

Explanatory notes accompanying an outline of a possible Voluntary Agreement on ecodesign requirements for Imaging Equipment

I) Introductory remarks

The preparatory study on Imaging equipment (copiers, scanners, printers, faxes, MFDs) (hereafter IE) concluded that these devices have large sales volumes and a significant environmental impact which could be improved through design. The main environmental impact categories are energy in the use-phase and paper utilisation. These are already addressed under the ENERGY STAR Programme which however doesn't have the same impact throughout the IE market. A number of other environmental impact parameters were also identified (material efficiency, specific emissions, toner and ink yield); however, as it was found out, no sufficient evidence is available to develop policy proposals at this stage.

In line with the provisions of Directive 2005/32/EC, priority is to be given to self-regulation where a number of conditions are fulfilled. A significant group of manufacturers of imaging equipment decided to present an outline of a possible Voluntary Agreement (hereafter VA) as an alternative to ecodesign requirements for Imaging Equipment. The Annex of this explanatory note provides a more detailed overview and initial assessment of the main elements of the proposal.

In addition to assessing whether this VA would respond to the criteria set out in Annex VIII of the Directive or should be further improved, it should also be considered whether a regulatory process would be more effective.

II) Overview of the draft VA on the basis of the criteria included in Annex VIII of Directive 2005/32/EC

In line with Article 17 of the Ecodesign Directive, voluntary agreements or other self-regulation measures presented as alternatives to implementing measures shall be assessed at least on the basis of Annex VIII of the Directive.

1. Openness of participation

Although the industry outline does not specify it yet, it is understood that the proposal is open to all manufacturers of IE.

2. Added value

The draft VA aims at improving the environmental performance of IE through a set of commitments on:

- energy efficiency and duplex printing requirements (along ENERGY STAR V1.1),
- on the provision of information to the consumer,
- on encouraging the use of environmental friendly paper,
- on cartridge reuse and disposal (generic commitments).

The Annex to this explanatory note provides a first assessment of the main elements of the proposal.

3. Representativeness

Annex VIII of the Directive stipulates that Industry and their associations taking part in a self-regulatory action shall represent a large majority of the relevant economic sector. It is expected that the proof of it will be provided by the signatories. First estimates indicate that companies that have put forward this VA represent a large majority (about 80%) of the market of imaging equipment in the EU.

4. Quantified and staged objectives

The draft VA provides quantified and generic objectives to be introduced in one stage and subject to a revision after January 2012 (with the possibility of earlier revision of the quantified objectives). These objectives are to be met by the indicated deadlines by 50% of the signatories' products placed on the market (sales weighted average). In addition to quantified objectives the draft VA includes commitments on the provision of information to the consumer and generic commitments on the use of recycled paper, cartridge reuse and disposal. In order to assess the compliance signatories will need to provide compliance status and sales data per model. There seems to be an inconsistency in section 6 of the industry proposal where it is indicated that "*companies do not need to provide details on unit sales per model*".

5. Involvement of civil society

The draft VA doesn't include yet any provisions on the above.

6. Monitoring and reporting

The draft VA provides the broad modalities for monitoring and reporting. The monitoring will be performed by the Steering Committee composed of signatories, the European Commission staff and Member States representatives (no mention of representatives from civil society). This monitoring will be performed on the basis of reports submitted annually by an Independent Inspector (the Joint Research Centre expressed willingness to perform this role subject to an agreement on the precise modalities of this involvement) based on data collected from the signatories. The signatories will provide confidentially to the Independent Inspector compliance status and sales data per model and company compliance rate. The Steering committee may decide if an independent audit is required to verify the accuracy of the annual company reports

7. Cost-effectiveness of administering a self-regulatory initiative

It is expected that the administrative burden (mainly monitoring) as compared with other available policy instruments will remain limited.

8. Sustainability

The draft VA aims at responding to the policy objectives of the Ecodesign Directive by aiming at reducing the environmental impact of IE.

9. Incentive compatibility

This VA would be complementary to the ENERGY STAR Programme which is the main policy tool addressing the energy efficiency and paper utilisation of IE. Initial estimates indicate that the ENERGY STAR Programme impact on this product group will result in reducing the annual energy consumption of IE in the EU from approx. 11 TWh to between 6 and 5 TWh in 2020. It is estimated that additional savings achieved through minimum requirements may reduce it further by 1 to 1.5 TWh annually.

