

Re-turn

Ireland's New Deposit Return Scheme

Transition Workshop
4 July 2023



Statement of Competition Compliance

All meetings of Deposit Return Scheme Ireland CLG t/a Re-turn are conducted in accordance with relevant competition laws. This meeting shall not enter into any discussion, activity or conduct that may infringe, on its part or on the part of its Members, any applicable competition law.

You are therefore reminded that you will refrain from discussing any information which is confidential to your company and/or which, if disclosed, might reasonably be expected to influence the commercial strategy and/or competitive position of any other party receiving that information. You are in the best position to judge what is, and what is not, commercially sensitive, or confidential and so responsibility lies with you in the first place.

However, by way of example, Members shall not discuss, communicate, or exchange any commercially sensitive information, including, but not limited to, non-public information relating to prices, marketing and advertising strategy, costs and revenues, trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programmes or distribution strategy. This applies not only to discussion in formal meeting but also to informal discussions before, during and after meetings.

Members are reminded not to discuss topics outside the previously circulated and reviewed agenda.

Agenda

	Topic	Time
1	Introduction & Welcome, housekeeping to incl. Competition Compliance Policy	11:00 – 11:10
2	Objective of Workshop	11:10 – 11:15
3	Re-cap on Transition Webinar of 11 May 2023	11:15 – 11:45
4	1 st Breakout Session	11:45 – 12:30
5	Feedback and Discussion of Solutions	12:30 – 13:00
6	2 nd Breakout Session	13:00 – 13:45
7	Feedback And Discussion	13:45 – 14:20
8	Wrap Up & Next Steps	14:20 – 14:30



Objective of the Transition Workshop

The objective of the workshop is fourfold:

- to build on previous work/discussions (i.e., initial Transition Workshop 05 Dec 2022 and Transition Webinar of 11 May 2023) on the topic of transition.
- to understand the key challenges for all stockholders (producers, wholesalers, retailers etc.) associated with the transition period (from 01 February to 31 May 2024).
- to identify appropriate solutions to those challenges to ensure a successful transition.
- to align the effort/approach of all stakeholders in the coming months, in implementing agreed solutions to minimise the potential negative impact of transition.



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.



Questions for Breakout Sessions

- What are the main stock management challenges for producers, retailers in the weeks leading up to “go live” and what are the solutions to those challenges?
- What are the practical steps a producer & retailer (including wholesalers) has to take to prepare for transition. List the steps and the timelines?
- How can producers, wholesalers and retailers work together in preparation for and through-out the transition period?
- How best should old non-DRS stock and new-DRS stock be managed during the transition period? Including on retailer shelves and at the till?
- How do retailers and producers plan to manage the transition to DRS SKUs when international barcode is not changing?
- How do we ensure that from 1 June 24 only DRS compliant stock is for sale at retailer level?



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 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 no later than 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 7 months (29 weeks) 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 01 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 & Wholesalers 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 Wholesalers & Retailers. Similarly, Retailer & Wholesalers 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 & Wholesalers 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 & Wholesalers 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

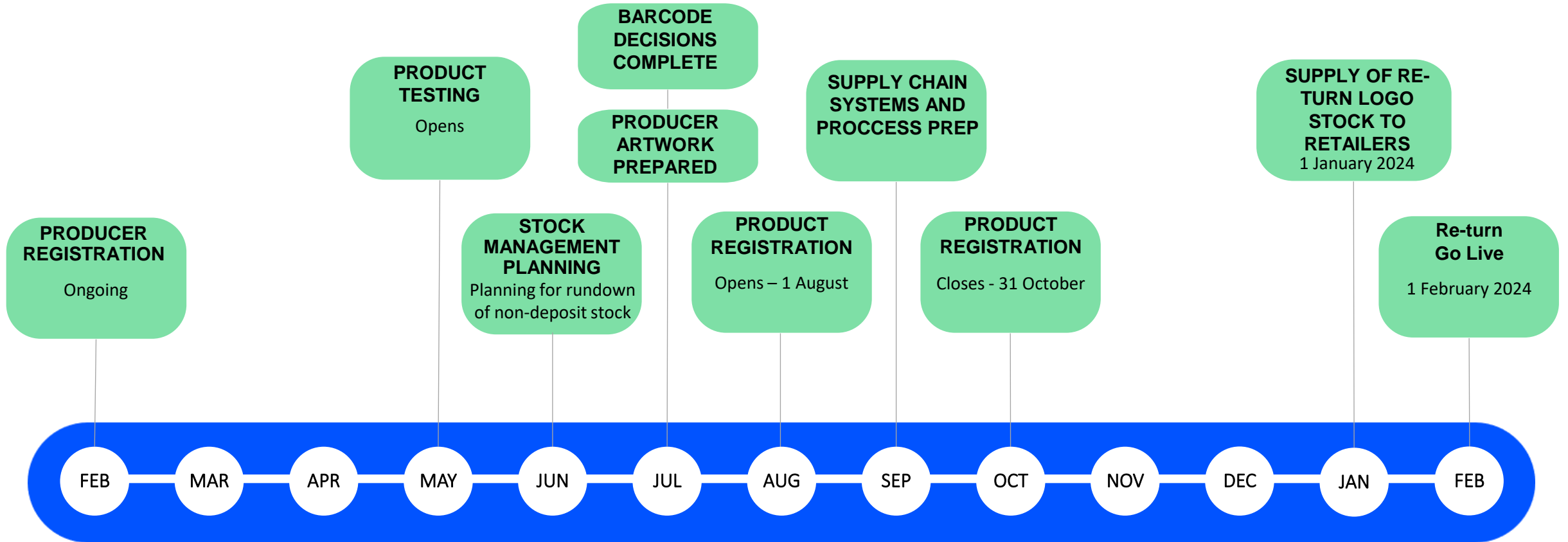
Non deposit stock filtered through the system and only Re-turn logo stock on Retailer Shelves.

