

Rosemary Gaul

From: [Redacted]
Sent: 12 November 2020 14:01
To: wastecomments
Cc: Busby, Jordana
Subject: DRS Consultation response - Molson Coors Beverage Company
Attachments: 201112 Molson Coors - RoI DRS response_FINAL.pdf

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Hi,

Please find attached our response to the Deposit Return Scheme consultation (November 2020).

Thank you for the opportunity to feedback. If it's possible to confirm receipt that would be very much appreciated.

Kind regards, [Redacted]

 **MOLSON COORS** beverage company
[Redacted] Senior Corporate Affairs Manager
Western Europe

Mobile: [Redacted] | Email: [Redacted]



Deposit Return Scheme Consultation – Republic of Ireland (November 2020)

About Molson Coors Beverage Company

Molson Coors Beverage Company operates across the Island of Ireland. Our Republic of Ireland (RoI) office in Maynooth and our Northern Ireland (NI) office in Belfast provides the base for a wide range of roles including sales, marketing, operations and technical support to the on-trade.

We supply over 4,000 On Trade accounts in Ireland and all retailers in the Off Trade. In total we have 106 employees in Ireland with around 15.6% share in NI On Trade, 6% in RoI On Trade and 12.9% in RoI Off Trade. Our brands include Carling, Pravha, Cobra, Staropramen, Doom Bar, Franciscan Well and Blue Moon and in Northern Ireland Coors Light is the number one brand in multiple grocers and retail.

Molson Coors is one of the UK's largest brewers. We provide over 2,300 jobs in the UK and have breweries and offices in towns and cities across the UK. We have a market share of circa 18% of the UK beer market, generating over £800m to the economy in excise duty and VAT alone.

Protecting the environment is an integral part of Our Imprint. With Molson Coors' 2025 global sustainability targets set in 2017, we are proud that our Ireland and UK business has already made significant progress by lowering our carbon footprint as well as achieving zero waste to landfill in one-third of our sites.

Our Franciscan Well brewery in Cork is conscious and mindful not only about the beer we brew, but also about the resources we use. Alongside becoming Zero Waste to Landfill and minimising our carbon footprint in utilities, we have enhanced our environmental performance through the fuel we use. The brewery currently employs 19 people.

In recent years we have invested over £100m in our UK operations and through our global *Our Imprint 2025* sustainability goals we demonstrate our commitment to our people, communities, consumers and the environment.

We have a global packaging goal to reduce plastics in our packaging, aiming for 100% of its packaging to be reusable, recyclable, compostable or biodegradable by 2025.

Following our commitment announced last year we have removed the plastic flow wrap from our large multipacks which has now been delivered in Q1 2020, we will also be removing plastic rings (mid cone), from Carling and Coors Light (Northern Ireland) and will switch to 100% recyclable cardboard sleeves in 2021.

We are keen to work with the Irish Government and others to ensure that any action taken on packaging presents a holistic solution and ensures consumers know what to recycle, and where.



DOOM BAR
AMBI & LIZ

**REKORDERLIG
CIDER**



Deposit Return Scheme Consultation Response

We are pleased to have the opportunity to respond to the Deposit Return Scheme Consultation and look forward to further opportunities to engage. We would like to highlight our responses to the following questions in this initial consultation.

1. The Report recommends a centralised, operational model for Ireland. Do you agree with this recommendation? If not, do you favour a: a) decentralised / financial DRS; or, b) hybrid.

A producer owned and led, not for profit model is one of the key principals for a successful, financially viable and sustainable scheme.

As noted in the consultation document itself, this type of model is also the most common DRS model across the EU.

2. Are there other models you believe could work in an Irish context?

Ireland is a unique and complex market. Whilst further analysis and modelling is required, we believe some of the key principals for an optimal DRS scheme in Ireland include the following:

- A producer led and not-for-profit model
- Unredeemed deposits are retained within the system. Unredeemed deposits are vital for the financial sustainability and viability of the scheme both for the set up and the running costs of a DRS and is in line with the practise of the most successful systems in other countries.
- Deposits should not be subject to VAT.
- Packaging material within the Deposit Return Scheme should be exempt from producer responsibility charges from the date of implementation. We are strongly of the view that producers should not be charged twice for the same packaging under a DRS and Extended Producer Responsibility (EPR) commitments.
- Alignment with Northern Ireland – to avoid fraud, market distortions and supply chain complexity.
- We support a DRS which covers all producers and importers of the materials in scope of the final system.
- A return to retail model, which allows the on-trade (e.g. pubs and bars) to offer a 'closed loop' – i.e. the flexibility to opt out of being a return point.
- The implementation of an effective DRS and associated infrastructure, governance, capital investment, and communications needs sufficient time for planning and successful delivery. Compounded by the impact of Covid-19 which has disproportionately impacted the brewing and hospitality sectors in Ireland, we do not believe the timeline for implementation of Q3 2022 provides enough time to design, plan and deliver an effective scheme. Insufficient time to implement a Deposit Return Scheme ultimately risks the possibility of the system failing on launch and threatens future public engagement with the scheme which is against everyone's interests.

3. What role should waste collectors play in the operation of a DRS?

- Further information required



4. The DRS study proposes a deposit per container of €0.20. Do you think this is appropriate? If not should it be higher or lower or should different deposit rates apply depending on container size?

- More information on the scope of the scheme and financial modelling is required. However, the deposit level, along with handling and producer fees, should be set by the DRS operator / scheme administrator itself.
- The deposit level should be high enough to meet recycling targets, whilst not unduly penalising consumers or distorting competition between products. The potential inclusion of multipacks would do precisely this. If multipacks are in scope, then consideration should be given to an alternative deposit level for multipacks to avoid unduly distorting the market, but further work would be needed to establish appropriate fee levels and complexity.
- The potential impact on consumer behaviour and market distortion is compounded when considered alongside Minimum Unit Pricing (MUP). A DRS system which includes alcohol products would place a flat deposit on any container without consideration to the i) product volume or ii) alcohol content, therefore altering the initial price paid by the consumer. This would make higher strength products (i.e. vodka) proportionally cheaper than lower-strength products (i.e. beer) at the initial point of purchase).
- It is crucial that any unreturned deposits are retained within the scheme as they are an essential source of income to ensure the financial sustainability and viability of the system.

5. Consumers need to know about a DRS long before it becomes operational – do you have any suggestions as to how best the introduction of a DRS can be communicated to the public?

- A well-funded communications strategy is required to be running well ahead of deposit return scheme implementation to both inform consumers and support behavior change. There is also a need for government funded communication campaigns to promote recycling and anti-littering.

6. What enforcement measures should be considered in parallel with the introduction of a DRS?

- Further information required

7. How should cross-border issues be treated to ensure producers are not at a competitive disadvantage relative to producers in Northern Ireland?

- To reduce the impact of cross border fraud, market distortion and additional supply chain complexity (and therefore cost), alignment with Northern Ireland on the Deposit Return Scheme design, materials in scope (including the exclusion of glass in line with the RoI Government's DRS proposal) and implementation is crucial. Alignment and partnership with Northern Ireland is required to enable a viable scheme.

Molson Coors Beverage Company - 12 November 2020

