



PHILIPS



## The EPBA Blueprint, for successfully achieving the objectives of the Battery Directive: a tool for all

Panasonic

renata   
batteries



ICBR Conference  
Wim Willems  
Budapest, 20 June 2007



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## Table of contents

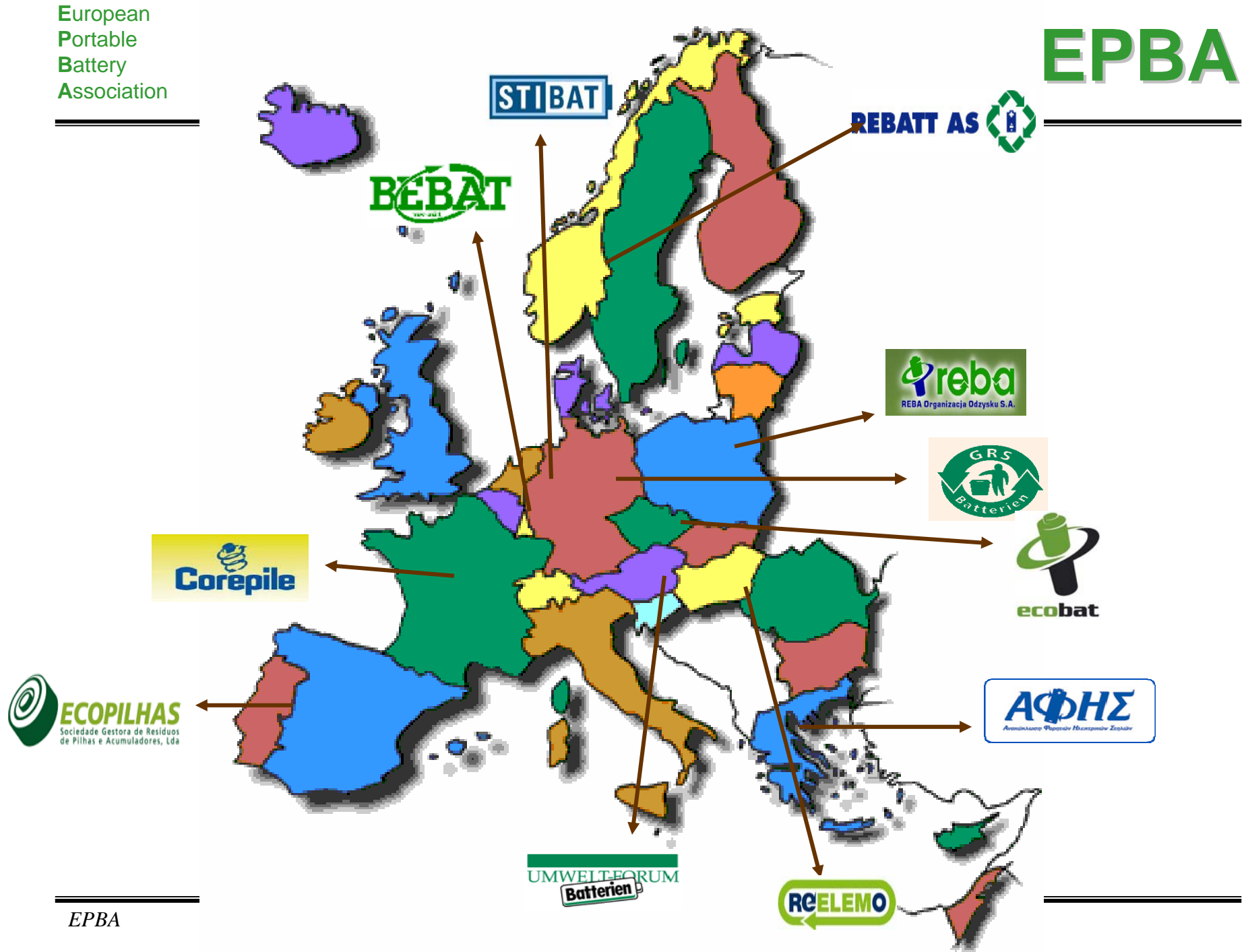
1. Background
2. The Blueprint document
3. Conclusions and next steps
4. Q&A

