Deposit Return Systems: Where are we headed ?

Clarissa Morawski
June 3, 2021

- Recent DRS Updates
- Defining ¨Best in Class¨ DRS
- The role of PET refillable bottles in DRS
- Supply Forecast from DRS
- Circular PET from DRS

About Reloop

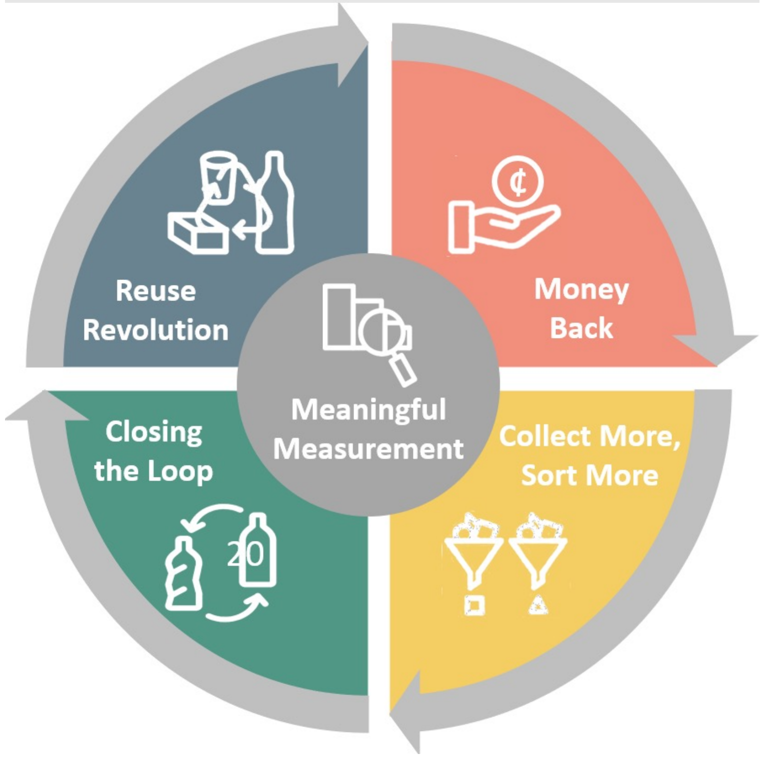
Reloop is an international non-profit organization that brings together stakeholders under a common vision of a system where resources remain resources

We believe **a** thriving circular economy is built on policy that

- supports the waste hierarchy;
- encourages existing best practices and fosters innovation;
- applies economic instruments when necessary;
- and strives for continuous improvement.

Reloop works to accelerate the transition to a circular economy by using research and multi-stakeholder education to drive supportive public policy.

To achieve lasting change, we focus on five interrelated areas that form the basis of a circular economy.



DRS Updates

RELEASED
April 29, 2021

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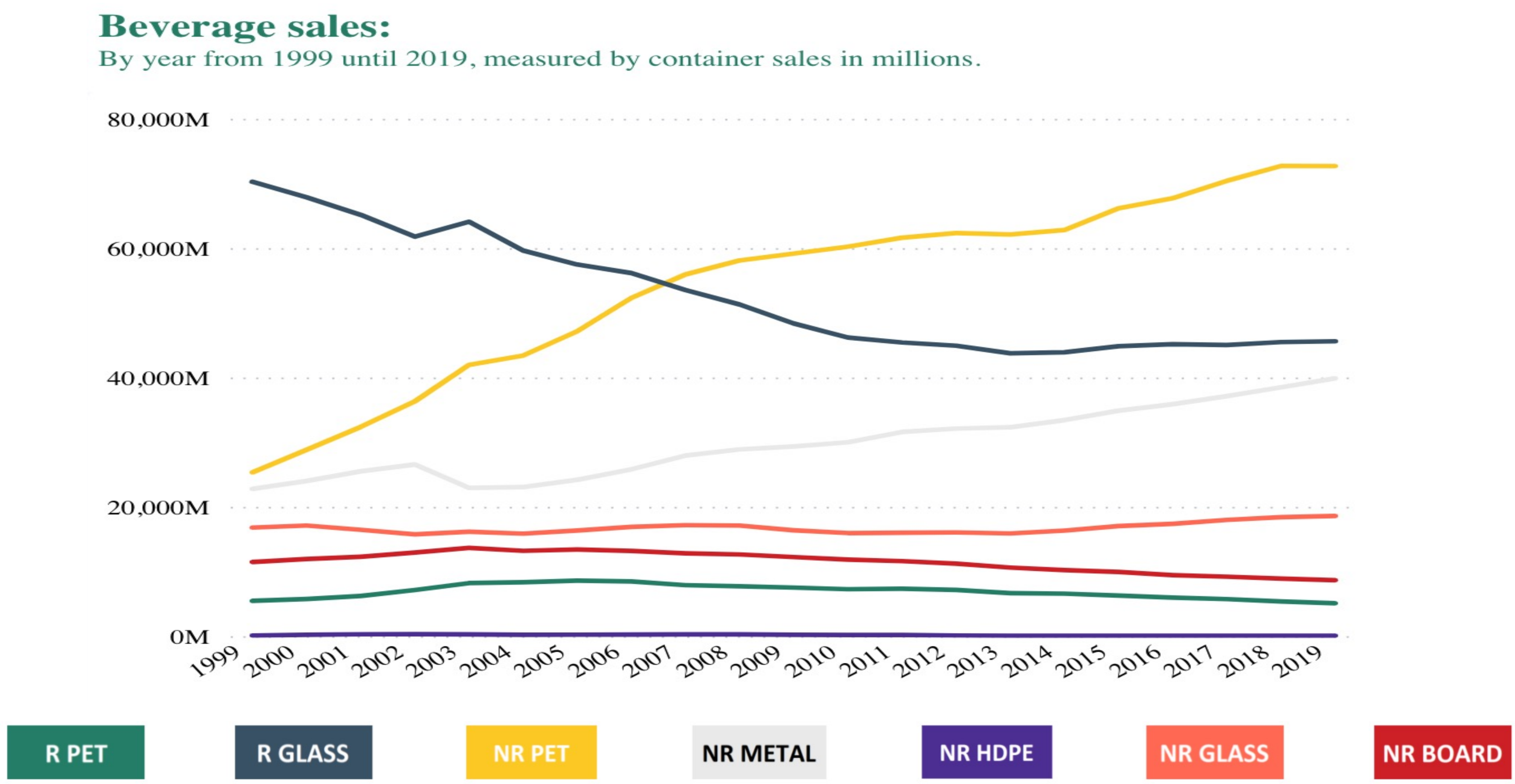
www.reloopplatform.org

