
**Reusable packaging system design -
Specifications and recommendations**

Part 4:
Return incentives

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RESOLVE

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Reusable Packaging System Design Standard:

Return incentives

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Foreword

PR3 is a public-private partnership between corporate, government and NGO stakeholders that has created a standard for the design of reusable packaging systems and is testing it in collaborative demonstration projects. PR3's goal is to transform disconnected, proprietary, and small-scale reuse models into shared interoperable public-private systems. The standard is meant to integrate, de-risk, and support reuse initiatives globally.

PR3 founding partners, funders and advisors include Break Free from Plastic, Cisco, City of Seattle, Nestle, and the Plastic Solutions Fund.

This document was prepared by PR3 with input from its partners. It represents the views of PR3 only and does not indicate the views of any of PR3's partners.

This is a working draft document and is subject to change.

A list and links to all parts in the PR3 Reusable Packaging System Design standard can be found on the PR3 website, see <https://www.pr3standards.org/the-pr3-standards>.

Any feedback or questions on this document should be directed to PR3 Technical Director at: <https://www.pr3standards.org/contact>

Introduction

Single-use packaging is a critical threat to human health and the environment. Reuse has the greatest potential to dramatically reduce plastic production and greenhouse gas emissions, as well as reduce system costs, compared to other packaging waste interventions, according to Pew Charitable Trusts.

As reusable packaging systems have emerged in recent years, they have been designed independently and are mostly small-scale, disconnected, and proprietary. They each operate within their own systems for collection and reverse logistics. As more enter the market, they will sow confusion, inconvenience, and inefficiencies for companies, workers, and consumers, and bump up against each other in their quest for scale.

PR3 developed the Reusable Packaging System Design standard with the goal of transforming these hundreds of disconnected reuse systems into a shared and interoperable public-private system - one that is more convenient and affordable and has the ability to truly scale.

This document represents the component of the standard that focuses on aligning *return incentive programs*. Incentives are designed to encourage consumers to return used containers and are typically financial in nature. They can include deposits, discounts, vouchers or coupons for future purchases, donations to charity, or fees for unreturned containers.

Sometimes incentives are established through regulations, as is the case with deposit returns schemes in many European countries and U.S. states. In these places, the incentive type and value are standardized across every manufacturer and retailer within the jurisdiction. But incentive systems also operate without any mandated or regulated system. This has been the case with Coca-Cola bottles throughout Africa, Asia, and Latin America, as well as with new coffee cup programs voluntarily being taken up by cafes in numerous global regions. In a shared reuse ecosystem, there may be a diverse range of both mandated and voluntary incentive programs and they will have to function seamlessly together.

The objective of this document is to establish consistent protocols for incentive programs, so that manufacturers, retailers, and logistics providers can appropriately administer incentives that vary by type and value. This document is not meant to supersede any deposit return regulations or standards that exist in various jurisdictions. Instead, it is meant to assist and guide practitioners in any jurisdiction, whether or not deposit regulations exist.

This document is one of multiple parts that together make up the Reusable Packaging System Design Standard. Other parts include collection points, containers, incentives, labeling, reverse logistics and washing. A list and links to all parts in the standard can be found on the PR3 website, see <https://www.pr3standards.org/>.

1 Scope

This document specifies requirements and recommendations for return incentives that are assigned to containers in a reuse ecosystem.

It is applicable to containers that meet [Part 2: Containers](#) and are intended to be part of a shared reuse ecosystem.

It is applicable to container collection points that meet [Part 1: Collection points](#) and are intended to be part of the shared reuse ecosystem.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document.

- DRAFT RES-001 – Reusable Packaging System Design Standard – Part 02: Containers
- DRAFT RES-003 – Reusable Packaging System Design Standard – Part 05: Labeling
- DRAFT RES-004 – Reusable Packaging System Design Standard – Part 03: Digital
- DRAFT PR3’s Reusable Packaging System Design Standard – Part 01: Collection Points
- DRAFT PR3’s Reusable Packaging System Design Standard – Part 06: Reverse logistics

3 Terms and definitions

For the purposes of this document, the terms and definitions given in the [Glossary of Terms](#) and the following apply.

