



Exchange For Change
100 Avebury Blvd
Milton Keynes MK9 1FH
www.exchangeforchange.co.uk

13 March 2026

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Llywodraeth Cymru

Welsh Government

Ty Hywel

Bae Caerdydd

Cardiff Bay

CF99 1SN

Dear Deputy First Minister,

Re: Final submission to act as Deposit Management Organisation in Wales

I am pleased to present the final submission from Exchange For Change in our application to be appointed the Deposit Management Organisation (DMO) for the Deposit Return Scheme (DRS) in Wales.

Thank you for your assistance in facilitating our discussions with officials over several months to understand the priorities of the Welsh government in appointing a DMO. The open and collaborative approach to this dialogue is greatly appreciated, and we believe that Exchange For Change is able to meet all of the Welsh government's requirements contained in the regulations.

In preparing this submission, we have given in-depth consideration to the Welsh government's circular economy policy and targets on recycling, in particular its ambition to go beyond what is prescribed in the regulations by requiring all return points in Wales to accept glass in addition to PET and aluminium and steel cans.

We have reviewed this policy requirement in detail – and held extensive discussions with DRS experts, our Board and Investing Members – in our best efforts to find a solution that would deliver on this ambition. However, clear consensus remains that delivering a single-point collection system for all materials from October 2027 in Wales is not operationally achievable.

In summary, there are two primary impacts that would be created by the inclusion of glass with PET, aluminium and steel at every return point:

- Operational requirements of collection, handling, and health and safety introduce far greater practical and logistical challenges for return points, particularly in the convenience sector
- Glass has very high handling costs, whether manually or through a reverse vending machine, which would result in materially higher handling fees of an order that would put the financial viability of the scheme at risk.

The result of the above combined operational and financial impacts mean that the scheme would not be able to support a sufficient network of combined return points, which ultimately could compromise the return rates for all materials.

Taking these constraints into consideration, our recommendation to government is that the Welsh DMO be tasked with identifying and managing glass return points in a complementary framework, that would deliver the maximum possible collection network within the funding available. This framework would provide businesses the choice of hosting a return point for glass, and the DMO to work closely with a range of organisations to ensure sufficient geographic coverage.

While recognising this particular element of our submission, please be assured that our application is fully compliant with the regulations, and indeed surpasses the regulations in a number of areas, in order to deliver a successful DRS for Wales.

We are very cognisant of the challenges involved in meeting the October 2027 go-live date for the DRS, and we have included Wales in our thinking to achieve an interoperable system with England, Scotland and Northern Ireland. In light of the required timescales, we would be pleased to offer the assessment panel the opportunity to interview key members of the Exchange For Change team in person, to allow further explanation or questions on any element of our submission.

Minister, we understand and fully support the Welsh government's ambition to remain at the forefront of recycling, and to do so in a way that provides a seamless and convenient citizen experience in all communities across Wales.

We remain at your disposal should you wish to meet or discuss our submission, and thank you for considering our application.

Yours sincerely,

Russell Davies
Chief Executive Officer

Att: DRS programme plan summary