# PRESS RELEASE

## Circular Economy: Major industries call for common EU minimum requirements for Extended Producer Responsibility schemes in Europe

**Brussels, 27 October 2015 –** Major manufacturing industry sectors in Europe that fall under the legal obligations of Extended Producer Responsibility<sup>1</sup> (EPR), i.e., packaging, batteries, WEEE and tyres respectively represented by **EUROPEN**, **EPBA**, **LightingEurope** and **ETRMA**, call for common binding EU minimum performance requirements for EPR schemes in the legislative part of the Circular Economy Package due to be published by end 2015. These recommendations have additionally been endorsed by **AIM**, the European Brands Association.

A strengthened EU regulatory framework for EPR aims to support EPR obligated industries and the Member States that apply EPR as an end-of-life tool to help reach related national and EU targets. Improved implementation, enforcement, accountability of all actors involved in EPR implementation, along with EU minimum performance requirements (see attached) will help ensure a level playing field for all EPR schemes and promote a viable market for secondary raw materials. In view of the forthcoming Circular Economy proposal, the co-signatories seek to correct market failures by calling for a strengthened EPR regulatory framework in EU legislation.

"Our common requirements are valid across the different waste streams and EPR compliance models in Europe." said Virginia Janssens, Managing Director of EUROPEN. "However, where appropriate, these common rules will need to be complemented with sector specific EPR legislation addressing our specific market challenges and supply chains structures. For instance, EPR and its implementation will also need to be embedded in the Packaging and Packaging Waste Directive, respecting the lifecycle approach and the Internal Market principle", Ms Janssens stressed.

Hans Craen, Secretary General of EPBA, states that "in particular in light of the current discussions on circular economy, it is an opportune moment to discuss and move forward with common EU minimum requirements for extended producer responsibility." He added that "these common minimum requirements for EPR will form a good basis for Member States in implementing a more coherent producer responsibility framework for the collection of portable batteries".

"Transparent and accurate reporting of EPR schemes is necessary to ensure non-discrimination, cost efficiency and flexibility", said Fazilet CINARALP, Secretary General of ETRMA. "This includes transparency of material flows, costs, tendering procedures, geographical scope and overall financial solidity. For transparency reasons, the environmental fee paid when buying a new tyre should be visible to the buyer as separate line item on their invoice and be reflected through the entire supply chain". She further stressed that "consumer engagement and participation is a pre-requisite to the success of any EPR scheme. In the case of tyres, this should not only cover consumers but also professionals that are mounting and dismounting the tyre."

"LightingEurope believes that EPR can be a very effective way of enhancing a more circular approach. But, without consistent implementation, environmental outcomes are diminished, and a level playing field is compromised." stated Zoltan Pilter, Chair of the association's collection and recycling working group.

Additional and individual waste stream positions on EPR and/or the Circular Economy can be found on the respective websites of the co-signatories.

\*\*\* The End \*\*\*

<sup>&</sup>lt;sup>1</sup> Extended producer responsibility means the producer's full or partial operational and/or financial responsibility for a product extended to the post-consumer state of a product's life cycle, as a means for Member States to meet EU collection, recycling and/or recovery targets.











Signed by the following industry organisations:

**EUROPEN** -- the European Organization for packaging and the Environment -- is an EU industry association in Brussels presenting the opinion of the packaging supply chain in Europe on issues related to packaging and the environment, without favouring any specific material or system. EUROPEN members are comprised of multinational corporate companies spanning the packaging value chain (raw material producers, converters and brand owners) plus six national packaging organizations all committed to continuously improving the environmental performances of packaged products, in collaboration with their suppliers and customers. www.europen-packaging.eu

EUROPEN's Factsheet on EPR for used packaging can be consulted here.

Established in 1959, **ETRMA** is devoted to advocating the interests of the tyre and rubber manufacturing industries with the European Union Institutions and other international organizations. ETRMA contributes to ensuring the development, competitiveness and growth of the tyre and rubber industry in contributing to all the initiatives in favour of health, safety & environment protection, transport and road safety and access to third markets in coordination with the European public authorities. The Association represents 4,200 companies, which employ directly 360 000 people in the EU. All together they generate a turnover exceeding  $\in$  49 billion. The product portfolio of our members is extensive ranging from tyres (all vehicle types), other automotive and construction rubber products to pharmaceutical, baby care, food contact applications, etc.

Additional information at <u>www.etrma.org</u> & <u>www.etrma.org/tyres/ELTs/ELT-</u> management/producer-responsibility

**EPBA** -- The European Portable Battery Association (EPBA) is the authoritative voice of the portable power industry. The association supports the common interests of its members regarding portable batteries and battery chargers with European institutions and other leading international bodies to provide consumers with complete power solutions which are sustainable across their life-cycle. The members of EPBA are manufacturers of portable batteries, as well as National Associations and Original Equipment Manufacturers (OEMs).

Additional information available at <u>www.epbaeurope.net</u>

**LightingEurope** is an industry association representing leading European lighting manufacturers, national lighting associations and companies producing materials. We are committed to innovation, sustainability, quality and leadership. We contribute to shape policy and establish industry standards and guidelines. We are dedicated to promoting efficient lighting practices for the benefit of the global environment, human comfort and the health and safety of consumers.

Additional information available at <u>www.lightingeurope.org</u>

**AIM** is the European Brands Association. AIM's membership comprises corporate members and national associations that have a similar but more local constituency. Altogether, AIM represents directly or indirectly some 1,800 companies ranging from SMEs to multinationals, accounting for some  $\in$ 450bn sales and two million jobs in Europe alone. Members are primarily manufacturers of branded products in fast moving consumer goods. They are united in their purpose to build strong, evocative brands and as such place the consumer at the heart of what they do.

