T-2.2

SWANA TECHNICAL POLICY

CONTAINER DEPOSIT RETURN SYSTEMS

I. Policy Statement

SWANA believes deposit return systems increase the collection of used beverage containers by incentivizing the return of the containers through a financial mechanism, leading to increased collection rates and a corresponding reduction in litter. These systems can be operated by a government agency, beverage producers, distributors or a third-party organization, such as a producer responsibility organization.

For the sake of clarity and simplicity, this SWANA policy will focus on deposit return systems for "single-use" beverage containers. It should be noted that such systems are not limited to single-use containers and can be applied to other products, such as propane tanks, tires, etc.

SWANA endorses the concept of deposit return systems, provided they take into account the discussion points below, so that, when properly applied, they increase recycling rates and reduce contamination.

II. Discussion

There are many factors that should be addressed when developing a deposit return system. Among these are:

- 1. <u>Integration of the Existing Recycling Infrastructure</u> Recyclers should be allowed to participate in the deposit return system by serving as a collection and/or redemption drop-off point. Such participation should allow recyclers to have access to the value of the covered material.
- 2. Ownership of Material Ownership of the covered materials should be retained by whomever possesses it. Material collected through curbside systems should be given the opportunity to be returned for deposit through the deposit return system, provided it meets specification requirements for quality, cleanliness, and any potential contractual obligations between parties. Once the covered material enters the deposit return system, ownership would be transferred to the deposit return system operator. The deposit return system should consider opportunities to donate covered materials to charities or non-profits.
- Deposit Value Deposit value on the covered material should be high enough to incentivize the
 consumer to return it. Systems should have flexibility to account for market conditions and
 consumer behavior.

- 4. <u>Deposit Return Systems Should Be Self-Sustaining</u> All funds generated by the system should be invested to operate and improve the system.
- 5. <u>Site Selection</u> Site selection for drop-off or redemption centers should be encouraged to be developed through private business transactions rather than being mandated by a government agency. Such site selections should take all relevant zoning ordinances into account. Additionally, the system should use a variety of collection and redemption methods to make participation as convenient as possible.
- 6. <u>Container Design</u> Deposit return systems should have incentives to encourage container design that works effectively with recycling and reuse/return systems.
- 7. <u>Safety</u> Deposit return systems should be designed to ensure all appropriate worker and system user safeguards are required for all facilities that handle covered materials. Such safeguards should protect workers, visitors, users of the system, and the environment at large.
- 8. <u>System Integrity</u> Deposit return systems should be designed to mitigate potentials for fraudulent use of funds and theft of materials throughout the system and chain of custody.

Approved by the Board of Directors on November 30, 2023.

Lynsey K. Baer, Secretary