Issues related to waste and use of hazardous substances (which are important in the case of this product group) are dealt with under the WEEE and RoHS Directives as well as REACH. Certain generic provisions of the draft VA related to resource efficiency can be seen as complementary to these instruments.

Annex. Overview of the main elements of the VA proposal.

1. Scope:

The proposed scope corresponds to the one that was analysed by the preparatory study. Although all main marking technologies are covered it has to be noted that certain technologies covered under ENERGY STAR are not included here (e.g. dye sublimation). The proposed speed ranges seem appropriate although the imaging speed for certain printing technologies is gradually increasing therefore an appropriate revision of the commitment has to be envisaged. Finally, the VA would cover only standard format printers excluding thus small format printers (such as photo printers). Industry pointed out that the latter is a marginal and declining product genre.

2. Energy efficiency:

The compliance target with the commitments of this VA is 50% compliance rate by January 2011 per Signatory's applicable imaging equipment placed on market. The commitments linked to energy efficiency and duplexing are based on ENERGY STAR V1.1. ENERGY STAR is a very effective tool in driving the energy efficiency of IE. Estimates of future compliance (based on the trends observed so far) indicate that by January 2011 ENERGY STAR V1.1 coverage rates for most types of imaging products are expected to have reached 50%¹ anyway. Furthermore the commitment doesn't include all ENERGY STAR requirements (e.g. delay time to sleep). The industry counter-arguments are that the 50% target is per marking technology and per company (therefore the market average will be well above 50%), that this target also includes the other commitments included in the VA proposal and that it would be subject to a fast revision once market data for the signatories' products are available.

An alternative, regulatory option could be the introduction of mandatory requirements in two stages based ENERGY STAR v1.0 and v1.1, introduced respectively 6 months after the entry into force of the regulation and in mid-2012.

3. Resource efficiency:

The draft VA aims at increasing further the impact of duplexing by requiring that one the three options below are met:

- Duplex printing turned on at shipment, or
- Reminder for duplex/simplex default settings during software set up, or
- Reminder for duplex/simplex default settings in user manuals

¹The previous ENERGY STAR v1.0 specification, which included duplexing as well as energy efficiency requirements and came into place in April 2007, had market penetration 1 year later of around 50% already (EPA figures: TEC products: 48%, OM products: 51%).

IDC initial sales estimates in November 2008 modelling report suggested that levels may be even higher for some products for the EU, (sales weighted = 65 - 99% inkjets, 67% laser printers, 37% inkjet MFDs, 45 - 82% laser MFDs).

The latter two choices however are likely to have low impact. Furthermore the proposal doesn't include any provision on improving the accessibility of “n-up” (multi page per sheet) settings.

The VA proposal also aims at addressing the impact of paper use by encouraging the use of environmentally-friendly paper. Further detail will be needed to see how this would be implemented.

The VA proposes to address the environmental impact of toner and ink modules and containers through a generic commitment on ensuring their channelling to reuse and recycling and the provision of information of cartridge yield. It remains to be seen how the first of these two commitments would be reported and verified. The preparatory study identified cartridges and toners as one of the main environmental impacts. It concluded that the critical drivers of environmental impacts over the life cycle are print quality, cartridge reliability and end-of-life management. It recommended setting information requirements on cartridge yield and conducting further research regarding environmental assessment data. Information on cartridge yield could be included as a requirement in a possible regulation on IE.

3. Information to customers

The VA proposal includes a commitment to provide customers with information on the environmental performance of their products through such standards as ECMA 370 declaration or EPEAT which are already widely used.

4. Promotion of signatories

The potential signatories propose to include the signing of the VA as an award criterion in Green Public Procurement criteria. Given the nature of this VA this seems unlikely. It has to be noted that under the GPP criteria for these products group all products have to meet the latest ENERGY STAR criteria.

5. Timing

The signatories' first target (based on ENERGY STAR 1.1) would have to be met by January 2011 and reported the following year. The steering committee could decide if a revision of the Commitment is required.

Against that, it is estimated that mandatory minimum requirements based on ENERGY STAR 1.1 could start to apply in mid-2012.