

Circular Economy – An OEM Perspective





Press Release – call on industry

Lexmark applauds European Commission plans and outlines measures to curb printer cartridge waste in Europe

“We now call on our industry to promote sound practice and good policy to alleviate the issues around printer cartridge waste and the poor rates of collection and reuse.”



“We call on the European Commission to consider applying Extended Producer Responsibility legislation to printer cartridges in order to close the material loop in this sector.”



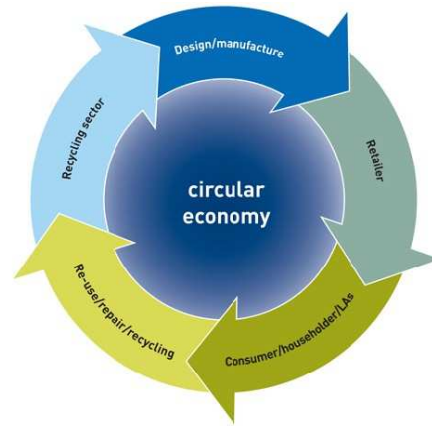
Kleen Strike response to Lexmark*



Kleen Strike remarked that it is “heartening and encouraging that a number of OEMs are embracing the concept of reuse rather than recycling, and **applauds** Lexmark’s pledge to reuse 50 percent of returned cartridges...”

“any publicity for promoting cartridge reuse over recycling is a good thing”,

“the move will certainly bring awareness that once a cartridge is used it is still a valuable resource and is important in contributing towards a more circular economy”



The EU Commission defines a circular economy as one

“where the value of products, materials and resources is maintained in the economy for as long as possible, the generation of waste minimized, and resources are kept within the economy when a product has reached the end of its life, to be used again and again to create further value”

EU Commission – Circular Economy Action Plan

PRODUCTION <ul style="list-style-type: none"> □ Ecodesign: Proposal for regulation on TVs and displays □ Ecodesign: Publication of 2015-2017 working plan 	PRODUCTION <ol style="list-style-type: none"> 1 <ul style="list-style-type: none"> □ BREPs: Inclusion of guidance on circular economy for several industrial sectors >>> □ Ecodesign: Inclusion of circular economy elements in product requirements >>> 	Ecodesign	
	CONSUMPTION <ol style="list-style-type: none"> 2 <ul style="list-style-type: none"> □ Action on False green claims, incl. new guidance on unfair commercial practices □ REET of Ecolabel □ Evaluation of Product Environmental Footprint pilots >>> □ Green Public Procurement: better integration of circular economy requirements >>> □ Guarantees on tangible products: Expected Commission proposal for online sales, Fitness Check of consumer legislation 	Labels, GPP	CONSUMPTION <ul style="list-style-type: none"> □ Ecodesign: possible requirements on repair information □ Possible 'planned obsolescence' independent testing programme
	WASTE MANAGEMENT <ol style="list-style-type: none"> 3 <ul style="list-style-type: none"> □ Codexon: Waste Framework Directive, Packaging and Packaging waste, Landfill Directive □ Waste Shipment regulation: better enforcement >>> □ Waste to energy initiative 	End of Life	WASTE MANAGEMENT <ul style="list-style-type: none"> □ Evaluation of treatment facilities
2015	2016	2017	2018
	SECONDARY RAW MATERIALS MARKET <ol style="list-style-type: none"> 4 <ul style="list-style-type: none"> □ Proposal for revised fertilisers regulation □ Quality standards for secondary raw materials (esp. plastics) >>> □ Water reuse: guidance on integration in water planning and management □ Measures to facilitate intra-EU waste shipment >>> 	SECONDARY RAW MATERIALS MARKET <ul style="list-style-type: none"> □ Water reuse: guidance on integration in water planning and management □ Proposal for minimum requirement on reused water □ Analysis and policy options on links between chemicals, products and waste legislation 	Plastics, Water
	SECTORAL <ol style="list-style-type: none"> 5 <ul style="list-style-type: none"> □ Food Waste: common measurement methodology and indicators □ Food Waste: creation of stakeholder platform □ Food Waste: clarification of legislation (food donation, animal feed) □ Electronic products: Improve communication btw manufacturers and recyclers >>> □ EU recycling standards for Waste Electric and Electronic Equipment (WEEE) & batteries >>> □ Voluntary industry-wide recycling protocol □ Ensuring synergies when examining bioenergy within energy union □ Assessment and possible review of 2012 Bioeconomy Strategy 	SECTORAL <ul style="list-style-type: none"> □ Food waste: Improved "best-before" legislation □ Report on critical raw materials □ Best practice sharing for recovery from mining waste and landfills □ Pre-demolition assessment guidelines □ Indicators for lifecycle environmental performance assessment >>> □ Strategy on plastics 	Mining waste

