Aluminium recycling and the regulatory landscape

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Who we are
1 / Mission

- **Engage** with European decision makers to create a sustainable business climate for the aluminium industry in Europe
- **Promote** aluminium as an innovative and sustainable material for the future of Europe
- **Be the voice** of aluminium in Europe
### Who we are

**70**

Members

**Founded in 1981**

European Aluminium represents the entire value chain of the aluminium industry in Europe.

**1 million +**

Direct and indirect jobs across Europe’s value chain

**~40€**

Billion annual turnover

**Recycling saves 95% of the energy needed for the primary production**

**75%**

of the aluminium ever produced is still in use

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**An innovative value chain serving EU key markets**

- **CONSUMER DURABLES**: 7%
- **CONSTRUCTION**: 24%
- **HIGH TECH ENGINEERING**: 13%
- **PACKAGING**: 17%
- **MOBILITY**: 39%
Recycling division members

*September, Status 2015
/ Aluminium recycling
2 / The European aluminium recycling industry: a snapshot

Recycling production in 2014
10.5 million tonnes

Employees
Direct
6,000
Indirect
25,000

Status: 2014

Recycling capacities in Europe in 2014:
12.3 mio tonnes

Refiners
29%

71% Remelters

Source: European Aluminium, 2014 data
ALUMINIUM RECYCLING PLANTS
IN EUROPE

Number of recycling plants in Europe

220

Many of which are small and medium-sized enterprises (SMEs) and family owned businesses.
Europe is number 1 in recycling

Source: European Aluminium statistics 2013 data
• Awaiting a new circular economy package in December 2015 to be presented by the European Commission
• The package is to set of measures that will contribute to growth and job creation, creating a synergy between business and the environmental agenda
Circular economy

- Circular economy is to: “To keep the added value in products for as long as possible and eliminate waste”
- It is to “keep resources within the economy when a product has reached the end of its life, so that they can be productively used again and again and hence create further value”

The package is to include:

- Communication and action plan
- Proposals for amending Directives on:
  - Waste
  - Landfill of waste
  - Packaging and packaging waste
  - End of life vehicle
  - WEEE, batteries
Circular Economy
European Aluminium position

Ten priorities:
1) Need for ambitious but realistic recycling targets
2) Sectorial and material based recycling targets
3) Improved recycling definitions
4) Harmonized calculation and reporting methods
5) Phase out landfilling of recyclable waste
6) Eco-design criteria under the waste and packaging directives at European level
7) Producer Responsibility schemes cannot take the full cost burden
8) Better monitoring of exports of raw materials
9) Move towards a true Internal Waste Market
10) Innovation and R&D Programmes key in achieving ambitious objectives
Circular economy expectations/discussions

- Better aligned definitions
- Taking into account the different starting points of Member States
- Reduction of administrative burden
- The use of end of waste and by-products to be clarified
- Minimum operating conditions for Extended Producer Responsibility
- Focus on product: producers to be responsible for the management of post-consumer goods
- Focus on waste including metals recycled from the bottom ashes
- Landfill: impact on future investments in the EU
- High quality standards
Circular economy package: the boundaries
Focus on action plan and communication

• Consumption
• Production
• Waste management
• Market for secondary raw materials
• Measures for different materials and activities
• Investments
### EU waste targets current and discussed

<table>
<thead>
<tr>
<th>Waste streams</th>
<th>Target existing</th>
<th>discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling and municipal waste</td>
<td>50% (2020)</td>
<td>Around 70% (2030)</td>
</tr>
<tr>
<td>Recycling of packaging waste</td>
<td>55% (60% including recovery), (60% for glass, paper and board, 50% for metals, 22.5% for plastics, 15% for wood) (2008)</td>
<td>Around 70% (2025) and around 80% (2030)</td>
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<tr>
<td>Landfill target for municipal waste</td>
<td></td>
<td>Around 25% (2025)</td>
</tr>
<tr>
<td>Reuse, recycling, backfilling and recovery of construction and demolition waste</td>
<td>70% (2020)</td>
<td></td>
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/ Sustainability
The European aluminium industry’s Sustainability Roadmap 2025

“The Roadmap is born from our belief in the fundamental need to reconcile sustainability and growth objectives in Europe” Pierre Vareille, European Aluminium Chairman

- Responsible production for environmental protection
- Innovative applications for sustainable lifestyles
- Socio-economic contribution for a sustainable society
Launch event, 23 April 2015

