

COMMENTS TO EXTENDED PRODUCER RESPONSIBILITY ON AHP'S

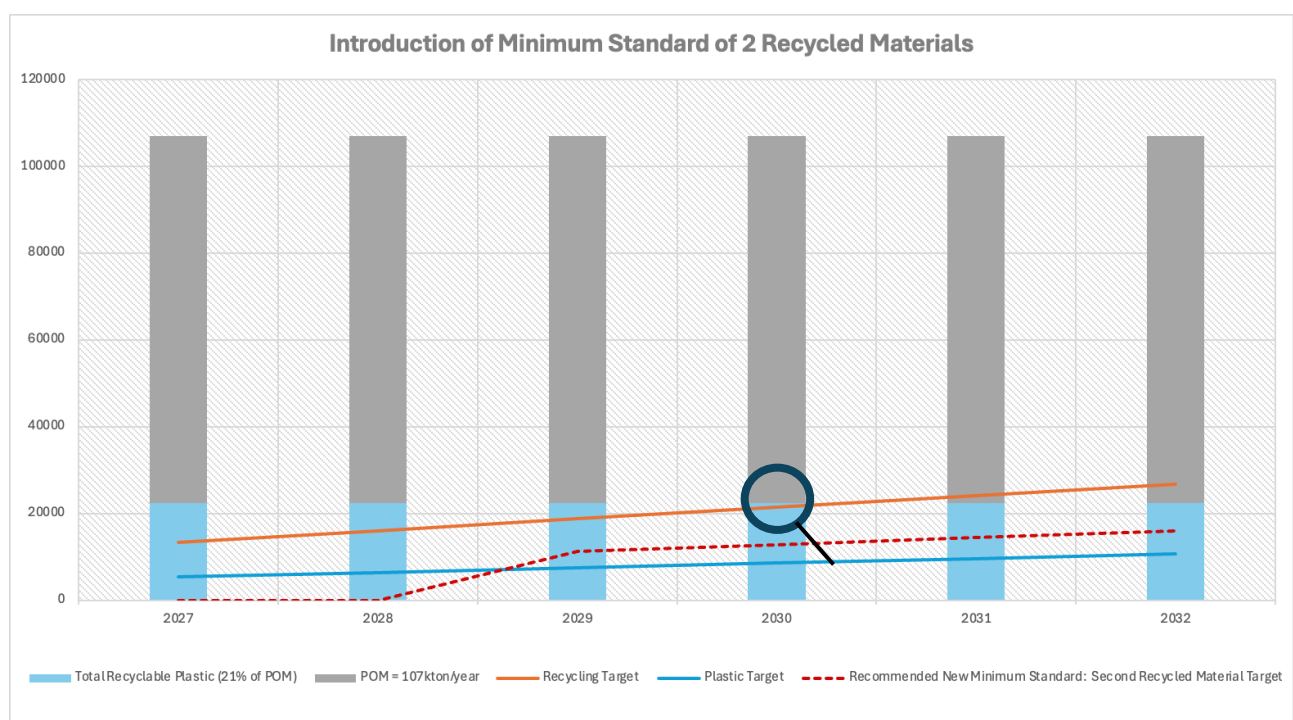
1. We fully support the introduction in article 3 and article 4 of **total recycling targets** and **specific recycling targets** that focus on the **recovery of plastic** contained in the AHP products.

Overall recycling targets cannot be met with plastic alone as of year 4 (*see lens on the following graph*). Therefore, we recommend to set **minimum standards** for recycling facilities by year 3, ensuring the availability of technologies capable of recovering and **recycling at least one additional fraction beyond plastic, as per Italian EoW (Dm 62/19 MASE): cellulose with low SAP, cellulose with high SAP, SAP.**