In all clauses, the following verbal forms are used:

- Requirements are indicated by “SHALL” or “SHALL NOT”
- Recommendations indicated by “SHOULD” or “SHOULD NOT”
- Permission is indicated by “MAY” or “MAY NOT”

3.1

Return incentive

incentive

Something of value that is given to users when they return a used reusable container to a reuse collection point. Incentives can include deposits that are returned, coupons or vouchers for future purchases, or fees for unreturned containers.

3.2

Reuse service provider

A business that is involved in the reusable packaging reverse supply route, either by managing the logistics, washing, and/or data for moving reuse assets/containers through the system, e.g., Vessel, Loop, muuse. In some cases the reuse service provider is a consumer good company, e.g., as The Coca-Cola Company and its bottlers collecting, washing, and redistributing its own soda bottles.

4 General incentive requirements

An incentive SHOULD be assigned to a container when necessary to achieve a container return rate of 90% or higher.

Note: In some jurisdictions, the incentive is mandated and cannot be adjusted regardless of return rates.

Note: Per [Part 6: Reverse logistics](#), containers must have return rates of 90% or higher on average.

Note: [Part 6: Reverse logistics](#) provides instructions for calculating container return rates.

Incentives SHOULD be assigned to containers in open settings.

Note: Open settings include places where food, beverages or other consumer goods are taken off-site to be consumed, e.g., restaurants and cafes that serve take-away food or retailers that sell consumer goods.

Note: In open settings, incentives will likely be necessary to achieve a container return rate of 90% or higher.

Note: If a container can achieve a return rate of 90% or higher in an open setting without an incentive, then it is not necessary to assign an incentive to the container.

Incentives MAY not be assigned to containers in closed settings.

Note: Closed settings included places where food, beverages or other consumer goods are consumed on-site, e.g., arenas and theaters.

Note: In closed settings, venue staff can support and help ensure container collection. Some closed venues experience reuse return rates higher than 90% without any return incentives.

Note: If a container does not achieve a return rate of 90% or higher in a closed setting without an incentive, assigning an incentive is one option for boosting the return rate.

5 Digital requirements

5.1 Incentive jurisdiction

Note: Certain containers are used in multiple national or regional jurisdictions that have differing incentive programs and regulations.

The jurisdiction(s) where return incentives are in place SHALL be designated in the digital tag using the data field “Incentive jurisdiction”

Note: Digital tagging instructions are provided in PR3 Standard [Part 3: Digital](#).

The default “Incentive jurisdiction” SHALL be global.

For containers that have different incentive types and/or values in different jurisdictions, the “Incentive jurisdiction” SHALL list each country where an incentive is in place.

5.2 Incentive type

For each “Incentive jurisdiction”, a “Incentive type” SHALL be designated.

Incentive type SHALL be designated according to Table 1.

The incentive type SHALL be designated in the digital tag using the data field “Incentive Type”

Note: Digital tagging instructions are provided in PR3 Standard [Part 3: Digital](#).

The default incentive type SHALL be “None”.

Table 1 - Incentive types

<i>Incentive type</i>	<i>Description</i>	<i>12N Field Identifier</i> [1]
Deposit	Monetary value paid by the consumer when the container is purchased. In some jurisdictions, the deposit value is regulated. The value is returned in full or in part to the person that returns the container at a collection point.	
Reward	In the form of a voucher or app, given to the person that returns a container to a collection point. The reward may have monetary value and/or may provide a discount on future purchases, etc.	

Fee	Fee charged to consumer if the container is not returned within a certain amount of time. This incentive is only applicable in system where containers have individual IDs and consumers are connected to the system via a credit card and/or phone app.	
None	In closed environments, e.g., in arenas, theaters and other venues where food, beverage or other consumer goods are consumed on-site, incentives may not be needed to achieve the return rate of 90% or higher.	

Note: In subscription models that require consumers to pay a regular fee for usage, incentive type will be “None” Each container will have a unique ID and reuse providers will manage subscriptions payments independently.

