

# The Directive on Waste Electrical and Electronic Equipment



## Background

- The Directive on Waste Electrical and Electronic Equipment (WEEE) comes into force in the UK on August 13, 2005.
- It is estimated that up to 100,000 businesses (25,000 manufacturers or importers and 75,000 retailers) will be affected by the legislation.
- Failure to meet the directives can lead to that their products are banned from sale and incurring fines.
- Estimated cost for the UK economy to comply with the directive is £217-£455 million per annum (see table below). The European Commission estimates this will lead to an average cost increase of 1%-2% for most WEEE products and 3%-4% for larger and more complex products.

### Estimated UK producers' annual costs of compliance with the WEEE Directive

Separate collection of WEEE	£26-£98 million
Dismantling and treatment of WEEE	£98-£207 million
Meeting re-use, recycling and recovery targets	£52-£114 million
Marking products for separate collection	£18 million
Providing information to treatment and recycling facilities	£7 million
Reporting compliance information to Environment Agency	£11 million
Total	£217-£455 million

## Retailer's liability

The UK Government estimates that the total cost for retailers will be £10,000,000 + admin. costs.

- A retailer that sells new electrical or electronic goods either to the trade, to the public or to businesses, will be required by law to establish a free take back when customers buy like-for-like replacement products.
- The directive will affect all sizes of retailers and it will especially be expensive for the smaller ones.
- Retailers can choose a take back in-store scheme and cover the costs itself, or fund a WEEE collection point compliance scheme with other retailers, which would discharge the retailer's legal obligations under the Directive, which is otherwise the case. The individual cost to join a compliance scheme will be determined by number of electrical products sold and collected by the retailer.
- The retailers are obliged to encourage the consumer to return the old product and then remove it to the local approved collection facility and that is where most of their costs will arise.
- The government has suggested that retailers also should provide information such as, benefits of disposing of WEEE separately, what collection schemes are available, consumer's role in the management of WEEE, potential hazardous to the environment

and human health from WEEE.

- Before a retailer can start handling returns he has to register for a storage license or an exemption license with the Environment Agency as waste handler or find a licensed company to handle its waste. There will also be standards set on the storage requirements and a further need to store and transport goods without damaging them, so that maximum reuse can be achieved.
- The retailer must ensure that all separately collected WEEE enters a logistical chain whereby the end result is reuse or recycling. Separately collected WEEE cannot be disposed of in a landfill site or incinerated.

Many of the 75,000 obligated retailers are still unaware of their liabilities under the legislation and even if the government has not yet decided on the penalties for non-compliance, BRC (British Retail Consortium) expects them to be similar to those for the Waste Packaging Regulations which was a fine of £1,000+cost for compliance.

According to a survey conducted by recycling company Valpak, over half of retailers are still unaware of what WEEE means to their business. A survey by Dell among IT directors and managers showed that 92% did not know that WEEE directive will come into affect this year and 25% of companies that do not recycle do not know where to go if they wanted to comply with the directive.

Technology firm Brother got similar results with 37% of the 250 surveyed companies still had not heard of the directive and 50% of those polled had had no idea what the stricter recycling rules might mean for their company.

### **Advantages for retailers of good waste management practices:**

- Cost savings through minimisation or better management of waste materials, for example by joining a WEEE compliance scheme.
- Improved company image for retailers that achieve waste reduction goals.
- The security of regulatory compliance is ensured, eliminates the risk of company appearing in newspapers associated with illegal or improper waste disposal or even custodial sentence for directors.
- By training employees in waste management, it can help reduce disposal costs.

### **Manufacturer's liability**

- Finance collection arrangements from a central collection points for the manufacturers' products at the end-of-life, including costs of appropriate treatment and meeting specific targets for recycling and recovery, also for goods already on the market, so called Historic WEEE. The obligation for Historic WEEE is based purely on the market share at the time, meaning that a manufacturer with a high market share, for example 60%, is obliged to collect 60% of the products on the market, no matter if it is his brand or somebody else's.
- To supply data on the amount and type of goods that the manufacturer has placed on the UK market (and exported to EU countries) and on what has been recycled either by the manufacturer or on his behalf (first data report should be provided between January and August 2005).
- To register with one of the Environmental Agencies by the 13th of August 2005. It will be an offence not to register.
- Ensure that the manufacturer's products (wherever possible) have been designed to enable reuse and recycling.
- Mark products with correct labels and symbols.
- To supply information on the reuse and treatments of products that the manufacturer

sells in the future.

- NOTE! a retailer importing directly from abroad is also considered to be a manufacturer.

A compliance scheme called REPIC (Recycling Electrical Producers' Industry Consortium) is a not-for-profit company for manufacturers, whose members currently represent over 70% by weight of the electrical and electronic products sold annually in the UK.

### **Advantages for manufactures if they are acting now:**

- Cost reductions; by acting now the cost of changing the product design (for example start using more environmental friendly components, or building products that last longer) can be reduced.
- Marketing benefits; recycling and resale of products to secondary markets, consulting with customers on product changes.
- Supply chain improvements; by consulting with supply chain now might help to anticipate and reduce the end of live costs of a manufacturer's products.

### **Failure to act in time could lead to:**

- Additional costs in meeting recycling and environmental compliance requirements, for example using expensive components in a new product design because there was no time to browse the market for cheaper versions.
- If the manufacturer is a part of a supply chain, he might risk losing both customers and suppliers if he fail to meet design and manufacturing requirements.
- The manufacturer may lose the opportunity to influence the type of scheme that suits its business (the law is still under development so it is possible to give input).
- The manufacturer is unprepared to pay its share of the recycling costs for Historic WEEE in its sector, which can be huge if he has a large market share.

### **Summary**

Manufacturers will carry the main part of the costs because the WEEE directive requires manufacturers to take responsibility for treating and recycling their products. They also need to provide data on and label all their products placed on the European market. However, the manufacturers seem to be fairly well organized and prepared for August 2005, for example through the Recycling Electrical Producers' Industry Consortium (REPIC).

Many retailers have still no or little knowledge about what the WEEE directive means to them and what they are supposed to do. Many of them do not even know how to recycle and where to bring used products. It is very similar to the Chip and PIN situation. There will be penalties for not non-complies and since this directive is something that all retailers that electrical and electronic products have to follow and non negotiable it would certainly be worth while to start planning for it now.