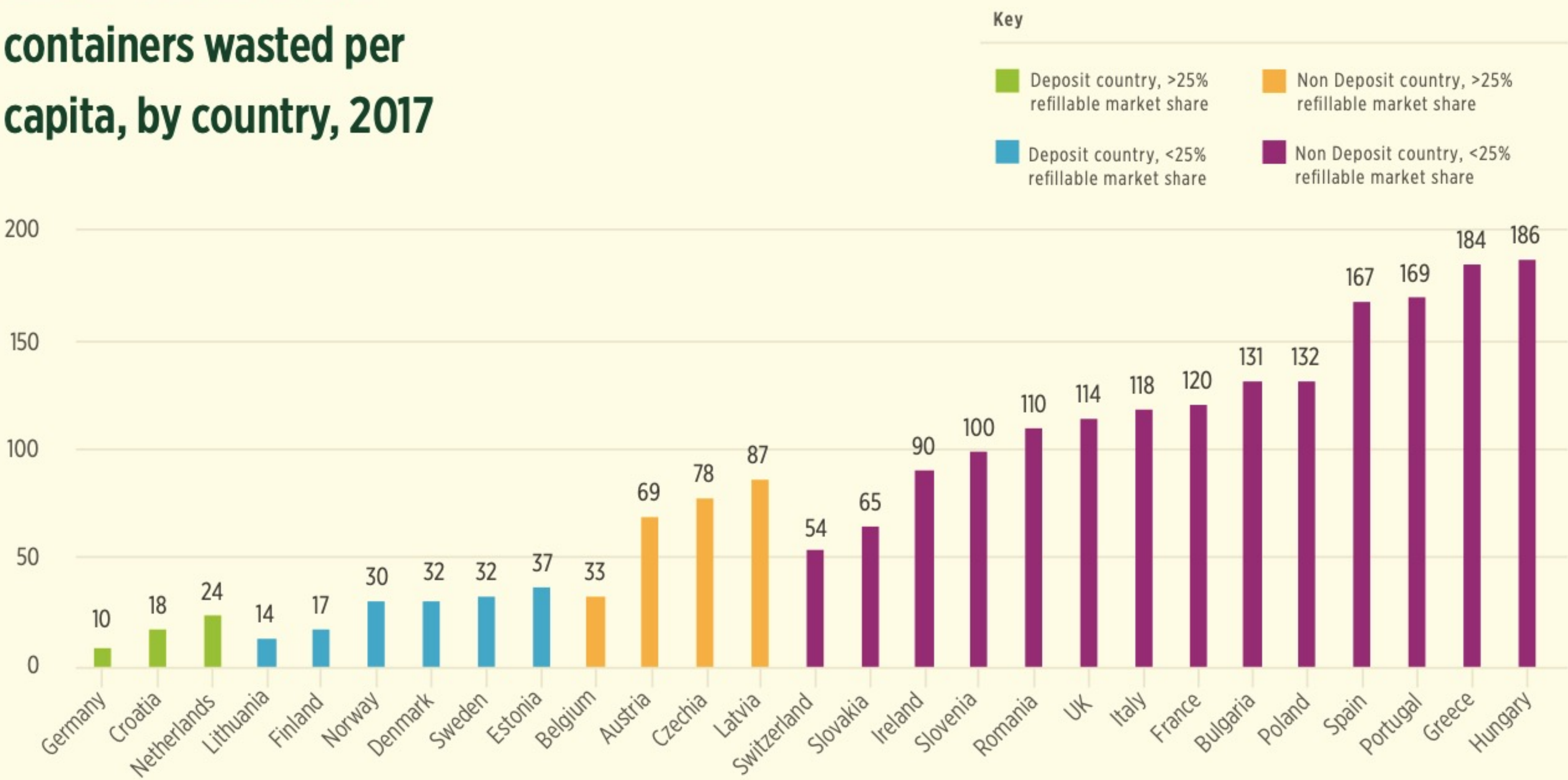
what we waste

Tracking 20 years of growth in international drinks container wastage, and how refillables and deposit return systems can reverse this trend



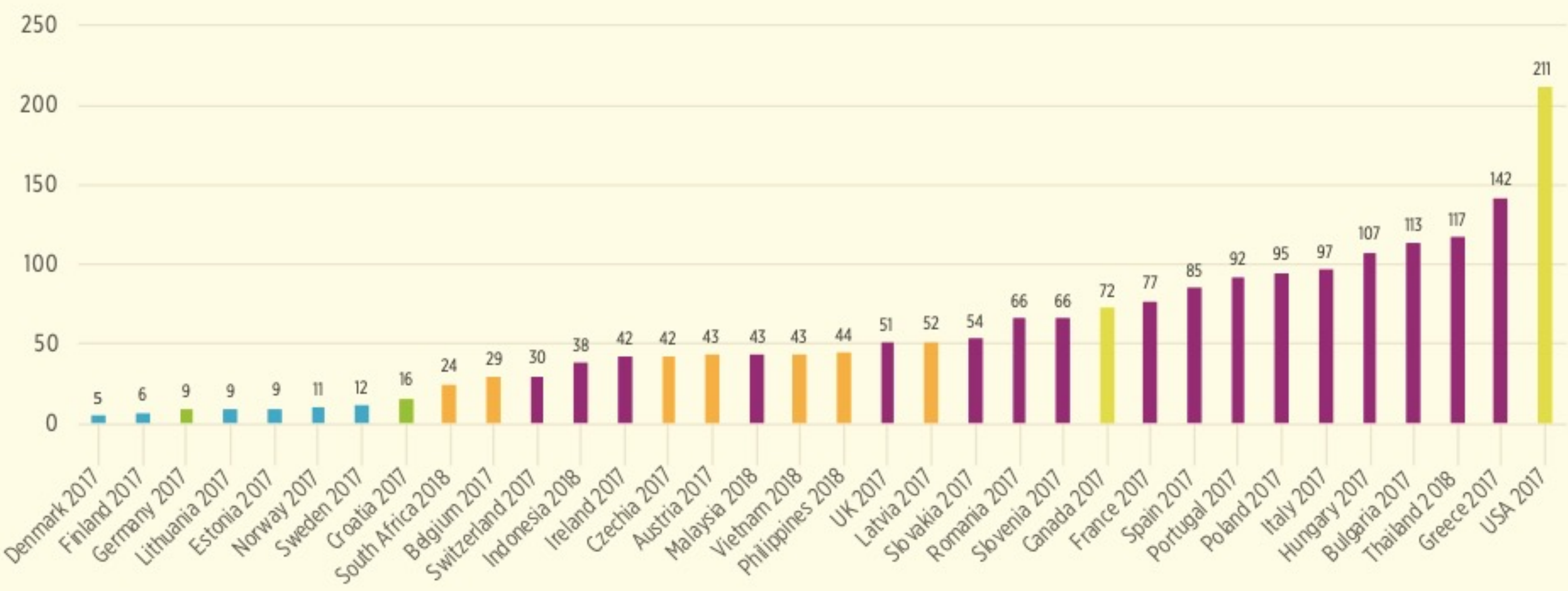
Beverage sales:
By year from 1999 until 2019, measured by container sales in millions.
80,000M
60,000M
40,000M
20,000M
0M
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
R PET
R GLASS
NR PET
NR METAL
NR HDPE
NR GLASS
NR BOARD

Single-use beverage containers wasted per capita, by country, 2017



Produced by Reloop using data and insights from GlobalData PLC.

