

Deposit Return Scheme for Cans

for Producers & Importers

June 2022



Purpose of this dial-in session

- Explanation of the preliminary process, start date and planning
- Proposals from the Statiegeld Nederland project team
- Sharing information so that producers/importers can prepare
- Obtaining insight into the questions facing producers/importers

Preliminary comments:

- The usual competition rules apply
- The presentation will be sent and translated into English
- Questions via info@statiegeldnederland.nl
- Please provide your email address via <u>info@statiegeldnederland.nl</u> for future contact



Producer / Importer Consulmer / Citizen Waste company / Municipality Recycler / Sorter Packaging producer

Waste management structure in the Netherlands





Assumptions

- National coverage
- Consumer-friendly
- Robust
- Efficient collection scheme for deposit cans ready

The aim is that all two billion cans that come onto the market annually can be returned without problems and do not end up in litter.

Chaos at introduction must be avoided.





Run-up to the decision

- Hard work is being done on a national network of circular hubs
- Due to the complexity and time constraints, setting up a collection scheme for deposit cans in supermarkets had more chance of success. Supplemented by sports clubs etc.
- After establishing that cans will be collected through supermarkets, we have worked hard to achieve this.
- Packaging Waste Fund, CBL and FNLI inform the Secretary of State that 1 April 2023 is a feasible date to start a nationwide, customerfriendly deposit return scheme (DRS) that can be implemented without chaos.
- Prevent chaotic situations in the shop because an inadequate
 nationwide collection scheme is ready due to the current uncertainties
 in the delivery times of the equipment and the associated ICT systems.
 Unhygienic situations occur in the shops and logistics chain due to
 insufficient capacity.





Communication flow in recent days



















Observations

Together with CBL and FNLI, the Waste Fund has established that the date for the introduction of deposits on cans without causing chaos is 1 April 2023.

Letter to the Secretary of State

On 17 June 2022, the Waste Fund sent a letter to the Secretary of State stating that a nationwide collection scheme could start on 1 April 2023 in order to prevent chaos.

P/Is informed

On 20 June 2022, the Waste Fund published a notice about this on its website and informed the P/Is

Secretary of State's reaction

On 20 June, the Secretary of State announced that the date of 31 December 2022 had been laid down in the law.

Enforcement

The Human Environment and Transport Inspectorate (ILT) has informed the Packaging Waste Fund that it has started an investigation into enforcement options against the Packaging Waste Fund and individual Pls with regard to the legally stipulated date of 31 December 2022. The Secretary of State emphasised in her letter to the Dutch House of Representatives of 24 June 2022 that a preventive incremental penalty is one of the possibilities.



Next steps

- Proceed as soon as possible from 1 April 2023.
- The Waste Fund assumes responsibility and, together with CBL and FNLI, enters into talks with the Secretary of State to provide further clarification.
- The Waste Fund is the point of contact for the ILT.
- You will be informed of further steps.







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Do you have questions?

Please email them to: <u>info@statiegeldnederland.nl</u> or visit <u>www.statiegeldnederland.nl</u>

Project team – deposit cans



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Reason - Producer responsibility

Producer responsibility means that producers or importers are (financially) responsible for the waste management of product packaging that they have placed (or place) on the market. A deposit is a further interpretation of producer responsibility.

The rules concern the (financial) responsibility of producers for their products in the waste phase, such as:

- collection
- clearing up
- transport
- processing

Individual responsibility can be fulfilled collectively. This is done by the Waste Fund. Statiegeld Nederland is engaged in the execution of deposits.



Ministerie van Infrastructuur en Waterstaat

The regulations for deposits on cans were approved by the Council of Ministers in October 2020 and in the autumn of 2020 were brought before the Dutch Senate and the House of Representatives (Parliamentary Paper 28 694, no. 137). The completed decision will be published in the Official Gazette no later than 1 July 2021. The entry date of the deposit obligation for cans is included in the governmental decree. The deposit amount has been set in a ministerial regulation at a minimum of 15 cents per can.

Producers are responsible for setting up the deposit return scheme on the basis of the producer responsibility laid down previously and also bear the costs for the scheme.



