

**Eurometaux Comments on the EREP Policy Recommendations on Resource Efficiency  
June 2013**

The European Non-Ferrous Metals industry supports the overall objective of moving towards a more resource efficient society and believes that non-ferrous metals' specificities and performance can significantly contribute to a resource-efficient and more circular economy, notably through the fact that metals can be recycled again and again without any loss of properties.

It should however be highlighted that resource efficiency should not only be assessed by the quantities of material used as "using less" is not always the most resource efficient solution. In some cases, the use of material can bring significant resource efficiency benefits (energy, water etc.).

**Eurometaux would like to propose comments and suggestions on some of the policy recommendations adopted by the EREP HLSG and on which the Commission may work for future proposals.**

**1. Set objectives, measure and report progress**

Eurometaux is pleased about the general recognition of the weaknesses of DMC as lead indicator and hence the need to replace it by RMC (raw material consumption) but highlights the need to further improve the latter. RMC presents different weaknesses including that of being weight-based, of incentivising minimal rather than optimal use of materials and disregarding the material in stock.

Eurometaux also welcomes a staged approach by which the Commission uses the selected indicators (water, land, carbon and material) for monitoring and lessons learning, while in parallel, it defines with interested stakeholders more appropriate indicators to be adopted within a 2-3 year period (for example RMC improved). Data would then be collected on the final set of indicators and targets would only be defined when the latter is robust and satisfactory.

A rushed approach to define targets based on incomplete and unsatisfactory indicators would not provide the right information to define appropriate policies.

Eurometaux strongly feels that macro-economic indicators should not be used for policy making, nor be disaggregated per sector. For policy making more specific indicators should be used. Neither the macro-economic nor the more specific resource efficiency (RE) indicators should purely refer to weight flows. Appropriate RE indicators should take into account whether a material is consumed today and lost for the future or if a material is used today and remains available in the future, being a permanent material (as recyclable time and time again). In this context recycling is a key asset in terms of resource efficiency and needs to be considered properly. Eurometaux is convinced that the End-of-Life (EOL) recycling rate is a most relevant indicator in order to measure and account for metal availability for future generations and should be reflected particularly in a macro-economic RE indicator.

**2. Improve information on environmental and resource impacts for decision making - footprinting**

EM strongly supports an integrated approach with regard to footprinting taking account of the whole life

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cycle of products, including the use phases and recycling (as opposed to an energy focused footprint). A sound methodology based on such an integrated approach is essential. Eurometaux also supports an EU-wide approach so as to avoid different approaches throughout Europe and supports a strengthening of the international alignment of footprinting methodologies. Such alignment would reduce the overall cost of using such complex and somehow expensive tools.

Eurometaux supports the development of mandatory approaches regarding methodologies to assess performance, and voluntary approaches for benchmarking and reporting.

The footprinting methodology proposed by the Commission does have a LC approach and considers recycling at end-of-life, although it does for the moment disadvantage end-of-life recycling as compared to energy recovery which is inconsistent with the EU waste hierarchy.

Eurometaux recommends to adapt the footprinting methodology to reflect the true benefit of recycling, as well as a step-wise approach to ensure the robustness of the methodology, its practical applicability and the time needed to develop robust and consistent data bases.

### **3. Phase out environmentally harmful subsidies**

Eurometaux supports the overall objective of increased resource efficiency and hence of avoiding harmful subsidies that dis-incentivise resource efficient practices. In this context, Eurometaux welcomes a global approach as opposed to an EU-led approach to avoid a worsening of the competitive position of EU industry against other regions. The G20 commitment to rationalise and phase out inefficient fuel subsidies is therefore more appropriate than an EU alone measure.

The first step should consist in clearly defining what are “environmentally harmful subsidies”, to identify their impacts and the impact of cutting them. The impact of such measures should be carefully analysed so as to avoid that energy intensive industries lose competitiveness through an increase in the price of energy passed on by electricity producers to consumers. Compensation measures for the CO<sub>2</sub> costs in electricity or in the context of additional costs on electricity prices are not harmful to the environment. To the contrary, they are indispensable to prevent carbon leakage and to safeguard energy intensive industries in the EU. Should these industries disappear from Europe, imports from outside Europe would increase with in most cases a more significant impact on the environment. So cutting these subsidies would actually be counter-productive at global level and would be detrimental to Europe’s industrial capacity, tax income and to the global environmental situation.

