

Joint Imaging Equipment and Consumables VA

Progress Report

9 July 2020

Background

As agreed during the Consultation Forum on 12 December 2019, and confirmed in the European Commission's Circular Economy Action Plan, which was published on 11 March 2020:

*“regulatory measures for electronics and ICT including mobile phones, tablets and laptops under the Ecodesign Directive so that devices are designed for energy efficiency and durability, reparability, upgradability, maintenance, reuse and recycling. The upcoming Ecodesign Working Plan will set out further details on this. **Printers and consumables such as cartridges will also be covered unless the sector reaches an ambitious voluntary agreement within the next six months;**”*

OEMs and Remans have been working together and continue to do so with the view of delivering an ambitious Voluntary Agreement on Imaging Equipment to the European Commission and Stakeholders on 11 September 2020, as per the date recently confirmed by DG Energy (see Annex).

Timeline

In order to move ahead as fast as possible given the tight deadline, EVAP drafted a provisional timeline that was discussed with DG Energy and the Remans. Attached is the latest version (see Annex 2).

Process

Mr. Dirk Jepsen, Oekopol GmbH - Institut fuer Oekologie und Politik, was suggested by EVAP after consultation with DG Energy, and agreed as neutral facilitator by both parties in March 2020, and by DATE presented a thorough project timeline and objectives. For the sake of transparency, it is worth noting that EuroVAprint (EVAP) first asked the Commission if this neutral role would be funded by the European Commission. After a negative response, EVAP suggested to the Remans that they share the cost of the process (70% EVAP/30% Remans), which they declined as they believe this doesn't reflect the representation in the market. As such, EVAP covered the cost alone.

Two meetings were held on 3 April and 20 May 2020. Before each meeting, the facilitator held calls with each party to understand what the core issues were and agree the priority topics to discuss. It was agreed to initially work on the supplies provisions in isolation (separate from the whole VA) with a view to incorporating those supplies provisions into the whole VA at a later date. This was to enable focus and keep the documentation short. After each meeting, the facilitator circulated minutes, actions and timelines. In between meetings, several documents were exchanged between parties to continue to progress, given the tight timeline, which was aggravated by the outburst of the COVID-19 pandemic. It is important to note that both Remans and EVAP have had to align amongst their respective companies before sharing documents and positions which has been challenging in the timelines that the parties have had to set in order to make progress.

In parallel to the facilitation process, since 23 May, OEMs and Remans started to hold bilateral weekly calls to advance the negotiations on the core issues faster.

On 1 June 2020, the facilitator suggested to extend his mandate to an additional two meetings as the first two were not enough to reach agreement on all core principles. However, given that good progress was being made through the weekly bilateral meetings and due to budget restrictions on

both sides, OEMs and Remans jointly agreed on 23 June to continue working bilaterally on the VA revision process without extending the facilitator's mandate.

Participants

All members of EVAP are involved in the discussions, provide feedback on all documents and were invited to all meetings. EVAP is mainly represented by its Board members during the weekly calls (Brother, Canon, Epson, HP and Lexmark). Remans are represented by Armor, Clover, Delacamp, KMP, and Peach.

Core principles

The VA supplies provisions being negotiated are designed to address in an efficient way key issues raised by Remans and other Stakeholders while taking into account the complexity of the market, technological differences and concerns of the OEMs.

1. Functionalities

The primary area of focus is related to the chips used on the cartridges and the security methods including firmware updates, etc. Remans provided a list of topics / functionalities to include in the VA. While OEMs understand that some functionalities are essential for Remans, both parties agree that a successful VA will require Remans and OEMs that eventually sign the VA to strike a balance between Reman and OEM priorities and take into account the different technologies and businesses involved. The baseline functionalities will be provided to those Remans through commitments adapted from the current VA wording. Certain additional functionalities are dependent on technology and require specific solutions for them to be implemented in a targeted, fair and efficient way. These include but are not exclusive to providing an ink/toner level gauge or page count and single warning messages. These additional functionalities will be addressed through bilateral arrangements between the individual signatory OEMs and Remans as they cover confidential information that cannot be exposed in the Voluntary Agreement without the loss of competitive advantages. These functionalities may include solutions such as resetting of chips to promote reuse. The bilateral arrangements (BA) may also be used to find mutually acceptable solutions to some of the other items requested by Remans.

The VA will require all EVAP members to offer Bilateral Arrangements to the signatory Remans on commercially reasonable terms, and this will be a key factor for Remans in supporting and signing the VA. Bilateral Arrangements may also be linked to the entry into force and continuance of the VA.

2. Access to Empties

Remans are keen to ensure a mechanism is set-up to assess the volume of cartridges available for reuse with a view to increasing those volumes. Discussions on this topic are less advanced than on the functionalities but are proceeding.

3. Reman and OEM Obligations

Remans and OEMs have been developing further sustainability related commitments that would apply to both Remans and OEMs relating to take back programs for cartridges, compliance with EU standards and communication of information on inks/toners and page yield information.

The weekly meetings will proceed throughout the summer and a draft VA should be sent to all stakeholders by 11 September.

Annex: Timeline (June version)

ANNEX

LOT 4 VA REVISION TIMELINE – 2020

