

The Guide of EKO-KOM



System of collective compliance of obligations
of take-back and recovery of packaging waste



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1. History of the EKO-KOM system

1994

The European Packaging and Packaging waste Directive 92/62/EC has been accepted. Due to status of Czech Republic as an associate member of the EU who needs to fulfill requirements of this Directive, the Czech Industrial Association for Packaging and the Environment was established to create a system to ensure the recovery of packaging waste.

1997

In this year, Act No. 125/1997 Coll., on Waste, came into force, in which the packaging issue was dealt with in just two sections. In this year, EKO-KOM, a.s. was founded with the aim of creating the Green Dot system in the Czech Republic. The company launched pilot projects to test different methods of sorted waste collection and prepared a long-term educational project (Tonda Obal) in cooperation with teachers, aimed at educating primary school pupils in the field of waste sorting.

1999

The Czech Industrial Association for Packaging and the Environment and the Ministry of the Environment signed a voluntary Agreement to Enforce Directive 94/62/EC on packaging and packaging waste in the Czech Republic. The Agreement set forth principles for the functioning of the EKO-KOM system in such a way that the enterprises participating in this system were regarded as subjects, which ensured that waste is recycled to the required extent. Since 1999, the EKO-KOM system has been incorporated into the Czech Republic Approximation Strategy for the Environment as the method to execute the conclusions of the Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging materials.

2000

PRO EUROPE give EKO-KOM a licence to use the Green Dot mark in the Czech Republic.

2001

At the beginning of this year, an obligation to recover packaging as set forth by Act No. 125/1997, the Waste Act, came into effect. During the year, economic and process stabilisation of the EKO-KOM system continued, and pilot research projects and educational campaigns were launched in municipalities. By the end of the year, almost 600 enterprises were engaged in the system, which represents 42 % of packaging put on the Czech market, and 2,750 contracts were signed with municipalities, encompassing more than 8 million inhabitants.

2002

At the beginning of the year, Packaging Act No. 477/2001, came into force, which defined more precisely the

obligations associated with the management of packaging and packaging waste. On 28/3/2002, the Ministry of the Environment give EKO-KOM an Authorization decision in accordance with the Packaging Act. Thus EKO-KOM became an authorized packaging company.

2004

Since 2002, the number of EKO-KOM system clients had grown considerably, counting nearly 21,000 companies. The number of municipalities participating in the system had grown, too. At the beginning of the year around 4,450 municipalities were involved. Gradually contracts were signed with entities authorised to handle waste. More than 100 contracts were signed. In 2004 the collection network reached more than 100,000 installed containers, making them accessible to 97% of the consumers.

2005

On 29/3/2005, the Ministry of the Environment issued upon EKO-KOM's recommendation a decision which pursuant to Section 17, Paragraph 7 of the Packaging Act extended EKO-KOM's authorisation until 31/12/2012.

2006

At the beginning of 2006, the second amendment to Act No. 477/2001, the Packaging Act as amended, came into force. The objective of this amendment was mainly to determine a new strategy for recovery and recycling packaging waste until 2012.

2008 - 2009

In the second half of 2008 began to rapidly decrease demand for secondary raw materials. This crisis is fully developed in 2009. The collapse of secondary raw materials market, a drastic fall in prices and the sudden lack of recycling capacity in the first half of the year became a major theme of EU institutions.

The company EKO-KOM introduced a stabilization program, which was agreed by the Czech Union of Towns and Municipalities and the Czech Chamber of Commerce. The program, which was also discussed by parliamentary committees, presented a solution to economic shock, which was the loss of income from sales of sorted raw materials. On the financial stabilization of sorting waste participated involved cities and towns, together with industry and in this case by our company.

2012

On 22 of February 2012, the Ministry of the Environment issued a Decision which extended the authorization of EKO-KOM, a.s. according to Section 17, Paragraph 7 of the Packaging Act.

2020

On 3 September 2020, the authorization was extended until 31 December 2024.

2. How does the system operate?

EKO-KOM is authorized packaging company that provides collective compliance of obligations of take-back and recovery of packaging waste, resulting from the Packaging Act No. 477/2001 Coll., as amended. Obligations of take-back and recovery of packaging waste have by law, persons who place packaging on the market or put into circulation, i.e. perform, import or sell to the CR. In order to fulfil these obligations, these persons may conclude a Contract on Collective Compliance with the EKO-KOM.

The EKO-KOM System provides take-back and recovery of packaging waste mainly through municipal schemes of separate collection and through the activities of persons authorized to dispose with waste (waste management companies). This means that EKO-KOM physically not manipulates with packaging waste, but especially finance the cost of waste collection, sorting and recovery of packaging waste.

