

**SDR
PORTUGAL**



TRANSITION PERIOD SDR PORTUGAL

GUIDE TO THE DRS TRANSITION PERIOD

CONTENTS

1 Introduction.....3

2 Transition Period.....3

3 Transition Timetable.....4

4 Guidelines for an Efficient Transition.....6

Version History 9

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1 Introduction

¹The purpose of this document is to provide all stakeholders in the Deposit and Refund System (DRS), whose regime is set out in Decree-Law No. 152-D/2017 of 11 December, in its current wording ("Decree-Law No. 152-D/2017"), guidelines for its implementation, in order to promote a gradual and progressive transition to this system.

The implementation of a gradual and progressive transition is the only way to reduce the need to destroy products already placed on the market, minimising waste and waste production, and ensuring best sustainability practices and the best indicators of convenience for the consumer.

Thus, in line with the practice followed in other European countries, a transition period is envisaged, beginning on the date of entry into operation of the DRS, in terms that allow for the progressive implementation of the DRS, without prejudice to compliance with the obligations arising from the applicable legislation, in particular Decree-Law No. 152-D/2017.

2 Transition Period

The Transition Period corresponds to the period immediately following the operational launch of the Deposit and Refund System ("**DRS Go Live**"), lasting [120 days], during which beverages with "**Volta**" packaging² and "**pre-DRS**" packaging³ may coexist on the market.

This period will serve to clear pre-DRS packaging from the inventories of Packagers (Producers/Own Brand Holders/Importers) and from the inventories of Distributors, Wholesalers and Retailers in order to avoid supply shortages and prevent obsolescence.

A well-planned and smooth transition will help minimise costs and operational challenges for all parties involved and ensure that all DRS participants are aware of and comply with their obligations under the new System. More importantly, it will ensure that the timetable for implementing the DRS can be properly communicated to consumers.

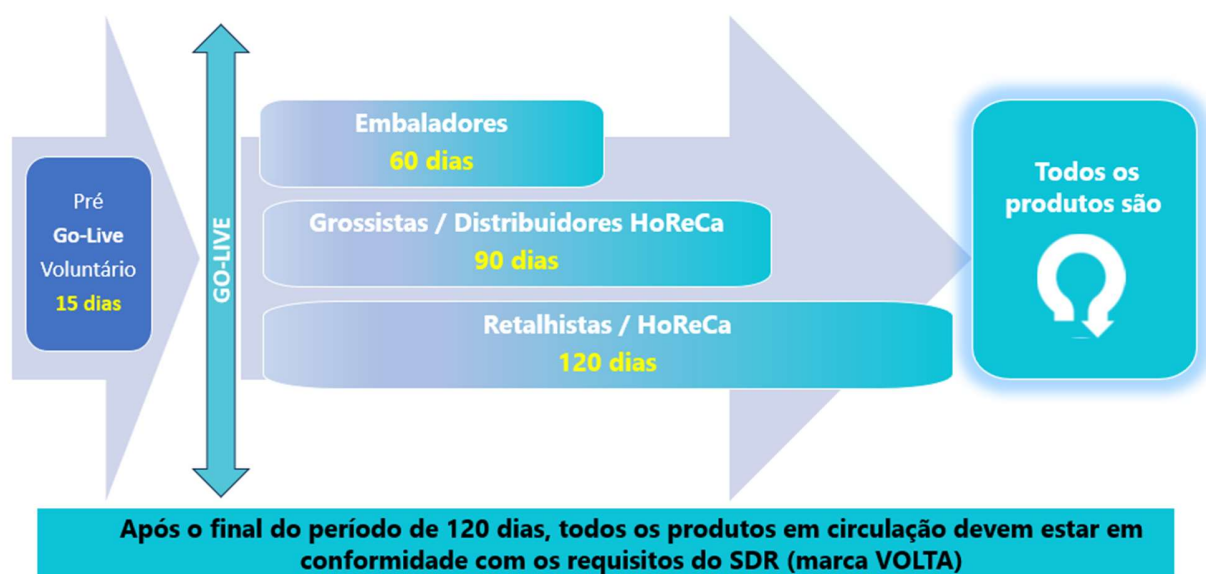
¹ The SDR covers non-reusable primary packaging for beverages made of plastic, ferrous metals and aluminium with a volume of less than 3 litres, which are placed on the market duly marked after the date of entry into operation of the deposit and refund system.

² That is, packaging registered on the SDR Portugal Portal, i.e., packaging for which compliance with SDR technical specifications has been verified and certified and the registration process has been successfully completed, appearing in the "Registered" status.

³ That is, packaging existing on the market prior to adaptation to SDR technical specifications.

3 Transition Timetable

Key dates:



Preparatory Period

All Packagers, Distributors, Wholesalers, Warehouse Operators, Retailers and HoReCa must take the necessary steps to adapt to the operational launch of the DRS and the transition period, coordinating the necessary mechanisms to reduce stocks of products with "pre-DRS" packaging to the bare minimum and contribute to the rapid disposal of "pre-DRS" inventories during the transition period.

The concerns and obligations regarding the disposal of "pre-DRS" products are exactly the same whether they are producer brands (Packagers-Producers) or distribution brands (Packagers-Distributors).

Pre-DRS Go-Live (15 days before operational start-up)

Packagers may begin placing updated products with "Volta" packaging on the market through Distributors, Wholesalers, Stockists, and Retailers who can guarantee their

storage prior to DRS *Go Live*, but may not sell or make them available to the end consumer.

