

Re-turn

Ireland's New
**Deposit
Return
Scheme**

Transition Webinar
11 May 2023



Purpose of the Transition Period

- To ensure smooth transition arrangements for the “go live” of Deposit Return on 1 February 2024, around stock management challenges.
- To manage the rundown of ‘old’ stock and introduction of new Re-turn logo stock
- Minimise cost challenges for all stakeholders
- Support stakeholders in complying with their new legal Deposit Return obligations.
- Minimise fraud and financial risk to Re-turn
- Ensure the support of consumers to participate fully in Deposit Return



Re-turn Board Transition Period Decision

Following an extensive consultation process and input from various stakeholders, the Re-turn Board were guided by the following factors in making their decision:

- The financial risk
- Stock management challenges
- Potential communications challenge at go live
- International best practice in other schemes.



Guiding Principles

- **Equity for all Producers and Retailers**
- **Mitigation of Fraud Risk to the Scheme**
- **Producer Supply Chain Challenges (stock clearance & wastage & long SKU's etc).**
- **Clear Consumer understanding and messaging**
- **Successful launch of Scheme.**



Financial Risk/Barcodes

- From a risk management perspective, Producers are required to change their existing barcodes to new barcodes specifically for products sold in the Republic of Ireland only. These barcodes will not incur any additional surcharges.
- However, if Producers opt to retain an international barcode with a Re-turn logo, it be subject to an additional surcharge.
- The clear financial risk during the transition period, comes from from the use of existing international barcodes, which may result in payments to consumers on stock, on which no deposit has been paid.



Financial Risk/Barcodes

- Retailers who operate an RVM will not be exposed to any financial risk from international barcodes on containers returned through an RVM. Any containers accepted by an RVM are valid and payment of a handling fee will be forthcoming.
- In the case of international barcode containers presented for manual return, retailers must ensure that the Re-turn logo is displayed on the container, in order to redeem the deposit.
- This financial risk and the potential for cross border fraud has been assessed and factored into Re-turn's business model, hence the international surcharge will be applied for the use of international barcodes. This helps mitigate the financial risk to the Scheme.
- This financial risk will be monitored on an ongoing basis by Re-turn as will cashflow and timely payments by Producers for the use of international barcodes.



Stock Management

- Depending on business model, producers and retailers have stock management challenges to overcome around the introduction of Deposit Return.
- Producers should aim to ensure that the time between now and the end of the Transition Period is used to minimise or eliminate the necessity for the write-down of non-deposit stock.
- Business as usual will be impacted, and existing supply chain systems and processes will have to be reviewed and amended to comply with Deposit Return.
- Producers and Retailers will need to plan and work together to ensure a smooth transition. The success of the transition period will depend on this collaborative / partnership approach.



Stock Management - Preparation

Some key points to consider:

- **Barcode decisions to be made; replacement of existing barcodes with new barcodes (ROI Specific) or the retention of international barcodes.**
- **All Re-turn products/barcodes to be registered with Re-turn from 1 Aug to 31 Oct 2023.**
- **Commence the planning process as early as possible and manage the production of stock in Q4 2023 and in the lead up to “go live” to ensure appropriate stock levels to prepare for Deposit Return “go live” and to minimise the risk of stock write off.**
- **With 8 and a half months out from 'go live', Producers & Retailers have time to reach out to counterparts in other jurisdictions to see how they managed similar challenges in a cost effective and environmentally friendly manner.**



Stock Management Preparation cont'd

- Retailers should plan for run down of non-deposit stock and aim to have new Re-turn logo stock available for sale to consumers from 1 February 2024.
- Consider the use of controlled stock distribution channels if necessary, in the lead up to 'go live'.
- Ensure a deposit is not charged on old non-deposit stock during the transition period.
- Itemise the deposit as a separate line item on any invoice, credit note, dispatch and delivery docket and at point of sale (SEL and till receipt).



Transition International Best Practice

- Re-turn consulted widely on transition with deposit schemes across Europe from mature schemes such as Norway to recently launched schemes such as Slovakia, Latvia and Malta (2022).
- Advanced planning and close cooperation between the key stakeholders ensured minimum wastage and write off of stock.
- Re-labelling was an option which was used in some cases.
- A short transition period was advised.
- Strong communications to support consumers during transition.



Communications Challenges

The 1 February 2024 go live date was originally agreed as the optimum date both from a stock management point of view after the busy Christmas period, and natural run down of stocks.

Having a Transition Period for both Producers & Retailers is an additional support measure to:

- Minimise disruption for both Producers & Retailers.
- Facilitate the flushing through of non-deposit stock during this period.
- Prevent any waste being incurred in introduction of Deposit Return Scheme.



