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Revision of the Waste Shipment Regulation - ferrous and non-ferrous metals sectors call for the ENVI report to establish a level playing field and equivalent environmental, health and safety and social conditions in EXTRA-EU countries where EU waste is exported

Europe's ferrous and non-ferrous metals sectors call on the European Parliament's Environment Committee to fully address the environmental, health and safety and social impacts of EU waste exports through the Waste Shipments Regulation review. **To fulfil the EU's Green Deal and industrial objectives, EXTRA-EU exported waste should be treated to equivalent standards and techniques as in Europe, regardless of their OECD or non-OECD status.**

The revision of the EU Waste Shipment Regulation is a fundamental element of the European Green Deal and the New Circular Economy Action Plan. By facilitating intra-EU shipments of waste, it should foster the effective and efficient reuse and recycling of secondary raw materials in the EU. Furthermore, by securing stricter and more effective control of waste exports to third countries, it should also ensure that the EU does not export its waste challenges to third countries, guaranteeing that exports of EU waste won't result in adverse impacts on the environment, human health or social conditions elsewhere.

The European Green Deal is designed to be a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where economic growth is decoupled from resource use. In particular the transition from linear to circular economy is seen as an opportunity to expand sustainable and job-intensive economic activity in Europe¹. A level-playing field and clearly defined equivalent conditions for export of waste are vital for sustainably supplying Europe's Green Deal and maintaining the competitiveness of the European industry.

Metals are the enabling materials for the Green Deal's energy transition, from electricity grids to batteries and electric vehicles, and from wind turbines to solar panels. According to the International Energy Agency, "a concerted effort to reach the goals of the Paris Agreement... [and]... hit net-zero globally would require six times more mineral inputs in 2050 than today". The corresponding supply has to be sustainable, including recycling to the maximum extent feasible. In Europe and globally, we

¹ Green Deal Communication: https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF

need to recover valuable materials from waste and recycle them in an environmentally and socially sound manner, respecting always high standards for health and safety.

The role of metals recycling in meeting Europe's Green Deal and Circular Economy objectives is evident. Recycling of base metals like aluminium, copper and steel saves up to: 95%, 90% and 80% respectively of the energy needed for primary production. Additionally, high-quality recycling of electronics waste, batteries, vehicles, and other complex metals-containing products contributes to increasing Europe's resource autonomy, safeguarding resources which are on the EU's Critical Raw Materials list² or are used by EU strategic value chains³ and thus maximising social and economic benefits.

The recycling of ferrous and non-ferrous metal scrap is one of the clearest examples of the possibility to combine the main objectives the EU has set for the coming decades: circular economy, strategic autonomy, decarbonisation and energy saving.

Examples:

- **For every tonne of carbon steel scrap recycled, a saving of 1,4 tonnes of CO₂ is achieved and in case of stainless-steel scrap this result is about 5 tonnes of CO₂.**
- **Aluminium recycling requires only 5% of the energy needed to produce the primary metal, resulting in greenhouse gas emissions of 0.5 tonne CO₂ eq/tonne recycled aluminium.**
- **Copper recycling saves 50-90% of energy consumption and 60-95% of greenhouse gas emissions compared to primary production, depending on the quality of the scrap grade.**

At the same time, there is a need to ensure the availability of valuable secondary raw materials (SRMs) for European industry in order for the EU to achieve an open strategic autonomy and meet the ambitious Green Deal objectives.

It is important that the EU export of waste only occurs where equivalent European standards in receiving countries outside the EU and efficient material recovery are guaranteed. In other words, as already established in Art. 42 of the Waste Shipment Regulation, **EXTRA-EU waste exports have to be strictly controlled. They require proof that they will be processed at the destination at least with standards and techniques equivalent to those at the European level.** The ongoing revision of the Regulation is a timely and unmissable opportunity to deliver this principle, and supports more European businesses by reducing administrative and bureaucratic hurdles related to intra-EU waste shipments.

Without setting stricter rules under which waste can be exported, Europe's exports of waste metals (scrap or EoL products) risk causing harm to the environment and health in developing areas of the world. A visible example is the 750,000 tonnes of electronics waste (and its contained metals) leaving Europe annually, a significant percentage of which is treated in the informal recycling sector of Africa and other regions. Such complex products can only be properly treated in state-of-the-art recycling facilities to avoid losses of low-volume critical raw materials and to ensure the safe treatment of hazardous substances.