### **4. Moving towards a circular economy and promoting high quality recycling**

Recycling is an eco-efficient way of reintroducing valuable materials into the economy. It addresses resource efficiency, helps to decrease EU’s dependency on primary raw materials and hence helps to secure supply to downstream industries. Waste should be seen as a resource so that we move from waste management to material management. The recycling rates are high for some applications while there remains great potential for more recycling for other applications. The priority should also be to ensure that recycling takes place in sound environmental and health conditions and with a good recovery of the materials embedded in the waste of end-of-life products.

In this context Eurometaux supports measures aimed at diverting the post-consumer goods from landfills to ensure their quality recycling (and not their incineration). Recyclable waste should as much as economically and technically feasible be recycled! A good understanding of the different value chains, their assets and challenges will help better identifying opportunities to do so. Oil, wood or mineral based value chains have different assets and challenges and hence these should be understood and require different

management options to optimise their use, reuse and recycling. With regard to metals, as they do not lose their properties the focus should be on ensuring that metals are used in a resource efficient way and recycled at the end of their life cycle. It should be noted however that recycling cannot meet alone the growing demand. Primary and secondary materials are fully complementary and both are needed.

The EU recycling industry has the potential to develop still further provided that the right framework conditions are created. The challenges include improved access to secondary raw materials notably of end-of life products, the halting of illegal exports of scrap and end-of-life products, a global level playing field to ensure that secondary materials exported legally or illegally are treated in acceptable environmental, health and efficiency conditions.

#### **Proposals:**

- Setting up of a mandatory certification scheme of end processing/recycling facilities to ensure that secondary materials may only be exported if a final processor is duly identified and certified based on criteria related to environmental, health, governance conditions and process efficiency.
- Facilitate the identification of potentially illegal shipments i.e. a risk matrix to identify the most risky shipments (exporter and destination) and proposal to add customs codes to distinguish second hand products from new products (many illegal shipments are disguised as 2<sup>nd</sup>-hand goods).
- Adopt a European day on raw materials (minerals, metals and maybe others) which would be declined around different initiatives at local, national and EU level.
- Setup a centre of excellence on supply chains under the leadership and coordination of JRC or a similar body to foster better understanding of the value chains challenges and interactions including eco-design, design for recycling, end-of-life management, fitness for use, producer responsibility, use of resources along the value chain etc.

### **5. Taking forward a coherent, resource efficient product policy framework**

Eurometaux supports the proposal to develop a more coherent product policy framework. We believe that such a framework should be based on harmonised methodologies based on a life cycle approach to avoid shifting of burdens. The life cycle approach should address main challenges including recyclability, durability, resource efficiency and access to raw materials. At the moment there are too many methodologies applied for similar purposes (eco-design, eco-label, footprinting). By doing so however, the fitness for use and the economic considerations should not be ignored so as to avoid pure environmental decisions which may lead to less efficient products and at the end to more waste of resources.

The consistency of product policies should be seen as a piece of a jigsaw which should be consistent too. In other words, policies should not be seen in isolation, while overlaps should be avoided. For example, REACH determines the safe conditions for production and use of chemicals and for risk management. A hazard based approach in product policy would therefore be inconsistent with the risk based approach of REACH and would simply stigmatise materials for their intrinsic properties (as is done in ecolabel for the moment). Industrial and environmental policies should support each other and be complementary. An important element is also the compliance with existing rules and regulations and the control of such compliance.

We believe that the *optimal* use of materials should be promoted rather than the minimal use of materials as simply limiting material inputs, without considering realised costs and benefits in the use phase, is inefficient. For example, the use of more copper in electric motors ensures more energy efficiency.

**Eurometaux represents the European non-ferrous metals industry**

- 0 **The NF-metals industry is indispensable for modern society.** Thanks to their intrinsic properties – including durability and recyclability - non-ferrous metals are indispensable to meet essential societal needs and to build a low-carbon economy.
- 0 **Non-ferrous metals contribute to the European - and global - creation of wealth and jobs:** they represent 2% of EU GDP and create **450,000 direct jobs and over 1 million indirect** jobs in Europe. Their use in high-tech and high added-value activities makes them very valuable to the EU's economy and competitiveness.
- 0 **The NF-metals industry contributes to resource efficiency** by enhancing the in-use phase of products and also thanks to high recycling rates ranging between 30% and 95%, depending on the metals and their use. Primary and secondary raw materials are complementary, as secondary raw materials cannot on their own meet the growing needs of a sustainable economy.