This solution is based on the legal framework given by the Packaging Act and Waste Act:

- 🌀 Importers, fillers, distributors and retailers placing packaging on the market or put into circulation are obliged to take back and use packaging waste in accordance with the Packaging Act.
- 🌀 Municipalities and cities according to the Waste Act have obligation to sort and recovery municipal waste, which also includes used packaging.

On the one hand EKO-KOM concludes a Contract on Collective Compliance with persons who place packaging on the market or put into circulation. Based on these contracts, EKO-KOM collects data concerning packaging production and receives payments, the amount of which depends on the amount of reported packaging production.

On the other hand EKO-KOM concludes a Contract on Packaging Waste Collection and recycling of packaging waste with municipalities and waste management companies. These subjects are then obliged to keep records of the amount of collected and recovered packaging waste, on the basis of which EKO-KOM financially contributes to the systems of collecting, sorting and recovery of packaging waste.



The System follows similar patterns as in other EU countries, where systems provide the same services and make up an integral part of municipal waste management. Besides collective compliance of obligations of take-back and recovery of packaging waste, EKO-KOM provides other accompanied activities: statistics and information, expert and advisory, research and education.

2.1 Legal framework of membership in the System

Legal base of participation in the System of Collective Compliance managed by Authorized Packaging Company EKO-KOM is completed by the Contract on Collective Compliance of obligation of take-back and recovery of packaging waste.

All entities, which have obligations according to Packaging Act 477/2001 Coll. could sign the contract. EKO-KOM has to conclude a Contract on Collective Compliance with any person which declares to be interested and has no outstanding liabilities to the authorized company. The terms for the conclusion of a Contract on Collective Compliance have to be set uniformly for all the persons. The conclusion of Contract on Collective Compliance is not the only way to comply with obligations. There are other ways according to § 13 of Packaging Act.

2.2 Contractual obligations of members of the EKO-KOM system

The members of the EKO-KOM system have three main obligations according to Contract on Collective Compliance:

- 🌀 **reporting of packaging placed on the market or put into the circulation,**
- 🌀 **pay the amount of the quarterly Remuneration for provided services of take-back and recovery of packaging waste,**
- 🌀 **pay the Fee amount for the calendar year to register in the EKO-KOM system**

By signing the Contract on Collective Compliance with the authorized packaging company, a person placing packages on the market or put into circulation has fulfilled the obligation of take-back and recovery as provided in Sections 10 and 12 of the Packaging Act. However, the said person still has the duty to keep records on packages (Section 15) and the duty of registration in the List of Subjects (Section 14) with which the duty to pay the registration fee is linked (Section 30), therefore the duties are also laid down in the Contract on Collective Compliance. Clients of the EKO-KOM system, however, do not submit the records of packages to the Ministry of the Environment, but report the packages in the system based on reports determined for that purpose. Then summary reports of packages are submitted to the Ministry of the Environment, including the current List of all clients of the authorized packaging company EKO-KOM, a.s.

2.2.1 Keeping records of packaging placed on the market or put into circulation

The EKO-KOM system has to collect data on the quantity of packages put on the market or put into circulation by the companies with which the Contract on Collective Compliance has been concluded. For that purpose, the Quarterly Statement about packaging production is used, determined by the authorized packaging company in the structure as required by the government under valid legal regulations.

For reporting purposes, packaging is distinguished between commercial and industrial packaging. Commercial packaging are further divided into sales, group and transport packages. According to the Packaging Act, packages are also divided into groups according to the predominant material. Records on reusable packages are kept separately. Reusable packages must be reported as well, because a certain percentage of them are disposed of as communal waste and their records are required by government authorities under the law.

To understand the logic of the EKO-KOM system reporting, let us try to imagine a group of model companies and flows of packaging among the parties. We monitor the flows of packaging with regard to your company and that is why it is put in the middle of the diagram.

Your company purchases and sells packages from companies which may be clients of the authorized packaging company, but do not have to be.

The method of reporting packaging quantities is shown in the following diagram:

a) Paid packaging

Packaging (in this context it is irrelevant whether they are bought or produced) for which your company pays a fee into the EKO-KOM.