Single-use PET beverage containers wasted per capita, by country, 2017/18



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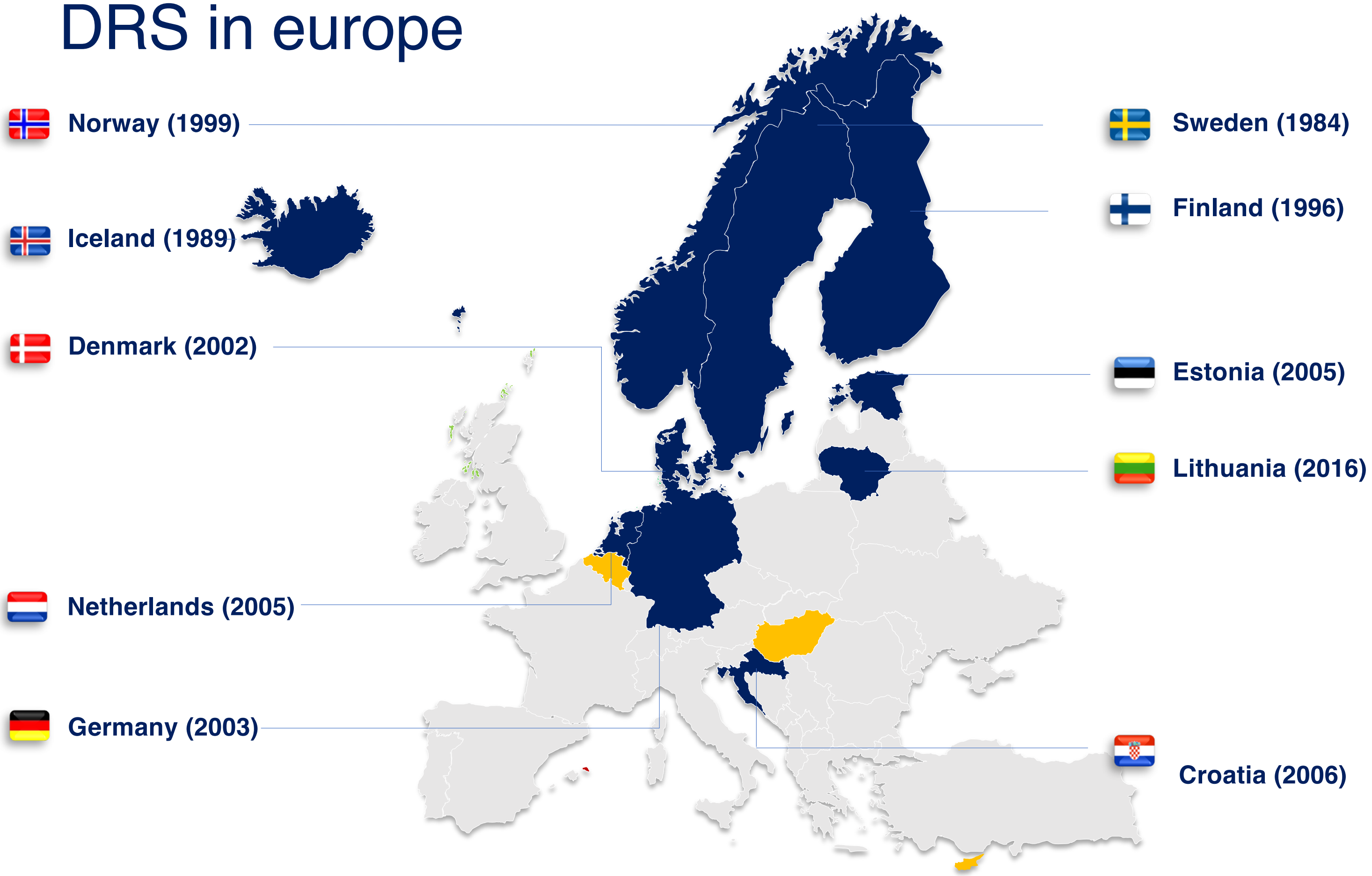
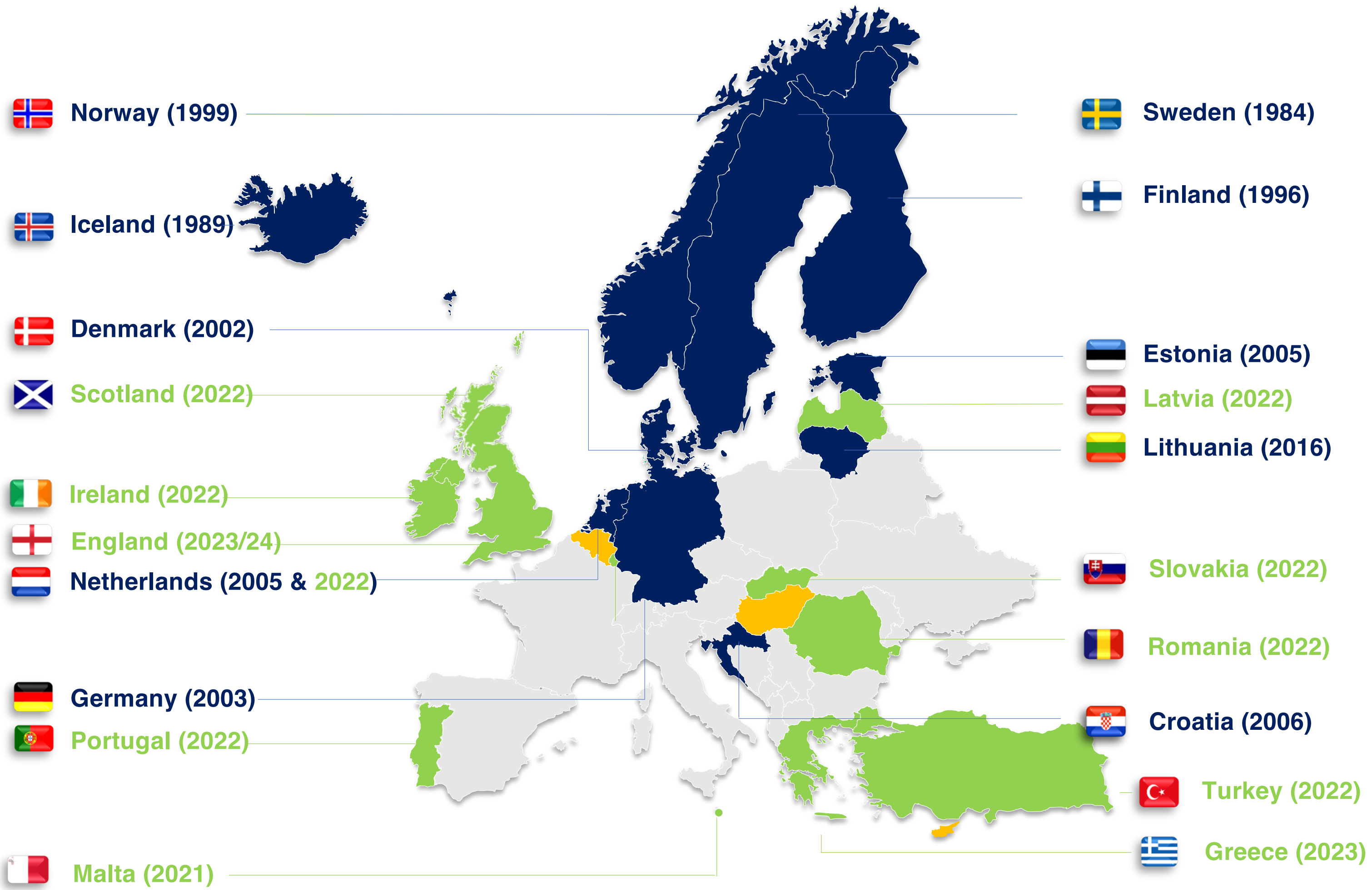
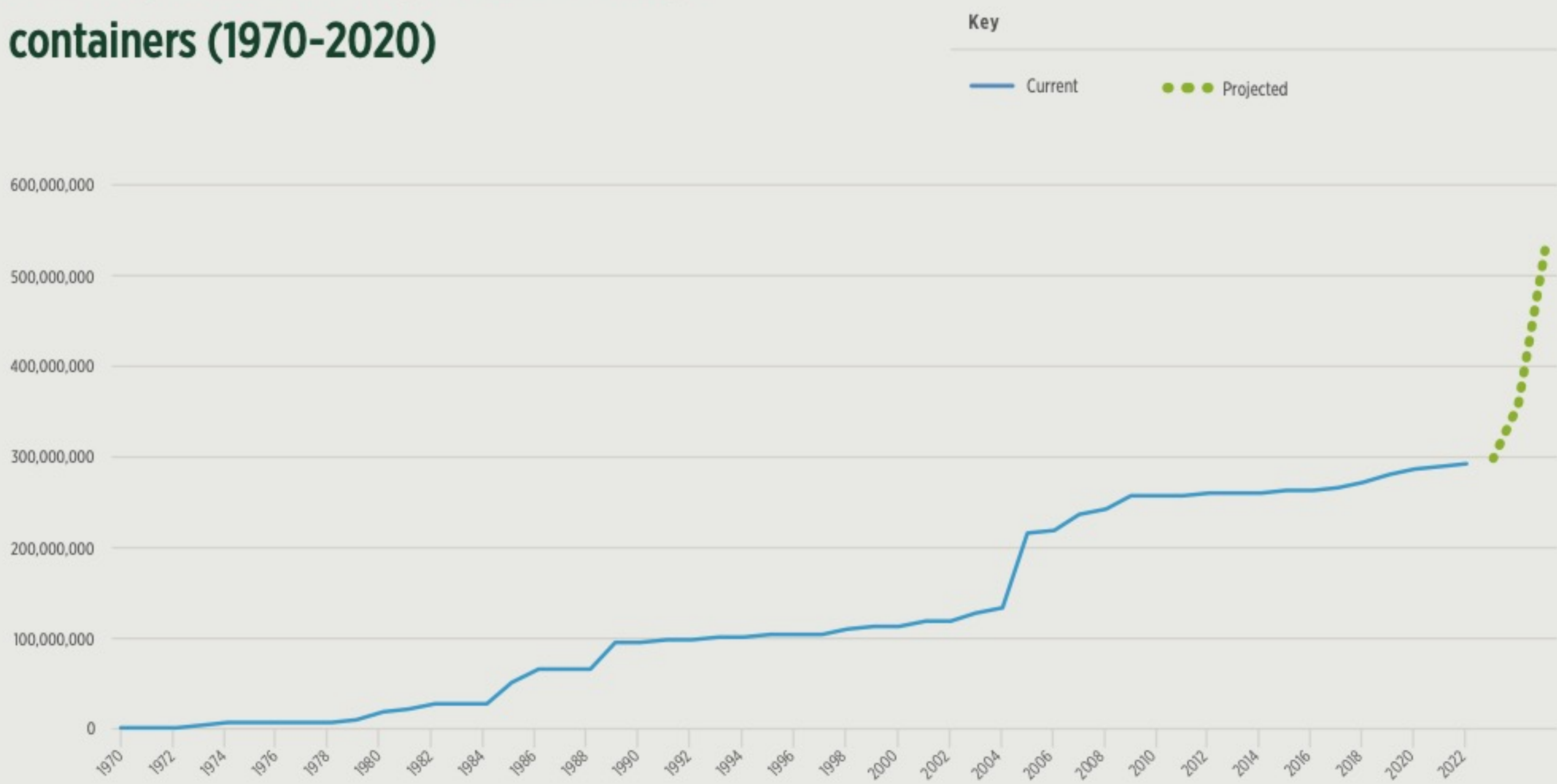
DRS in europe