Over 50 individual measures

Our story on the Circular economy

Reduce Plastic Waste

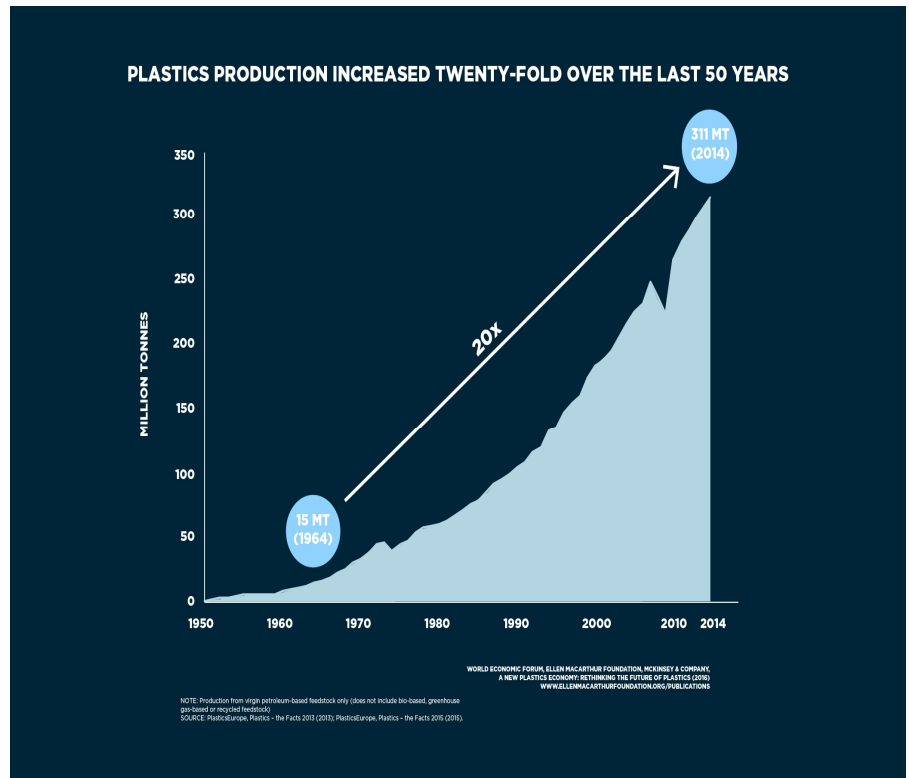
In the EU less than 25% of collected plastic waste is recycled and about 50% goes to landfill. No « One size fits all » approach.

- Best industry practice: printer cartridges
400 million inkjet units sales p.a. in the EU
150 million laser units sales p.a. in the EU



Cartridge waste in the EU

- 50.000 tonnes of cartridges waste ending in landfill per year



Report by the World Economic Forum (WEF) and Ellen MacArthur Foundation (EMF)

“Creating an effective after-use plastics economy is the cornerstone of the New Plastics Economy and its first priority.”



Lexmark wants EU action to require:

- ▶ All suppliers to provide a **free take-back facility**
- ▶ All cartridges sold in Europe by 2020 to include 50% remanufactured components or be recyclable
- ▶ Compulsory environmental criteria to be introduced into **public procurement**
- ▶ Remanufacturing and recycling of products to be promoted by user **labeling** intended to guarantee quality operating performance
- ▶ Disposal of cartridges to landfill or incineration without energy recovery to be made illegal by providing **incentives** for suppliers to collect and reuse their products