5.2.1 Deposits

When the “Incentive type” is “Deposit”, the deposit value SHALL be specified in the digital tag using the data field “Deposit value”.

Note: Digital tagging instructions are provided in PR3 Standard [Part 3: Digital](#).

The default currency for “Deposit value” SHALL be the currency of the “Incentive jurisdiction”.

Alternate currency MAY be designated in the optional data field, “Incentive currency”.

The default return value shall be 100% of the “Deposit value”.

An alternate return value MAY be designated in the optional data field, “Return value”.

The return value SHOULD not be less than 100% of the “Deposit value”.

Note: In some jurisdictions return values are regulated and may be lower than the deposit value, e.g., half-back programs.

Note: Generally, return rates are higher when deposits are returned in full.

In general, the deposit value SHOULD be optimized to the smallest value that achieves a 90% or higher return rate.

Note: In some jurisdictions, deposit values are regulated and not subject to change.

Note: While higher deposit values tend to correspond with higher return rates, they also place burden on consumers and can limit accessibility among some consumers.

Note: Some regions that have deposit return schemes in place for beverage bottles, such as Germany, Norway and Michigan and Oregon in the United States, see return rates over 85% with deposit values as low as \$0.10-\$0.25.

Deposit value SHOULD be adjusted, when appropriate and allowed, to meet the requirement of 90% or higher container return rate.

Note: Per [Part 6: Reverse Logistics](#), containers should have return rates of 90% or higher on average.

Note: Other adjustments, such as adjustments to the container design or to the labeling, might also be employed to boost the return rate.

5.2.2 Reward

When the “Incentive type” is “Reward”, the reward value SHALL be specified in the digital tag using the data field “Reward value”.

Note: Digital tagging instructions are provided in [Part 3: Digital](#).

“Reward value” MAY include a text string that describes the reward

“Reward image” MAY include a digital code or image (e.g., a barcode) for the reward

In general, the reward value SHOULD be optimized to achieve a 90% or higher return rate, and ideally a return rate approaching 100%.

Reward value SHOULD be adjusted, when appropriate, to meet the requirement of 90% or higher container return rate.

Note: Per [Part 6: Reverse Logistics](#), containers must have return rates of 90% or higher on average.

Note: Other adjustments, such as adjustments to the container design or to the labeling, might also be employed to boost the return rate

5.2.3 Fee

Fee SHALL only be designated if the container has a unique ID that is specified in the digital tag using the data field “Passport ID”.

Note: Digital tagging instructions are provided in PR3 Standard [Part 3: Digital](#).

When the “Incentive type” is “Fee”, the reuse service provider SHALL manage fee payments independently.

Fee value SHOULD be adjusted, when appropriate, to meet the requirement of 90% or higher container return rate.

Note: Per Part 7: Reverse Logistics (coming soon), containers must have return rates of 90% or higher on average.

Note: Other adjustments, such as adjustments to the container design or to the labeling, might also be employed to boost the return rate

5.2.4. None

For containers with the incentive type “None”, no value SHALL be exchanged upon container return.

For containers with the incentive type “None,” no discount voucher or coupon SHALL be given upon container return.

6 Labeling

The incentive type and value SHALL be incorporated into container labeling.

The incentive labeling SHALL be relevant to the jurisdiction in which the container is intended to be sold.

Note: [Part 5: Labeling](#) provides instructions for container labeling.

The incentive type and value SHOULD be incorporated into container labeling adjacent or near the reuse logo so that the association with reuse is easily comprehended.

For each product sold in a reuse container, the container’s incentive type and value SHALL be printed on the consumer’s sales receipt.

Note: Labeling the incentive type and value on both the container and receipt informs the consumer that the container has value and should be returned.

Note: Labeling the incentive type and value on both the container and receipt helps ensure a certain value is paid to the person who returns the container and is intended to limit variable and unfair payments.

7 Administration

A system administrator(s) SHALL be designated to manage system data and clear incentive payments and service fees between jurisdictions.



Bibliography

