

Annex 3

8 September 2009

WORKING DOCUMENT FOR VOLUNTARY AGREEMENT LOT 4; IMAGING EQUIPMENT

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1 Introduction

At the end of spring 2008, Fraunhofer IZM has published the final task 8 report of the preparatory study on lot 4 imaging equipment. After the publication the European Commission has indicated to manufactures of imaging equipment that they would very much welcome an industry voluntary agreement (VA) instead of an implementing measure (IM). Since December 2008, industry has discussed on several occasions a possible VA for lot 4. This document intends to reflect the discussions that took place between the manufacturers listed below and the Commission's staff (Directorate-General for Energy and Transport Directorate D - New and renewable sources of energy, Energy efficiency & Innovation Unit D3 - Energy efficiency of products & Intelligent Energy – Europe).

Companies involved in discussions on a Voluntary Agreement for LOT 4 are:

- Brother
- Canon
- Dell
- Epson
- Fujitsu
- HP
- Kodak
- Konica Minolta
- Lexmark
- OCE
- Oki
- Panasonic
- Samsung
- Sharp
- Toshiba
- Xerox

Please note that this working document will be presented to the EU Commission prior to the Consultation Forum (CF) on October 12 2009. The EU Commission will use the paper to draft an explanatory note that will be submitted to the members of the CF before September 12.

2 Background

Industry is of the opinion that self-regulation is an appropriate alternative to legislation for Imaging Equipment, because of the following reasons:

- **Better Regulation.** In light of the Better Regulation program the European Commission and more specifically DG Enterprise is actively looking for examples that can show that Voluntary Agreements can deliver similar results to legislation.
- **Limited impact of imaging equipment.** The preparatory study has clearly shown that imaging equipment is not a priority product that has potential to deliver huge environmental saving. Programs such as Energy Star are in place and are delivering results. A voluntary agreement can be an additional tool that shows a formal commitment from the sector to improve the environmental performance of its products and this could commitment would remove the need for legislation.
- **Stable market.** Although market shares in the imaging industries change over time it is a relatively stable market where a limited group of so called “A” brands occupy the vast majority of the market. This means that in theory it should be possible to reach the 80% participation that would be required to make a VA that could be accepted by the European Commission.
- **Difficult product group.** Imaging equipment is a large product group covering a diverse range of technologies and applications. At the same time the room for improvement of the category is limited. As such it is a complex task to draft an implementing measure for lot 4.

3 Objectives

Via a voluntary agreement the signatories like to achieve the following:

- Propose innovative and challenging commitments that go beyond business-as-usual to continue reducing the environmental impact of Imaging Equipment.
- Position the imaging industry as a responsible and proactive Stakeholder capable of continuously improving the environmental impact of its products.
- Ensure that signatories will have a benefit over possible “free riders” (e.g. in the context of Green Public Procurement).

4 Scope of the VA

General:

All terms used in the scope definition are defined in Annex C, Part VII to the Agreement between the Government of the United States and the European Community on the coordination of energy-efficiency labelling programmes for office equipment, as stated in the Annex of Commission decision 2009/347/EC (EU Energy star) .

Product categories:

The Voluntary Agreement covers the standard size format products from the following product categories that have been reviewed in the preparatory study:

- Copiers
- Multifunction Devices (MFD's)
- Printers
- Fax

Marking technologies:

Only products using one of the following marking technologies will be covered by the Voluntary agreement:

- Electrophotography (EP)
- Inkjet (IJ), including high performance IJ
- Solid Ink (SI)

Household and office equipment:

The voluntary agreement will cover household and office equipment, meaning:

- Standard BW format products with maximum speed < 66 A4 images per minute
- Standard Colour format products with maximum speed < 51 A4 images per minute

(Speed to be rounded to the nearest integer as prescribed in the ENERGY STAR agreement). Other format printers can be included in the scope if an individual manufacturer wishes to do so.

5 Commitments

Signatories would commit to ensure that as of 1 January 2011, **50% (The compliance rate)** of a Signatory's imaging equipment placed on market ¹ and as covered by the scope of this VA will comply with the requirements set out below. Signatories will ensure to achieve a 50% compliance rate for both OM and TEC product categories.

The compliance rate will be calculated as a sales weighted number meaning that models with high sales will weigh heavier in calculating the compliance rate than low sales models.