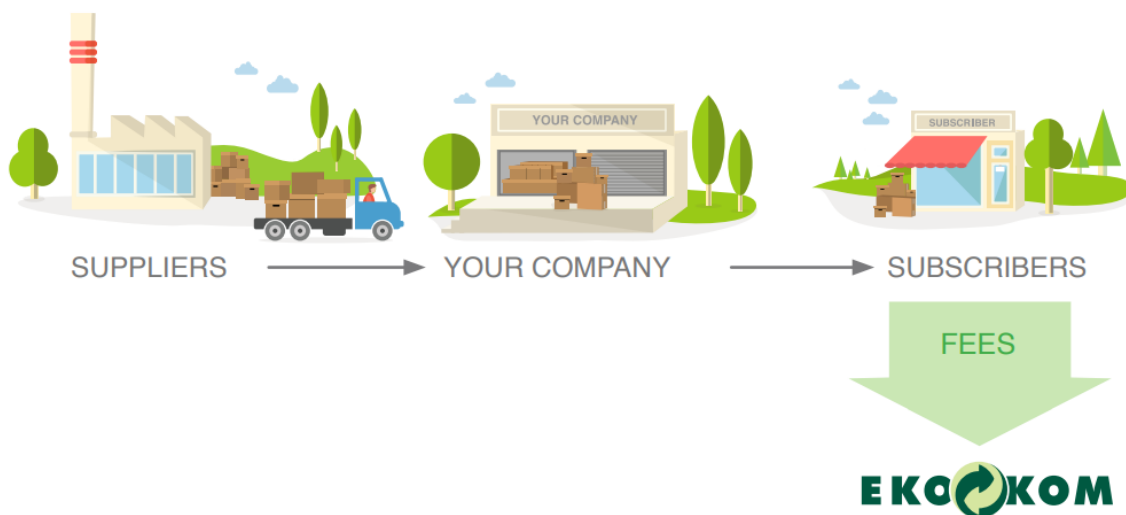
b) Pre-paid packaging

The company from which your company buys packaging has signed a Contract on Collective Compliance and pays a fee into the EKO-KOM system for the packaging supplied to you.



c) Non-paid packaging

In this variant we assume that your company and your client have signed a Contract on Collective Compliance. Your company and your client have agreed that your client would pay the fee for the packaging supplied by you and this is defined in writing in your trade terms and conditions.



d) Exported packaging

Packaging put by your company on the market outside the Czech Republic, i.e. exported. These packaging are free of charge, because the obligation of take-back and recovery is not linked with them. They are only subject with obligation to be recorded.



Municipalities and persons authorised to manage waste submit reports on the volume of material submitted for recycling, divided according to the types of recycled materials and the quantities of waste used for energy recovery. EKO-KOM summarizes the data and submits them to the Ministry of the Environment to demonstrate the achievement of the required recovery rate. Data on the amount of packaging placed on the market by each company is considered confidential. Although the reports are structured so that the information contained should not have any factual commercial value, the data will never be disclosed to a third person, except for cases as stipulated by law. EKO-KOM as an authorized packaging company registers its clients (entities that have signed a Contract on Collective Compliance) in the List of Subjects kept by the Ministry of the Environment automatically and regularly.

2.2.2 Invoicing Remuneration for ensuring the take-back and recovery of packaging waste to a member of the EKO-KOM system

The Remuneration for a given period (calendar quarter), invoiced to the client of the authorized packaging company EKO-KOM, a.s., is calculated on the basis of the quantity of packaging indicated in the packaging production report for that period and on the basis of the applicable fee structure.

Provided that in the calendar year the Customer pays Remuneration to the Supplier based on the Contract on Collective Compliance which does not exceed the set Minimum Amount, in the next coming calendar year, the Customer is not obliged to pay Remuneration deposits and the Remuneration is payable only once a year after the delivery of the Statement for the last calendar quarter of the calendar year.

The statement must be sent to EKO-KOM within 30 days after the end of the quarter. Based on the statement, an invoice is issued for the past quarter and an advance invoice for the following quarter, with the amount of the advance corresponding to the amount charged for the previous period. The advance payment and invoice is due within 30 days (in case the client delivers the packaging production report late, the due date of the invoice and advance invoice is reduced to 10 days) after the client receives the advance note (invoice). The client will receive a tax document within 15 days of the advance payment. After the end of the period, the advance payment is settled within 15 days of receipt of the statement for the period. If the statement about packaging production is not sent or the invoiced fee is not paid, the contract may be terminated.

Every client is assigned a client identification number for monitoring payments, enabling the identification of payments of the fee for packaging. EKO-KOM recommends that its clients indicate the information on payment of the fee together with the client identification number in its invoices.

For example, as follows:

The fee for the take-back and recovery of packaging waste for the packages of the above mentioned packaged products was paid to EKO-KOM under client Identification No. EK-.....

To inform about charging for packaging you can use the “Declaration on charging for packaging” (Czech version): https://www.ekokom.cz/uploads/attachments/Klienti/prohlaseni_o_zpoplatneni_obalu_v_systemu_ekokom_13-02.doc

This is information that helps to keep proper records of the packaging of the clients of the EKO-KOM system.

