

### For the future of our environment

# SCOTLAND'S DEPOSIT RETURN SCHEME

# Scheme articles, non-scheme articles and non-Scottish articles

### **NOVEMBER 2022**

If you make, import, buy or sell drinks in Scotland, you need to know which drinks are in scope of Scotland's Deposit Return Scheme (DRS) and which are not. This guide will help you determine if a drink is a scheme article, non-scheme article or non-Scottish article, and what that means for you.

### What is a scheme article?

Drinks that are part of Scotland's Deposit Return Scheme are called scheme articles.

This term describes all drinks produced with the **intention of being sold to consumers in Scotland (on or after 1 March 2024)** that are packaged in single-use containers made from PET plastic, glass, steel or aluminium sized between 100ml\* and 3 litres.

#### What is a non-scheme article?

Non-scheme articles are drinks that are packaged in the same types and sizes of packaging as scheme articles but were placed on the market, offered for sale or sold before 1 March 2024.

### What is a non-Scottish article?

Drinks produced with the intention of being sold to consumers outside of Scotland are called non-Scottish articles. They are not part of Scotland's Deposit Return Scheme and must not be sold to a consumer in Scotland.

<sup>\*</sup> A proposed change to the size of container in-scope of Scotland's Deposit Return Scheme (50ml changing to 100ml) was announced by the Minister for Green Skills, Circular Economy and Biodiversity on 20 April 2023. This change to the scheme is subject to regulations to amend the Deposit Return Scheme for Scotland Regulations 2020 being laid in, and approved by, the Scottish Parliament.

### What does this mean for me?

From 1 March 2024, drinks that are scheme articles under Scotland's Deposit Return Scheme must be sold with the 20p deposit applied.

Information must be displayed any place that a scheme article is displayed for sale to indicate to the customer that it is part of the scheme, that the deposit must be paid when it is bought and how a deposit can be redeemed.

Information must also be provided at the point of sale where a non-scheme article is sold. This is to inform customers that these drinks are not part of Scotland's Deposit Return Scheme; a deposit is not charged when they are bought, and the empty packaging cannot be returned in exchange for a deposit.

Non-Scottish articles must not be sold to consumers in Scotland. It would be an offence to do so.

# Are my drinks scheme articles?

Almost all drinks that come in a can or bottle will be in scope of Scotland's Deposit Return Scheme and will fall under the definition of a scheme article. However, for some products a producer may be unsure whether they are scheme articles or not. The following flowchart (Figure 1) and guidance explain what you should consider when identifying drinks to be included in the scheme.



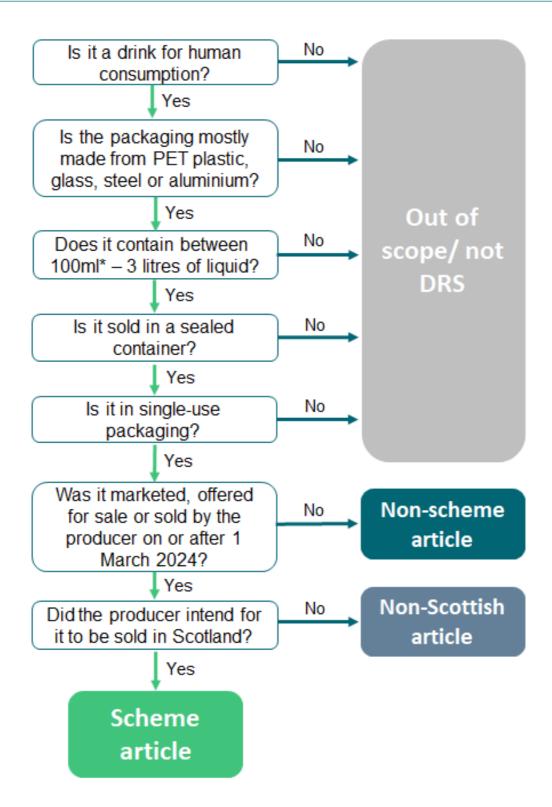


Figure 1. Flowchart to help determine if a drink is a scheme article and in scope of DRS

\* A proposed change to the size of container in-scope of Scotland's Deposit Return Scheme (50ml changing to 100ml) was announced by the Minister for Green Skills, Circular Economy and Biodiversity on 20 April 2023. This change to the scheme is subject to regulations to amend the Deposit Return Scheme for Scotland Regulations 2020 being laid in, and approved by, the Scotlish Parliament.



