

UK Deposit Management Organisation

Independent Chair

May 2025

Deposit Return Schemes (DRS)

Deposit Return Schemes (DRS) are a proven global solution to one of the most visible and persistent environmental issues: beverage container waste. By placing a small, refundable deposit on drinks containers, DRS incentivises consumers to return them for recycling, dramatically improving collection rates, reducing litter, and enabling the production of high-quality, food-grade recycled materials.

57 DRS schemes are currently in operation across 32 countries – including Germany, Norway, Sweden, Finland, Australia, and several US states – with return rates often exceeding 90%. These systems are widely recognised as critical to accelerating the transition to a circular economy. They are a proven response to beverage container waste – which makes up around 40% of visible litter.

Advantages of DRS

Compared to kerbside collection:

- Recycling rates jump from ~70% to over 90%
- Carbon savings of over 46 million tonnes CO₂e expected in the UK by 2035
- Litter reduction, energy savings, and creation of food-grade recycled materials

Incentives & impact

DRS delivers results that benefit industry, environment, and society:

- Aligns with ESG and circular economy goals
- Unlocks access to high-quality recycled materials
- Enhances consumer trust and participation
- Establishes a scalable infrastructure for sustainable waste recovery





Deposit Management Organisation (DMO): A system only as effective as its operator

The Deposit Management Organisation (DMO) is the entity responsible for overseeing the operation of a DRS. The DMO manages the logistics of collecting and sorting the returned containers and financial operations, such as collecting and reimbursing deposits.

The UK has long intended to implement a DRS, first announcing the ambition in 2018. However, progress has been uneven. An initial scheme launched in Scotland faced significant political challenges, leading to a pause and rethink. In response, a renewed approach was introduced in 2024 – excluding Wales. To ensure success, the UK Government (via Defra and the two devolved administrations of Scotland and Northern Ireland) invited industry to step forward with a unified proposal for a new delivery model.

At the heart of this reimagined system is the creation of a new **Deposit Management Organisation (DMO)** – a single, not-for-profit industry-led body made up of drinks producers, retailers, and the wider supply chain with the mandate to design, deliver and operate the DRS across England, Scotland and Northern Ireland. **The DMO will be responsible for the entire lifecycle of the scheme: managing logistics, financial flows, fraud prevention, and regulatory compliance to ensure high return rates and system efficiency.** It will also serve as the central interface between government, industry and the public – building trust and transparency while ensuring the environmental and economic goals of the scheme are met.

This is a **once-in-a-generation opportunity** to:

- build a national system from the ground up
- deliver lasting environmental value
- shape a model of collaboration between government, industry and consumers
- lead a scheme that could process billions of items and generate £5B+ annually.

The UK DRS is scheduled to launch in October 2027 across England, Scotland, and Northern Ireland, covering PET plastic bottles and steel/aluminium cans (excluding glass), with containers sized between 150ml and 3 litres included in scope. The UK DRS will significantly impact beverage producers and retailers – requiring producer registration, new product labelling, and payment of fees, while retailers must operate return points unless exempt and register with the DMO.

Industry-Led Collaboration: How the DMO Took Shape

In response to the UK Government's 2024 DRS policy, a Steering Committee ("SteerCo") formed, bringing together leading producers and retailers across soft drinks, alcoholic drinks, water, and grocery.

The group agreed to act as a consortium to design and submit a single DMO application – grounded in shared industry goals and aligned with government timelines for an October 2027 go-live.

Seven core principles guided their collaboration:

- 1. Full UK interoperability across operations and materials
- 2. Broad, inclusive industry representation
- 3. Commitment to the 2027 launch timeline
- 4. Fair and transparent governance
- Industry-led funding model for early-stage setup
- 6. Open communication and accountability
- 7. Collective decision-making with a one-member-one-vote ethos

A structured working model was established with a SteerCo, working groups, and advisory council, co-ordinated by PwC and including non-voting participation from Defra and the two devolved governments of Scotland and Northern Ireland.



Agreed Board Composition (Total: 13 members)

- 4 producer representatives (currently employed, across beverage segments)
- 4 retailer representatives (currently employed, across retailer types)
- 1 Independent Chair vacant
- 2 Independent Non-Executive Directors vacant
- Chief Executive Officer vacant
- Chief Financial Officer vacant

Governance Principles

- Diversity of Membership: The board should reflect broad, balanced expertise across industries and aim for diversity across gender, ethnicity, geography, and socioeconomic background.
- Sub-group Representation: No single business or sub-sector should have disproportionate influence over board decisions.
- Independence: Independent board members must have no current ties to beverage production or retail, safeguarding impartiality.
- DMO-first Ethos: All board members must act in the best interest of the DMO, above organisational or commercial affiliation.
- Integrity: Members are expected to uphold high standards of ethics and integrity.
- Open Communication: Transparent communication must exist between the board, executive leadership, the Advisory Council, and DMO members.
- Performance Evaluation: Board effectiveness will be regularly reviewed to ensure continuous improvement.
- Subcommittees: Functional subcommittees will be established to provide recommendations to the full board, enhancing focus and decision quality.