Communications Challenges

As Re-turn launches to the general public on 1 February 2024, there are a number of communications challenges:

- Transition period has the potential to undermine consumer perception of the start date of Deposit Return and subsequent roll-out.
- Potential to create confusion among Consumers – both non-deposit & re-turn logo stock on shelves.
- Potential impediment/delay to driving behavioural change.
- Potential to undermine the achievement of the 2025 recycling target of 77%.
- Potential consumer confusion for Deposit Returns at Retail outlets



Communications Challenges.

In addition to the national campaign to raise awareness and educate consumers on the go live date of the Scheme, an additional layer of messaging will be required on the transition period to:

- Create an understanding of why a transition period is required – facilitation of stock etc.
- Create awareness of phased approach to prevent waste.
- Ensure a full understanding of how transition will operate and when it ends.
- Support Retailers at POS to ensure smooth, consistent transition, with minimum complaints.
- Potential impediment/ delay to driving behavioural change.



Re-turn Transition Period – key dates

- **1 January 2024** – Producers may **SUPPLY** retailers with Re-turn logo stock in preparation for go live on 1 February 2024
- **1 February 2024** - Go live of Deposit Return Scheme, Re-turn, to Consumers
- **From 1 February 2024** - Retailers may **SELL** Re-turn logo stock to consumers
- All Producers can continue to **SELL / PLACE ON THE MARKET** non deposit stock (stock that does not feature the Re-turn Logo) **until 15 March 2024** to allow for this stock to run down and as part of the transition period arrangement
- **From 16 March 2024** - Producers **CANNOT SELL** any non-deposit stock to Retailers. Similarly, Retailers must only purchase new Re-turn logo stock from Producers
- Any non-deposit stock ordered **pre – 15 March 2024**, can go through Retail system and on Retail shelves for sale to Consumers until the end of the transition period, which is **31 May 2024**
- **From 1 June 2024** - **ALL stock on Retail shelves must ONLY be Re-turn logo stock.**

Re-turn Transition Period Timeline



Producers prepare for transition period with run down of non-deposit stock and supply of Re-turn logo stock to Retailers, in preparation for 1 Feb go live

1 January
2024

1 February
2024

16 March
2024

April
2024

31 May
2024

1 June
2024

Re-turn Deposit Return Scheme go-live in Retail environment and to Consumers.
Retailers purchase new Re-turn logo stock in addition to non-deposit stock.
Transition period of 6 weeks for Producers to SELL non-deposit logo stock until 15 March 2024

From 16 March, all Producers cease to SELL non-deposit stock to Retailers.

Re-turn Logo stock and non deposit stock on shelves / for sale over 4-month period in total

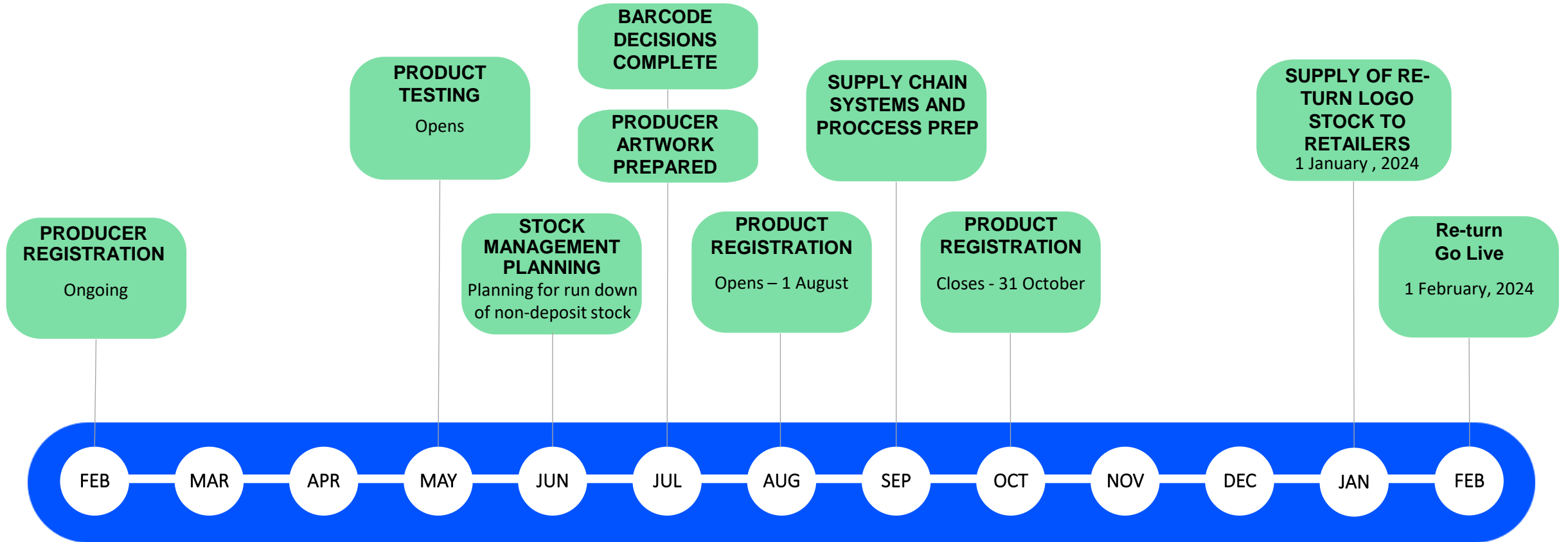
From 16 March, 2024, all Retailers must only order / purchase Re-turn logo products