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## Background – last ICBR 2006 – EPBA statement

1. A clear transposition of the Directive into National law is essential to ensure a successful implementation allowing to reach collection and recycling targets within the given timeframe at a reasonable cost for producers as well as consumers.
2. The experiences gained in some Member States should be taken into account to avoid excessive costs and make the new Directive applicable across Europe for the benefit of the consumers and the environment without affecting dramatically the Battery Industry.
3. The Battery Industry, through their National Battery Associations (NBAs) already in place in most of the European countries, is ready to participate and cooperate with National Authorities to ensure the most successful transposition and implementation of the new Directive in the Member States.



## Background

- EPBA is shifting focus to transposition and implementation issues, especially after formal approval of Battery Directive (September 2006)
- EPBA Working Group discussed a policy for transposing and implementing the Battery Directive, taking into account:
  - Industry guidance
  - cost and
  - compliance
- Working Group looked into
  - (1) Factors to be managed within the CO?
  - (2) Who will select the CO?
  - (3) How will the industry guidance be exercised?
- Deliverable = “compliance blueprint”

## General Overview

- Objective: To provide a guidance document on collection & recycling obligations of producers (“some rules of the game”) → **ultimate goal = compliance for battery producers (including OEMs)**
- Addressed to: NBAs and industry representatives where no NBA is available  
  
(A summary document will be prepared for distribution to decision makers in EU Commission & Member States)
- Scope: Covers all practical considerations of a compliance organisation
- Basis: Is based on EPBA’s battery collection experience in Europe

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## Structure

1. Executive summary
2. The new European Battery Directive
3. Legal aspects of the CO
4. Internal structure
5. Operational aspects
6. Financial aspects
7. Special considerations

## 1. Executive summary

- Goal = compliance with Battery Directive by battery producers → open to all producers
- Experience from collection systems today (GRS, BEBAT, Stibat...); however, other solutions may achieve the same goals → we are looking for the most suitable compliance organisation
- Industry-run compliance schemes are already effective in 10 EU Member States → others should do the same by 26 September 2009
- **Blueprint explains which elements are needed to establish a system which ensures the proper collection, sorting and recycling of spent portable (primary and rechargeable) batteries, under the best possible conditions – and subject to national differences**

## 2. The new Battery Directive

- = the legal framework in which the CO has to operate
- BUT: Battery Directive does not detail HOW producers should comply with their responsibility to collect and recycle spent batteries
- EPBA's blueprint puts forward conditions for a compliance organisation which we believe should be a collective scheme and which focuses on:
  - time & cost-efficiency
  - collective registration of producers
  - using economies of scale in operations
  - collective responsibility of members
  - cutting red-tape: CO fulfils requirements towards EU Member States

### 3. Legal aspects of the CO

- General principle:
  - ➔ The NBAs should evaluate and install the most suitable solution according to their national situation
  - ➔ Where no NBA is available, a battery industry grouping will be set up for this purpose → EPBA will take the lead in those countries
  
- “Transfer” of legal liability to CO
  - ➔ Producer is responsible for achieving collection and recycling rates
  - ➔ CO will execute practical operations on behalf of producers
  - ➔ The transfer of legal liability between the producer and the CO should be handled in accordance with the relevant national rules