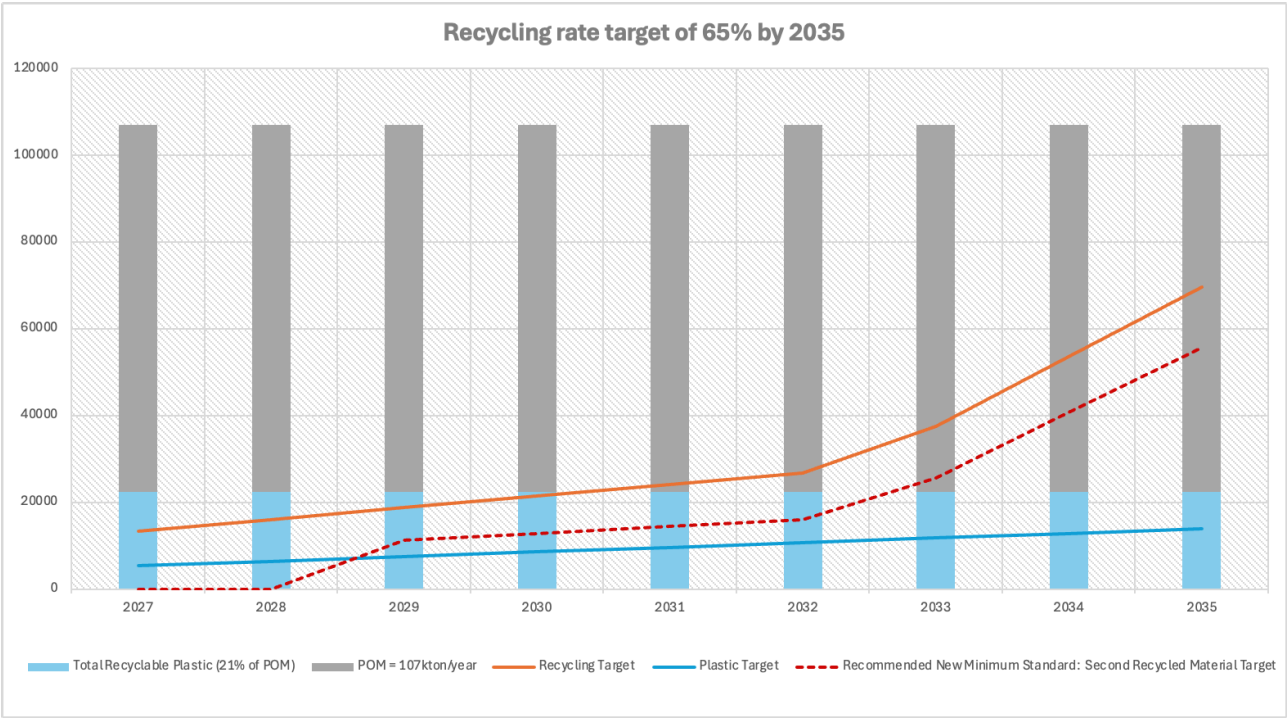
Penalties need to be levied if the recycled materials end up being disposed of.

Question: Will you implement a timeframe within which the recycled material must be placed on the market?

A recommended second fraction recycling target glidepath is outlined in the following graph.



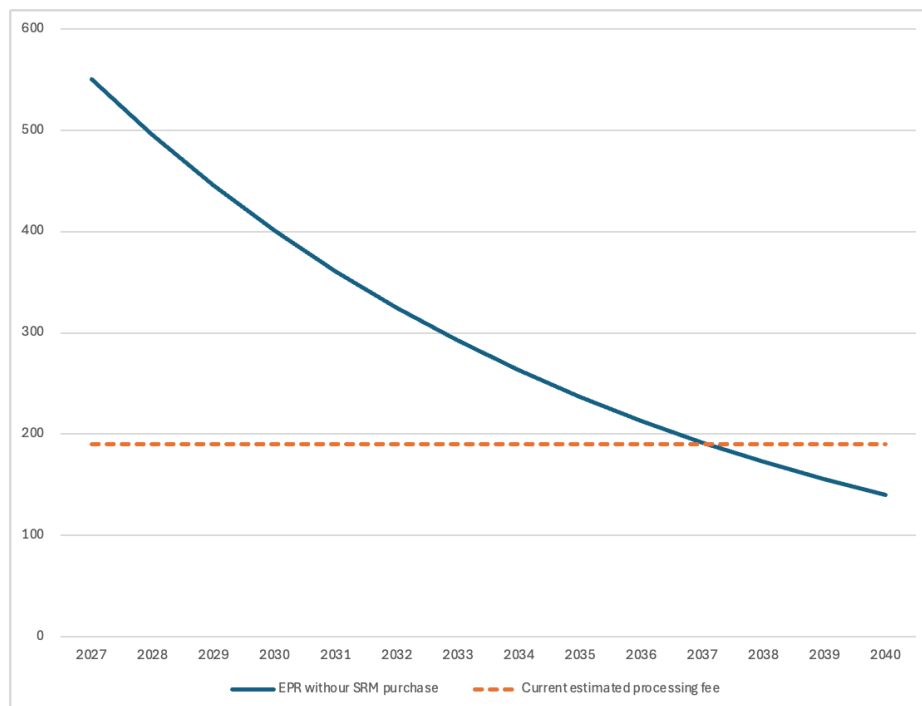
2. We recommend **aligning the AHP recycling target** with the European Union’s municipal waste **recycling rate target of 65% by 2035**, to ensure consistency and ambition. A proposed glidepath is outlined in the following graph.



