Circularity Scotland

Preparing for DRS in Scotland

Donald McCalman (Programme Director)

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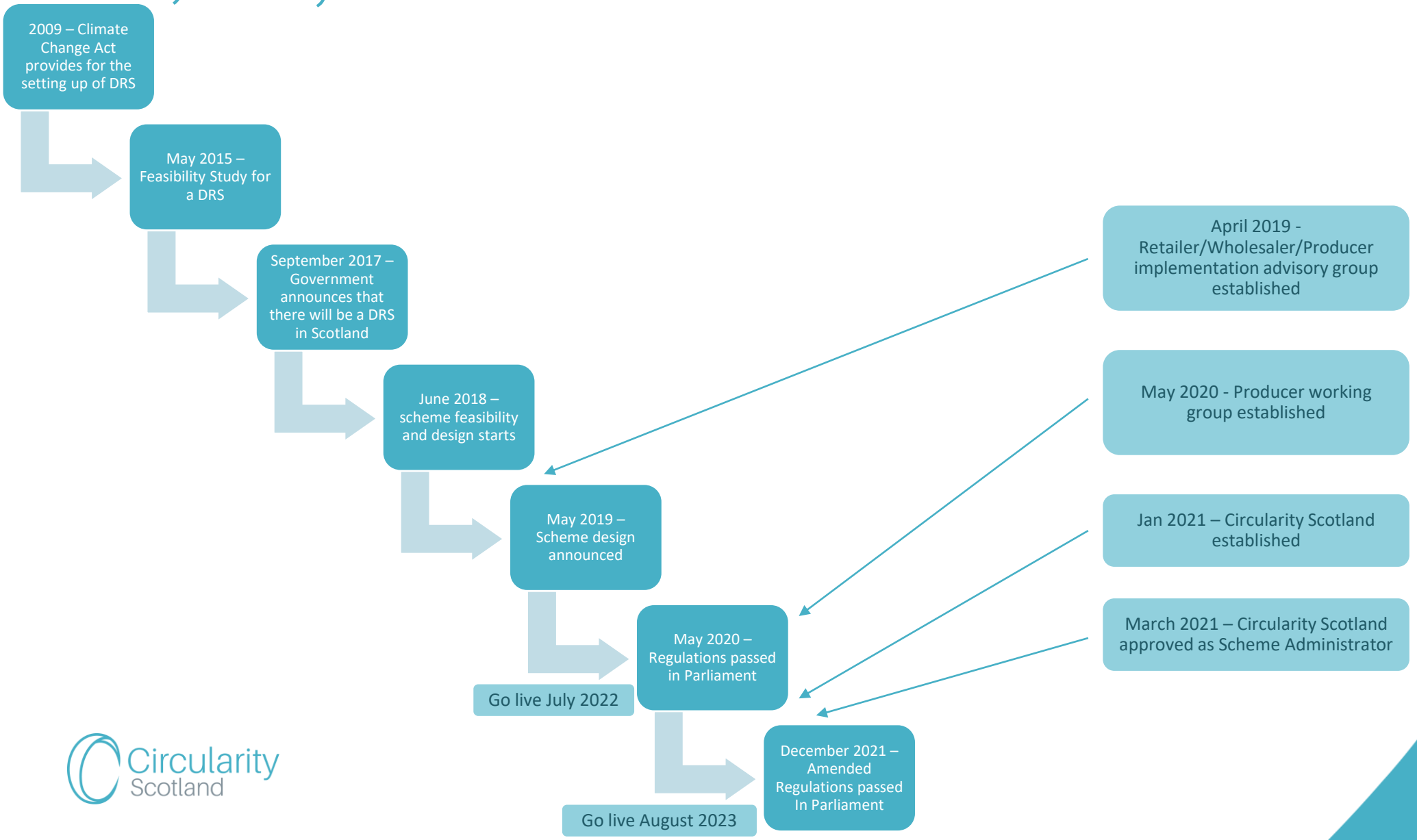
The Journey to DRS in Scotland



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Circularity Scotland and the Scheme

- Circularity Scotland
  - Membership company with producers, retailers, wholesalers and trade associations
    - Producers >90% of products, Retailers 85-90% of products
    - Membership based on volume of products produced/sold, and number of return points operated
    - Trade Associations ensure the voice of smaller companies is heard
  - Board (with experience across producers, hospitality, retail, delivery) and Executive Team
  - Private commercially operated company on zero-profit basis – no government involvement
- The Scheme
  - 2.85bn containers – glass, metal, plastic – 50ml to 3l
  - 35k return points – no automatic size exemption, but can apply for exemptions based on proximity or health/safety
  - Online retailers must collect empty containers from homes – estimate 10% sales are online
  - Geography – small shop on an island to superstores selling 100k per week
  - 4,500 producers – 10-15k SKUs
  - Devolved government – can't enforce label changes
  - Scotland only – introducing DRS to part of an existing product geography (UK)

  - Arguably the most complex DRS in the world!