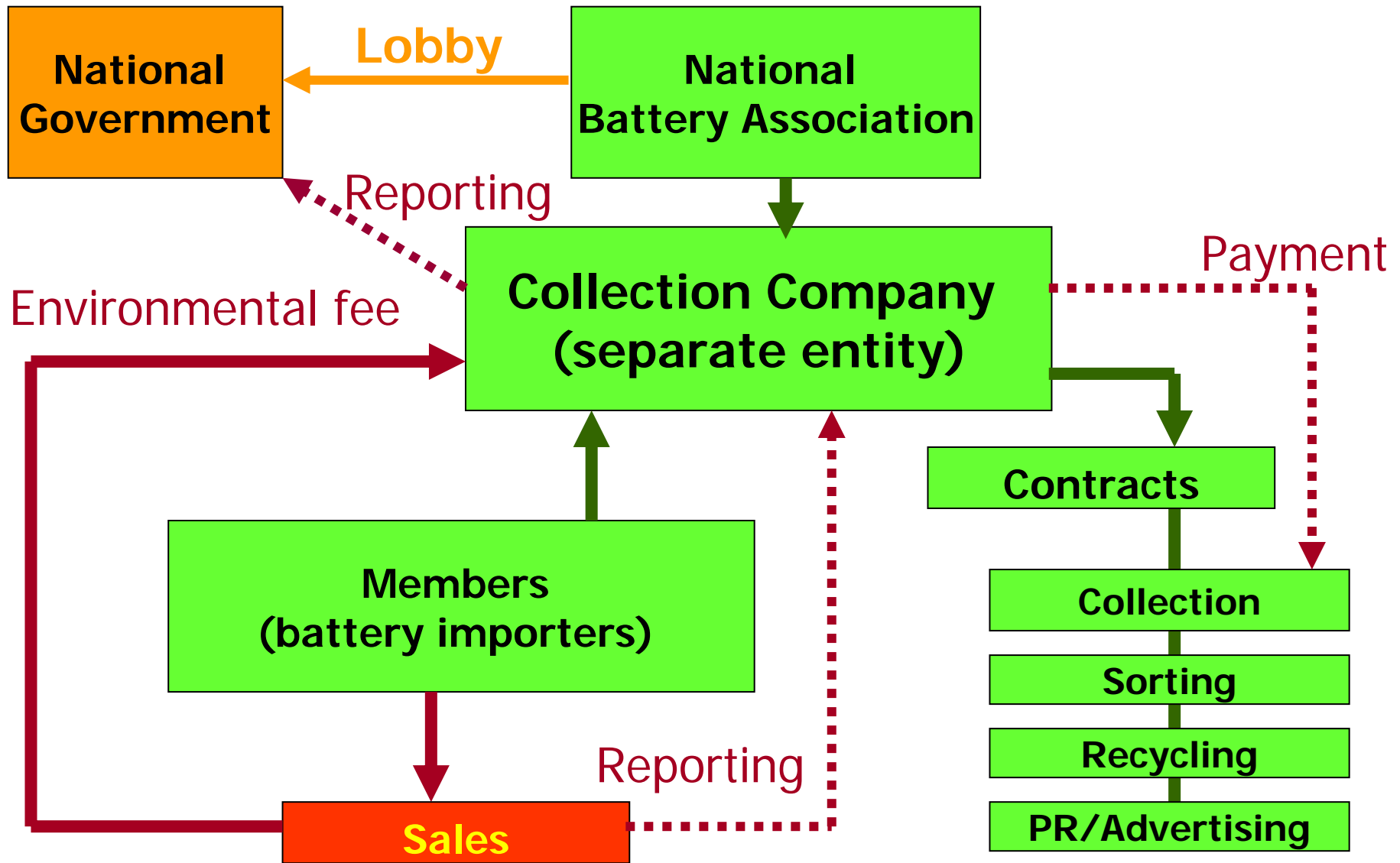
### 3. Legal aspects of the CO

- Industry to take initiative in setting up CO, and ensure that it:
  - ➔ Operates at the lowest cost possible so that the battery fee is kept as low as possible
  - ➔ Keeps a good relationship with the authorities
  - ➔ Operates in a transparent, verifiable way, including the right to audit the CO and its sub-contractors
  - ➔ Does nothing to endanger the good reputation of the battery industry
  - ➔ Extends to all users fair and non-discriminatory terms
  - ➔ Defines clear service levels
  - ➔ Respects competition law at all time