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

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

Producer Road Map

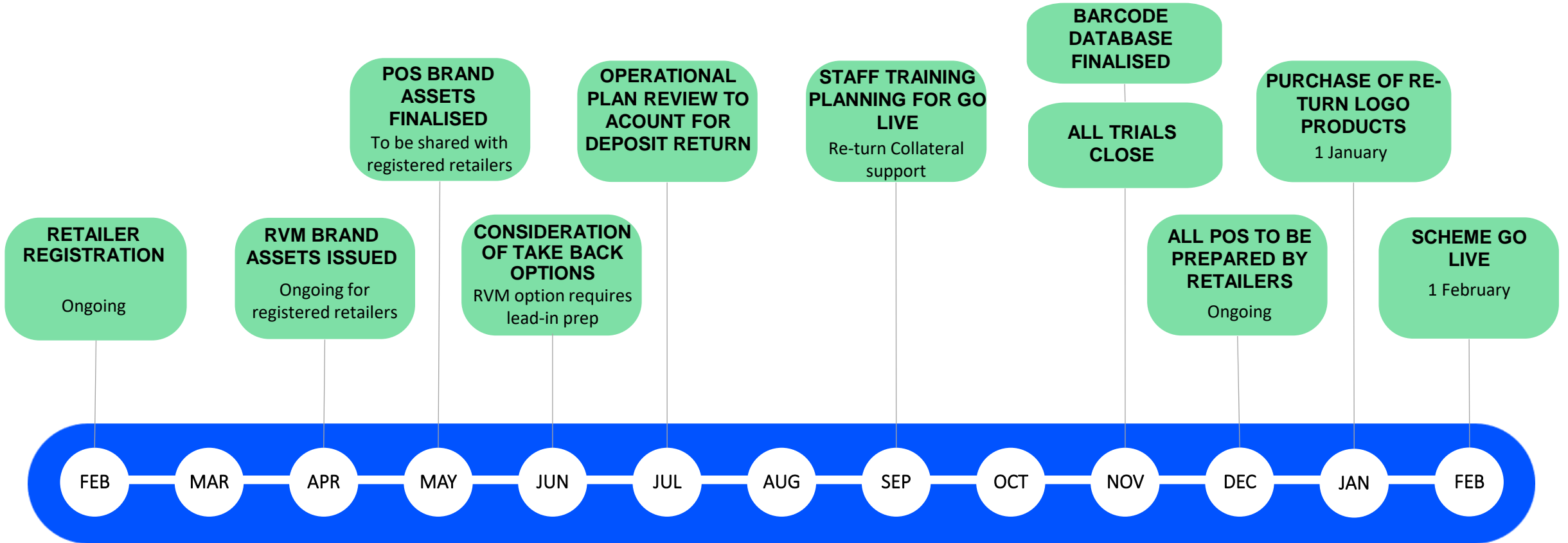
Key timelines



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

Retailer Road Map

Key timelines

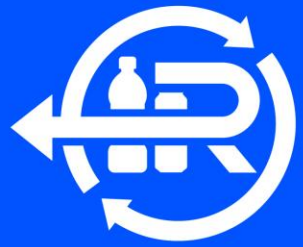


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Ireland's New
**Deposit
Return
Scheme**

Thank you



Monthly Reporting - Producers

For information on product types and containers that are included in the DRS, please refer to [S.I. No. 599 of 2021 – Separate Collection \(Deposit Return Scheme\) Regulations 2021.](#)

This includes:

- **Product brand and flavour**
- **Pack size**
- **Material**
- **Pack dimensions**
- **Barcode details**

A wide range of aspects regarding the Product need to be provided when registering the product on the Portal.

Samples of the product may be needed for verification with the RVM Suppliers.

Product Testing information has been sent out in recent weeks.

Monthly Reporting - Producers

The portal will support the registration of products one-by-one or a batch upload of many products – will be dependent on Producers adhering to a specific CSV based format.

Before the Portal goes live in August, we will publish info regarding:

- **upload instructions**
- **example file with sample data**
- **empty formatted file with headers**

field name in the database	Name1	Name2	Name3	Name4	Name5
field description	Product Name	Short Name description	Producer Product Code	ROI Specific or International Barcode	Barcode format
type of field	text	text	text	only selection from the list is possible	only selection from the list is possible
technical type of field	string	string	string	combo box	combo box
mandatory/voluntary	Y	Y	N	Y	Y