COMING DRS IN EUROPE



Global population with access to deposit return systems for single-use beverage containers (1970-2020)



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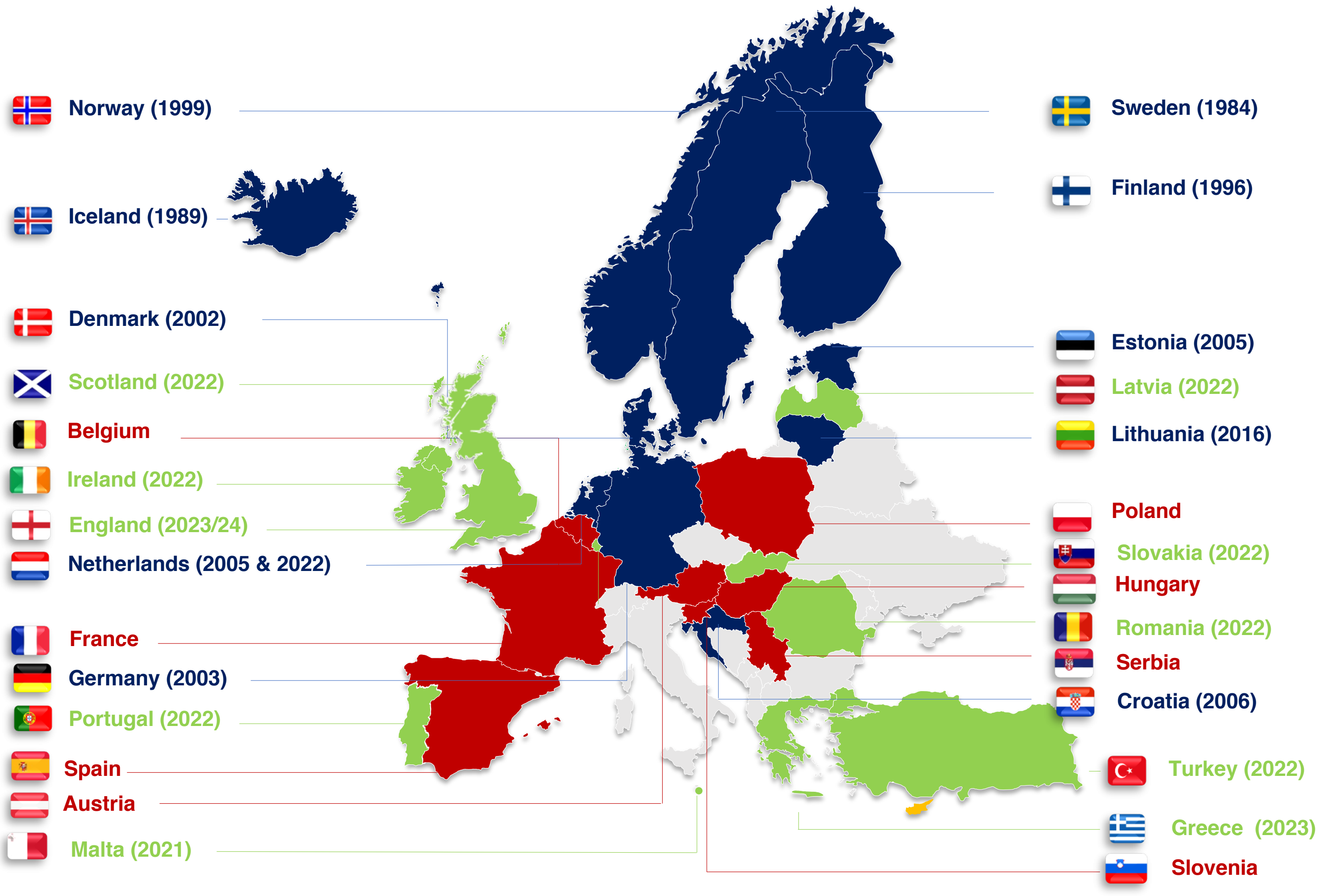
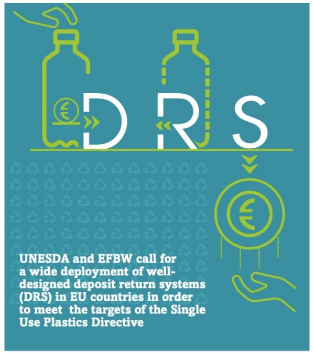
FUTURE DRS ?


Norway (1999)
Iceland (1989)
Denmark (2002)
Scotland (2022)
Belgium
Ireland (2022)
England (2023/24)
Netherlands (2005 & 2022)
France
Germany (2003)
Portugal (2022)
Spain
Austria
Malta (2021)
Sweden (1984)
Finland (1996)
Estonia (2005)
Latvia (2022)
Lithuania (2016)
Poland
Slovakia (2022)
Hungary
Romania (2022)
Serbia
Croatia (2006)
Turkey (2022)
Greece (2023)
Slovenia

Defining ¨Best in Class¨ DRS

The Aluminum Association

BEST IN CLASS



EFBW

Unesda

Nestlé Waters

NORTH AMERICA

Can Manufacturers Institute

CANS: INFINITELY RECYCLABLE

Unesda

Soft Drinks Europe

Natural Mineral Waters Europe

Natural Mineral & Spring Waters

Coca-Cola European Partners (CCEP) and Coca-Cola Great Britain (CCGB): '11 Key Principles' for a well-designed Deposit Return Scheme