2.2.3 Invoicing the Fee for registration in the system of collective compliance

The Fee for registration in the EKO-KOM system is charged to every client. The amount of the Fee is CZK 1,600 excluding VAT, and it includes the registration fee to State Fund for the Environment according to Section 30 of the Packaging Act in the amount of CZK 800, and the administration fee for registration in the EKO-KOM system also in the amount of CZK 800.

3. How to join the EKO-KOM system?

If you decide to conclude a Contract on Collective Compliance with the authorized packaging company EKO-KOM, please pay attention to the following paragraphs, containing the recommended steps.

First of all, you need to think about whether your company will actually pay fees to the EKO-KOM for the packaging placed on the market or put into circulation. It is a good idea to check with your suppliers, whether they signed the Contract on Collective Compliance and whether they pay for the packaging of the goods they supply to you. This information will be the basis for your packaging records. Either that is, as paid, pre-paid or non-paid, as specified in section 2.2.1. If we imagine the flow of packaging from the filling or import to sales to consumers, for packaging will pay only one of the entities in such a commercial chain. The others record packaging as prepaid or unpaid, for which they of course no longer pay.

In the following few steps you can find out how to join the EKO-KOM system.

1. The first step is to fill in the Entry statement about packaging production. Completed Entry statement sent to the Client department of EKO-KOM, e-mail (info@ekokom.cz), mail (EKO-KOM, a.s., Na Pankráci 1685/17, 140 21 Praha 4) or fax (+420 729 848 439, +420 261 176 274).
2. Based on the Entry statement we send you by post three copies of the Contract on Collective Compliance (two in Czech language and one liberal translation in English - for information only).
3. The statutory body of your company (the person authorized to sign) will sign these two copies of the contracts and send them both back to the Client department of EKO-KOM
4. After that the Contract will be countersigned by the head of Client Department and one copy will be sent back to your company.
5. In direct connection with the signing of contracts, our financial department will issue an invoice for the annual fee of 1600 CZK + VAT.
6. After payment of invoice will be generated your client identification number of EKO-KOM (EK-... ..) with which you will prove yourself to your customers and under which your company will be listed in the client database on our website www.ekokom.cz.
7. Finally you will be sent a Certificate of integration into the EKO-KOM system by post, on which you company's identification data will be indicated, including your Client Identification Number.

4. Frequently asked questions on packaging regulations

Do the obligations of the Packaging Act also apply to our company?

If you place packaging on the market or put into circulation within your business activities, you must fulfil the obligations arising from Act 477/2001 Coll., on Packaging, as amended.

Do the obligations of the Packaging Act apply to our company even if we place on the market or put into circulation quantities of packaging in the order of several kilograms?

The current wording of the Packaging Act already regulates the problems of fulfilment of the obligations by persons producing a minimum quantity of packaging. If your company meets two conditions as referred to in Section 15a of the Packaging Act, i.e. the total quantity of packaging put on the market by your company does not exceed 300 kg and the annual turnover of your company does not exceed CZK 25 million, your company does not have to fulfil the obligations as referred to in Sections 10 to 15, namely the obligations of take-back, recovery and registration and the obligation to apply to be entered on the List of Subjects. If an inspection is executed in your company, you must prove the fulfilment of the said conditions. Otherwise the inspection body will regard you as an entity having all obligations in the respective period.

What is packaging?

A packaging is defined as any product made of any material and designed for the holding, protection, handling, delivery or presentation of products determined for consumers (citizens) or other end users. Packaging are divided into three groups.

Sales packaging – forming a sales unit for a consumer or another end user at the point of sale,

Group packaging – forming a group of a certain number of sales units at the point of sale, sold to a consumer or another end user, or used as an aid for placement on shelves at the point of sale, which may be removed from products without affecting their qualities,

Transport packaging – should facilitate the handling of a certain quantity of sales units or group packages and should facilitate their transport and protect them from physical damage during their handling and transport.

Annex 1 to the Packaging Act contains criteria and illustrative examples including further details about the concept of a packaging.

Who can I contact in case of doubt whether it is a packaging or not?

The Ministry of the Environment will decide whether a certain type of product is a package or not in the event of doubt.

Who is another end user?

Another end user is defined as a legal entity or a business natural person, buying packaging for its business activities, but not putting them into circulation. This means that they are all users with whom packages or packaging waste remain, excluding a consumer – non-business natural persons, i.e. a citizen. Under the Packaging Act, packaging used exclusively as packaging for products designated exclusively for another end user are called industrial packaging.

Is industrial packaging subject to charges?

Yes, because the Packaging Act defines the obligation for industrial packaging in the same way as for group and transport packaging. Therefore, in the EKO-KOM system, industrial packaging is charged at the same rate as group and transport packaging.

How should I keep records of industrial packaging?

