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From: [REDACTED]
Sent: Friday 7 May 2021 16:49
To: wastecomments
Subject: DRS Consultation Response - May 2021
Attachments: 210507 Molson Coors - Rol DRS regulations response May 2021.pdf

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Hi,

Please find attached our response to the DECC Deposit Return Scheme consultation (May 2021).

Thank you for the opportunity to feedback.



Consultation on a Legislative Framework for a Deposit Return Scheme – Republic of Ireland (May 2021)

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, Molson Canadian, 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.

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.

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.

We are removing plastic rings and introducing a fully recyclable and sustainable cardboard sleeve for can multipacks for all major brands, including Carling and Molson Canadian. These brands will join the Franciscan Well range in Ireland in providing consumers with plastic-free packaging.

The move sees our business hit our target to remove all single-use plastic from the packaging of major brands by the end of April 2021, following the introduction of recyclable cardboard large-format multipacks in 2020. Since 2019, we have removed more than 700 tonnes of single-use plastic from UK operations, which also supply the Irish market.

We are keen to work with the Department of the Environment, Climate and Communications (DECC) and share our knowledge of Deposit Return Scheme (DRS) in other markets to ensure that any action taken on packaging presents a holistic solution and ensures consumers know what to recycle and where. Through our trade organisations, including Ibec and Drinks Ireland, we continue to work collaboratively and in partnership with others to support the introduction of a well-designed DRS in the Republic of Ireland.



Deposit Return Scheme Consultation Response

Molson Coors Beverage Company is an active member of Ibec’s DRS Project Consortium, comprising brand owners, producers, importers and distributors of both non-alcoholic and alcoholic consumer beverage products through the Irish Beverage Council and Drinks Ireland.

The project group was established in January 2020 and has worked collaboratively on the *Fundamental principles and high-level parameters of a DRS for Ireland paper* (5 March 2021), the consultation response on a Legislative Framework for a Deposit Return Scheme (7 May 2021) and continues to meet regularly to prepare for the introduction of DRS and to best support the Government’s ambitions and objectives in this area.

We would like to highlight and signpost to Ibec’s DRS Project Consortium full response to this consultation and would like to further highlight key points on the following areas:

Optimal structure

A Deposit Return Scheme must be industry-owned and governed in an independent, not-for-profit structure.

DRS funding model

A well-functioning and economically viable DRS should have three funding streams and levers – the material-specific producer input fee, all unredeemed deposits and revenue from the sale of collected material. It is critical for the Scheme to be empowered to independently own and manage these revenue sources to ensure viability on a not-for-profit basis.

Deposit

How the deposit is calculated, set and applied must be reserved for the Scheme itself to model and decide. The Scheme is best equipped to manage the overall economic viability and integrity of the system and the deposit is a crucial lever.

Labelling

Once established, the Scheme itself should be responsible for considering and deciding on all labelling and/or barcoding criteria necessary to protect the system from fraud and cross-border exposures that may impact system economics.

Exemptions from the obligation to accept returns

While it is a fundamental principle that all operators stocking applicable product must be obligated to levy the deposit at the point of purchase by the consumer, the Scheme must have the ability to consider exemptions to the obligation to accept returns, where doing so would be unfeasible or impractical.

Special considerations for on-premise consumption

There should be no obligation to levy the deposit on consumers for on-premise consumption in the pub and wider hospitality sector and these operators should not be obligated to act as a return point. As in other DRS markets, in scope packaging is retained on the premises and collected via a closed-loop system within the deposit return scheme.



Timelines

To deliver a well-designed and fit for purpose DRS, from best practice and our learnings from other markets (most recently Scotland), a lead-in period of up to thirty months may be necessary from the time the regulations are enacted, including sufficient implementation time once the Scheme operator is in place.

Beverage producers, the hospitality sector and our partners in the retail industry continue to be significantly impacted by the ongoing Covid-19 crisis. Post-Brexit supply chain complexities and the forthcoming introduction of minimum unit pricing on alcohol also combine as significant supply chain and logistical challenges.

Given the integrated supply chains on the Island of Ireland, the wider the implementation gap between systems in the Republic of Ireland and Northern Ireland (now estimated at late 2024 or early 2025), the bigger the operational challenge.

Future working

We are pleased to have the opportunity to respond to the Deposit Return Scheme Consultation and look forward to further opportunities to engage with the Department of the Environment, Climate and Communications.

Molson Coors Beverage Company – 7 May 2021

