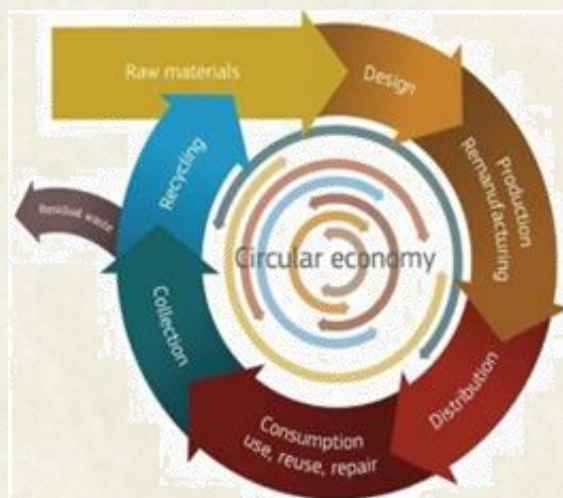


## Recyclers' position on a fit-for-purpose method for calculation of recycled targets – Target material stream: metals

### 1. Recycling companies turn waste into secondary or recycled raw materials

Setting the rules to measure real recycling rates is instrumental to ensure that only waste turned into new raw materials are counted as recycled, whilst avoiding the inclusion of waste incinerated or landfilled into recycling targets.

Recycling operation is a waste management operation by which waste materials are reprocessed into products, materials or substances. In other words, when waste is transformed into secondary raw materials. The diagram of the Communication “Towards a circular economy” (COM(2014) 398) accurately reflects this fact with the arrow explaining that recycling companies supply raw materials ready to substitute primary raw materials.



However, due to the lack of existence or lack of use of End-of-Waste criteria (EoW) at EU or national levels (see specific paragraph for metals under point 2.), these secondary raw materials can still be legally considered as a waste in one State or a product in another Member State, despite the fact that they are not waste anymore, but materials meeting industry specifications which are ready to be used in production processes or even sometimes for direct uses. It must be stressed that production facilities use primary or secondary materials, mainly depending on their price, quantity and quality to achieve product specifications, but not on the basis of their origins which cannot be identified at this step of the value chain.

#### ⇒ Fit for purpose rules to measure recycling rates

As the revised Waste Framework Directive (WFD) and the Packaging and Packaging Waste Directive (PPWD) state, recycling rates must be calculated at:

- i) The output of a **sorting operation by derogation** (although this is the easiest option for the majority of waste streams) or
- ii) The input into a **recycling operation**, which in accordance with the definition of recycling in the WFD, reprocesses waste into products, materials or substances.

The two options are important as depending on the waste streams, the proper calculation point might differ. Indeed, recycling processes differ significantly depending on the material streams (metals, paper, plastics, glass etc.). However, the output of sorting provides a workable calculation point where data can be collected and reported with the highest precision.

### 2. Calculation point for metals

The chart below represents the most suitable calculation point for recycling targets for metals. The exact point is when recycled metal fractions leave the shredder operation.

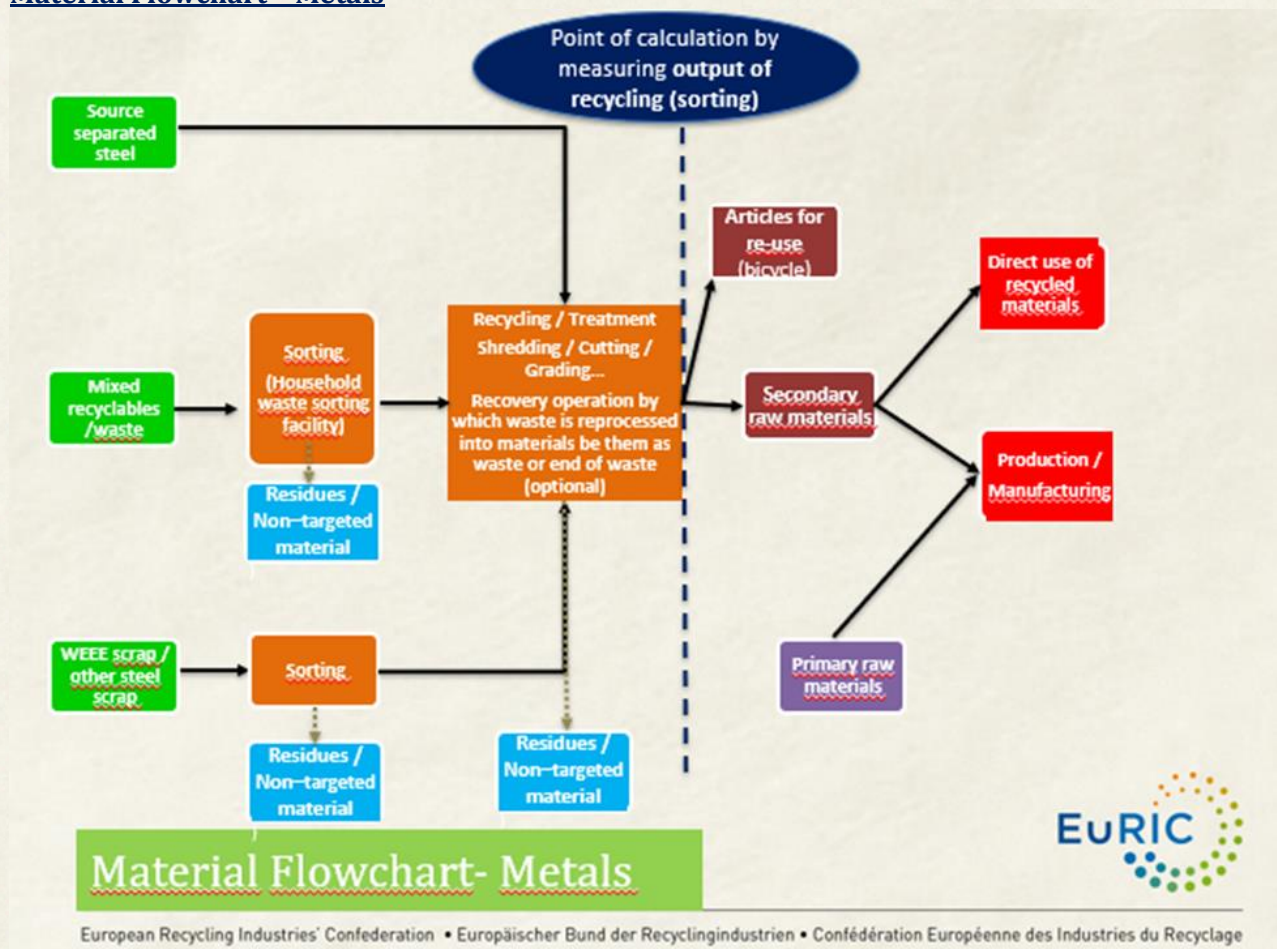
At the output of sorting (recycling), waste has already been sorted and recycled into different material streams as well as separated from unwanted components. In reality, it is difficult to distinguish sorting and recycling operations as they often happen simultaneously.