There are defined pages in blue (J1-3, J1-3K, O1-3, O1-3K) for an evidence of these packaging in quarterly statement. Other packaging intended together with the product for delivery to the consumer has been named for better orientation as Trade packaging. These packaging are further subdivided in the statement into Sales, Group and Transport. Industrial packaging are not subdivided because of the same rate for all three groups.

What are the main obligations according to the Packaging Act?

- 🌱 to minimize the volume of heavy metals and hazardous chemical substances in the packaging
- 🌱 to minimize the volume and weight of the packaging material while complying with the requirements for the packaged product
- 🌱 submit technical documentation demonstrating compliance with the obligations set out in Sections 3 and 4 to the inspection authorities and inform their customers conclusively.
- 🌱 ensure the take-back and recovery of packaging waste to the extent set out in Annex 3 to the Packaging Act
- 🌱 to enter on the List of subjects obligated to take-back or recovery of package waste
- 🌱 to keep records of packaging placed on the market or put into circulation

Does the packaging contain heavy metals?

Most packaging materials (e.g. plain paper) do not contain heavy metals. However, heavy metals are found in some printing inks and coatings.

Testing for and determining the heavy metal content is expensive, so it is better to consider it only in those areas where strong colors (dye) are used and/or were a particularly thick coating is applied.

Examples include:

- 🌱 packaging that may contain lead or cadmium oxides (for bright red or yellow pigments);
- 🌱 coating of barrels or cans which may contain lead chromate or hexavalent chromium in the decorative; and
- 🌱 yellow, orange or red pigments in certain plastics, usually in packaging not expected to come into contact with food, such as crates and pallets used in distribution.

In addition, repeated recycling can also lead to a low level of lead contamination of glass packaging. However, according to Section 4 of the Packaging Act, it is possible to exceed the heavy metal limit value for glass or plastics due to the addition of recycled materials.

What are the limits for heavy metals content?

According to Section 4 of the Packaging Act, packaging cannot contain more than 100 µg/g of heavy metals.

Who controls the heavy metal content?

Heavy metal content control falls under the jurisdiction of the Czech Environmental Inspectorate.

What are the penalties when limits are not respected?

If the established limits are exceeded, the penalty can reach up to CZK 10,000,000.

Do I have to label the packaging I place on the market or put into circulation in any way?

The Packaging Act does not impose an obligation to mark packaging placed on the market or put into circulation. However, if you decide to indicate the material of which a packaging is made on, you are obliged to label it in accordance with

European Community law under Section 6 of the Packaging Act. In particular, Directive 94/62/EC and Commission Decision 97/129/EC of 28 January 1997. The ČSN 770052-2 technical standard was prepared according to this Decision and you can therefore follow the standard. It is necessary to state for completeness that the ČSN 77 0052-2 technical standard has been cancelled without compensation.

Do I have to inform consumers about how to dispose of used packaging?

In the context of the Packaging Act, it is not necessary to inform consumers about how to dispose of the packaging, because neither Directive 94/62/EC nor Commission Decision contains such a condition. The marking of packaging with the symbol of "a figure with a basket" has regained its original significance, appealing to consumers to "Take care of the environment!" Pay attention to the provisions of other legal regulations under which such information **is strictly required** for packages of some products, such as the Waste Act, Chemical Act or Pharmaceutical Act, etc.! The requirements of the acts must be complied with regardless of the fact that this obligation has been deleted from the Packaging Act by this amendment.

What does 'recovery' and 'recycling' mean?

Recovery includes a number of processes, that ultimately benefit from the waste used. Recovery includes reuse, recycling, energy recovery (incineration of the waste and recovery of the heat generated) and biodegradation (aerobic or anaerobic degradation of packaging waste; oxo-degradable plastic packaging is not considered biodegradable). Recycling is essentially material recovery, i.e. the material produced can be reused for its original or another purpose.

To what extent do I have to reuse and to recycle packaging?

You are obliged to recover and recycle the packaging placed on the market or put into circulation to the extent set out in Annex 3 of the Packaging Act. The law sets specific percentages for different types of packaging.

Who controls the fulfilment of this obligation?

The Czech Environmental Inspectorate oversees compliance with the obligation to recover and recycle packaging waste.

What penalties can I expect if our company is unable to demonstrate recovery and recycling?

Authorities may impose fines up to CZK 10,000,000 if the business fails to ensure recovery of the statutory percentage of all packaging it places on the market or put into circulation. This fine can be imposed repeatedly.

Do I have to keep records of packaging?

Everyone who places packaging on the market or puts into circulation is obliged to keep such records. Violation of this obligation may result in a fine of up to CZK 1,000,000.

What does packaging take-back mean?

