



ENTERPRISES' AGREEMENT — INVITATION

for enterprises placing packaged products on the market

New obligations for enterprises regarding composite packaging waste and hazardous material packaging waste

The new Legal Act on Packaging Management and Packaging Waste Management of 13th June 2013, hereafter referred to as the Packaging Act, entered into force on 1st January 2014. This new Packaging Act introduces significant changes, including legal obligations regarding the recovery and recycling of packaging. New methods for the obligatory recovery and recycling of composite packaging and hazardous material packaging waste were introduced in the new Packaging Act, including the introduction of an obligation for companies to establish a system for collecting hazardous material packaging waste and composite packaging waste, as well as to ensure its recovery and recycling (Art. 18). An Enterprise placing packaged products on the market can fulfil its obligations on its own or as part of an agreement concluded by any chamber of commerce with the Marshal of a given voivodeship. It is far less beneficial for an enterprise to fulfil its obligations on its own than to conclude an agreement provided for in Art. 25 of the Act. A Ministry of Environment Regulation sets forth specific recovery and recycling levels for the afore mentioned packaging in particular years. Attaining set recovery and recycling levels will be the basis for calculation and if attained the enterprise will be exempt from paying a high product fee.

Nowadays there is little data available as to the amount and type of composite and hazardous material packaging placed on the market, since the currently applied recycling and recovery system was based on calculations relating to the packaging's dominant material. Therefore serious changes were required from 2014 in the composite packaging recording and reporting systems. Similar problems occurred with regard to hazardous material packaging, where a system of fees was applied. This will all pose a serious problem for enterprises and consequently may result in fines. Moreover in Poland, apart from infrastructure for recycling liquid food cartons, there are no specialist installations which can ensure the industrial recycling of composite packaging waste, and their establishment will require at least 2-3 years.

In view of new urban waste management standards leading to the development of composite waste sorting methods and the use of such waste for the production of refuse-derived fuels (RDF), the situation seems to be better regarding recovery, as it is possible to collect and manage composite waste without special investments. In the case of hazardous waste one can only say that it is used for energy production in waste incineration plants, and that these are already available in Poland. However, the sense and possibility of recycling hazardous material packaging waste raise serious doubts.

The Polish Chamber of Commerce's (KIG) Initiative

Having talked to enterprises and bigger recovery entities, **KIG** started working on agreements provided for in Art. 25 of the Packaging Act, in order to comply with legal obligations regarding

The Polish Chamber of Commerce

ul. Trębacka 4, 00-074 Warszawa, Phone: +48 22 630 9445, E-mail: porozumienia@kig.pl www.kig.pl

composite packaging waste and hazardous material waste. In accordance with the Packaging Act enterprises are also responsible for organising collection systems for the above-mentioned types of packaging. The Polish Chamber of Commerce aims to establish a system ensuring that all legal obligations are complied with and that enterprises will not be subjected to any infringement procedures by 2020. The chamber, when coordinating the agreements on behalf of enterprises, will have to fulfil all legal obligations in a proper manner and will be associated with great responsibility. Interested recovery entities, as stake holders, will be very important partners in this work. They will additionally assist and support collaborating enterprises as well as ensure their safety. The operating fees for enterprises were set on the basis of real, unavoidable costs of legally binding recovery and recycling activities as well as expenditure on establishing a target system for collecting such waste. The Polish Chamber of Commerce estimates that the system will be established within 2-3 years and it will be financed from the fees paid by the enterprises.

The aim of the Agreement

All the activities undertaken by KIG aim to draw attention to the project from as many enterprises as possible. KIG has consulted on all its activities with the biggest recovery entities and other business organisations, as its main aim is to select a credible and safe project to support enterprises in fulfilling stringent legal obligations, especially in the period to 2020.

Another important aim of the Agreement is to support the Enterprises participating the Agreement in fulfilling binding legal obligations (Art. 18 of the Packaging Act) both this year and in subsequent years through organising an effective composite packaging waste and hazardous material waste collection system. The Polish Chamber of Commerce also aims to protect enterprises' interests, including reducing legal obstacles to business activities and fulfilling all obligations with regard to the recovery and recycling of packaging, as well as supporting companies with regard to sustainable waste management. Collaboration with KIG as part of the Agreement does not entail membership of the Chamber or any membership fees.

General principles of collaboration with enterprises

In achieving the main goal of partnership based on legal provisions in force we suggest the following collaboration principles for the enterprises participating in the Agreement:

1. the enterprises bear the real and justified costs of collecting, preparing and managing the waste subject to the Agreement, including the administrative and management costs of the organisational structures of the agreement,
2. the above mentioned expenditures also cover the establishment of an effective system for collecting and managing waste subject to this Agreement,
3. the enterprises concluding or joining the Agreement are not obliged to become members of the Chamber of Commerce or to pay membership fees, they are only supposed to reimburse the costs of carrying out the Agreement by the Chamber,
4. the fees for the collection and recycling or recovery of waste, as well as the administration and management costs are open and calculated in advance for the next year,
5. the fees for carrying out the Agreement are adjusted during the year in previously defined accounting periods,
6. each enterprise, irrespectively of its size and the amount of packaging placed on the market, is treated in the same way within the Agreement as far as the rates and fees are concerned,

7. enterprises joining the agreement pay a registration fee, which covers KIG's costs for launching the Agreement,
8. the Agreement is concluded for the period 2014-2020 and the rates for carrying it out are set yearly,
9. the Polish Chamber of Commerce supervises the carrying out of the Agreement,
10. in order to ensure the transparency of the Agreement the establishment of a Programming Board is planned, the Board shall include representatives of the enterprises and shall supervise and monitor all activities within the Agreement.

Proposal for Enterprises subject to the Packaging Act

Enterprises interested in the Agreement shall submit an initial declaration to join the Agreement, specifying the estimated amount and types of packaging placed on the market in the previous year (see attachment). By sending the declaration the enterprise is not obliged in any way to join and sign the Agreement. It allows, however, KIG to estimate its needs and check if they can be catered for, as well as KIG to prepare an offer. Following its declaration an enterprise will receive an offer specifying the rates for achieving appropriate recovery and recycling levels, as well as other documents required to join the agreement. **Should you be interested, please send your declaration to the authorised representative of the Polish Chamber of Commerce at the following e-mail address: dzawadzka@kig.pl or porozumienia@kig.pl**

Dominika Zawadzka
Coordinator for Enterprises' Agreements
The Polish Chamber of Commerce
Phone: +48-22-6309445 or +48-501716564