THIS IS FORWARD

1. Easy for public to recycle and no penalty for doing the right thing (i.e. good provision of return points and deposit not subject to VAT)
2. Good financial management and fraud control
3. A common approach covering the whole of GB
4. Run by one not-for-profit management company
5. Retailers, machine suppliers and hauliers are paid for the services they provide
6. Scheme costs are covered by the sale of collected materials, deposits which aren't redeemed by the public and a fee on producers and retailers
7. The management company designs and runs the scheme to achieve targets agreed with Government, including responsibility for determining the number and type of collection points, administration and fraud control.
8. The management company is run by the producers and retailers who have an obligation to fund the scheme
9. Scheme is flexible enough to work in different retail outlets, specific exemption criteria for small stores and those with sensitive hygiene or security requirements
10. Underpinned by legislation so all parties engage in the same scheme
11. Sits alongside other policy initiatives such as changes to the current producer responsibility schemes and other proposed taxes

For more information please contact:
Coca-Cola European Partners GB Press Office
01895 844 828 | ccep@3monkeyszeno.com

The Coca-Cola Company | Coca-Cola European Partners

Best-in-Class **Principles**

#1

EFFECTIVENESS

1.1 90%+ collection target

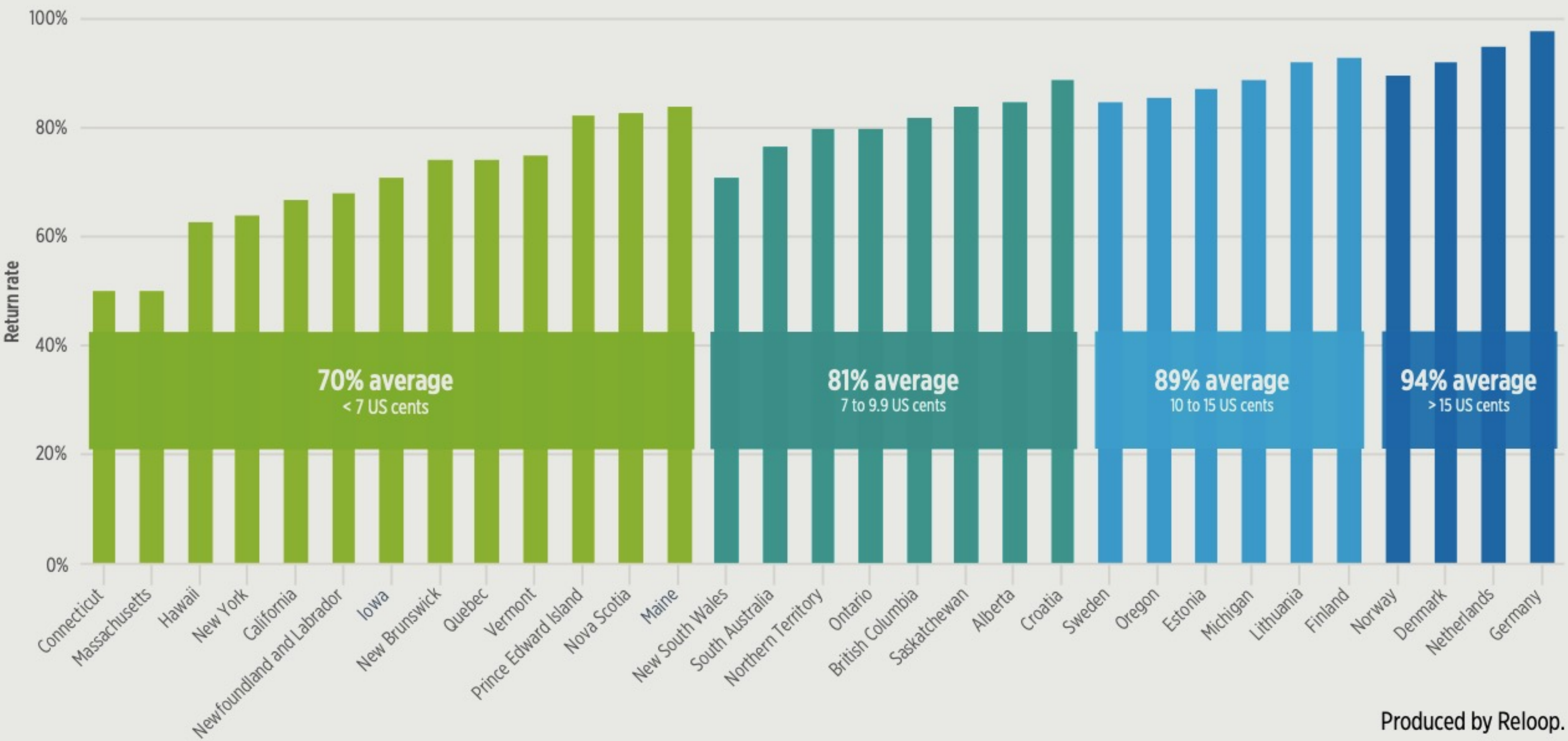
1.2 Effective deposit

1.3 Minimum recycled content

1.4 Convenience & improved experience – return to retail

1.5 Comprehensive, technology-driven approach

Latest return rates in deposit jurisdictions, by minimum deposit level



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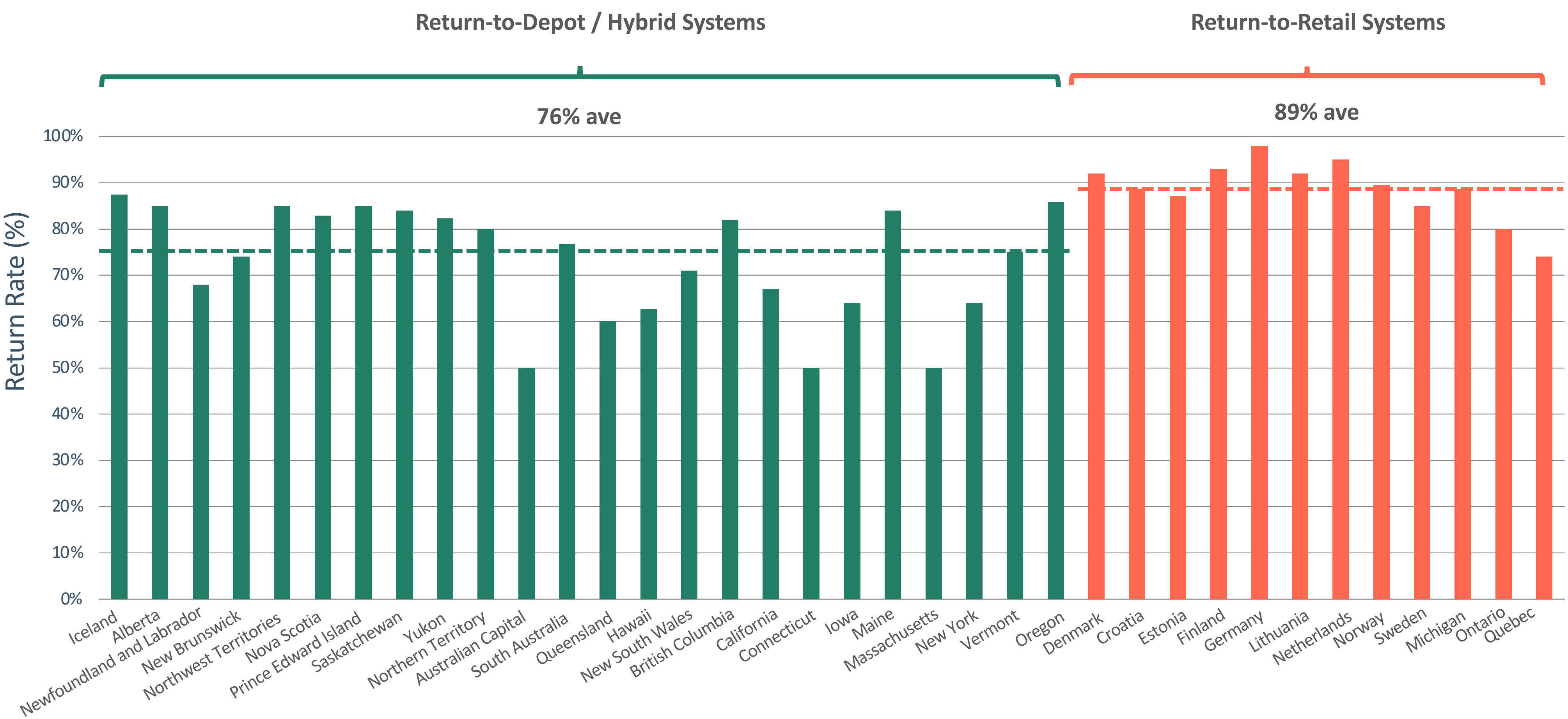
EFFECTIVENESS

