



POSITION PAPER

Impact of online sales on the circular economy

1. Introduction

The principle of extended producer responsibility is becoming more widespread in the EU and in the Member States to achieve the objectives of environmental policy and to strive for a circular economy.

This policy approach gives producers a significant responsibility – financial and/or physical – not only for the requirements to collect and recycle end-of-life products, but also for prevention, communication, sensibilisation,...

The exponential growth in online retailing, has undoubtedly some benefits for consumers by improving market access, availability of products and market transparency. On the other hand, it complicates in practice market surveillance, increases significantly the number of free riders and has as such negatively affected the effectiveness and the efficiency of the regulatory framework of the circular economy.

A level playing field for producers and retailers should be ensured concerning financing, takeback and information obligations.

2. Financing obligations

One of the main key success factors for a EPR scheme is its financing. It ensures 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.

However, the financing of EPR schemes fully depends on a level playing field, ensuring the financial contribution of all actors on the market.

The growing part of "free riders" on the market not only affects directly the financing of the EPR scheme, it also increases the burden of the traditional "bricks and mortar" sales channels, with a negative leverage effect and an inevitable negative impact on the environmental performances of the EPR schemes.¹

¹ See McCarthy, A. and P. Börkey (2018), "Extended Producer Responsibility (EPR) and the Impact of Online Sales", *OECD Environment Working Papers*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/19970900>.

3. Takeback of waste batteries

Separate collection is a precondition for ensuring specific treatment and recycling of waste portable batteries and is necessary to achieve the chosen level of protection of the environment. Consumers have to actively contribute to the success of such collection and should be encouraged to return waste portable batteries. Distributors have an important role in contributing to the success of the collection.

As the consumer convenience is one of the most important success factors for any collection scheme, distributors should provide for the take back free of charge, unless an assessment shows that alternative existing collection schemes are likely to be at least as effective.

While the internet sales, with the countless lorries driving around for the delivery of goods could in theory increase the consumer convenience and the collection of waste batteries, this potential does not become reality, as waste products are not taken back in reality.

4. Information obligations

The information obligations for producers and distributors are an important issue. A consumer can only use the services offered for the takeback of waste products, if he's informed about the existing possibilities to discard the waste batteries free of charge. Sensibilisation is another key element for the effectiveness of the collection schemes.

However, while internet sales has almost unlimited possibilities for the distribution of information, this potential does not become reality either.

A study of the Catalan Waste Agency² concerning WEEE concludes that, contrary to the national legislation, the takeback possibilities are mentioned in 41% of the websites analyzed for cooling and freezing products. For other (smaller) products, the mandatory mentions are only provided in a very limited number of websites (around 5% of the webpages). 79% of the analyzed webpages doesn't mention that takeback is free of charge for the consumers and even in the 3% of the webs it would have a cost. 83% of the webpages don't ask the consumer about potential waste products to be taken back at the delivery of a new product.

We assume that the situation is even worse for batteries.

² Agencia de Residus de Catalunya - Diagnosi sobre la venda a distancia d'aparells elèctrics i electronics a Catalunya

5. Market places

Regulation and market surveillance are increasingly hampered by the creation and development of marketplaces that facilitate the online sale of a foreign supplier to a consumer. In most cases, the websites of the marketplaces lack transparency concerning the selling party, as well for the consumer as for the authorities. The marketplaces create a screen between the “producers” and consumers/authorities, and decrease this way substantially the transparency.

6. EucoBAT proposal

In order to avoid the negative disruptive effect of internet sales on the development of the circular economy, EucoBAT proposes:

- a. *All persons that sell batteries by means of distance communication directly to private households or to users other than private households in a Member State, and are established in another Member State or in a third country, should be considered a producer and a retailer. They should have the same financial and operational obligations as other producers and retailers.*
- b. *Producers supplying batteries by means of distance communication to consumers should be registered in the Member State that they sell to, either directly or through an authorized representative.*
- c. *Effective market surveillance should be enabled by an advanced collaboration between the competent authorities (registers) of the Member States.*
- d. *Information obligations for the internet sellers should be clearly defined in the legislation, including the takeback obligation at the occasion of the delivery of new batteries or products containing batteries. In particular, the website should indicate at least the available household collection points and contact information for questions related to the collection and recycling of waste batteries.*
- e. *Marketplaces, facilitating the online sale of products, should be jointly and severally liable for all the legal obligations (operational and financial) of the producers, in case the producer doesn't comply.*



7. About Eucobat

Euco

bat aisbl 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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