



## **Position Paper**

# **Recasting the Battery Directive: introducing the visible environmental fee for batteries put on the market**

### **1. Introduction**

The Extended Producer Responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product is extended to include the post-consumer stage of a product's life cycle.

An important element of the EPR policy is the shifting of end of life system responsibility, operational and financial, upstream toward the producers. It also intends to give incentives to producers to take into account environmental considerations when designing their products.

While producers of batteries assume this responsibility, a transparent communication of the costs related to the management of the waste products will enforce the effects of the EPR policy. Separately invoicing these net collection and recycling costs will benefit the environment, consumers, authorities and all economic actors involved in the distribution of the new batteries.

These benefits have been recognized by the European Parliament and the Council at the recast of the WEEE Directive<sup>1</sup>, which clearly states in recital 24: *"Producers could be allowed to show purchasers, on a voluntary basis at the time of sale of new products, the costs of collecting, treating and disposing of WEEE in an environmentally sound way. This is in line with the Commission Communication on Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan, in particular with regard to smarter consumption and green public procurement."*

The European Commission has committed itself to develop a EU waste policy that minimises waste going to landfill and maximises the key resources that can be recovered from it. At the centre of its objectives in this area, is the commitment to drive waste reduction through the extension of producer responsibility initiatives and a reaffirmation of the Polluter Pays Principle. Identifying the cost of recycling to the consumer reinforces this policy.

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<sup>1</sup> Directive 2012/19/EU of The European Parliament and of the Council of 4 July 2012 on Waste Electrical And Electronic Equipment (WEEE)

## **2. Environment**

A visible environmental fee, indicating the collection and recycling costs, ensures that economical and cost related elements are not the sole driving factors in the management of the waste batteries.

Most of environmental management costs for waste batteries are in the collection phase due to the characteristics of small volume waste streams. There is only limited possibility for reducing this cost through ecodesign of batteries by producers.

In particular, the visible fee guarantees the financing of the development of a collection network with a sufficient density for effective collection of all batteries, regardless of the chemistry, and of the required communication campaigns to create consumer awareness of this collection network. This leads to consumer convenience, which is essential to achieve the environmental objectives, without having an impact the commercial relations between the economic actors.

The introduction of a visible environmental fee on batteries will directly contribute to enhanced consumer awareness of the benefits and obligations of recycling of batteries across Europe. This awareness will enhance and support member states in achieving the levels of battery compliance.

European Countries who have introduced a visible fee for WEEE have had major success in exceeding relevant EU targets on the recovery and recycling of WEEE products.

European Member States that had a visible fee for batteries in place prior to the implementation of the 2006 Battery Directive were able to put in place significant infrastructure and major awareness campaigns, which have allowed them to become early achievers of the 45% collection for recycling target for waste portable batteries.

## **3. Consumers**

When the net costs related to the collection and recycling of the waste batteries are invoiced separately, the profit margin of the different steps in the distribution chain will not be calculated on the environmental fee. This way, the impact of the cost financed by the producers on the consumer prices can be limited.

## **4. Authorities**

A visible fee on the invoices of the economical actors simplifies the market surveillance activities of the national authorities that have to ensure all producers take their responsibility in organizing and financing the collection and recycling network.

## **5. Economic actors**

The visible fee limits the impact on existing commercial relations between economical actors involved in the distribution of new batteries, in particular related to profit margins, discounts, bonuses and special offers. As each supply chain actor requires a profit margin to sustain his activities, a visible environmental fee ensures this margin is not applied at every step to the environmental management costs applied to new battery supply. This way, it limits the impact of the environmental targets on the retail prices of new batteries and the advantage that free riders can have.

On the other side, it ensures the financing of the costs required to achieve proper environmental management of waste batteries and related targets, and it reduces the financial pressure on producers.

An economic analysis of the visible environmental fees for other products in some European countries has concluded that the regime was very successful in creating consumer awareness of the cost and availability of recycling and had a very muted impact on retail prices. While the visible environmental fee did make consumers aware of the costs of collection and recycling, it did not result in higher retail prices for the goods that were subject to the visible environmental fees.

## **6. Eucobat Position**

Separately invoicing the net collection and recycling costs related to waste batteries will benefit the environment, consumers, authorities and all economic actors involved in the distribution of the new batteries.

In particular, it guarantees the financing of the development of a collection network with a sufficient density for effective collection of all batteries and of the required communication campaigns to create consumer awareness of this collection network, and it simplifies the market surveillance activities of the national authorities, without having an impact on the commercial relations between the economic actors.

**Eucobat proposes that Member States be allowed to require a visible compliance fee to be mentioned on invoices from producers to purchasers of batteries. The visible compliance fee shall include all costs for collection, sorting, treatment, monitoring, reporting, communication, sensibilisation and management incurred by the producers or by third parties acting on their behalf. The costs mentioned shall not exceed the best estimate of the actual costs incurred. The mandatory visible compliance fee applies only to batteries for which producers actively organize collection.**



## **7. About Eucobat**

Eucobat is the European association of national collection schemes for batteries. They assure that all waste batteries are collected and recycled in an ecological sound way, and contribute this way to a better environment.

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