Roles and Responsibilities

A key part of the build out of the DMO will be the appointment of a Chair, who will be responsible for the leadership of the board, ensuring that it operates effectively and efficiently. The Chair will set the agenda for board discussions, and ensure it discusses, agrees and supports the strategy for the business and oversees its successful implementation.

- The Chair will work closely with the future CEO on all **strategic issues** where appropriate, providing support and advice acting as a 'sounding board' on all material issues such as strategy, performance, external stakeholder management and organisational development. Fundamental to this will be supporting the CEO on the successful build out of the broader leadership team to develop the organisation's capacity and capabilities to meet its future challenges and responsibilities.
- As the board evolves with further NED appointments, the Chair will crucially need to sponsor effective relationships between all board members and encouraging them to engage constructively and openly in all meetings by drawing on their skills, experience, knowledge and, where appropriate, independence. They will be required to promote the highest standards of governance, and setting clear expectations concerning the company's culture, values and behaviors; requiring that all board members are exemplar in these areas. Integrity and ethical leadership is fundamental. Regular evaluation of the board's performance and effectiveness should be conducted to ensure the board has the right skills and experience and is fit for the future.
- Stakeholder engagement is crucial. The Chair will need to represent DMO to key external stakeholders (retail and drink trade, industry trade bodies, Defra, broader government, the public etc.). They will need to build and maintain strong relationships with these stakeholders, advocate for the organisation's interests, and ensure that stakeholder perspectives are considered in board deliberations.
- This role provides the opportunity to **lead the organisation at a unique pivotal time** as it builds out from scratch and develops the foundation for a robust and effective organisation dedicated to improving sustainability. Chairing the DMO offers an exciting opportunity to be part of a landmark environmental initiative in the UK and requires someone with the capability, drive and tenancy to oversee the complex process of building and managing an organisation through this period.
- As well as being a guardian of appropriate conduct for the Board, the Chair will be paid an annual fee of £125,000.
- Board members are expected to commit approximately 50 working days per year between appointment and the DRS going live.



Essential Criteria





- Proven non-executive experience is essential, with a strong understanding of board dynamics and credibility to navigate and lead this. Experience in a Chair position would be highly advantageous but not a pre-requisite.
- Candidates must demonstrate strong political acumen, experience shaping the strategic vision of an organisation and its development, ensuring high quality corporate governance, and setting positive organisational cultures.
- A digitally enabled individual with a track record of driving business and operational improvement through the use of technology.
- A track record of leadership in complex customer-focused environments, with sector openness across UK Retail, Drinks, Packaging Logistics or adjacent government bodies.
- Functional experience can vary across Sustainability, Technology, Finance, Risk, HR or Supply Chain.
- Breadth and depth of regional UK experience across various demographics.



Competencies

- Strategic thinking and the ability to set clear direction, communicate effectively, strong interpersonal skills to challenge assumptions and decision-making as appropriate.
- The ability to provide leadership, strong corporate governance and constructive challenge to the executive.
- Open, inclusive, and collaborative style who can guide Management and the Board on critical issues in an appropriate manner.
- The ability to engage effectively with diverse stakeholders, championing the organisation accordingly.
- Visionary and inspirational leader with a passion for environmental change.
- Ethical and transparent, with a strong sense of integrity.



How to apply

The recruitment process is being undertaken by Russell Reynolds Associates on behalf of the DMO. Please submit your full application by email to <u>responses@russellreynolds.com</u>. Please quote the role title and assignment code **2504-056L** in the subject heading of the email. All applications will be acknowledged. The closing date for applications is **23:59 on Wednesday 4th June 2025.**

Your submission should include:

- A CV setting out your career history, with key responsibilities and achievements. Please ensure you have provided reasons for any gaps within the last two years.
- A **Statement of Suitability** (no longer than two pages) explaining how you consider your personal skills, qualities and experience provide evidence of your suitability for the role, with particular reference to the criteria in the person specification.
- A completed **Diversity Monitoring Form** available here. All aspects of diversity are important to us. This includes in the context of the nine protected characteristics, as well as diversity of experience, background and working style. We believe diversity of perspectives and thought delivers better judgements and better decision-making in the public interest. We believe our people should reflect and understand the diverse society we serve. Therefore, we strongly encourage applications from everyone irrespective of age, gender identity or expression, disability, religion, ethnicity, and sexual orientation.

Please submit all documents so that the panel will have all the required information on which to assess your application against the criteria in the person specification.

The process and indicative timeline following the closing date will involve a longlist meeting with the selection panel, followed by in-depth, competency-based interviews with Russell Reynolds in June, followed by a shortlist meeting to narrow the field of candidates to a final group for informal conversations with relevant stakeholders and final panel interviews in July. Specific dates will be determined and communicated to candidates as they become available.

If you wish to speak with someone before submitting an application, please contact: responses@russellreynolds.com.

Please note that due diligence will be carried out on shortlisted candidates. Candidates should expect this to include searches of previous public statements and social media, blogs or any other publicly available information.