The success of Europe's circular economy for the overall ferrous and non-ferrous metals sectors also depends on the sufficient scrap supply. These scrap types are input materials recovered from waste

² Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability -

<https://ec.europa.eu/docsroom/documents/42849>

³ https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en

that feed the recycling process for producing new metals. Ferrous scrap, for instance, is by far the most exported waste from the EU, covering more than a half of all exported waste, with a very worrying increase in export volumes in recent years (+113% from 2015 to 2021 and +260% in terms of net exports), reaching a historical maximum in 2021. **It can be estimated that nearly 20% of scrap generated in the EU leaves Europe.** At the same time for Aluminium scrap, it is estimated **that more than 10% of the scrap generated in the EU is being exported**, steadily increasing, reaching a peak in 2021⁴. This represents a loss of valuable circular and low-carbon resources that could be recycled in the EU under excellent environmental standards and with lower CO₂ emissions.

Since 2002, the EU has been a net exporter of aluminium and copper scrap, with approximately 1,000,000 t each of aluminium and copper scrap departing from Europe to other parts of the world every year. These are quantities which could be absorbed in Europe, as the main reasons for their exports are higher prices paid due to the lower environmental, safety and labour standards in many importing destinations.

Without an adequate legal framework and clear applicative guidelines on controlling scrap exports and the standards and legislation at the destination, there is no level playing field in economic and sustainability terms. Moreover, losing valuable resources to competitors in countries with less ambitious environmental, health and safety, and social standards puts European producers at a disadvantage, jeopardising the EU's Green Deal ambitions and puts a risk at employment and economic growth in Europe.

Therefore, the revision of the Waste Shipment Regulation should substantially improve the methodology and criteria for checking the existing Environment, Health & Safety regulations and standards at the importing destinations. It is necessary to impose a burden of proof on the exporters to demonstrate that conditions equivalent to the EU ones are met at importing destinations.

Unfortunately, **the export of waste to OECD countries that might not guarantee Environmentally Sound Management (ESM) conditions is not sufficiently tackled by the Commission's proposal and should be improved by the European Parliament's ENVI Committee report**. The generic monitoring and safeguard procedure foreseen for an OECD destination, which basically assumes purely on the basis of OECD status that some essential conditions are automatically met at country level, is not in line with the objectives of the reform and could undermine the whole system. The OECD Database on Transboundary Movement of Waste and its simplified control procedure has benefits in use and facilitates trade flows within and to OECD pre-authorised facilities. The EU database to be created as a result of the reviewed Waste Shipment Regulation should combine these features with a guarantee of Environmentally Sound Management (ESM) conditions.

Therefore, the European ferrous and non-ferrous metal sectors call on the members of the ENVI committee to use the revision of the EU Waste Shipment Regulation to ensure that it effectively regulates the exportation of EU ferrous and non-ferrous scrap, to both OECD and non-OECD countries. The EU has a duty to establish a level playing field between Europe and third countries, including environmental and social aspects with regard to waste management, whilst strengthening the EU's strategic autonomy.

⁴ Exports outside of EU27, UK & EFTA, increased from 980 kt in 2019, to 1,060 kt in 2020 to 1,390 kt in 2021 (source: HIS Markit, Selection: HS 7602)

EUROFER is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in the United Kingdom and Turkey are associate members.

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Eurometaux is an industry association representing the collective European non-ferrous metals industry, including miners, smelters, refiners, fabricators and recyclers. The industry employs 500,000 people across over 900 facilities, with an annual turnover of €120bn.

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European Aluminium is the voice of the aluminium industry in Europe. Our 85+ members include primary aluminium producers, downstream manufacturers of extruded, rolled and cast aluminium, producers of recycled aluminium and national aluminium associations – representing in total more than 600 plants in 30 European countries. Aluminium products are used in a wide range of markets, including automotive, transport, high-tech engineering, building, construction and packaging.

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European Copper Institute (ECI) is the leading advocate for the copper industry in Europe. Through a team of policy, industry and scientific experts, ECI uses data-driven research and scientific thinking to support copper's role in achieving the EU's policy goals. ECI acts as the European arm of the International Copper Association (ICA). As such, ECI advocates for copper's crucial role in the energy transition, electromobility, and the building or renovation of sustainable, energy-efficient buildings.

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