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Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid
Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change
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Llywodraeth Cymru
Welsh Government

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23 March 2026

Dear Llŷr,

Thank you for your letter of 25 February setting out the Climate Change, Environment and Infrastructure Committee's position on the introduction of the Deposit Return Scheme for Drinks Containers in Wales and for sharing the Committee's questions regarding the correspondence received from the Wine and Spirit Trade Association (WSTA) and British Glass.

I welcome the Committee's continued support for the introduction of a Deposit Return Scheme (DRS) in Wales and recognition that the adaptations we have made to the scheme represent a pragmatic approach which enables the scheme to be progressed. The provision of a four-year transition period for single use glass drink containers provides industry with further time to prepare and adapt whilst also enabling the trialling and phased introduction of reuse. As you note, the draft Regulations scheduled for debate on the 24 March therefore represent a significant step forward in delivering a scheme that can deliver in a Welsh context, whilst ensuring the modest variation in comparison with the schemes in the rest of the UK is carefully managed.

I am pleased that the Committee supports the proposed commencement date of 1 October 2027 to align the operational commencement of the scheme with those in the rest of the UK. The work to accelerate the development of the DRS for Wales to align to a common start date is important in minimising complexity for businesses and maximising interoperability. It is important to underline however, that this aligned start date can only be achieved if the regulations are passed by the Senedd later this month.

In relation to the questions set out in the Annex to your letter, please find the following responses:

1. How do you respond to WSTA's assertion that "Introducing a glass-in DRS could additionally undermine environmental aims by increasing vehicular emissions and incentivising a shift from sustainable glass to less recyclable packaging formats"?

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The Welsh Government does not agree with the assertion that glass inclusion in the Deposit Return Scheme (DRS) would undermine environmental aims, which is contrary to both the international experience and available evidence. In line with our long-standing policy approach and as most recently set out in the Written Statement of 12 February 2026, the inclusion of glass is *integral* to delivering a DRS that can deliver in a Wales context in line with our commitment to move to a circular economy. Glass is one of the most suitable materials for reuse as already seen in high performing international schemes, and its inclusion both ensures that DRS will tackle glass litter and on-the-go recycling from the start whilst also supporting the trialling and being ready for the rolling out of reuse.

Vehicle emissions are one of the considerations when looking at the emissions generated by the scheme, but equally the emissions associated with every other stage must be factored in. For glass, its production is both energy and carbon intensive and therefore as seen in international schemes, when it is reused many times over this saves a considerable number of emissions. Moreover, by maximising collection efficiency, ensuring infrastructure is carefully located and achieving reuse at scale, vehicle emissions can be further reduced. Here in Wales, with one of the world's best kerbside recycling systems, the Deposit Management Organisation ("DMO") also has the opportunity to deliver a scheme that utilises the current kerbside collection service.

In relation to the risk of incentivising a shift to less recyclable packaging formats, we have heard from industry that this is something that is starting to be seen currently with glass coming under the Extended Producer Responsibility scheme for packaging (pEPR). With glass currently falling under pEPR, it is therefore subject to a different regime to the other materials, rather than competing on the same basis. By including glass in DRS, it will be within the same scheme as the other materials in Wales and therefore will be competing on the same basis as those other materials. In addition, by bringing in a scheme which is designed from the outset to support the phasing in of reuse, this provides a major opportunity for glass, as it is overwhelmingly the most common reuse material internationally. Therefore, contrary to the assertion, it provides every opportunity for glass to more effectively compete and potentially support an expansion in its use in the UK into reuse.

2. How do you respond to British Glass' assertion that the inclusion of glass drink containers could lead to:

i "Sourcing 'cheaper' glass beverage packaging imports that can absorb policy costs, reducing recycled content of the products, increasing their carbon footprint of those products, and displacing UK supply chains."

ii "Switching of products into plastic or other materials, many of which negatively impact on human health, the environment, and are less recyclable than glass."