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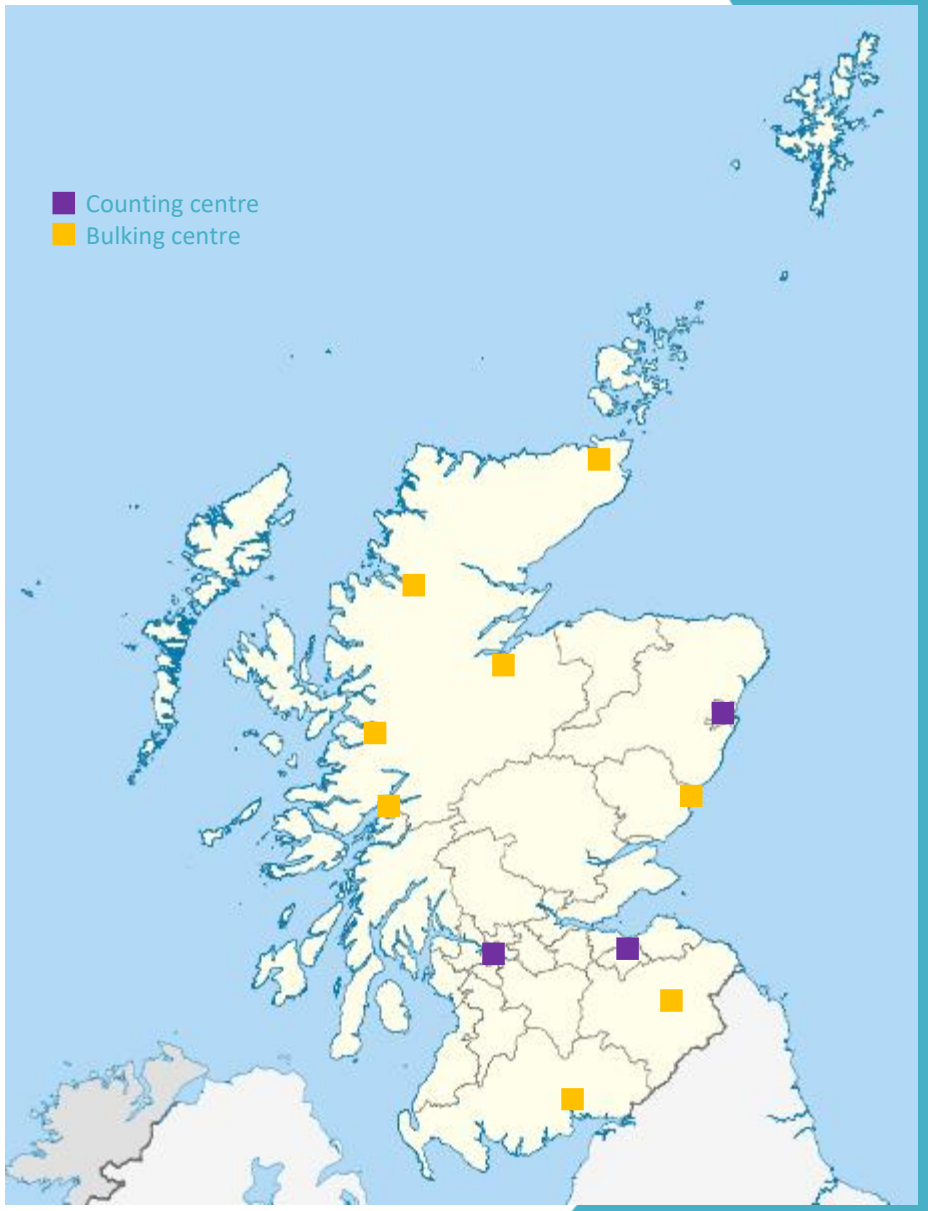
Logistics and Processing

- Daily, weekly, fortnightly and on demand collections for up to 35k locations across mainland and the islands
- 3,500-4,000 RVMs
- >10k hospitality – investigating bulk glass uplift methods
- It is a broad and complex RPO network – we will tune the system to balance efficiency and return point capacity/volume – hence the need for flexible data driven network planning
- 8 bulking centres and 3 counting centres
- Online takeback – we need to interface with retailers, but designing the service is complex
- Material sale back into drinks circular economy, with right of first refusal for producers



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Our Approach to Systems Development and Implementation