# Is it a drink for human consumption?

The Deposit and Return Scheme for Scotland Regulations 2020 (the Regulations) define a 'drink' as a beverage intended for human consumption but do not further define the meaning of 'beverage'.

Where it is unclear or are you are unsure whether a drink is in scope, the following five points (adapted from HMRC's beverage test) can be used to help decide if a product is a beverage:

- 1. it must be a drinkable liquid that is commonly consumed; and
- 2. it must be characteristically taken to increase bodily liquid levels; or
- 3. taken to quench the thirst; or
- 4. consumed to fortify; or
- 5. consumed to give pleasure.

The following is a non-exhaustive list of examples of beverages which, when contained in scheme packaging, would be in scope:

- bottled water, fruit juice, fizzy drinks;
- beer, wine, spirits;
- sports drinks (including electrolyte and energy drinks);
- milkshakes;
- pre-made drink mixers and ready to drink beverages;
- concentrates such as cordial and squash to be diluted.

Any flavourings, syrups, sauces or ingredients that may typically be considered foodstuffs not intended to be drunk by consumers, are not in scope of the Deposit Return Scheme. For example:

- coffee or cocktail syrups;
- hot sauce, bitters, lemon juice;
- culinary alcohol.

It is up to the producer to decide whether their products are in scope or not. SEPA may request information from the producer to demonstrate why they consider products not to be in the scope of the Regulations.



# Is the packaging mostly made from PET plastic, glass, steel or aluminium?

The scheme includes all drinks packaged in containers made wholly or mainly from:

- PET (polyethylene terephthalate) plastic;
- aluminium;
- steel;
- glass.

This includes containers made from recycled materials (e.g. rPET).

Lids, ring seals, labels and outer packaging of multipacks (e.g. plastic wrap) only represent a small proportion of the packaging, so their composition does not have to be taken into consideration.

Drinks containers that are not made wholly or mainly of these target materials are not included in the scheme. For example, this includes:

- laminated pouches;
- plastic-coated paper cartons;
- bag-in a-box wine pouches.

It is up to the producer to decide whether their products are in scope or not. SEPA may request information from the producer to demonstrate why they consider products not to be in the scope of the Regulations.

# Does it contain 100ml\* to 3 litres of liquid?

Drinks containers that contain less than 100ml of liquid (e.g. miniature spirits less than 100ml) or more than 3 litres of liquid (e.g. beer kegs greater than 3 litres) are not included in the scheme.

<sup>\*</sup> A proposed change to the size of container in-scope of Scotland's Deposit Return Scheme (50ml changing to 100ml) was announced by the Minister for Green Skills, Circular Economy and Biodiversity on 20 April 2023. This change to the scheme is subject to regulations to amend the Deposit Return Scheme for Scotland Regulations 2020 being laid in, and approved by, the Scottish Parliament.



5

Consumers must be able to return all scheme packaging from drinks in-scope of DRS. However, some drinks packaging may not fit in a reverse vending machine. For example, some wine bottles may be too long or too wide to fit in a reverse vending machine.

A producer must be able to collect returns of all scheme packaging that they place on the market in Scotland regardless of shape and dimensions. Producers must ensure their packaging is accepted and stored for collection at return points. Return point operators must have the means to accept the return of all scheme packaging from consumers.

### Is it sold in a sealed container?

Drinks that are contained and sold in packaging that is designed to be sealed in an airtight and watertight state at the point of sale (e.g. a bottle of fizzy drink sold in a supermarket) are included in the scheme. This also includes drinks sold in single-use containers that are filled and sealed at point of sale (e.g. a crowler sold in a pub).

Drinks that are not sealed in an airtight and watertight state at the point of sale are not in scope (e.g. a takeaway coffee in a disposable cup).