DRS & Maximized Convenience



Best-in-Class **Principles**

#2

MANAGEMENT, OVERSIGHT & GOVERNANCE

2.1 Management through a Single organization

2.2 Government plays an oversight and enforcement role

2.3 Producer reporting on units sold and recycled

2.4 Barcode verification for fraud mitigation

#3

FINANCING

3.1 Producer funded

3.2 Fair pay for service providers

3.3 Unredeemed deposits remain in the system

The role of PET refillable bottles

Sales in Millions of units

	Northern Europe	Western Europe	Southern Europe
Refillable Glass	9,033	36,681	5,135
Refillable PET	114	4,998	6

Reusable packaging policy trends

Growing political ambition at EU and Member State level

Economy Action Plan includes a number of hooks for reuse/refill

EC is influenced by NGOs on packaging reuse, e.g. calls for targets

Ongoing EC work on reuse measures for packaging, including:

- Mandatory reuse targets for primary, secondary and tertiary packaging
- Including grocery, horeca and transit packaging

A fast-moving topic for emerging Member State regulation

- Driven by EU direction , NGO pressure and local political and consumer interest

Country regulation examples

France

- 2019 “anti-waste law” commits to 20% packaging waste reduction, of which 50% (10% percentage points) by reuse, which includes specific targets for packaging waste in the food and non-food grocery sectors and in the transport sector
- Mandatory reusable plates and cups (at least) in restaurants by 2023

Germany

- Packaging Law 2018 commits to 70% reuse target for all beverage containers by 2022
- Under 2021 amendment, all restaurants must offer reusable takeaway containers by 2023
  - Restaurants cannot charge more for reusable packaging, but can place a deposit on them
  - Restaurants must accept return of reusable packaging

Romania

- Under 2018 government ordinance on packaging and waste management, goods packaged in glass, plastic or metal (volumes 0.1 to 3 litres), 5% have to be in reusable packaging (annual average) of their total packaging placed on the market.
- Percentage set to increase annually by 5% until 2025.

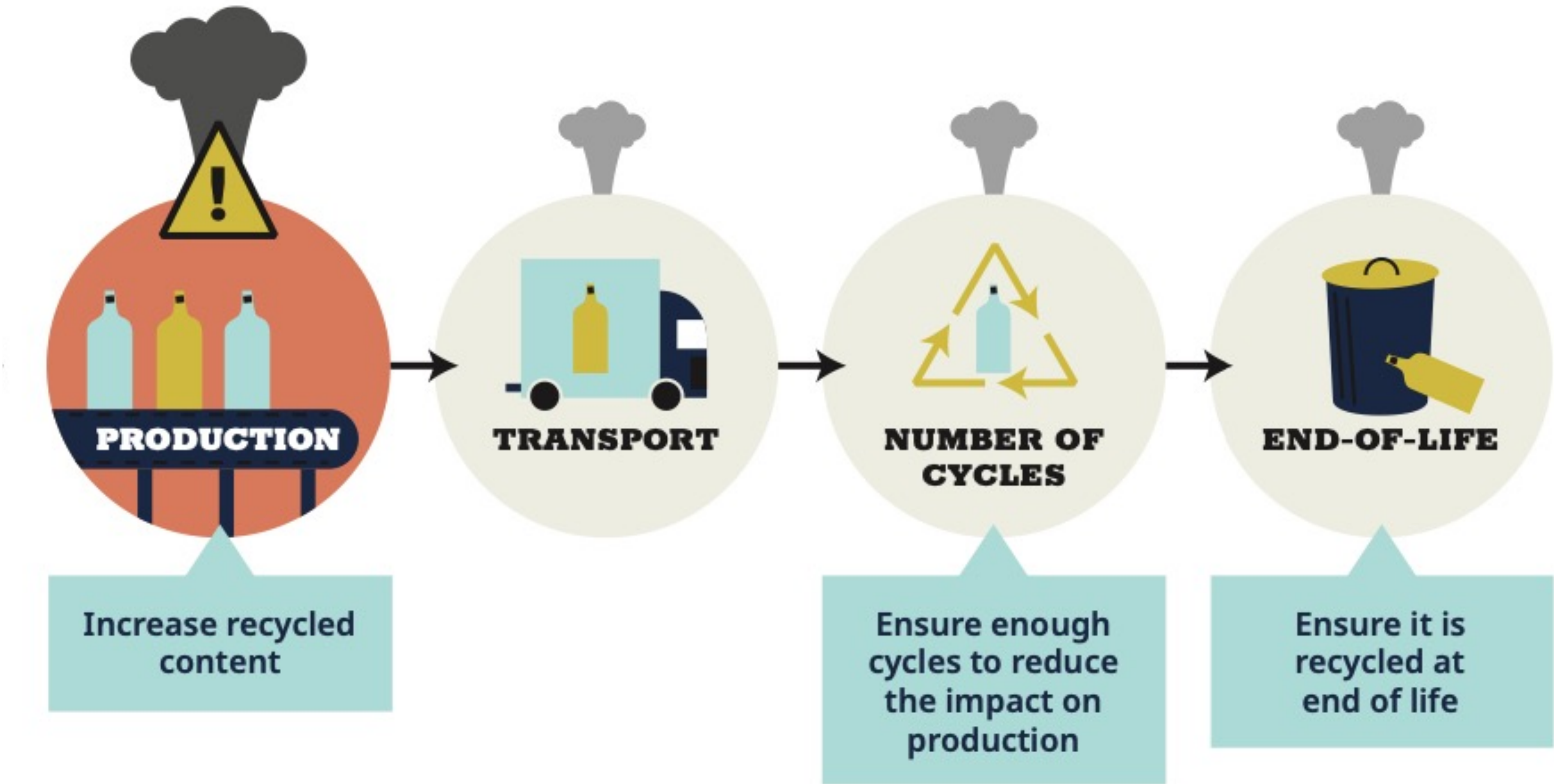
Portugal

- Planning mandatory reusable beverage containers for restaurants (eat-in)

