

# Scotland's Deposit Return Scheme



February 2023

## Introduction

This month, the Scottish Government has confirmed that it will be introducing a Deposit Return Scheme (DRS) to Scotland, as planned on 16<sup>th</sup> August 2023, counteracting recent calls to delay the scheme again. The Scottish DRS will require consumers to pay a 20p deposit on single-use drink containers made of plastic, metal or glass. Consumers can get their 20p back by returning the empty packaging to any shop participating in the scheme and the can or bottle is recycled.

DRS has proven to be extremely successful at raising recycling rates, reducing litter and saving carbon emissions in over 50 locations globally. According to Zero Waste Scotland research, over 70% of Scottish public supported the introduction of a DRS.

## Why is DRS important?

Once DRS is introduced, there will be 34,000 fewer plastic bottles littered every day in Scotland, £62 million a year saved by tackling the indirect impacts of litter and a reduction of 4 million tonnes of carbon emissions over 25 years<sup>1</sup>. Household recycling rates in Scotland have been stuck at around 43% for a decade but DRS is expected to increase recycling for bottles and cans covered in the scheme to 90%, as seen in other countries.

Scotland's DRS is ambitious, which should lead to greater benefits. Some have criticised the inclusion of glass, suggesting alternative recycling options are already well established. Glass is carbon-intensive to make and is one of the most commonly littered materials in Scotland. By improving glass recycling rates, through DRS, it is expected that the dangers of littered glass to humans, pets and wildlife will be reduced. Increasing the amount and quality of collected glass is also good news for Scotland's glass recycling facilities in Alloa and Irvine, which employ 800 people.

Many countries include glass in their deposit return schemes, including Denmark, Finland, Iceland and Germany. Wales will be including glass when they introduce DRS.

## EPR is a just and fair principle

DRS is an example of an Extended Producer Responsibility (EPR) scheme – where the producers of goods and services are required to pay for the clean-up of their products. This encourages waste reduction and recycling as producers seek ways to reduce their costs. It's part of creating a circular economy in Scotland, where we value materials, rather than throw them away after a single use.

Extended Producer Responsibility schemes are a fairer and more just system for managing the costs of waste and pollution – the costs are taken from the profits of producers, rather than the public purse. EPRs are vital to fund the changes needed to create a circular economy. There are thousands of established and successful examples of EPRs all around the world. In the UK, producers of electrical and electronic items have been required to pay for the costs of disposal for many years.

## DRS has been delayed but is now on track to deliver

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<sup>1</sup> ZWS (2022) <https://depositreturnscheme.zerowastescotland.org.uk>

Scotland's plans for a DRS have been delayed twice already. An independent review found that the pandemic contributed to this delay. However, in December 2021, the Scottish Government revised its approach and have been making steady progress, engaging with industry at every step of the scheme development. Friends of the Earth Scotland are part of a group of environmental NGOs who have been advising the Scottish Government to ensure the environmental benefits of DRS are maximised.

The Scottish scheme is modelled on existing schemes which are already running successfully. Circularity Scotland is the industry-led scheme administrator for DRS in Scotland. As a privately-owned and operated scheme, drinks producers have direct control and accountability for the running of the scheme. The scheme is funded by producers with additional funds from unredeemed deposits and the sale of recyclable material collected.

### **DRS must not be delayed further**

There have been some calls to further delay the roll out of the DRS scheme. With the start date so close, to push back against the building momentum would be counterproductive for producers and retailers planning for an August introduction. There is still time to engage with stakeholders and resolve remaining concerns. In February 2023, Circularity Scotland has announced a £22 million fund to support small businesses with the costs of participating in the scheme.

### **Why are some businesses concerned?**

Small businesses have raised concerns that requirements for them to offer online takeback of bottles will create a disproportionately large financial burden for them. In December 2022, the DRS Regulations were amended so that only largest supermarkets will be obliged to provide online take back services.

Concerns about access have also been addressed. The scheme has been designed to be inclusive to people in all communities, by ensuring it is as easy to return a scheme drinks container as it is to buy one.

Businesses have had five years to prepare for DRS in Scotland. The Scottish Government has engaged with businesses of all sizes and addressed many of their concerns through the development of the scheme.

### **Should Scotland wait for the rest of the UK?**

In January 2023, the UK Government announced that England and Wales would be introducing their own schemes. Like the Scottish system, the Welsh one will include glass as well as plastic and metal containers. Whilst the introduction of deposit return schemes across other parts of the UK is welcome, there is no need to delay Scotland's DRS. Many of the larger operators will already be familiar with operating deposit return schemes in neighbouring countries across Europe.

In February 2023, the UK Government confirmed that VAT will be included on unredeemed deposits, giving certainty on an issue which will affect the way the Scottish scheme operates.

### **What will happen next?**

Friends of the Earth Scotland supports the introduction of the Scottish Deposit Return Scheme, as planned and on time. Any delays beyond August 2023 are unnecessary, will lead to serious environmental impacts and be detrimental to the Scottish Government's reputation to deliver its environmental agenda. We will continue to work with the Scottish Government and others to ensure the environmental benefits of the scheme are achieved.