

CTPA welcomes the opportunity to comment on the Defra Consultation on Reforms to the Packaging Waste Recycling Note (PRN) and Packaging Waste Export Recycling Note (PERN) System and Operator Approval.

[CTPA, the Cosmetic, Toiletry and Perfumery Association](#), is the trade association representing the UK's cosmetics industry. [Membership](#) covers over 85% of the UK cosmetics and personal care market by value, and comprises small, medium, large and multi-national companies supplying the UK market. Companies include manufacturers, distributors, ingredient suppliers, contract laboratories, contract manufacturers and own brand retailers. The UK cosmetics and personal care market was worth £8.5 billion at retail sales price in 2021 [1].

References:

[1] The Cosmetic, Toiletry and Perfumery Association "[Cosmetics Industry in Figures](#)" Kantar Worldpanel April 2022

### Proposals

**Question 5: Do you agree or disagree with the introduction of mandatory monthly reporting for reprocessing/export data?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

CTPA hopes that this consultation will lead to the implementation of measures that will increase price stability and transparency in financial flows throughout the system. To this end, CTPA recognises that more frequent reporting of reprocessing and export data should lead to more transparency and reliable information, but any additional administrative and reporting burdens placed on those businesses responsible for generating evidence of recycling must strike an appropriate balance.

**Question 6: Do you agree or disagree with the introduction of mandatory monthly reporting of PRN/PERN prices and revenue data?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

CTPA recognises that regular reporting of PRN price data is in the interests of increased transparency, but this must be done ensuring no infringement of competition law.

Regarding monthly reporting of revenue data, CTPA does not have enough information to be able to comment. Revenue data implies how funding is used, so this would be more difficult to report monthly.

**Question 7: Do you agree or disagree with the proposed approach to revenue reporting for reprocessors and exporters?**

- a. Agree

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- b. Disagree
- c. Neither agree nor disagree

Aggregated and anonymised information, such as an annual, industry-wide summary could be useful to gain an accurate performance indicator and also to identify any potential areas that require more investment. However, as indicated in response to question 6, revenue data would be more accurate using reporting retrospectively.

**Question 8: Please suggest any other categories/sub-categories that you think should be included.**

Rather than additional categories for inclusion, CTPA would like to comment on the inclusion of reprocessors and exporters reporting on communication spending. It is our view that this should be covered within the funding of national consumer communications regarding packaging waste recycling and littering; the proposed responsibility of the EPR scheme administrator. This would also reduce the chance of conflicting or confusing messages being communicated.

**Question 9: Do you agree or disagree with the proposal to reduce the timescale over which PRNs/PERNs can be traded?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

**Question 10: Do you agree or disagree that there should be a mechanism for extending the compliance period for the trading of PRNs/PERNs?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

**Question 12: Do you agree or disagree with the proposal to increase the timescale over which PRNs/PERNs can be traded to a multi-year or rolling system?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

Whilst there may be merit in extending the flexibility of a compliance year (+/- a few months), CTPA would consider a multi-year approach unnecessary as the majority of packaging is relatively short-lived.

**Question 13: Which approach do you believe is the most suitable for addressing the issues of price volatility in the PRN/PERN market?**

- a. Option 1
- b. Option 2
- c. Option 3
- d. All could work
- e. None of the above
- f. I do not know enough to provide a view

Whilst the current issue of price volatility cannot be eliminated, Option 2, extending the flexibility of the compliance year, will provide reasonable mediation without removing obligations.

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**Question 14: Do you think that the issuing of PRNs/PERNs on DRS materials that remain in kerbside collections would have an impact on the PRN/PERN market? If yes, what impact would this have, and if no, why not?**

- a. Yes
- b. No
- c. Unsure

No matter how successful Deposit Return Schemes are, there will always be DRS material within kerbside recycling and this material has a value; i.e. its deposit. The presence of this material could lead to an over-supply of PRNs. The ability to segregate and claim the full, or a proportion of the deposit will encourage material collection.

**Question 15: Do you agree with a sampling and modelling approach?**

- a. Yes
- b. No
- c. Unsure

It will be difficult to identify what and how much material is in the stream by sampling or modelling.

**Question 16: Do you think reprocessors and exporters will be able to differentiate between DRS and EPR packaging materials in issuing evidence?**

- a. Yes
- b. No
- c. Unsure

The presence of different polymers or glass that may or may not be covered under DRS will be extremely difficult to differentiate between.

**Question 17: Which of the above options do you prefer?**

- a. Option 1
- b. Option 2
- c. Option 3

The obligation for recycling should be on producers of packaging waste that is in scope of the DRS, but not collected by the Deposit Management Organisations (DMOs).

Option 3 puts this cost onto those producers obligated under EPR. This does not follow the principle of *'the polluter/producer pays'*. If there are unredeemed deposits, would those funds be allocated to EPR?

**Question 18: Do you think there will be any issues in the practical implementation of:**

**Option 1?**

- a. Yes
- b. No
- c. Unsure

**Option 2?**

- a. Yes
- b. No
- c. Unsure

**Option 3?**

- a. Yes
- b. No
- c. Unsure

The obligation for recycling should be on producers of packaging waste that is in scope of the DRS, but not collected by the Deposit Management Organisations (DMOs).

Option 3 puts this cost onto those producers obligated under EPR. This does not follow the principle of 'the polluter/producer pays'. If there are unredeemed deposits, would those funds be allocated to EPR?

**Question 19: Do you agree or disagree with the introduction of an operator competence test for compliance schemes?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

To ensure successful implementation and fit and proper conduct, standards of competence should be required for all players, including compliance schemes.

**Question 20: Do you agree or disagree with the introduction of an operator competence test for accredited reprocessors and exporters?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

As highlighted in question 19, to ensure successful implementation and fit and proper conduct, standards of competence should be required for all players.

Call for Evidence

**Question 21: Do you agree or disagree with the introduction of a compliance fee for producers who do not obtain sufficient PRNs/PERNs to meet their obligations?**

- a. Agree
- b. Disagree
- c. Neither agree nor disagree

The framework for a compliance fee might require producers to register directly with schemes but it should be a choice for producers to be part of a compliance scheme.

There could be some materials caught within DRS in Scotland so it would not be right to penalise those producers impacted.

**Question 22: Do you think the introduction of a compliance fee would still be necessary in addition to the proposals (outlined in Section 2.2) to address the issues around price volatility?**

- a. Yes**
- b. No**
- c. Unsure**

As mentioned in question 21, the imposition of a well-managed compliance fee should be an available option.