- Procurement approach
  - Requirements
    - Wanted a one stop shop – IT end to end for DRS and for CSL (including integration with ERP)
    - A partner with knowledge of DRS
    - Not starting from scratch – having a platform/architecture already developed for DRS
    - Future proofing – be capable of adapting to serialisation, but ensuring focus on current delivery
  - Market review
    - No productised offering on the market – certainly not one to align to our requirements
  - Selection process
- Selected Reverse Logistics Group as our IT partner
  - Already had in operation a comprehensive modular system, with the ability to develop new functions and provide required performance and security
- Implementation
  - CSL user and analyst team, RLG design and build team, joint SteerCo
  - Very regular meetings, workshops – shared project management platform
  - Co-location in Glasgow for some of the team once office is open

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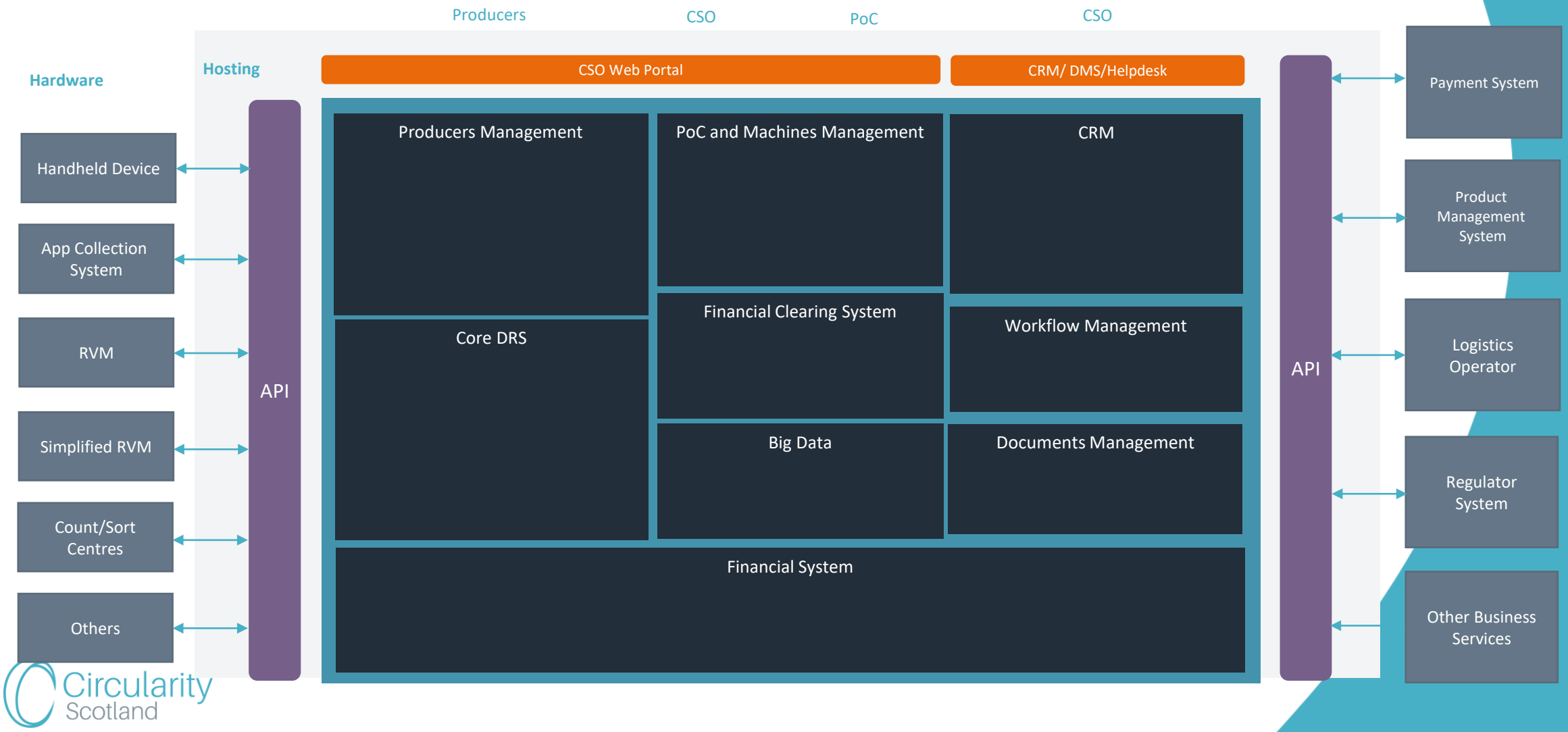
System Overview



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Lessons Learned Along the Way

- Partnership - not supplier - when requirements are complex
- Consider a phased start. Get the basics right first – big bang in a complex system is high risk
- Strike the right balance with key stakeholders – can't please everyone's unique requirements, and you need a system that works for all – but be aware of the intricacies and challenges of industry
- Keep the focus on consumers – it's easy to get lost in the detail but the scheme needs consumer behaviour change to be successful

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Questions?

donald.mccalman@circularityscotland.com