Introduction

Annual sales of beverage containers in the Netherlands:

- 600 million large plastic bottles
- 900 million small plastic bottles
- 1.8 2 billion cans

Deposit introduction

- Since 2006: deposit on one-time large PET bottles
- Since 1 July 2021: deposit on small plastic bottles introduced
- The deposit return scheme for cans will start on 1 April 2023

Impact of deposit on cans for producer/importer:

- Statutory obligation to levy €0.15 deposit on cans.
- Mandatory participation in the deposit return scheme.
- All cans must be provided with a deposit logo and a new EAN code.
- In addition to the deposit, the P/I also pays a producer's contribution and a waste management contribution, based on a periodic statement of the products placed on the market.





The process

- Where possible, the collection of cans will follow the same route as plastic bottles.
- Each can can be returned at any collection point, regardless of brand and place of purchase.
- Collection can be done in the same bag as the bottles. After counting, the material is separated.
- Link to a video about the process in the counting centre of Statiegeld NL: https://www.statiegeldnederland.nl/wp-content/uploads/Rondleiding-srn.mp4



Collection points

Mandatory collection points:

Here, consumers have the deposit refunded.

- Supermarkets (>200 m²)
- Manned service stations along the motorway
- NS stations from mid-2022

95% of returns > 5,000 locations

Other collection points:

Mostly donation locations. Deposit money goes to charity. Among others:

- Sports clubs (are their own charity)
- Catering establishments
- Fast food chains
- Cinemas
- Daytime attractions

 \pm 5% of returns > 17,500 locations

Deposit payment for > 97% of the bottles returned



Steps to be taken for producers

- 1. Cans must be provided with the deposit logo
- 2. The product must be provided with a new EAN code
- Register new products at the Statiegeld Nederland producers' portal
- 4. Statement of sales & invoicing
- 5. Other matters





Re 1. Cans must be provided with the deposit logo

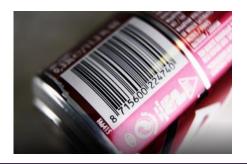
- As of 1 April 2023, cans with a deposit will be on the market. These cans must be provided with the deposit logo.
- The logo should only be on the cans, not on the outer packaging as with a 6pack.
- Products that are already on the market may still be sold until sold out.
- The logo may be in any colour, as long as it is recognisable.
- The logo may also be affixed with a sticker.
- No changes may be made to the logo.
- The proportions of the logo, in conjunction with the statutory minimum letter height of 1.2 mm, result in a minimum logo size of 1.2 cm².
- The user is free to use a larger size logo.
- The Tidyman logo no longer applies to deposit cans.
- The recycle logo can still be used.



Re 2. The product must be provided with a new EAN code

- From 1 April 2023, a new EAN code will be mandatory for all cans that will be placed on the market from that moment onwards.
- A new EAN code can be requested via: www.gs1.nl
- The counting system can use this EAN code to recognise a deposit can.
- As soon as the EAN code of a primary packaging changes,
 the EAN codes of the parent packaging in the GS1 hierarchy are also changed.
- In order to make a deposit on cans possible, you must always add a so-called 'empty-can' to your articles that actually carry the deposit of 15 cents.
- If the primary EAN code is not changed (for example, because this is not possible), the risk is for the P/I

(For small bottles, the P/I does not pay a 100% deposit and producer contribution, but 150%. Based on the returns realised, it will be examined later on whether the percentage will be adjusted downwards. Something similar will also apply to cans.)



Contact at GS1: Jan Schimmel, info@gs1.nl

Most significant changes

- Request a new EAN code
- Add Empty-Can code
- Add deposit logo

On 13 August, GS1 will come with additional info Release note from GS1 regarding the release of 13-8:

- A new code will become available for the new deposit logo for cans in the field 'Additional logo on product/packaging' (localPackagingMarkedLabelAccreditationCodeReference): Code = RETURNABLE_CAN_NL.
- When introducing this new packaging item, you use the GPC code for the time being: 10005851 'Bottle Storage (Empty)'.



Re 2. New EAN code: International code

- A 'risk surcharge' will also apply to the use of an international EAN code.
- For bottles: P/Is who use an international EAN code pay 120% deposit and producer contribution as standard. This covers the risk of paying a deposit on foreign bottles handed in in the Netherlands. On the basis of realised returns, this has recently been abolished for bottles (the possibility still exists) and the surcharge has been refunded.
- The use of the deposit logo (on the can or on a sticker) is also mandatory for international EAN codes.