## 4. Internal Structure

- CO to be set or outsourced by main producers & importers
  - initial investment and set-up
  - CO & member companies have to respect competition law rules
- Management structure
  - Main battery producers & importers should be represented on the CRO Board (producer responsibility!)
  - Operation via detailed service level agreements
- Membership structure
  - All producers (according to battery definition) should be able to join as “users” of the system → via contract
- CO covers registration – declaration – reporting requirements

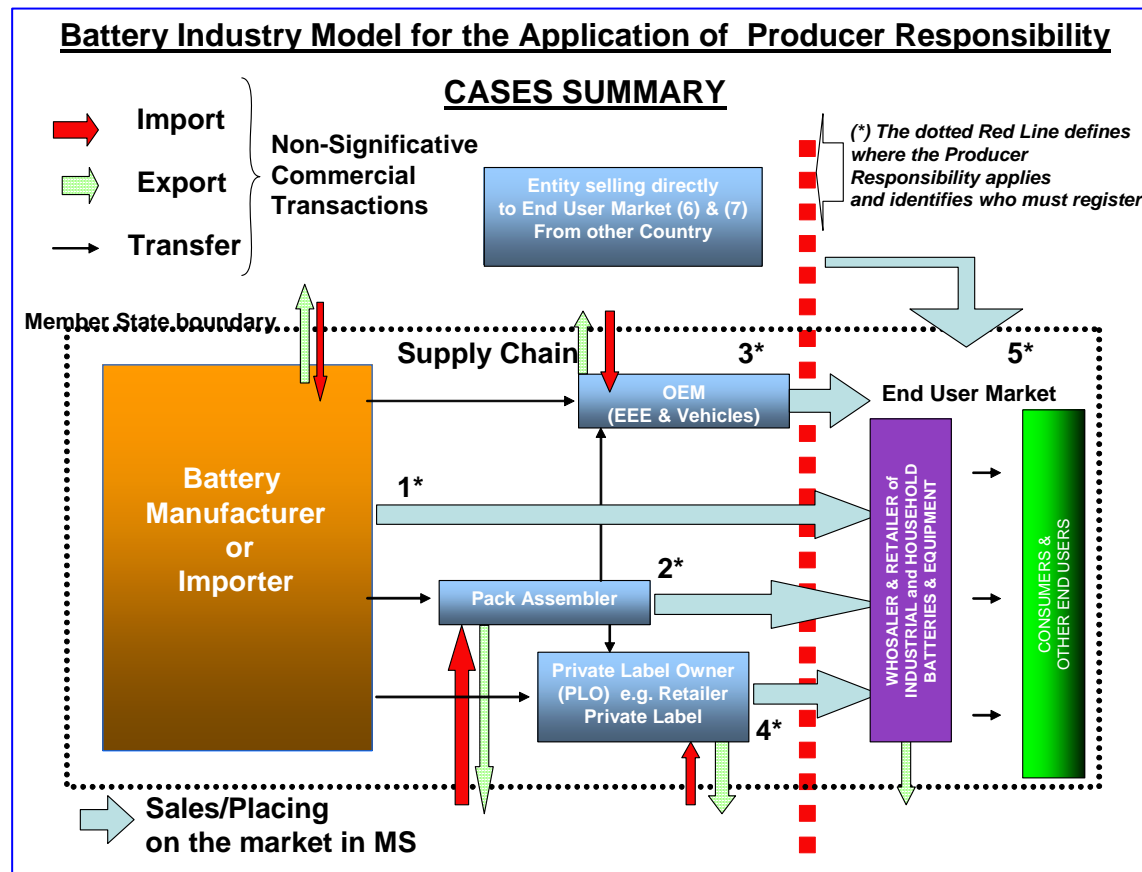
## 4. Internal Structure - visualisation



