

# WOULD YOU WANT TO HANDLE YOUR NEIGHBOUR'S WASTE?

The Environment Council of the European Union is about to make a decision which will affect virtually every household and business in Europe.

The Electrolux Group urges the Council to make the right decision: the right decision for consumers, for the electrical appliance industry, and the right decision for the environment.

As the world's largest producer of powered appliances for kitchens, cleaning and outdoor use, with products that include refrigerators, washing machines, cookers, vacuum cleaners and lawn mowers, and with well-known brands such as AEG, Arthur Martin, Corberó, Electrolux, Flymo, Husqvarna, McCulloch, Rex, Zanussi and Zoppas, you would expect us to have a strong point of view.

#### WHAT'S IT ALL ABOUT?

Each year, we Europeans produce around 6 million tonnes of water electrical and electronic equipment – everything from mobile phones to fridges and computers. Moreover, this volume is expected to double within the next 12 years.

This is the reality facing the Environment Council of the European Union when it meets to discuss and decide on the future handling of such waste (the Waste Electrical and Electronic Equipment Directive, generally known as the WEEE Directive).

One purpose of the directive is to achieve a dramatic increase in recycling of electrical appliances. The directive proposal introduces the concept of producer responsibility, i.e. an obligation to finance the management and recycling of waste, but it does not answer the big question – which product will a producer be responsible for?

Producer responsibility brings with it new costs – costs which will be part of the price consumers pay for appliances in the future.

#### CONSUMERS FIRST

Electrolux believes that to minimise the additional costs to consumers, and maximise the level of recycling, there must be an incentive for manufacturers to design appliances with those components that can be recycled, more efficiently, and at a lower cost. And there must be an incentive for consumers to buy these appliances.

For products sold after the directive comes into force, the Council must choose between Collective Responsibility and Individual Responsibility.

Collective Responsibility means that the electrical and electronic appliance industry as a whole would become jointly responsible for the recycling of all appliances, of every type, function and brand.

Individual Responsibility means that each company would be financially responsible for the recycling of the products it manufactures, and not for products manufactured by other companies.

In both cases, specialist companies would perform the actual recycling.

#### COLLECTIVE RESPONSIBILITY: NO-ONE IS RESPONSIBLE

With Collective Responsibility, there would be no incentive for a manufacturer to improve the environmental design and performance of its products. Why should they, if they face the same costs whether they try to improve or not? And why bother, if they can hitch a free ride on the best efforts of other, more responsible manufacturers?

The fact is that Collective Responsibility would amount to nothing more than a waste tax. Manufacturers unwilling or unable to meet the new challenges will be able to hide behind the more responsible and efficient companies in their industry. In addition, collective responsibility would do nothing to encourage the development of environmentally improved products, or to resolve the issues of electrical and electronic waste issues in Europe.

#### THE RIGHT DECISION FOR EUROPE

But with Individual Responsibility things will be very different.

Individual Responsibility gives a direct incentive for each manufacturer to create products that can be easily and more completely recycled. Recycling operators will compete to provide manufacturers with better services at a lower cost. Competitive pressures will ensure that cost savings are passed on to the consumer. And consumers will have a direct financial incentive to buy better products.


Collective Responsibility makes environmental improvement pointless, and rewards the irresponsible and the lazy.

Individual Responsibility encourages competition in environmental performance and rewards improvement.

As a responsible company, Electrolux is willing to contribute to the recycling of the so-called 'historical waste', i.e. appliances sold before the Directive comes into force. To take on this obligation it is essential that manufacturers are allowed to state the recycling cost for historical waste separately from the product price, as proposed by the European Parliament.

On May 15<sup>th</sup>, the Parliament of the European Union decided in favour of Individual Responsibility. In common with leading environmental and consumer organisations and industry bodies, Electrolux strongly urges the Council to follow suit. We believe this is the right decision for Europe.

More information can be found at [www.electrolux.com/environment](http://www.electrolux.com/environment)

 The Electrolux Group. The world's No.1 choice.

The Electrolux Group is the world's largest producer of powered appliances for kitchens, cleaning and outdoor use. More than 22 million Electrolux Group products (such as refrigerators, ovens, washing machines, vacuum cleaners, chain saws and lawn mowers) are bought each year to an approximate value of 14 billion Euros in more than 130 countries around the world. Our environmental work has included our leadership in phasing out ozone-depleting substances in Europe, and raising awareness of the total life cycle cost of appliances for both the consumer and the environment.