The take-back obligation means that your company must ensure that the consumer can return the used packaging free of charge, at no additional cost to the consumer and without restrictions. (You cannot therefore charge for the returned packaging, or require it to be sent by post or delivered to the place of manufacture). In doing so, it must be taken to ensure that collection points are sufficiently frequent and accessible.

Who controls compliance with the take-back obligation?

First of all, the Czech Environmental Inspectorate. The Czech Trade Inspection Authority then controls the implementation of take-back of packaging by retailers to consumers.

How do I meet my recovery and take-back obligations?

There are three ways to meet these obligations:

- 1) You can fulfil the obligations yourself - as an individual entity on your own organisationally and technically at your own expense.
- 2) You delegate the obligations to another person to whom you sell packaged products.
- 3) You enter into a Contract on Collective Compliance with an authorised packaging company EKO-KOM, a.s., which has been established to ensure compliance with the legal obligation, provided that certain conditions are met.

ad 1) As an individual entity, you must independently:

- 🌱 register in the List of Subjects who are obliged to take back and recover packaging waste, maintained by the Ministry of Environment and pay the registration fee,
- 🌱 set up your own take-back system in the whole area of your product distribution,
- 🌱 take-back packaging from all consumers who will use the system,

- 🌱 ensure the recovery of the packaging collected in this way,
- 🌱 be able to prove to authorities the amount of packaging you have placed on the market or put into circulation,
- 🌱 provide evidence of the amount of packaging taken back,
- 🌱 be able to prove that you have ensured recovery and recycling at the required rate as set out in the Packaging Act.

ad 2) When delegating obligations, it is necessary to:

- 🌱 register in the List of Subjects who are carriers of the obligation to take back and recover packaging waste, maintained by the Ministry of Environment and pay the registration fee,
- 🌱 incorporate and clearly declare this transfer of obligations under the Packaging Act to your customer in the commercial contracts under which you transfer the ownership of the packaging to your customer, together with the transfer of ownership of the packaging,
- 🌱 to keep records of packaging in accordance with the Packaging Act and
- 🌱 be able to demonstrate to any inspection the contractual transfer of obligations to the customer who ensures their fulfilment.

ad 3) Clients of the authorized packaging company EKO-KOM, a.s.:

- 🌱 must have a valid Certificate of integration into the EKO-KOM system,
- 🌱 must comply with the conditions of the collective compliance, which includes in particular the provision of data on the quantity of packaging placed on the market and payment of the Remuneration for ensuring the take-back and recovery obligations and payment of the Fee for inclusion in the list of obliged persons; these conditions are set out in the Contract on Collective Compliance concluded when joining the EKO-KOM system,
- 🌱 they do not have to individually submit an application for registration in the List of Subjects, pay the registration fee according to § 30 of the Packaging Act, physically dispose with the packaging waste themselves as these obligations are assumed by the authorized packaging company for all its members.

How is EKO-KOM managed?

The operations of EKO-KOM, a.s. are managed by the company's Board of Directors. The shareholders of the authorized packaging company are exclusively persons who place packaging on the market and put into circulation and who have concluded a Contract on Collective Compliance with EKO-KOM, a.s. They are therefore themselves interested in the efficient operation of the company and the economically efficient provision of packaging recovery in the Czech Republic. Any profits generated by the authorized packaging company under the Packaging Act may not be distributed among the shareholders.

What is the aim of EKO-KOM?

To continue to operate an efficient system that enables businesses to meet their obligations regarding the take-back and recovery of packaging waste. To achieve the overall recovery rate set by the Packaging Act.

How does EKO-KOM ensure the take-back and recovery of packaging?

Based on contracts, EKO-KOM financially supports mainly waste management systems in municipalities and implements other programmes to promote the use of packaging and optimise its collection. Cooperation with waste collection companies and waste treatment companies is also developing successfully. EKO-KOM works with municipalities to ensure that the local waste management system enables consumers to put used packaging into the municipal waste collection, sorting and recovery system.

How does EKO-KOM ensure the recovery of industrial packaging?

In the same way it has so far ensured the recovery of transport and group packaging from the commercial network on behalf of its clients. The Authorized Packaging Company (APC) has contracts with collection companies that dispose of this packaging waste. On the basis of these contracts, the collection companies ensure for APC that packaging waste collected from the commercial network or from businesses is not disposed of in landfill, but is sent for recycling after re-sorting.

Do we have to pay for the collection of our waste even though the supplier declares that he has a contract with EKO-KOM, a.s.?