Objectives

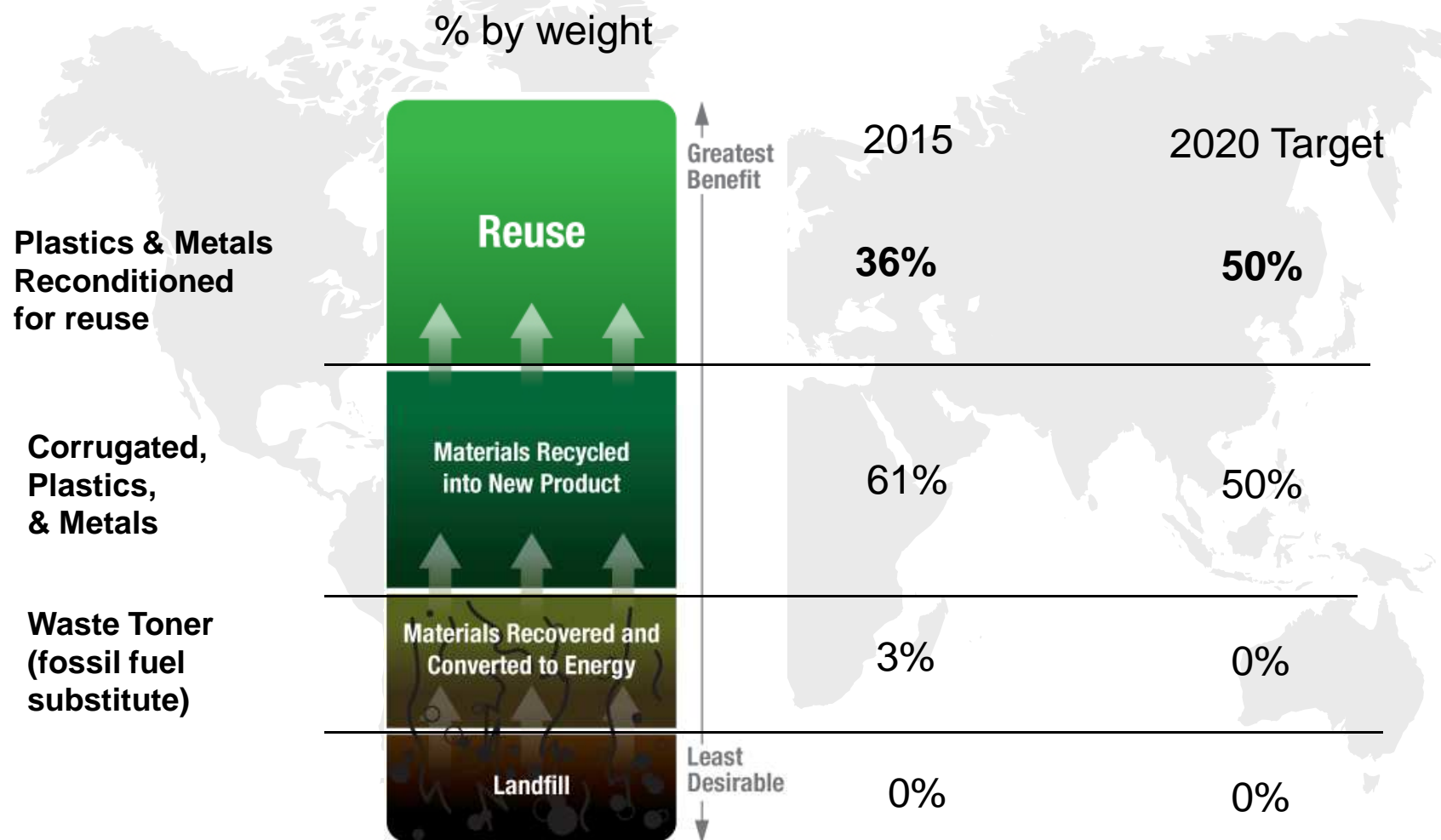
- ✓ Request a more ambitious EU action plan from the Commission
- ✓ Create new jobs in the Reuse sector (collecting, sorting, remanufacture)
- ✓ Focus on Extended Producer Responsibility
- ✓ Create best practice scenario for printing industry & move up the waste hierarchy
- ✓ Look for financial incentives

