

Product Stewardship Council

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An independent, non-profit organisation dedicated to understanding and advancing the principles of product stewardship

PRODUCT STEWARDSHIP PRINCIPLES AND ACTIONS – July, 2006

OVERVIEW

The Product Stewardship Council (PSC, www.productstewardshipcouncil.org) is an independent, non-profit organisation dedicated to understanding and advancing the principles of product stewardship. The PSC was established to help industries and governments work more effectively together in the development and implementation of product stewardship programs. Discussions with key stakeholders have highlighted the need for a body like PSC to promote product stewardship through independent and transparent analysis, information exchange and facilitation.

PRINCIPLES OF PRODUCT STEWARDSHIP

The PSC supports the following broad principles for product stewardship based on those developed by the US-based Product Stewardship Institute (www.productstewardship.us).

- **RESPONSIBILITY:** The responsibility for reducing product impacts should be shared among industry (designers, manufacturers, and retailers of products or product components), government, and consumers. The greater the ability an entity has to minimise a product's life-cycle impacts, the greater is its degree of responsibility, and opportunity, for addressing those impacts.
- **INTERNALISE COSTS:** All product lifecycle costs – from using resources, to reducing health and environmental impacts throughout the production process, to managing products at the end-of-life – should be included in the total product cost. The environmental costs of product manufacture, use, and disposal should be minimised, to the greatest extent possible, for local and state governments. Manufacturers should thus have a direct financial incentive to redesign their products to reduce these costs.
- **INCENTIVES FOR CLEANER PRODUCTS AND SUSTAINABLE MANAGEMENT PRACTICES:** Policies that promote and implement product stewardship principles should create incentives for the manufacturer to design and produce “cleaner” products – ones made using less energy, materials, and toxics, and which result in less waste (through reduction, reuse, recycling, composting and energy recovery where this is carried out under regulations imposing strict emission standards such as those in the EU) and use less energy to operate. These policies should create incentives for the development of a sustainable and environmentally-sound systems to collect, reuse, and recycle products at the end of their lives.

- **FLEXIBLE MANAGEMENT STRATEGIES:** Those that are responsible for reducing the health and environmental impacts of products should have flexibility in determining how to most effectively address those impacts. The performance of responsible parties shall be measured by the achievement of goal-oriented results.
- **ROLES AND RELATIONSHIPS:** Industry should provide leadership in realising these principles. Government will provide leadership in promoting the practices of product stewardship through procurement, technical assistance, program evaluation, education, market development, agency coordination, and by addressing regulatory barriers and, where necessary, providing regulatory incentives and disincentives. Industry and government shall provide – and consumers should take full advantage of – information needed to make responsible environmental purchasing, reuse, recycling, and disposal decisions.

TRANSLATING PRINCIPLES INTO ACTIONS

Understanding when and how to implement product stewardship schemes is crucial to ensuring that product stewardship principles maintain their integrity and promote meaningful program development. The PSC proposes the following approaches for translating product stewardship principles into action.

Determining Need

- Intended policy objectives need to be made clear and prioritised, and options to achieve those objectives must be fully evaluated and strive to effectively balance social, economic and environmental outcomes.
- A comprehensive, carefully considered approach is necessary as no single policy approach can deliver all desired outcomes nor reflect the full diversity of products.
- Product stewardship schemes or extended producer responsibility (EPR) are more appropriate and cost-effective for truly hazardous or expensive to manage products than for relatively benign or inert products where externalities are minimal or where such products do not impose net costs on the community to manage.
- Programs are more likely to be effective when similar EPR or product stewardship schemes exist overseas. However, the relative costs, benefits and risks of such schemes need to be understood and examined within a local context prior to adoption.
- Approaches requiring greater levels of regulation should be pursued only after market-based, voluntary and co-regulatory approaches have been clearly shown to not be effective in achieving desired outcomes.
- National consistency is critical, and should reflect regional differences, available resources and commitment to common objectives.
- Where necessary, underpinning legislation should be developed in cooperation with industry and effectively enforced by Governments.

Engaging Stakeholders

- Active stakeholder engagement, joint fact finding and constructive, good-faith commitment to achieving optimal outcomes are needed in clarifying objectives and priorities and in developing and implementing product stewardship programs.
- Stakeholders are more likely to collaborate on and effectively implement voluntary and/or co-regulatory approaches than where approaches are unilaterally mandated.

Sending the Right Signals

- Stewardship initiatives should meet their environmental objectives in the most efficient, cost-effective manner.
- Appropriate incentives must be designed to send appropriate signals to all affected parties.
- Intended approaches should incorporate existing infrastructure, policies and programs to the fullest extent possible and seek to minimise negative impacts on existing programs.
- Industry leaders should be rewarded for improving sustainable practices, while laggards should be sent clear messages about need for improvement and be given the opportunity to respond accordingly. Innovation should be encouraged, not stifled.
- Industry should be provided significant flexibility to ensure environmental objectives are achieved in a sensible, cost-effective manner.
- Environmental impacts of energy consumption should also be minimised across the supply and recovery chains, for example decision making should consider how the product is to be distributed and whether distribution requires special conditions such as refrigeration. The design of the product system should optimise transport efficiency (and therefore fuel consumption), for example by maximising the amount of product transported in a truck or container.
- The potential impacts of external influencers such as changing demographics should be understood and recognised.
- Stewardship initiatives should include promotion of market development and the use of recovered materials where appropriate.
- Appropriate mechanisms should be instituted to ensure effective, transparent monitoring, data collection and public reporting.
- Where available and where carried out under regulations imposing strict emission standards such as those in the EU, energy recovery and resource utilisation through energy from waste (EfW) or alternative waste technologies (AWT) are appropriate for residual materials remaining after cost-effective recycling.

For questions or comments, please contact the PSC at info@productstewardshipcouncil.org.