For shredders equipped with post-shredder installations to further treat residual waste, the calculation point should be at the output of the post-shredder operation.

In some instances, metals sorted in the initial sorting operation, taking place in a material recovery facility, do not need any further mechanical processing in a shredder operation and are hence send directly into smelting or furnace installations for the production of new metals. In such an instance, the calculation point must be set at the output of the material recovery process which is the only installation which can report the origin of the waste.

### Material Flowchart – Metals



This point, at the output of sorting (recycling) operation, has several major advantages:

- ✓ **The material has been already recycled and consists of clean metal fractions in accordance with industry standards.** These clean metal fractions can be subsequently used to replace primary raw materials in a manufacturing process. At the same time, at this stage, waste which has been recycled as well as residual waste is known and well identified.
- ✓ **The origin of the waste** (be it municipal waste or packaging waste) **can in most instances still be determined at this stage.** Later in the value chain, it is difficult, if not impossible, to determine the origin of the material which is needed to report recycling rates.
- ✓ **At this stage, it is still possible to capture the vast majority of materials which have been recycled and which will be used in manufacturing facilities, be it in Europe or outside Europe.** It is also important to note that metal scrap is not used only in smelters and steel mills. A minor but non-negligible part is e.g. as catalysts by the chemical industry.



### ⇒ Calculation point and the End-of-Waste criteria

End-of-waste criteria for metals (steel scrap, copper or aluminium) have been adopted at European level. These criteria set a point where waste ceases to be waste. They *de facto* acknowledge that metal scrap is a valuable resource, entirely different from untreated waste. The End-of-Waste criteria have been used in some Member States more than in others, such as Italy where it is compulsory.

Some recycling companies are using the End-of-Waste criteria and have their outputs classified as products but it is largely dependent on the value chain decisions and habits to procure processed metal scrap as a waste or a non-waste. On the other hand, companies in several Member States do not use the End-of-Waste criteria, since it is connected with complex administrative procedures or there is still not sufficient legal clarity on the application of these criteria.

Given this situation, the same secondary raw material (e.g. recycled steel scrap) is either considered as a waste or as a product, depending on the use of the End-of-Waste criteria.

Hence, if a recycling company uses End-of-Waste criteria, there is no doubt that the material has already been recycled by the company and shall be calculated towards the recycling targets. For companies that do not apply End-of-Waste criteria or in instances where they are no criteria at EU or national level, the calculation point at output of sorting (recycling) shall apply as described above. In fact, using the legal status waste / non-waste, which is not fully harmonised, as the main criteria to determine the point of calculation of recycling rates is not pertinent in many instances.

### 3. Proper collection and reporting of accurate data by companies

In most instances, recycling companies are still able to determine the origin of the waste. This information is vital for reliable statistical and reporting purposes since the targets are only for municipal waste or for packaging waste separately and relate to information confidentially shared with public authorities.

It is important to stress that the ability to trace the origin of waste is one of the reasons why the only suitable calculation point needs to be placed in treatment facilities, which turn waste into secondary raw materials. At manufacturing stage, it is impossible to know the origin of the waste for which targets have been set and also, it might be equally difficult to determine the countries in which the waste was originally collected if it has been shipped in a neighbouring country.

However, it would be extremely burdensome to circulate the information about the origin throughout the value chain. Moreover, this information is commercially sensitive.

*EuRIC – The European Recycling Industries' Confederation – is the umbrella organisation for recycling industries. Through its Member Federations from 20 EU & EFTA countries, EuRIC represents across Europe over:*

- *5,500+ companies generating an aggregated annual turnover of about 95 billion €, including large companies & SMEs, involved in the recycling of various resource streams;*
- *300,000 local jobs which cannot be outsourced;*
- *Million tons of waste recycled per year (metals, paper, plastics, glass and beyond).*

*Recyclers play a key role in a circular economy. By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again.*