

Cosmetics Europe reacts to the provisional agreement on the UWWTD recast

Statement

Brussels, 30 January 2024 – During the second political trilogue that took place yesterday, the negotiators from the European Parliament, the Council of the EU and the European Commission reached a provisional agreement on the revision of the Urban Wastewater Treatment Directive (UWWTD). Cosmetics Europe (CE) takes note of the agreement yet still questions the fairness of the Extended Producer Responsibility (EPR) system being put in place and ultimately its effectiveness in meeting the main objective of the Directive, which is to address water pollution.

The new rules that have just been agreed will, for the first time, introduce the Extended Producer Responsibility (EPR) into the water sector. The agreement foresees an EPR scheme for only two sectors, pharmaceuticals and cosmetics, that will be required to financially contribute to the upgrade of wastewater facilities to quaternary treatment.

The cosmetics sectors fully supports the overall objective of effectively tackling water pollution and is ready to financially contribute based on our fair share of responsibility. However, we question the application of the EPR scheme to a selected number of sectors. We believe that in line with the "Polluter Pays Principle" as specified in the Treaty of the Functioning of the EU (Article 191(2)), fairness should have been observed through the equal treatment of all polluters, who should share financial responsibility according to each producer's contribution to the total aquatic toxic load.

The impact assessment provided by the European Commission does not demonstrate clear scientific reasons as to why the cosmetics sector has been selected as the second largest polluter (see Cosmetics Europe analysis) and a study from the European Commission's Joint Research Centre provided data on the fact that cosmetics account for only around 1% of total toxic load. We regret that the outcome of this study has been disregarded and believe that with the sectorial approach not being based on sound scientific evidence, the "Polluter Pays Principle" has not been adequately respected.

The sector based EPR is not based on sound scientific justifications, does not guarantee equal treatment of all polluters, breaches core principles of the EU Treaty, and ultimately fails in its main objective of providing an incentive to all polluters to improve their environmental footprint.

Furthermore, we are concerned that a purely sector based EPR will generate legal uncertainties in relation to the scope of the Directive, specifically as regards identification of substances to be considered as micropollutants. As a result, diverging implementation by Member States might lead to a fragmentation of the internal market. An EU harmonized list of micropollutants would, instead, ensure legal clarity and certainty and allow for a proper and transparent distribution of the financial burden of costs among all polluters, regardless of sectors.

Ultimately, a substance based EPR would not only have resulted in a genuine application of the "Polluter Pays Principle" but would also have incentivized all polluters to reformulate their products and reduce their environmental footprint. In fact, without a defined list of substances (i.e., micropollutants) producers will not be able to identify which substances will need to be substituted.

Cosmetics Europe will remain engaged on the topic to ensure a fair and effective system to tackle water pollution.

Read more:

Cosmetics Europe disappointed with the Council position on the UWWTD recast

Cosmetics Europe concerned about European Parliament's position on UWWTD revision

Cosmetics Europe reacts to EP ENVI Committee's vote on the UWWTD recast

<u>Cosmetics Europe Position Paper on the EC's Proposal for the Revision of the Urban Wastewater Treatment Directive (UWWTD)</u>