## 4. Internal Structure

- CO covers registration – declaration – reporting requirements:
  - All producers become member of a CO (one single producer can also be a CO)
  - Only COs can register producers
  - Producers declare their sales to the CO (via independent organ - confidentiality) in full detail
  - The COs report their membership to the national government
  - The COs report their collection and recycling results to the national government in simplified format → see slide p. 17
  - The CO can audit its members-producers
  - **Producers = those parties in the commercial (supply) chain which are close to the end-user of the product → most accurate view on sales in that Member State → report sales into CO (see next slide p. 15)**

# Who should be registered as producer (through a CO)?



## Reporting and collection target calculation

- EPBA position:
  - simplified reporting system from CO to government
  - all the necessary data from the producers to calculate the collection targets
  - workable approach
- EU Commission: wants overview on exported batteries
  - parties in the commercial (supply) chain which are close to the end-user of the product -> they report sales -> excluding export

## Reporting and collection target calculation

<b>PORTABLE PRIMARY BATTERIES, PACKS AND BUTTON CELLS</b>	<b>SALES IN WEIGHT</b>
<b>Total Zinc Manganese</b>	
<b>Total Lithium</b>	
<b>Total Button cells</b>	
<b>Total Other Primary Batteries</b>	
<b>Total Portable Primary Batteries Placed on the Market</b>	
<b>PORTABLE RECHARGEABLE BATTERIES, PACKS AND BUTTON CELLS</b>	<b>SALES IN WEIGHT</b>
<b>Total Nickel Cadmium</b>	
<b>Total Nickel Metal Hydride</b>	
<b>Total Lithium</b>	
<b>Total Lead</b>	
<b>Total Other rechargeable single cells, button cells and packs</b>	
<b>Total Portable Rechargeable Batteries Placed on the Market</b>	
<b>TOTAL PORTABLE PRIMARY AND RECHARGEABLE BATTERIES PLACED ON THE MARKET</b>	

## 5. Operational aspects of CO

- Operation aspects to do with collection
  - Which batteries to be collected → portable batteries
  - Collection points: municipalities, retailer, industry, schools, container parks, WEEE schemes...
  - Once collected, industry CO arranges for pick up of batteries
- Operation aspects to do with (pre-sorting and) sorting
- Operation aspects to do with recycling
  - to recycling facilities on contractual basis (details in blueprint)

## 6. Financial aspects

- Battery collection and recycling fee
  - How to set battery collection and recycling fee?
  - Need for industry involvement
  - Relationship with WEEE fee  
(examples per country)
- Accruals
  - Return surplus back to users (proportionately)
  - Reduce fees
- Basic P&L elements of CO
  - simple & transparent

## 7. Special considerations

- Export of waste batteries (for recycling)
  - Can be done under EU legislation
  - Rules to be defined
  
- Relations with the government
  - CO: only collection and recycling issues
  - Others: NBA/industry/producers

## Conclusions and next steps

- European Battery Directive is finalized and published (September 2006)
- Member States (and industry) have until September 2009 to set up collection and recycling schemes
- Directive does not go in detail how producers can comply with their (collection and recycling) obligations → need for a compliance program
  - Priority: countries without NBA
  - Support to other countries (via NBA)
- Blueprint is basis for compliance program → which elements should producers take into account when setting up a structure for collecting and recycling batteries ?
- This is not theory → based on years of experience in the battery industry
- Blueprint should be made widely available to industry and other stakeholders

## Conclusions and next steps

- Blueprint is put on EPBA website ([www.epbaeurope.net](http://www.epbaeurope.net))
- EPBA has appointed Mr. Hans Craen (member of secretariat) who will focus on rolling out the compliance program:
  - Priority: countries without NBA → set up industry meetings as a starting point
  - Support to other countries (via NBA)
  - Deadline for program completion = September 2008
- Agreement between EPBA and Recharge to work together in roll-out of this compliance program throughout Europe - for portable batteries
- Contact with EU Commission (Commission has expressed interest in compliance issues)

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Thank you for your attention

Any questions?