

# Extended Producer Responsibility and Online Marketplaces

## Three categories of online selling websites

### 1 Pure Retailer

#### Main features:

Product catalogue, stock and shipping management, warehouses, brick-and-mortar shops

### 2 Retailer + Marketplace (e.g. Amazon)

#### Main features:

- Retailer expanding inventory through third-party offers
- Marketplace sellers benefit from retail arm logistics

### 3 Pure Marketplace (e.g. eBay)

#### Main features:

Digital service, intermediation, no control on physical product or its delivery flow

## Extended Producer Responsibility in a few words

Manufacturers and importers are made responsible for the environmental impacts of their products throughout their life cycle, both upstream for design and selection of materials, and downstream for waste management (**polluter-pays principle**).



**Schemes and fees:** producers delegate their EPR to a collective scheme, or Producer Responsibility Organization, and pay fees to finance its activities. Fees vary across Member States and PROs, but are most often connected to the nature of the product sold, such as its weight, shape, etc that influence recyclability and other "end-of-life costs".



**Used product take-back:** in certain Member States, retailers may have an obligation to provide consumers with an easy way to get rid of their used product, either upon purchase of a new one (1 for 1) or not (1 for 0).

## Challenges

The Internet transformed trade and new digital models became a source of new challenges for the enforcement of EPR obligations.

- Fees are connected and modulated according to a product's design and features. In certain cases, they must be visible to drive positive consumer choice. →
- Marketplaces only obtain information on a product through seller declaration. They cannot check this data for accuracy in an independent manner.
- Take-back requires physical infrastructure (trucks, handlers) in order to collect items. →
- Pure marketplaces do not do delivery; they essentially operate a digital service without physical infrastructure.
- Take-back does not always take place at the same moment as delivery of the new product. →
- Online sellers would need to organize new collection rounds, resulting in more road traffic and carbon emissions.
- Producers should receive equal treatment regardless of size, yet EPR has no cross-border *de minimis*. Also, schemes and fees are not harmonized across the EU. →
- An online product listing can appear on several European markets at once, and an SME seller on eBay reaches +20 markets per year on average.

## Recommendations

### Simplify

- **Create** online producer registration one-stop shop for SMEs and a centralized database for marketplaces to verify against.
- **Compel** producers to include fee estimation in product sheet along with energy label, reparability score, etc.
- **Implement** *de minimis* for smallest sellers, below which fees are either waived, tiered or flat, and reporting simplified.

### Educate

- **Deploy** public-private awareness campaigns on EPR compliance with messaging tailored for SMEs in a platform context.
- **Ask** marketplaces to inform consumers about collection points and other take-back options for their purchases.

### Cooperate

- **Work** with marketplaces on pilot programs to improve EPR compliance, including via enhanced notice and takedown regimes.
- **Refrain** from imposing liability on sellers or marketplaces for errors done "in good faith" in EPR compliance.