Pre-Go-Live is voluntary and the individual responsibility of each Packager, subject to the acceptance of their customers.

Pre-Go-Live will allow pre-DRS codes to be replaced more quickly during the transition period, reducing exposure to obsolete products with pre-DRS packaging.

"Volta" packaging placed in the distribution chain at this stage is subject to the corresponding deposit charge and declared to the DRS in the declaration of packaging placed on the market.

SDR *Go Live*

The marketing of updated products with "Volta" packaging begins, subject to the payment of the deposit amount in each transaction for all parties involved:

- Packagers may place the packaging on the market without restrictions;
- Distributors, wholesalers and retailers begin selling products with "Volta" packaging;
- HoReCa establishments may begin selling products with "Volta" packaging;
- Consumers can start purchasing products with "Volta" packaging and return the empty packaging to collection points.

Up to 60 days after DRS *Go-Live*

Period during which Packagers may place products with "pre-DRS" packaging, without the "Volta" mark, on the market, with the aim of clearing inventories of both the final product and packaging materials.

During this phase of the transition period:

- Distributors, Wholesalers and Retailers must prioritise orders for products with "pre-DRS" packaging, with the aim of selling them quickly and in full, before moving on to orders for "Volta" packaging;
- no restrictions should be placed on the purchase of "pre-DRS" packaging, and priority should be given to the sale of this packaging in order to quickly clear the respective inventories.

Up to 90 days after DRS *Go-Live*

Period during which Wholesalers and Distributors may keep products with "pre-DRS" packaging on their shelves and sell them, coordinating the necessary mechanisms to accelerate their sale, before placing packaging with the Volta brand on the shelves .

Up to 120 days after SDR Go-Live

Deadline for Retailers and HoReCa to keep products with "pre-DRS" packaging on their shelves and sell them, putting in place the necessary mechanisms to accelerate their sale before placing packaging with the Volta brand on the shelves.

After 120 days of SDR Go-Live

After the end of the 120-day period, all products in circulation must comply with SDR requirements. In other words, only Volta packaging that has been previously registered and approved by SDR Portugal, i.e. that complies with DRS Technical Specifications and bears the Volta code and Volta symbol, may be used.

4 Guidelines for an Efficient Transition

Interpretation of the concepts of 'placing on the market' and 'making available on the market'

The concepts of placing on the market and making available on the market correspond to the definitions set out in Article 3(l) and (o) of Decree-Law No. 152-D/2017, respectively:

"Placing on the market" means the first making available of a product on the market, within the national territory, as a professional activity;

"Making available on the market" means the offering of a product for distribution, consumption or use on the market, within national territory, in the context of a commercial activity, whether for payment or free of charge.

These concepts should be interpreted in accordance with Circular No. 05/2021/DRES-DFEMR of the Portuguese Environment Agency, of November 2021, revised in August 2022 and January 2023.

Planning

All Packagers and Distributors, Wholesalers, Retailers, Stockists and HoReCa must start planning for the transition period as soon as possible.

During the first phase of the transition period, up to 60 days after DRS *Go Live*, HoReCa Distributors, Wholesalers and Retailers should prioritise orders for the placing on the market of products with pre-DRS packaging, with the aim of accelerating the complete disposal of their stocks in the Packers' inventories, before transitioning to orders for Volta codes.

During the second phase of the transition period, between 60 and 90 days after DRS *Go Live*, HoReCa Distributors, Wholesalers, Retailers, Stockists and HoReCa should prioritise the distribution and/or sale of products with pre-DRS packaging on the market, with the aim of accelerating the complete disposal of their stocks in their respective inventories before transitioning to the sale of Volta packaging.

During the third and final phase of the transition period, between 90 and 120 days after SDR *Go Live*, HoReCa establishments and Retailers should prioritise the sale of products with pre-SDR packaging, with the aim of accelerating their complete disposal, before transitioning to orders for Volta packaging.

Employee training

All Packagers and Distributors, Wholesalers, Retailers and HoReCa must provide training to their employees on the new DRS standards and procedures, using the training materials and content available on the SDR Portugal website.

Monitoring

Sales and inventories of products with "pre-DRS" packaging and Volta packaging must be properly monitored to ensure that everything is in compliance within the established deadlines.

Packagers must make every effort to accelerate the sale of pre-DRS products during the transition period, across the different channels (Retail and HoReCa).

Disclosure

Packagers and distributors, wholesalers, retailers and HoReCa must promote the dissemination of communication materials about the SDR and the Volta brand, with clear information on the rules for charging the deposit and its refund upon delivery of the respective packaging to a collection point.

In this context, the guidelines, key messages and graphic supports for harmonised communication with the end consumer, to be made available by SDR Portugal, must be respected.

Communication

Close communication between packers and distributors, wholesalers, retailers and HoReCa is crucial to ensure a well-coordinated transition and avoid obsolete pre-DRS codes.

Coordination between the different elements of the supply chain is critical when pre-DRS packaging runs out and the switch to Volta packaging takes place for each item, as this will naturally happen on different days for different items. Failure to communicate effectively will result in possible disruptions, problems for logistics operations and the blocking of administrative processing of invoicing documents.

All relevant partners must be informed about the new system and collaborate in sharing information about the DRS and the rules for the transition period. To this end, SDR Portugal will promote a communication campaign and provide appropriate communication materials and content, taking into account the multiplicity of entities with different needs.

Version history



Version	Date	Summary of changes made