UK

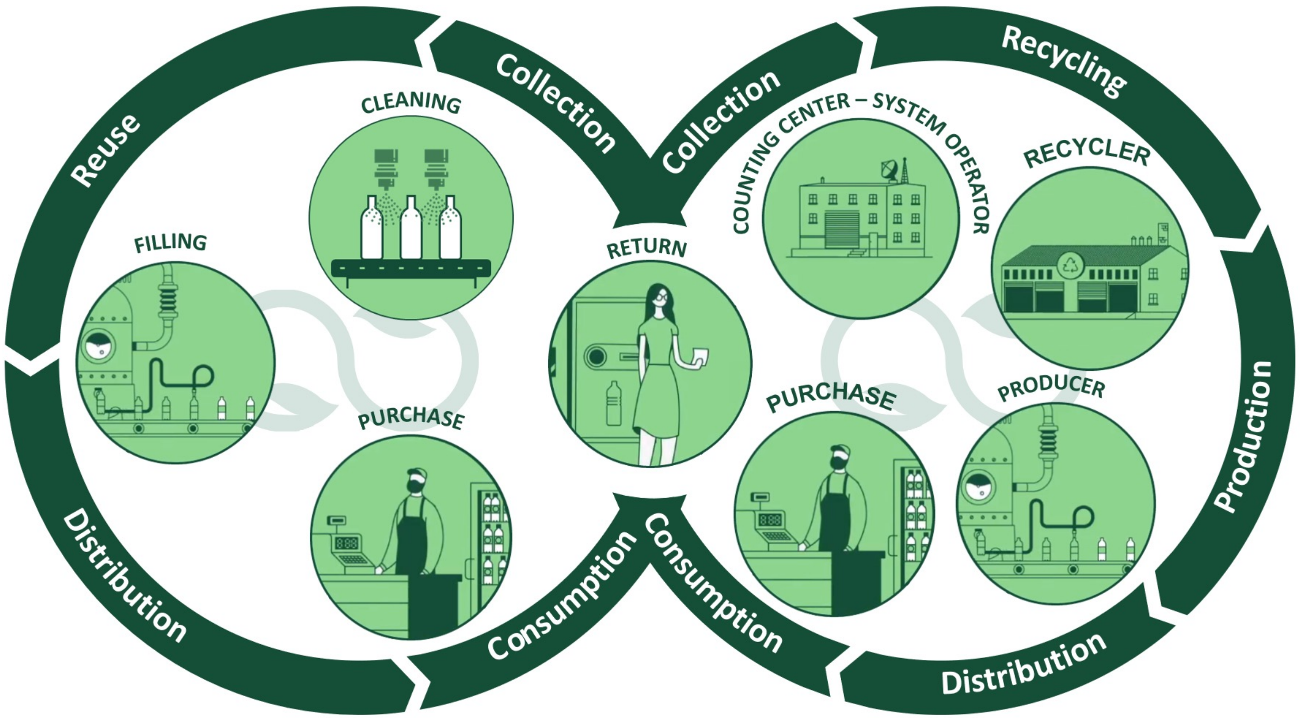
- March 2021: packaging EPR consultation proposals for mandatory reuse requirements (details in 2023), with the introduction of obligations from 2025, plus publication of Wales ‘Beyond Recycling’ strategy

Refillable PET from an life cycle perpective



Collection infrastructure

In modern deposit systems, collection infrastructure is the same for one way and refillable containers.



PET AVAILABLITY IN EUROPE
2017-2029

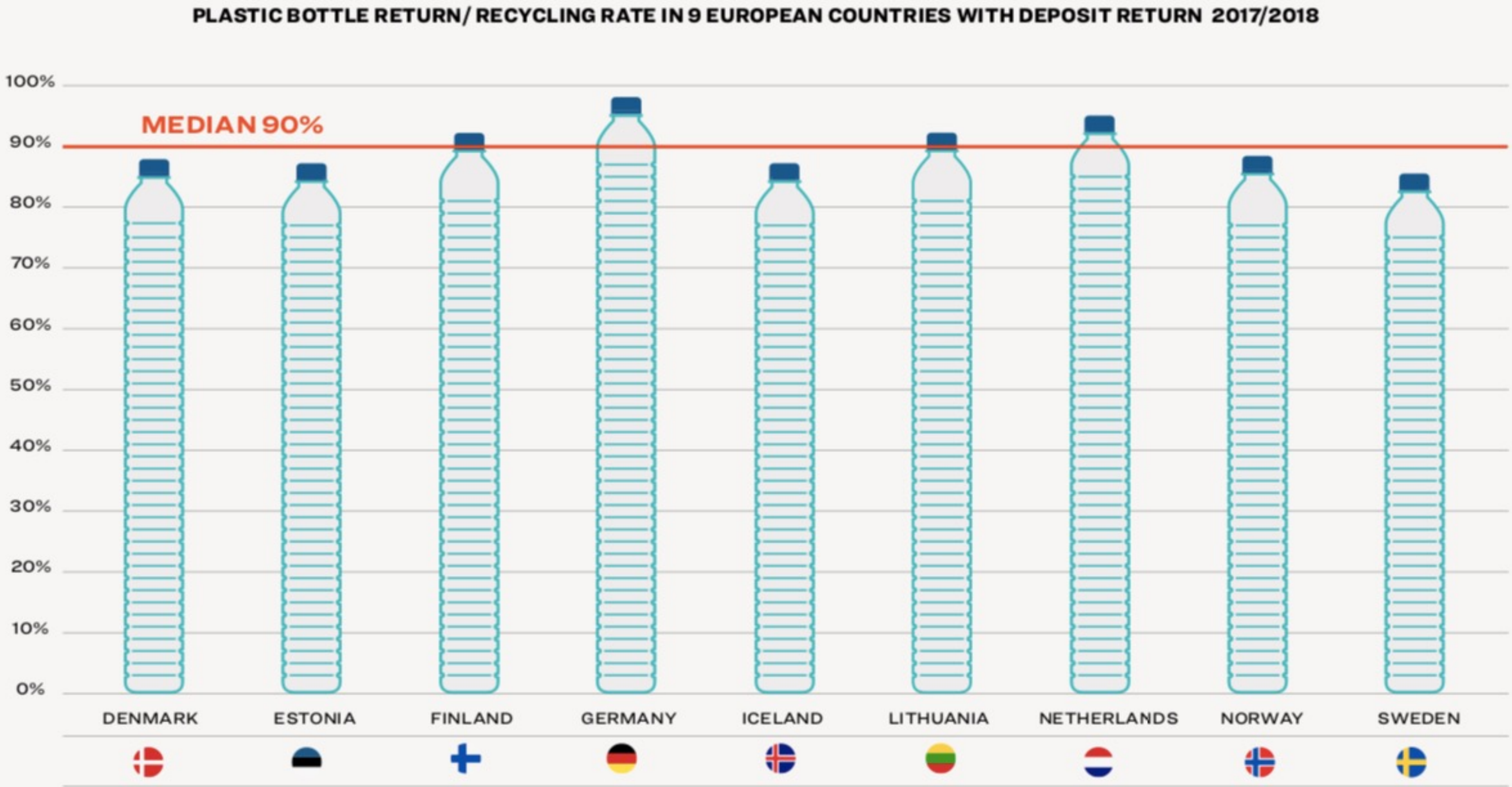


Figure 1: Average return rates of plastic bottles in countries with deposit return systems in place.

Source: Reloop (2019).[9]

Determining how much PET is available in Europe in thousand tonnes

This data comes from the *ICIS and Petcore Europe Annual Survey on the European PET Recycle Industry*

Country	2017
Germany	530.0
Italy	520.0
France	419.0
United Kingdom	397.0
Spain	364.6
Poland	210.0
Romania	127.5
Netherlands	102.4
Czech republic	65.2
Bulgaria	65.0
Belgium	63.5
Greece	59.3
Hungary	49.4
Switzerland	49.2
Austria	42.2
Portugal	43.1
Slovak Republic	34.0
Ireland	25.0
Sweden	24.1
Norway	22.5
Denmark	19.2
Croatia	17.4
Slovenia	16.0
Lithuania	15.1
Finland	13.7
Luxembourg	6.0
Estonia	4.2
Latvia	3.7
Total	**3308.3**