If you, as a business person, generate waste in the course of your business activities, you are the waste generator and you are obliged to manage it according to Act No. 541/2020 Coll. on Waste. That is, to hand it over to a person authorized to dispose of the waste. The obligations arising from the Packaging Act that apply to your supplier, i.e. ensuring the recovery and recycling of packaging waste, are fulfilled by the authorized packaging company after the waste has been collected. The latter, in cooperation with the collection companies, will take care of meeting the recovery and recycling percentage

of packaging waste on behalf of your supplier. The obligations under the Waste Act and the Packaging Act are two different and independent obligations.

This creates a situation where the authorized waste collector enters into 2 contracts. One with the producer of the waste who must pay a fee for its collection. And the other with EKO-KOM, a.s., which pays the costs associated with the recording and subsequent recovery of packaging waste, and which thus ensures compliance with the obligation to recover and recycle packaging waste on behalf of its clients.

The customer - a business - requires our company to take away its packaging waste or to pay for the cost of disposing of this waste. Is this really required by Act No 477/2001 Coll., as amended, as he claims?

No, it is not. Anyone who places packaging on the market and into circulation must ensure its recovery and recycling, but this does not mean the disposal of the waste by your customer. On the contrary, he has an obligation under the Waste Act to transfer the waste generated exclusively to a person authorized to manage the waste. The obligation to take back the packaging is only imposed on the person who supplies the packaged goods to the consumer, who is a natural person and not an entrepreneur. EKO-KOM, a.s. fulfils this obligation, together with ensuring the recovery of packaging waste, on behalf of all companies with which it has concluded a Contract on Collective Compliance. If the goods are delivered to an entrepreneur, the take-back obligation does not arise and the customer cannot legally claim the packaging back.

How does EKO-KOM, a.s. raise funds to ensure the take-back and recovery of packaging?

The EKO-KOM system charges fees to clients, the amount of which is calculated on the basis of the amount of packaging they place on the market. It uses the funds raised in this way to ensure that all its clients meet their obligations.

How are the fees calculated?

The fees paid by each client are calculated according to the total weight of the packaging to be charged. EKO-KOM does not make a profit and sets the fees to cover the operating costs of the system based mainly on the real costs associated with the sorting of packaging waste in municipalities. Fees are calculated and charged quarterly based on the client's Statement about packaging production placed on the market or put into circulation for the respective quarter of the year.

How expensive is it to join the EKO-KOM system?

Companies that join the system pay quarterly fees based on the amount of packaging and a fixed annual fee of CZK 1,600, excluding VAT. How much the quarterly payment will be cannot be estimated in advance without detailed data on the amount of packaging supplied by the company to the Czech market.

What else will EKO-KOM, a. s. require from our company besides payment of fees?

Each client is obliged to send quarterly reports on the quantity of packaging placed on the market or put into circulation in a specified breakdown and structure. The statement consists of items for the period, given by weight, and a separate section of the statement indicates the quantity of reusable packaging.

Who is responsible for the recovery of packaging waste – producer, filler or retailer?

The legal responsibility lies with those who place packaging on the market or put into circulation. Responsibility starts with the completion of the packaging (sealing, labelling, etc.) or the imports of the packaging and extends through the entire commercial chain, i.e. from filling the packaging through distribution to sale to the consumer. All parties involved, whether filling companies, importers, distributors or retailers, have to fulfil their obligation to recover the packaging themselves or by joining the system. The question of whether the producer of future packaging is responsible needs to be considered. According to the provisions of Act 477/2001 on packaging, packaging means are at this stage not covered by the recovery obligation. It is also necessary to take into account the opinions of the Ministry of the Environment, which refer to the creation of packaging when it is filled, closed or becomes part of a sales unit or group of sales units or facilitates their handling.

Does this mean that everyone should pay a fee for the same packaging to the EKO-KOM system?

Absolutely not! Everyone should have a contract with the authorized packaging company, or operate their own individual system of take-back and recovery. When paying the fee, they have the option to agree who pays the fee for which packaging. This means that, for example, the distributor and its supplier, the company that fills the packaging, can agree who pays the fee. If it is paid once, it then covers the whole supply chain. Thus, when the filler pays the fee, it will quote the EKO-KOM client number on the invoice to the distributor, together with the information that the packaging fee has been paid. The distributor then lists the packaging as put into circulation in his EKO-KOM statement, but instead of paying

the fee for it, he refers to the payment already made by the supplier. The whole process is somewhat similar to the VAT carry-over situation.

In general, a client of an authorized packaging company EKO-KOM, a.s. should never pay a fee for packaging for which another client of EKO-KOM has already paid or will pay a fee. No fee is payable to EKO-KOM for packaging that is exported.

Does EKO-KOM collect waste from companies?