Non deposit stock filtered through the system and only Re-turn logo stock on Retailer Shelves.

ONLY Re-turn logo stock on Retailer shelves / For sale nationwide

Producer Road Map

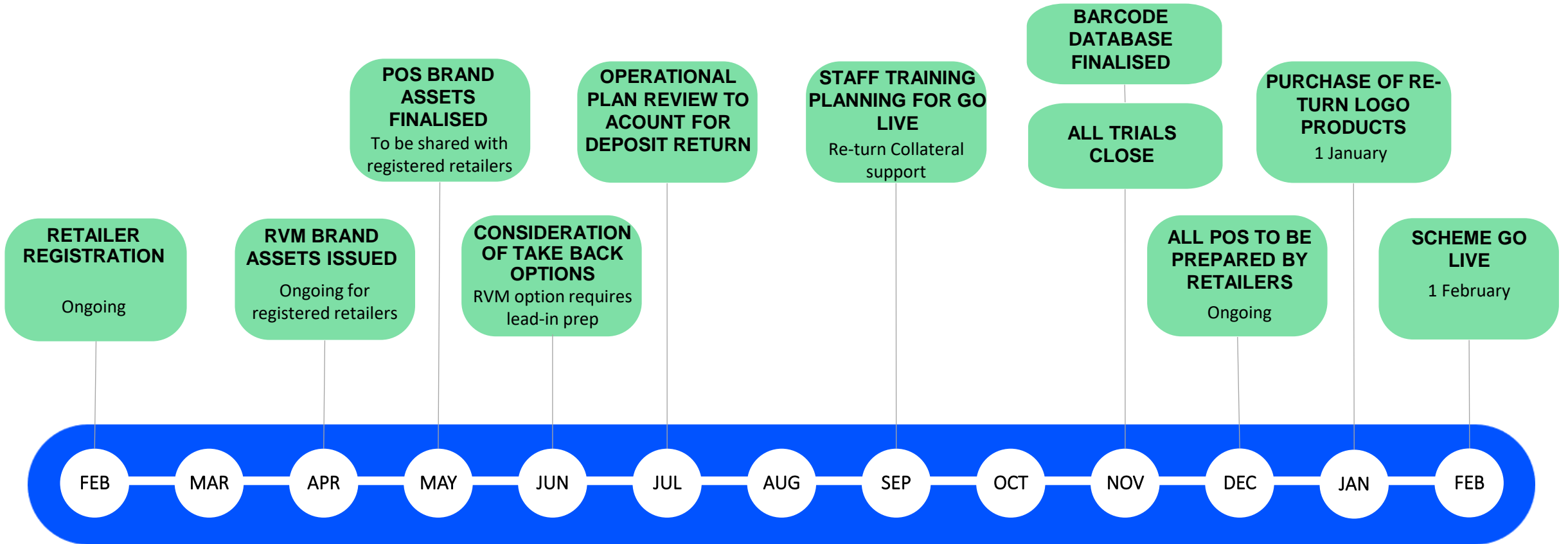
Key timelines



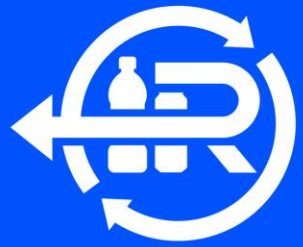
Collaboration / partnership between Producers and Retailers is essential to ensure a smooth transition.

Retailer Road Map

Key timelines



Collaboration / partnership between Producers and Retailers is essential to ensure a smooth transition.



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Thank you!