A multi-stakeholders event with a new brand
« Aluminium will be a key enabler of Europe’s transition to sustainability and will respond to tomorrow’s societal needs »
The European Aluminium Industry’s Sustainability Roadmap towards 2025

• Priority Areas
• Key Objectives
• Concrete Targets
• Enabling Actions

Input from external stakeholders
Internal validation
A pioneer industry in sustainability reporting

All reports are publicly available: www.european-aluminium.eu/sustainability
The European aluminium industry’s Sustainability Roadmap 2025
Responsible production for Environmental Protection

- Responsible sourcing
- Environmental safeguarding
  - Water scarcity
  - Industrial waste
- Reduced energy consumption
- Reduced GHG emissions
Innovative applications for sustainable lifestyles

- Support a circular economy with recycling roadmaps
- Enable Europe’s transition to low-carbon and safe mobility
- Essential component of energy efficient and sustainable buildings
- Resource-efficient, recyclable packaging preventing food waste
Socio-economic contribution for a sustainable society

• Reduce TRI by 50%
• Employee welfare: attract and retain talents, gender equality and diversity, ageing workforce
• Ethical code of conduct for the industry
• Value sharing programme with local communities
4 / Starting the implementation phase

The European Aluminium Industry’s Sustainability Roadmap towards 2025

Close partnerships with key stakeholders

Implementation

An adequate legislative framework

- EU ETS
- Energy Union
- BREF
- REACH
- Circular Economy
- Vertical product policies

• Priority Areas
• Key Objectives
• Concrete Targets
• Enabling Actions
/ End of Waste Regulation
End of Waste Regulation No 333/2011

- Into force since October 2011 for scrap metals
- Determinines when certain types of scrap metal cease to be waste
- Criteria:
  - complies with relevant industry standards
  - The total amount of foreign materials shall be $\leq 5\%$ by weight or the metal yield shall be $\geq 90\%$;
  - free of non-metallic materials, glass, oil, emulsions, grease, lubricants, PVC
  - non hazardous, non radioactive
  - completed all required treatments for recycling
  - implemented quality management system
  - issued a statement of conformity
End of Waste Regulation No 333/2011 – impact study

- Monitoring study for metal scrap in relation to Community end-of waste criteria laid down in Council Regulation EC 333/2011 to assess the need of reviewing the regulation
- Consultant JRC/ Oakdene Hollins Consultant
- 241 respondents

Source: Oakdene Hollins
End of Waste Regulation No 333/2011 – impact study

Figure 6: In your opinion, how have end-of-waste criteria impacted market for scrap? (169 respondents)

Source: Oakdene Hollins
Conclusions of the impact study

- It is quite early to start monitoring the impacts of end-of-waste
- Recommendation for surveys in 2-3 years as a tool to monitor the impact of the EoW Regulation on the market
- No negative impact of end-of-waste on the market detected

- 1 January 2016 - The Regulation enters into force
- 1 January 2017 - the first inspection plans need to be adopted
- 2020 – the Waste Shipment Regulation to be revised

- Changes to the Regulation:
  - All Member States (MSs) must establish inspection plans to effectively prevent illegal shipments. → risk assessments sources of illegal shipments.
Changes to the Regulation:

- MS are asked to exchange information and share experience on enforcement measures.
- Inspections may take place at the point of origin, at the point of destination including interim and non-interim recovery or disposal; at the frontiers of the Union, during the shipment within the Union.
- Member States are obliged to share a report from for the previous year with the European Commission and make the report publically available also electronically. The European Commission shall compile the information and make it publically available on its website.
Functioning of the internal market

Study launched by the EC at the beginning of this year to better understand the functioning of the internal market and to secure free movement of waste sent to recovery operations within the EU (EU waste shipment regulation)

Responses: 246

Majority believes there are regulatory failures

What causes the concerns:
• lack of harmonization among national legislation
• lack of clarity of definitions of waste and by-product
• lack of clarity of end of waste criteria
• lack of enforcement of clarity of the EU waste hierarchy
Functioning of the internal market

Question: are the large difference between members states?:
80% of respondents- yes

The main difference are:

- Heterogeneity in landfilling and incineration policies
- Difference in infrastructure and facilities for recycling
- Differing fiscal policies and functioning possibilities
- EPRs
- End of waste criteria