# Is it in single-use packaging?

Single-use packaging is defined in the Regulations. This is packaging for a drink that has been designed or sold with the intention of only being used once, i.e. following consumption of the drink, the packaging is recycled or disposed of by the consumer.

Single-use packaging is packaging which is not intended to be:

- refilled and/or reused multiple times by the consumer;
- returned to a producer to be refilled and resealed by that producer with the same product.

Single-use packaging would include packaging that the producer intends to be reused by the consumer for another purpose. Bottles or cans which, once consumed, are then reused as water carafes, pen pots, candle holders or other such repurpose are still single use as per the Regulations.



# Was it marketed, offered for sale or sold by the producer on or after 1 March 2024?

Any drinks in scope for packaging type and size that are marketed, offered for sale or sold by a producer on or after 1 March 2024, are scheme articles. Producers should keep records of the sale of these and ensure a deposit is applied when they are sold.

Drinks that are marketed, offered for sale or sold by a producer before 1 March 2024, are non-scheme articles. Non-scheme articles that are stock in trade on or after 1 March 2024 can still be sold providing:

- no deposit is charged;
- it is clearly communicated to the purchaser that they are not part of the scheme;
- it is clearly communicated that the packaging cannot be returned in exchange for a deposit.

### How do I know if the drinks I am selling are non-scheme articles?

If the drinks were bought before 1 March 2024 and a deposit was not paid on them, they are non-scheme articles. The empty packaging of these drinks cannot be returned in exchange for a deposit. You should communicate this to anyone purchasing a non-scheme article.

Some producers of drinks may choose to introduce scheme articles before 1 March 2024. It should be clearly communicated to the purchaser that these drinks are scheme articles so a deposit will apply, and the empty packaging can be returned in exchange for a deposit. When in doubt, you should check with the person selling you the drink whether it is a scheme article or not.

# Is there any flexibility on whether a drink is a scheme article?

A product's route to market is not always known at the point of first sale by the producer.

SEPA recognises this and accepts that a producer may need to agree with a wholesaler or retailer if and when non-Scottish articles can be sold as scheme articles. Where this happens, deposits would be charged retrospectively to the wholesaler or retailer and an adjustment process carried out so that the producer has an accurate record of products placed on the market in Scotland.



The number of scheme articles supplied and arrangements to pay any additional deposits due must be agreed with the producer. Establishing a process to confirm sales numbers and paying the deposits in a timely manner will allow producers, wholesalers and retailers more flexibility in meeting their legal obligations and accurately report on the number of scheme articles placed on the market.

In all cases, producers, wholesalers and retailers will need to make it clear whether products are scheme articles or not when marketing, offering for sale or selling drinks in Scotland.

### Did the producer intend for it to be sold in Scotland?

Producers will need to know which products they intend to sell in Scotland. This information needs to be provided to retailers and wholesalers. Products that meet all the criteria in the flow chart above but are not produced for the purpose of retail sale in Scotland are known as non-Scottish articles.

It is important to note, that under the Regulations, it is an offence to sell non-Scottish articles in Scotland on or after 1 March 2024.

### **Further information**

#### SEPA website:

- Scotland's Deposit Return Scheme and what this might mean for you www.sepa.org.uk/DRS
- Producer obligations www.sepa.org.uk/regulations/waste/deposit-return-scheme/producers/
- Retailer obligations www.sepa.org.uk/regulations/waste/deposit-return-scheme/retailers/
- Frequently asked questions www.sepa.org.uk/regulations/waste/deposit-returnscheme/faqs/

The Deposit and Return Scheme for Scotland Regulations 2020:

 Regulation 3 (2) - definitions of scheme articles, non-scheme articles, scheme packaging and single-use packaging <a href="www.legislation.gov.uk/ssi/2020/154/regulation/3/made">www.legislation.gov.uk/ssi/2020/154/regulation/3/made</a>



The Deposit and Return Scheme for Scotland Amendment Regulations 2022:

Regulation 5 (1) – definition of non-Scottish article
www.legislation.gov.uk/ssi/2022/76/regulation/5/made

For information on accessing this document in an alternative format or language, please contact SEPA by emailing <a href="mailto:equalities@sepa.org.uk">equalities@sepa.org.uk</a>

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