

# Environmental legislation – does your supply chain comply?

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# Environmental Legislation

- Environmental legislation is one of the most active fields of regulation.
- Legislation is moving it's focus from process to product
- There are lots of pieces of environmental legislation that will affect your companies and the products and services you sell
- Some are already in place but companies are not fully aware
- Others are planned for the future and you need to be aware of them now if you are going to comply on time



# Packaging

- There has been legislation that affects packaging and it's design since 1997.
- Many companies are still unaware of this – and recently the authorities have been much more active in policing the legislation
- Producer Responsibility Obligations (**Packaging Waste**) Regulations 1997 – require the recovery and recycling of packaging waste (companies must turnover more than **£2m** AND handle **50** tonnes of packaging per year to be caught by these regs)
- Includes packaging that you import and the packaging on products that you import
- Thresholds and recovery targets are periodically reviewed
- Packaging Essential Requirements 1998 (amended 2003) – require that all packaging is recoverable and minimal.



# Fines are getting larger!

- Telford-based wine importers Western Wines was forced to pay over £230,000 in fines and costs to the Environment Agency, more than double the previous largest fine for a packaging offence, after it failed to pay for recovery and recycling of packaging waste.



PORSCHE



RIVER ISLAND



# End-of-Life Vehicles

- This legislation places recovery and recycling obligations and restrictions on the use of certain materials on manufacturers of vehicles
- Very similar in aims to the WEEE and RoHS Directives
- The regulations came into effect in the UK on the 3<sup>rd</sup> November 2003
- Further provisions were transposed in the following years
- Producer responsibility for free take back and treatment commenced on the 1<sup>st</sup> January 2007
- Suppliers to the automotive industry will be affected by these material restrictions



# WEEE Directive

- Make 'producers' of electrical and electronic equipment legally and financially responsible for the recovery and recycling of products at the end of its life
- Producers can be manufacturers, re-branders or importers
- Introduces new product marking and information requirements
- New treatment regime with high recycling and recovery targets based on product weight
- Retailers of EEE have legal responsibilities
- Business users of EEE are also affected by the new rules



# RoHS Directive

- Similar in scope to the WEEE Directive – but single market Directive and applies identically to the whole of the EEA
- Restricts the use of six materials in new electrical and electronic equipment ‘placed on the market’ since 1 July 2006
  - Lead, Mercury, Cadmium, Hexavalent Chromium, PBB and PBDE
- Legal responsibility lies with ‘producers’ (rebranders and importers)
- First prosecution in UK Sept 2007
- Key to compliance lies in supply chains
- Massive challenge to worldwide EEE manufacturing



# The International Dimension

- USA – RoHS for some products in California other states to follow
- South Korea – planning WEEE and RoHS
- Japan - have a materials declaration system and customers are increasingly requested RoHS compliance
- Turkey, Australia, Brazil, Mexico, Malaysia, Singapore, Taiwan and Thailand all discussion RoHS
- China – marking requirements from march 2007, restrictions on materials in the future.



# China RoHS

- China RoHS focuses on ‘electronic information products’  
i.e. RoHS is broader
- China RoHS takes a two stage approach – labeling and disclosure date agreed, no date set for restriction
- China RoHS applies along the supply chain
- China RoHS applies to batteries
  - Environmentally friendly use period (Article 11)
  - Hazardous Material and Contents (Article 13)
  - Packaging Materials (Article 14)



# Batteries and Accumulators

- Came into place on the 26<sup>th</sup> September last year
- Aims to maximise the separate collection and recycling of spent batteries and accumulators
- It builds on current legislation which requires specific waste treatment, restriction of substances and marking of batteries
- Restricts the use of mercury and cadmium
- Requires the provision of collection schemes and bans disposal of batteries in landfills
- Producers will be required to finance the take back and recycling
- Materials restriction are in place NOW. Recycling targets commence in 2010



# Energy Using Products Directive

- The EU is developing framework legislation which aims to set energy efficiency and other eco-design requirements for energy-using products (EUP)
- A final text for the Directive was Adopted by the European Parliament on the 6<sup>th</sup> July 2005  
Transposed in the UK as SI 2007 No. 2037) on 11 August 2007
- It is part of conformity assessment – i.e. CE marking
- 18 key groups of products currently under review
  - HVAC, Heating, lighting, PCs, TVs, motors, pumps etc.
- First implementing measure has just been published e.g. standby and off mode power losses, lighting etc.



# Chemicals

- The EU has introduced a new system of registration, evaluation and authorisation of all chemicals ('REACH')
- This will include new requirements for chemical testing and risk assessment
- The new regime has also created a European Chemicals Agency
- For the first time basic health and environmental safety data on chemicals will be required
- Testing requirements will depend on the amount of the substance produced or imported



# REACH

- About 30,000 in total, over 11 years in phases, whereby the most hazardous chemicals and those used in the largest volumes would be registered first.
- Pre-registration began 1 June 2008, and finished at the end of November 2008.
- Registration of high-concern substances and high volume substances from 2010
- Could mean that some chemicals disappear from the marketplace
- Currently 15 substances have been added to the 'candidate' list for SVHCs.



# Waste

- Numerous Changes to waste regulations have been made recently and changes will continue into the future
- The Landfill Directive changed the way waste can be disposed of from 16<sup>th</sup> July 2004
- Landfill sites are now designated by the type of waste they can receive (inert, hazardous or non-hazardous)
- An increasing list of materials and products can no longer be disposed of in landfill sites
- The European Waste Catalogue (EWC) has been revised and many more materials are now classes as hazardous waste
- New Hazardous Waste Regs for England came into force on the 16<sup>th</sup> July 2005
- Many companies will have to register as 'producers' of hazardous waste
- Landfill tax is still increasing at £8 per annum (currently £40 per tonne) plus gate fees
- Waste disposal costs **WILL** continue to increase



# Energy

- Climate Change Levy
- Carbon Reduction Commitment
  - October 2009
  - 6000 MWh annual usage
  - Calculate emissions
  - Purchase allowances from the auction
  - Report emissions at the end of the period
  - Surrender sufficient allowances to cover your emissions
  - Receive a payment/penalty based on your performance



# Summary

- Environmental legislation is constantly changing and developing
- European laws are becoming world-wide standards
- Keeping up to date with this is difficult but essential
- You need to work with your supply chains to make sure you are compliant and competitive



# Thank You

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