Energy Requirements

- Energy Star V1.1 requirements

Duplex requirements

- Energy Star V1.1 requirements

Resource efficiency

- Encourage use of duplex by selecting either of the three options below. Only applicable to models with duplex as a standard feature at the time of purchase.
 - 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
- Encourage use of environmental friendly paper
 - Create generic statement by all manufacturers encouraging use of environmental friendly paper, for instance but not limited to:
 - Eco labelled paper, Recycled paper, FSC paper, Etc
 - 64 gr paper can be an environmentally friendly option as long as paper quality is sufficient to support inkjet duplex printing
 - Published statement externally by all signatories
- Printers can print on recycled paper although the quality of print may decrease
- Companies will continue to make the duplex functionality easy accessible in printer drivers

¹ Placed on market as defined in the Guide to the Implementation of Directives Based on New Approach and Global Approach. <http://ec.europa.eu/enterprise/newapproach/legislation/guide/index.htm>

Communicate externally that Electro Photography printers can print on 64 gr/m2 paper

Reuse and Recycling

- Toner modules and containers as well as ink modules and containers supplied by the applicant along with the original equipment, as well as those recommended in the product documents for use in the respective device, must be so designed as to ensure their channelling to reuse or material recycling.²

- Inkjet cartridge yield

- The creation of company page yield websites where consumers can go to find out more about the yield of products (based on ISO/IEC 24711).

Information to customers

- Companies commit to provide customers with information on the environmental performance of their products. This information may take the form of ECMA 370 declaration, EPEAT or similar company formats.²

Cartridge Disposal

- Promote the environmental friendly utilisation of cartridges.

6 Reporting and monitoring

Companies will need to provide reports on the achievements on an annual basis:

- Company name
- Compliance status + sales data per model (to allow for verification)
- Company compliance rate

Companies do not need to provide details on unit sales per model; only total sales volume would be required as this is required to calculate market coverage of the signatories.

Companies will have 3 months to submit their annual reports meaning that first reports would be due on 1 April 2012 (based on entry into force on 1 January 2011).

The company reports will be aggregated into an Annual progress report that will be submitted to the Steering Committee. The Annual progress report will be prepared by the Joint Research Centre of the European Commission and will only show anonymous results. Companies will not be named although individual company achievements can be seen (company A, company B, etc).

The Steering Committee will consist of

- Signatories
- European Commission officials
- Member states representatives

² Depending on the printing technology Reuse or Recycling options should be considered according to their full environmental impact.

The paragraph is coming from section 3.2.1.1 on Recyclable design and reuse from the Blue Angel document (RAL-UZ 122).

³The eco declaration (ECMA 370) is a communication tool for customers. ECMA 370 declaration was developed to answer questions from customers to choose the best supplier. The standard addresses individual company programs and product related attributes.

The Steering will meet once a year to discuss the Annual progress report. The Steering Committee may decide if an independent audit is required to verify the accuracy of the annual company reports.

7 Revision of the Commitment

The steering committee meeting may decide if a revision of the Commitment is required based on the following information:

- Assumptions on future compliance rates based on Energy Star 1.0 have been verified in Q1 2010 with real market data.
- Individual company and industry progress as shown in the annual progress reports.

The 50% compliance rate of the VA could already be revised on an earlier date based on valid market information. The full revision of the VA would not take place before 1 January 2012.

8 Termination of the VA

Signatories can terminate their individual participation in the VA by sending a letter to the chair of the Steering Committee.

The Steering Committee may decide to terminate the VA if it proves that the VA is not successful. Reasons for termination could be, but are not limited to:

- Signatories no longer represent a vast majority of the market (over 80%)
- Majority of signatories do not meet the commitments of the VA
- Legislation is implemented that overrule the commitments of the VA
- Signatories have a considerable disadvantage over “free riders”

9 Promotion of the signatories

Signatories should have a clear advantage over free riders.

- Include signing of the VA as an award criterion in GPP requirements as established by DG Environment
http://ec.europa.eu/environment/gpp/pdf/toolkit/office_IT_equipment_GPP_product_sheet.pdf .
- Create a certificate that shows signatories are member of the VA, this could be used by signatories in external communication
- Create a website that explains commitments of the VA and shows list of signatories