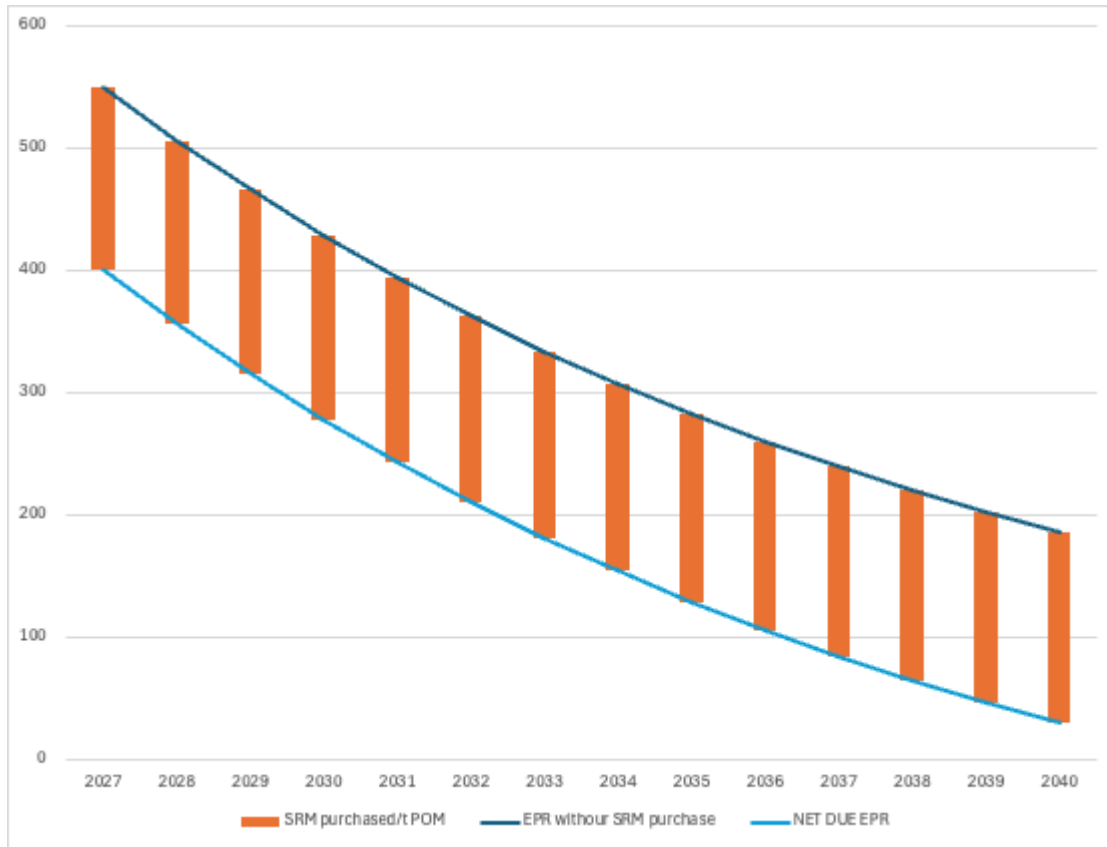
3. **EPR contribution** by the Producers Organization should

- Ensure a long-term commitment (e.g., a minimum 10-year contract) to provide investment stability to the Recyclers and support the achievement of recycling targets.
- should not be constant throughout the years. It should instead be **higher at the beginning** (EPR processing fee = 550 euro/ton, in order to stimulate innovation and scale-up investments) and **decreasing over the years** (innovation pay-out).

An example is outlined on the following graph.



4. Policy should also incentivize - with a **"100% cash-back" system** - for those **producers** that **buy SRMs from AHP recycling plants**, to promote circularity of materials.
An example is outlined in the following graph



The advantages of a **"100% cash-back" scheme** are:

- For everybody:

Truly allocates burden where it belongs: incentive for manufacturers to buy and effectively re-use the SRMs;

Push for max value and quality of the SRMs

- For Waste Operators:

Receive a constant contribution linked only to process efficiency and eliminate merchant risk on SRMs

- For AHP Manufacturers:

Eliminate/Reduce price volatility on raw materials

5. The policy should include strict enforcement measures to ensure genuine commitment to recycling. In case annual targets are not met, penalties equal to 200% of the EPR

contribution should be applied to the producers organization, thus driving real progress toward recycling goals

6. In the current wording of Articles 3, producers appear obligated to achieve specific recycling rates based on their market input. Since it is neither feasible nor reasonable to verify recycling for a specific brand's products, it would be better to state the obligation as recycling an **equivalent amount**, regardless of the producer.
7. The current proposed scheme, does not mandate municipalities to implement separate collection but emphasizes the importance of cooperation. Given the high costs of setting up an independent collection system, municipalities should be allowed to impose such an obligation if separate collection volumes are insufficient to meet recycling targets. The lack of a municipal cooperation requirement makes it harder to enforce penalties.