The use of QR codes:

- Currently, we only use an EAN code in the Netherlands to identify a product.
- In the future, this could be done via a QR code, but not all RVMs and cash registers can read this yet.
- If you now use a QR code <u>promotionally</u> on the packaging, it must meet certain conditions so that the counting machines do not get confused (available at Statiegeld NL)





Re 3. Registration via the producer portal

Entry of new producer/importer

In Q4 – 2022 you can request a link for the producer portal via info@statiegeldnederland.nl. The exact date will follow later.

For this, we would like to receive the following information:

- Company name
- Contact person
- Corresponding email address

You will then be sent the link to create an account and enter the other company details in the portal.

Entry of new products (→ Also applies to already registered P/ls)

It is expected that from the beginning of 2023, you will be able to enter the products in the portal that must be added to the deposit return scheme. Among other things, we ask for content size, material and dimensions. The exact details of this will be announced in good time.

- There will be a manual.
- The lead time is 5-10 working days after entry. But do not wait until the last moment.
- There are no costs involved with participation and registration.



Re 3. Who is the producer/importer?

The following applies to the P/I: all benefits and expenses such as registration, remittance, other obligations, ownership of material. There is no lower limit; the obligation applies from the first can.

AVV until the end of 2022:

P/I is understood to mean: 'first to put into circulation'

- NL filler of Private Label
- Importer
- Brand owner if Private label is filled abroad (because import)

With effect from 2023, the main rule is:

Production in the Netherlands:

- Own brand producer: producer is responsible
- Producer is not a brand owner: brand owner established in the Netherlands (who commissions production) is responsible

Production outside of the Netherlands

- Importer established in the Netherlands is responsible (irrespective of brand)
- Unless direct (Internet)sales to Dutch consumers: in this case, the importer established abroad is responsible

There will be a possibility of a transfer (customised agreement). The conditions will be revised to take account of this new situation)



Re 4. Declaration of sales

- Periodically, a statement must be made with regard to the number of cans
 that have been placed on the NL market in the past period, via the Statiegeld
 NL producer portal. A manual for this will follow.
- In all probability: large companies: weekly, small companies: once every 4-4-5
 weeks. You will then receive an invoice for these quantities from AFV for the
 deposit and producer contribution.
- Direct debit is mandatory. Collection period probably three weeks.
- The statement must be made no later than on working day number 5 after each period. Repeated late submission results in a fine.
- In order to complete the annual statement correctly, it is mandatory to submit an accountant's declaration before 1 April for the previous calendar year in accordance with a fixed protocol.





Re 4. Producer contribution

- **The producer contribution** is to cover the costs of Statiegeld Nederland (implementation costs and net collection costs to cover handling fees and other costs minus revenues from non-delivered deposit packaging).
- The waste management contribution is the well-known contribution to the Packaging Waste Fund.

Contributions for cans are currently being calculated, as an illustration, here are the amounts used for plastic bottles.

(Scheme component = waste management contribution)

Amount (Euro/bottle)	Small p	lastic deposit bottle	Large p	lastic deposit bottle
Deposit component	€	0,1500	€	0,2500
Implementation component	€	0,0160	€	0,0180
System component	€	0,0004	€	0,0008



Re 5. Other matters

Return logistics:

The current methodology (shown below) will be adjusted

Assumptions:

- Sustainable, efficient, reliable.
- For this reason, as much as possible is driven with full vehicles.
- Returns from wholesalers and retail DCs where counting does not take place.
- The return destinations are the current counting centres in Tilburg/Utrecht.
 - Remuneration will be re-determined.





Ad 5 Other matters:

Registration with RVM suppliers:

Currently, we are looking at what is needed for cans (for bottles, this has to do with bottle shapes). SNL shares all EAN codes (also after the start).

Agreements with customers:

Make sure that customers are informed in good time about the EAN change and additional matters.

There is no fixed procedure for this and SNL has no role in this.



Materials:

- The P/I owns the collected material (pro rata)
- Large p/i's can trade their own share themselves (share will be estimated on the basis of an inquiry). Transport is coordinated by SNL (and charged to the P/I)
- For small P/Is, SNL will trade the material;
 yield is pro rata for the P/I
 (after deduction of transport costs)
- More about this during one of the upcoming sessions.



Continued

From now on, we will organise dial-in sessions on a regular basis. Upcoming sessions:

- 27 September at 3 p.m.
- 1 November at 3 p.m.

Topics include:

- Details of registration and sales declaration on the portal
- How does the invoicing work?
- Logistics
- Details of material (ownership, working method)
- Indirect export
- Can deposit policy
- Consumer campaign





If you have any questions:

info@statiegeldnederland.nl