Revision Waste Directive

Draft report of ENVI Committee/EU Parliament on the waste directive

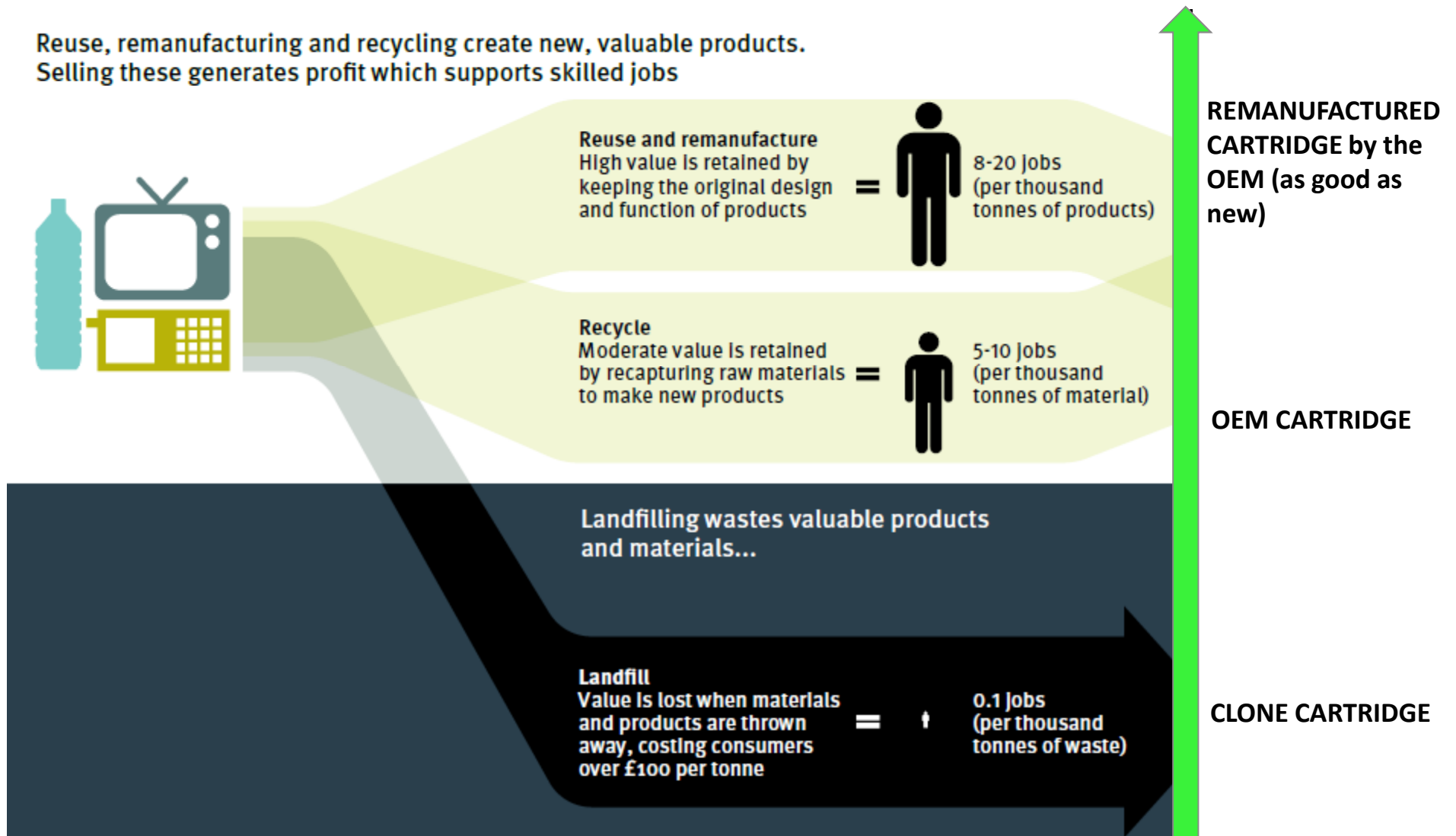
- *“**Promote** and support the production and the use of products that are resource efficient, durable, **reusable**,...”*
- *“Member States shall take measures in order to **incentivise remanufacturing**, refurbishment and repurposing of products.”*

Move up the waste hierarchy



Reuse & Remanufacturing creates local jobs

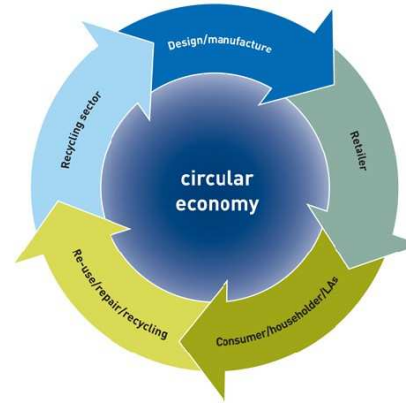
Reuse, remanufacturing and recycling create new, valuable products.
Selling these generates profit which supports skilled jobs



Actions needed against illegal clones

- Customers don't differentiate between clone and remanufactured cartridges
- Need to inform & educate customers
 - ▶ Local job impact
 - ▶ Legal risks
 - ▶ Expose environmental & social issues
 - REACH, WEEE2
 - Take-back responsibility
- Sell a **total cost of ownership** approach
 - ▶ Legal fees, HW damage, reputation, decreased productivity, criminal liability





Q&A

maxime.furkel@lexmark.com