Industry has raised the issue of the impact cheaper glass imports are having, but this again is something that has been cited as happening currently. In relation to the impact of having glass in a DRS, there is no practical evidence from the overwhelming majority of DRS systems internationally which include glass that this prompts the displacement described. We have also had no evidence from British Glass to support such claims. In addition, the international examples of schemes that include reuse and the studies undertaken on reuse emphasise the need to minimise the distance that drinks containers travel to maximise the benefits of the scheme. As referenced above, with glass being the most common reuseable material internationally, this provides an opportunity for the UK glass industry to expand into this market.

It is therefore important to make a separation between the sourcing of cheaper packaging and switching industry report as happening under the status quo and the impact of DRS encompassing glass. On the latter, we have been clear that glass is an important part of the scheme and is particularly key to the transition to reuse. Far from stimulating a move away from glass, the incorporation of glass and the phasing in of reuse brings considerable opportunity for the glass industry as a material that is widely recognised for its suitability for reuse.

3. According to British Glass, the draft Regulations “leave many unanswered but critical questions” (set out below). It would be helpful if you could respond to each in turn. iii. “Will Producers face costs for DRS glass collection during the 0p deposit period?”

During the transition period (2027–2031), producers will be subject to scheme obligations administered by the DMO, including registration, reporting and financial contributions necessary to prepare and operate the system, including the collecting of in scope materials. The Regulations and Explanatory Memorandum set out the DMO’s role and duty to make the arrangements required under the scheme.

iv. “If glass is to exempt [sic] from packaging Extended Producer Responsibility under DRS from October 2027, why are Producers still paying pEPR fees now, unlike other metal and plastic beverage packaging in all UK nations that are exempt from pEPR fees?”

The DRS Regulations make provision in each nation for the implementation of its respective scheme and the materials within scope. Whilst the original intention was for pEPR and DRS to be introduced at the same time, delays to DRS across the UK have meant that pEPR was introduced first. For Scotland, Northern Ireland and England, they now have their DRS regulations in place setting the scope of the material that falls within DRS vs that which is EPR. In Wales, the DRS Regulations have not yet been made; if passed by the Senedd, they will bring in-scope glass drinks containers within the Welsh DRS from scheme commencement. As the Explanatory Memorandum explains, products are obligated under either DRS or EPR, not both. Accordingly, producers are paying pEPR fees now because glass drinks containers currently fall within the pEPR regime until they move into an active DRS in Wales. Metal and plastic drinks containers do not fall under pEPR as they are in scope of DRS across the UK, but provision is made within the pEPR regulations for them to do so if no DRS has come into operation in any part of the UK by 1 January 2028. For glass within the DRS in Wales, there is a four-year transition period which does not apply to metal or plastic drinks containers.

v. “How will the system interact with existing kerbside collection? Will the DMO have to reimburse Local Authorities, and how will double payment be avoided?”

In establishing the framework for the DRS, the regulations allow for the DMO to take advantage of Wales’ world class kerbside recycling system. It is for the DMO to establish the practical funding and material-flow arrangements, and the Welsh Government is engaging with prospective candidates and will work with the DMO when appointed to support their active engagement with Local Authorities. As set out above, products are obligated under either DRS or EPR and not both and the EPR payments to Local Authorities for glass once the DRS is in place will not include the cost of managing those products within the DRS.

vi. “Given the 0p deposit, an 80% return target for glass by 2030 is very high. Will Producers face a fine if this is not met?”

Under the regulations the collection targets are conferred on the DMO, not individual producers. The DMO is held to account by NRW, for overall scheme performance. Importantly, the collection targets within the regulations are set at a level that will ensure

that the scheme will deliver in a Welsh context, with Wales already being second in the world for recycling and achieving high recycling rates for all in scope materials. As set out above, the regulations allow for the DMO to draw on our world class kerbside collection service in delivering against those targets.

I welcome the Committee's ongoing active interest in the development of the Deposit Return scheme and its long-standing support for a DRS the delivers for Wales. As a Government, we remain committed to working closely with industry, local authorities and wider stakeholders and to continuing our joint working with the Governments in the rest of the UK as we work towards the scheme's launch on the 1 October 2027.



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