



St Andrew's House, Regent Road, Edinburgh EH1 3DG  
T: 0300 244 4000

28 February 2023

Dear

I am writing to you regarding Scotland's Deposit Return Scheme (DRS) and to seek UK Government's continuing constructive support in finalising the terms of an exclusion from the terms of the Internal Market Act in line with the procedure agreed between our governments.

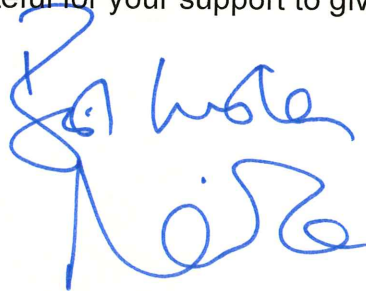
Scotland's DRS will be transformational and will be a major part of our efforts to reduce litter, cut emissions and build a more circular economy. It was established by Regulations passed by the Scottish Parliament on May 2020. Since that date, significant progress has been made. Circularity Scotland, the industry body formed to deliver DRS, was established, and Biffa was appointed logistics partner. Biffa itself has invested £80 million in the scheme, and retailers and producers between them have invested hundreds of millions to ensure they are ready. This leveraging of private investment reflects confidence in the scheme and, as I know you are aware, is key to both of our Governments successfully delivering a cost-effective transition to net-zero.

However, I am concerned to read press coverage that gives the impression that the Scottish Government has not yet requested an exclusion for DRS from the Internal Market Act's market access provisions, and that UK Government is not minded to agree such an exclusion. This comes at a critical moment for business confidence in the scheme.

As you will be aware, there is an agreed process between the UK Government and devolved governments for excluding certain policies from the Internal Market Act that fall within Common Framework areas. That process was set out by the UK Government in a Written Ministerial Statement in December 2021, The Scottish Government has been following that formal, agreed process to seek the exclusion of the DRS regulations from the Internal Market Act. This has been the subject of discussion with the UK Government beginning in 2021 when we sought a broad exclusion under the Resources and Waste common framework, and, since then, an exclusion was agreed covering Scotland's single use plastic regulations, specifically for DRS since autumn of last year. In light of this, you will understand our unease at what more recent remarks suggest.

Through that process, the Scottish Government has set out its case for an exclusion. We have welcomed the constructive engagement from relevant UK Government counterparts in this as we did for the previous discussion on single-use plastics. It is now for Defra, as the lead UK Government department in this policy area, to manage consideration, engagement and decision-making processes across UK Government departments in reaching a UK Government decision.

As the process has now been in train for a considerable time, I hope that momentum can be maintained and I would be grateful for your support to give businesses the clarity they need.

A handwritten signature in blue ink, appearing to read 'Nicola Sturgeon', written in a cursive style.

**NICOLA STURGEON**