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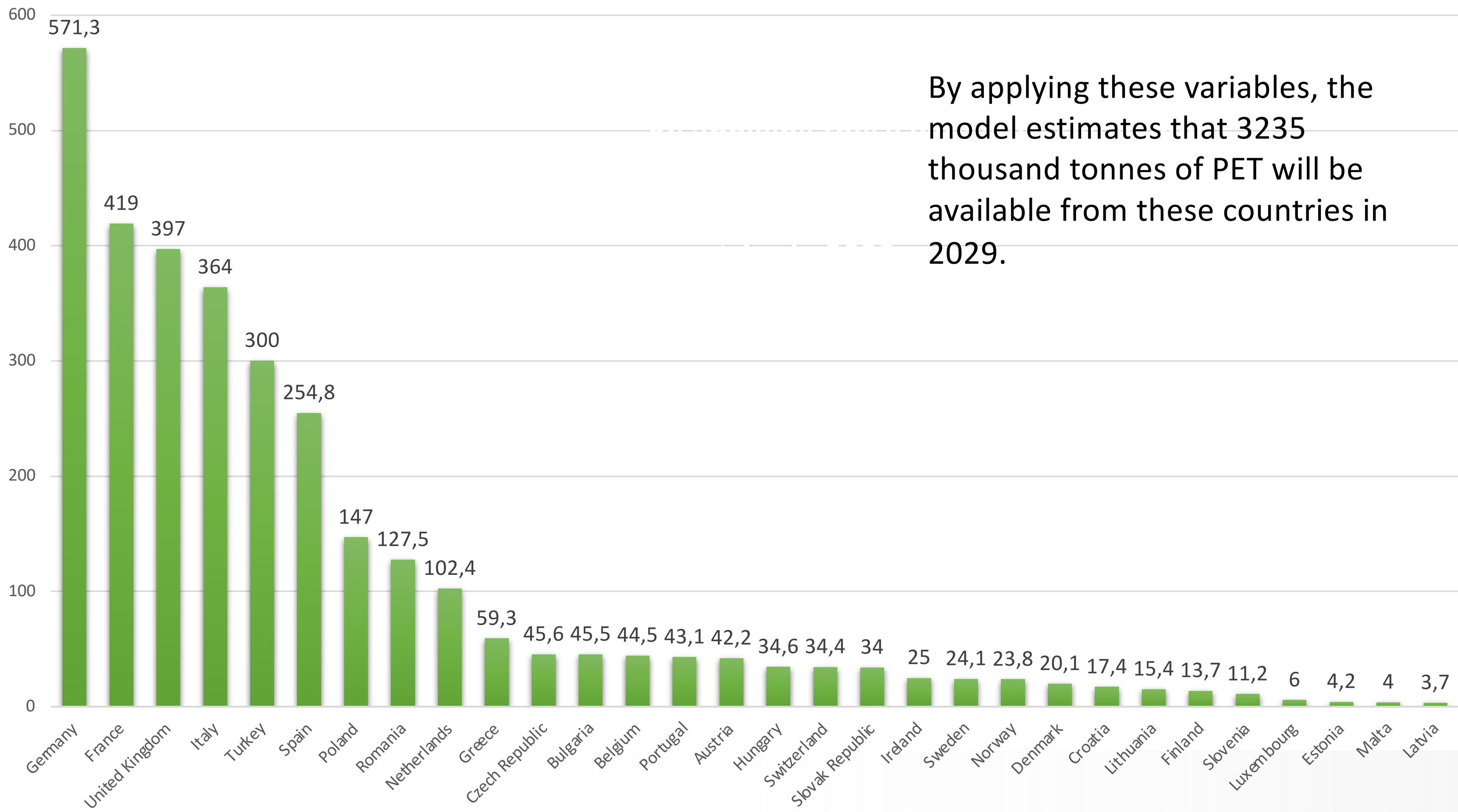
Determining how much PET may be available in Europe in 2022 – 2025 - 2029

An increase in the number countries with DRS Programs will add to the tonnes of available PET

European Countries with **active DRS program**s	Have currently **signed into law** initiating DRS programs by 2022	Have **either signed laws or announced intention** to begin a DRS program in 2023	2029
• Croatia • Denmark • Estonia • Finland • Germany • Lithuania • The Netherlands • Norway • Sweden	• Romania • Portugal • Latvia • Malta • Slovakia	• Austria • Turkey • The United Kingdom • Greece • Republic of Ireland	• **France** has not announced adoption of DRS, but has signalled intention to do so by 2025

Determining how much PET may be available from European DRS programs in 2029 (in thousand tonnes)



By applying these variables, the model estimates that 3235 thousand tonnes of PET will be available from these countries in 2029.

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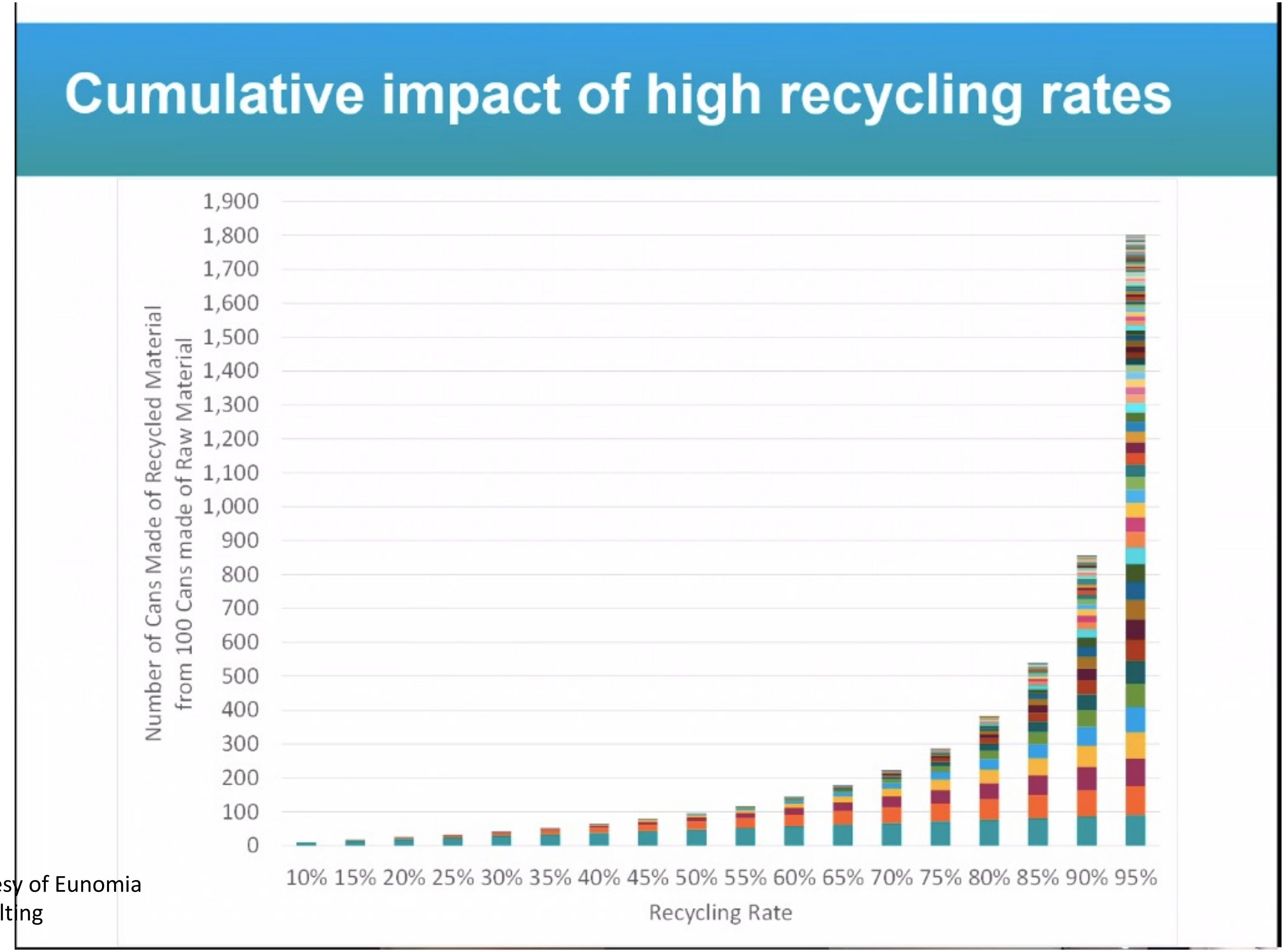
Determining how much PET may be available from European DRS programs in 2022 – 2025 – 2029

	Total million tonnes 2017	Total million tonnes 2019	Total million tonnes 2022	Total million tonnes 2025	Total million tonnes 2029
Available PET	1,65	1,67	1,8	2,78	3,23

Circular PET



This slide is courtesy of Eunomia Research & Consulting

GLOBAL DEPOSIT BOOK 2020

www.reloopplatform.org/wp-content/uploads/2020/12/2020-Global-Deposit-Book-WEB-version-1DEC2020.pdf

Thank you!