No, clients of an authorized packaging company (APC) do not have an obligation to take-back packaging in relation to business persons, which they otherwise have in relation to consumers - natural persons. Therefore, APC does not arrange the actual collection of waste from businesses as it has to arrange it for its clients in the case of household waste. According to the law, in the case of household waste, APC must arrange, and therefore pay for, the collection of sorted household waste and its subsequent re-sorting and transfer for recycling (recovery). In contrast, in the case of trade and business waste, the APC does not have to ensure its collection (removal), but only its subsequent sorting and transfer for recycling (recovery), which it does under the waste management contracts. The costs of removing waste from a shop or business in accordance with the Waste Act are borne by the generator of the waste, which is the business. However, this person no longer has the responsibility for ensuring the recovery and recycling of this waste (according to Act 477/2001 on packaging), as this obligation is the responsibility of its suppliers and it is the fulfilment of this obligation that is already ensured for them by the APC on the basis of the Contract on Collective Packaging.

Is there any relation between the different obligations and the amount of fees paid to EKO-KOM?

Exactly. Precisely because sales packaging has an additional take-back obligation, the amount of the fee paid to the EKO-KOM system is higher than the fee for group, transport and industrial packaging, which only has a recovery and recycling obligation of a set percentage.

What will be the fees for ensuring the take-back and recovery of packaging waste in the future - will they stay the same or increase?

In particular, charges will follow the evolution of operating costs. These are mainly proportional to the cost of waste sorting, but also depend on prices on the secondary raw materials market. Quarterly charges for the amount of packaging placed on the market can be expected to increase in relation to the increase in the costs of waste collection and sorting. Another criteria that may influence the amount of fees is the recovery and recycling rate, which is set out in Annex 3 of the Packaging Act, to be achieved in a given year. This rate is increased each year in accordance with the requirements set out in the relevant EU Directive.

Does EKO-KOM use the "Green Dot" trademark or similar method of marking, as some other European systems for ensuring the recovery of packaging?

EKO-KOM, a.s. allows its clients to use the special EKO-KOM symbol and the "Green Dot" trademark on their packaging. The GREEN DOT is a trademark that expresses the financial participation in the collective compliance and thus informs the buyer and the consumer about how to ensure take-back. EKO-KOM, a.s. is not considering making the use of these marks mandatory; their use will depend on the individual decision of producers and their marketing strategy.

5. The Green Dot

What does this trademark mean?

This trademark means that for this packaging was paid a fee to the organization which provides take-back and recovery of packaging waste.



If the packaging and products distributed in the Czech Republic are marked with this trademark, these packages must be registered with the joint stock company EKO-KOM. In practice, this means that a take-back and recovery fee must be paid to the EKO-KOM system for packaging from such products. EKO-KOM clients are not charged any additional fees for using this trademark. EKO-KOM, a.s. also ensures the legal protection of this trademark in the Czech Republic.

The authorization conditions of the GREEN DOT trademark do not allow for the authorization of more than one organization in a given country. The unification of the trademark across the EU simplifies the design of packaging, which can be uniform across all Member States. The Green Dot should not be used in any other sense, and may not be accompanied with any other text, which would put it into context with the characteristics of the package, particularly in relation to environmental protection.

In September 2000 organization PRO EUROPE gives a licensee to use the Green Dot in the Czech Republic. That means that the EKO-KOM System fulfils all PRO EUROPE requirements and the System is fully compatible with European systems to ensure take-back and recovery of packaging waste according to Directive 94/62/EC, as amended. PRO EUROPE brings together the following companies from the following countries:



<p>Austria (ARA AG) Belgium (FOST Plus) Bulgaria (EcoPack Bulgaria Jsc) Cyprus (The Green Dot of Cyprus) Croatia (Eko-Ozra) Czech Republic (EKO-KOM) Estonia (ERO – Estonian Recovery Org.) Finland (PYR Ltd.) France (Eco-Emballages S.A.) Germany (DSD) Greece (Herra) Hungary (Ökopannon) Ireland (REPAK Ltd.) Iceland Latvia (LATVIAS ZALAIS PUNKTS) Lithuania (Žaliasis Taškas)</p>	<p>Luxembourg (Varolux) Malta (GreenPack Ltd.) North America (CSR) Norway (Materialretur AS) Netherlands (Afvalfonds Verpakkingen) Poland (Rekopol) Portugal (SPV S.A.) Romania (ECO-ROM Ambalaje SA) Slovakia (ENVI-PAK) Slovenia (Slopak) Spain (Ecoembalajes Espana S.A.) Sweden (Repa) Turkey (Cevko) Ukraine (UkrPEC) United Kingdom (CSR)</p>
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If your company exports to the above countries, it should be aware that in those countries, the use of the trademark is governed by the specific conditions applicable to that country. If necessary, we can contact you with systems in other countries.

6. Contacts

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