Additional information available at <u>www.aim.be</u>

# Common waste stream views on EPR in Europe

## EU binding minimum performance requirements for extended producer responsibility schemes endorsed by major obligated industry sectors: packaging, batteries, WEEE and tyres

### Preamble

Subscribing major obligated manufacturing industry<sup>1</sup> sectors in Europe, i.e., packaging, batteries, WEEE and tyres respectively represented by **EUROPEN**, **EPBA**, **LightingEurope** and **ETRMA**, are pleased to contribute to the current debate on Extended Producer Responsibility<sup>2</sup> (EPR) for waste in Europe. Based on our longstanding expertise, compliance obligations and practical knowledge our sectors have developed and endorsed common EU binding minimum performance requirements for EPR schemes in the context of the ongoing Circular Economy Package and in particular for the legislative element to be published by end 2015. These recommendations have additionally been endorsed by **AIM**, the European Brands Association.

Our call for a strengthened EU regulatory framework for EPR aims to support those Members States that apply EPR. We are seeking improved implementation and enforcement according to national and regional contexts and defined national roles and responsibilities of each and all actors involved in EPR implementation. These EPR minimum performance requirements are valid for the different waste streams represented by the co-signatories of this paper. It does not address the separate regulatory needs for the different waste streams in terms of *inter alia* volume, product life spans, consumer visibility, recycling value, market structure and EU legal bases. Additional and individual waste stream positions can be found on the respective websites of the co-signatories.

### Common EU binding minimum performance requirements for EPR

These requirements will help ensure a level playing field for all EPR schemes (regardless of their ownership structure) and promote a viable market for secondary raw materials;

**<u>1.</u>** Transparency: Transparent and accurate reporting of EPR schemes is necessary to ensure nondiscrimination, cost efficiency and flexibility. This includes transparency of material flows, costs, tendering procedures, geographical scope and overall financial solidity.

**2.** Accountability: EPR implementation is a shared responsibility across various actors in the value chain. Each actor can only be accountable for what they can actually control. So, if legal responsibility (including minimum collection/recovery/recycling rates) is imposed, then the obligated industry must have sufficient oversight over the process to gauge performance and ensure their own compliance. Obligated industry must be entitled to take an active role in fulfilling its legal obligations and to control compliance costs. This means being enabled to control how separate collection and sorting for recycling/recovery are organised and ultimately to drive cost-effectiveness and efficient use of resources. This requires clear definitions of roles and responsibilities of each and all of the different actors (including consumers) in the respective waste stream value chains. Such definition should be established at Member State level and based on EU guidance.

**<u>3. Flexibility:</u>** There likewise needs to be freedom to choose how to meet the legal responsibility. Obligated industry needs to be able to choose its means of compliance. This provides an incentive to cost and resource efficiency. The options available should include self-compliance or collective compliance via an EPR scheme or a combination of both.

<sup>&</sup>lt;sup>1</sup> Obligated industry: Definitions of 'obligated industry' differ between Member States and waste streams. For the packaging waste stream, it can be defined to include packaged goods producers and importers of packaged goods; packaged goods producers, importers of packaged goods and packaging manufacturers; or the entire packaged goods value chain including retailers.

<sup>&</sup>lt;sup>2</sup> Extended producer responsibility means the producer's full or partial operational and/or financial responsibility for a product extended to the post-consumer state of a product's life cycle, as a means for Member States to meet EU collection, recycling and/or recovery targets.

**<u>4. Competition</u>**: Ensure fair competition between multiple EPR schemes and discourage free riders<sup>3</sup> at national level. Competition between schemes and/or within one scheme at tendering level can incentivise efficiency. This requires clear national authorisation and accreditation rules. There should not be any barriers to entry for new EPR schemes or for producers to change their contracted EPR scheme.

5. Common obligations for all actors & waste streams: For certain waste streams, the collection and recycling can be a revenue generating activity. As such, there are many economic actors providing collection and recovery services to users without involvement of producers. These actors must be required to meet the same recovery requirements as those imposed on producers. Volumes collected and recycled to the same standard as producer collected volumes must be reported and contribute towards achievement of EPR recovery/recycling targets.

**<u>6. Enforcement</u>**: Enforcement by competent authorities at national level is necessary to monitor and control the recovery industry in order to ensure compliance.

<u>7. Net cost</u>: Cost to obligated industries should be net of the sale of the recovered/recycled secondary materials or other revenues (e.g., from energy recovery).

**<u>8. Harmonisation</u>**: Harmonised reporting and legal definitions across EU Member States and potentially across sectors are necessary to ensure obligations/targets can be met.

**<u>9. Consumer education & communication</u>:** Consumer awareness needs to be raised in order to reinforce appropriate behaviour and assist proper sorting for waste management purposes. Education in partnership with other actors is a shared responsibility. Consumer engagement and participation is a pre-requisite to the success of any EPR scheme.

**10.** The extent of "extended": The extent of "extended" producer responsibility requires explicit evaluation. The actions and behaviours on the part of the actors along the value/supply chain should be reflected in the allocation of responsibility. For example, illegal acts on the part of actors (such as littering by consumers) can effectively circumvent the available mechanisms for the recovery and recycling of materials. Such acts require an explicit evaluation and re-allocation of responsibilities consistent with the "polluter pays" principle.

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EUROPEN's Factsheet on EPR for used packaging can be consulted here.

<sup>&</sup>lt;sup>3</sup> Free riders are economic operators who neither fulfil their legal obligation individually nor contribute to the full extent to any EPR scheme.









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