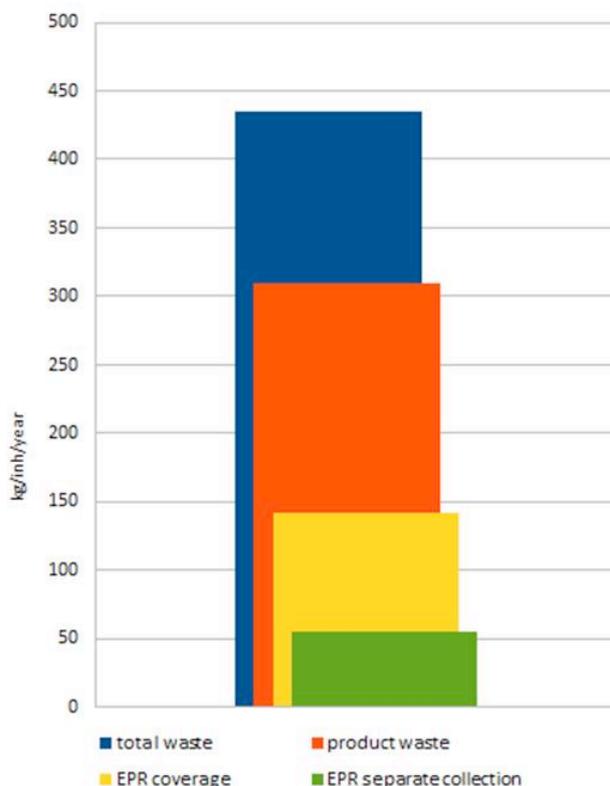




## EXTENDED PRODUCER RESPONSIBILITY CREATING THE FRAME FOR CIRCULAR PRODUCTS

Extended Producer Responsibility (EPR), if used well, can be one of the cornerstones of the transition towards a circular economy. It is a tool that has the potential to provide economic incentives for producers to better design their products, while better implementing the *polluter pays* principle and penalizing non-circular products.



However, existing EPR schemes have much room for improvement, both in performance and scope. Recent research<sup>1</sup> shows that, although 70% of EU municipal waste is eligible to be under the scope of an EPR scheme –as it is waste coming from products or product packaging, only 45% of that is actually covered by one, meaning 31% of total municipal waste. At the same time, separate collection of this product waste (hence, the pre-requisite for preparation for reuse or recycling) remains on average below 40%.

All in all, less than 18% of all the waste susceptible to be collected through an EPR scheme is effectively separately collected.

<sup>1</sup> Zero Waste Europe, *Redesigning Producer Responsibility: A new EPR is needed for a circular economy*, September 2015

Although EPR schemes have served to introduce and partially fund the separate collection of some waste streams, these have had little or no success in pushing for the better design of products. What's more, the focus on weight reduction as the only indicator has meant that in many cases EPR has worked as an incentive for producers to increasingly commercialise products which are less circular, the case of single-use lightweight packaging being a very visible one. Replacement of heavier but more recyclable materials for lighter and more difficult to recycle ones has been a common practice.

Moreover, when analysing the performance of current EPR systems in Europe it is clear that there is substantial room for improvement in both collection and treatment rates. Assuming that all product waste that is separately collected is recycled (which it is not) there is still a 60% gap which is translated to a shift in costs from producers to municipalities, thus from consumers to citizens, leaving the *polluter pays* principle without effect.

**That is why, Zero Waste Europe believes that the Circular Economy Package should bring the following changes for EPR schemes:**

### **1. More products under EPR schemes**

Introduce Producer Responsibility schemes to new product categories, particularly those with high potential for re-design or those less circular, like textiles, furniture, paper, hygiene products, hazardous substances used in households or commonly littered products such as cigarette butts.

### **2. Full cost coverage of end of life**

Extended Producer Responsibility schemes should cover the total costs associated with the end of life of products. Rather than being shouldered by all citizens, the associated cost of waste collection and management should be shifted to consumers so as to better implement the *polluter pays* principle and to incentivise that products are designed for circularity and that effective separate collection schemes are put in place.

EPR schemes should cover, at least, the costs of separate collection, sorting and treatment operations, including the disposal of waste, litter cleaning and transport of waste, particularly in the case of remote or isolated areas. Additionally, it should cover, even if partially, the costs of non separately collected waste and litter prevention costs.

Only by holding producers responsible for the full costs caused by their products, will the companies be incentivised to design products that are recycled or prepared for reuse more easily and at a lower cost thereby being littered less often.

### **3. EPR schemes drive eco-design**

EPR fees of producers need to be modulated in a way that rewards better designed products and penalises the least sustainable ones. This modulation should reward, among other things, and depending on the product category, factors such as durability, reusability, repairability and recyclability of products, the preservation of embodied energy or the inclusion of recycled content, while penalizing those products that are unfit for repair or recycling, be it because of their colour, shape, material composition, their content of hazardous substances or any other reason.

To level the playing field, these minimal modulation criteria should be harmonised between EU Member States on the basis of guidelines provided by the Commission.

### **4. EPR schemes support moving up the waste hierarchy**

Extended Producer Responsibility schemes should have targets that complement EU targets and higher circularity of their sector. Among these targets, Zero Waste Europe considers that EPR schemes could have targets for separate collection, reuse, preparation for reuse, recycling, recycled content and litter reduction.

### **5. EPR schemes are agents for closed-loop sectors**

EPR schemes should actively promote those practices that create closed-loop economies, meaning that materials and products are recovered and re-introduced in the economy, while avoiding leakage to the environment and losses of materials in landfills or waste-to-energy incinerators. Take-back schemes not only minimise the material losses and the litter of waste to the environment, but they also ensure that producers have access to their own products and materials for cleaning, refurbishment, repair or recycling.

### **6. EPR schemes bring greater transparency to waste management**

Rather illuminating waste statistics, current EPR schemes tend to add more doubts to waste management statistics. Minimum requirements for EPR schemes under the Waste Framework Directive should set up clear guidelines on reporting and transparency so as to ensure that data is reliable.

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