to a deposit return scheme as part of our wider efforts to prevent discarded drinks containers from ending up in our streets and seas, and is now the first to outline its design - one that is ambitious in scale and scope, and which gives the people of Scotland a clear and straightforward way to do their bit for the environment.

“There is a global climate emergency and people across Scotland have been calling, rightly, for more ambition to tackle it and safeguard our planet for future generations. I am therefore delighted to confirm that I intend to implement a system covering PET – the most common form of plastic packaging – aluminum and steel cans, and glass, with a deposit refund set at 20p.

“Supported by international evidence our plans for Scotland’s Deposit Return Scheme are gathering pace with widespread consensus demonstrating that a well-run, appropriately-targeted scheme could improve the environment, change attitudes to recycling and litter, and support a more circular economy.”



Jill Farrell, Chief Operating Officer, Zero Waste Scotland, said:

“Scotland’s Deposit Return scheme will be a game-changer for recycling and the circular economy in Scotland. It will improve quantity and quality of recycling and incentivise us all to do the right thing – tackling a highly symbolic littered item in the process. I’m proud of Zero Waste Scotland’s role in advising the Scottish Government on this design, which has been made possible thanks to the engagement and input of stakeholders across all sectors.

“Our online content hub on the Zero Waste Scotland website is packed with all the information about Scotland’s Deposit Return Scheme, the relevance for key sectors, and the benefits it offers to Scotland.”



Key facts

Recycling

- We currently recycle just half of all containers. Scotland's Deposit Return Scheme aims to capture 90% of all containers included in the scheme for recycling. That's 1.5bn containers each year.
- This represents an increase from a current recycling rate of approximately 60% (by weight) to at least 90%.

Climate Change

- Scotland's Deposit Return Scheme will contribute to the fight against climate change by reducing emissions by around 4 million tonnes of CO₂eq over 25 years.
- That's an average of around 160,000 tonnes of CO₂eq each year, the equivalent of taking 85,500 cars off the road.

Litter

- Scotland's Deposit Return Scheme is expected to reduce the impacts of litter in Scotland by an estimated £61 million a year.
- £46 million of public money is spent every year removing litter and fly tipping from the Scottish environment.
- The wider impacts of litter cost the Scottish economy and society £361 million per year.

The Scheme

- With over 17,000 return points across Scotland (over 10,000 of which will be hospitality), it will be just as easy to return a drinks container, as it is to buy one.

Further information

For more information, including a comprehensive list of FAQs, please visit:

www.zerowastescotland.org.uk/depositreturn

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We issue a regular stakeholder newsletter.

To sign up, contact:

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