



European Metals' recommendations on the upcoming Circular Economy Act

Introduction

The metals ecosystem is pivotal to Europe's industrial base and plays a critical role in enabling the twin green and digital transitions. Non-ferrous metals from the base ones (aluminium, copper, lead, nickel, tin, zinc) through technology metals (e.g., cobalt, lithium, germanium, vanadium, gallium, bismuth) to precious metals (e.g., gold, silver, palladium, platinum, rhodium) form the foundation of high-tech and clean technologies, e-mobility, and the green and digital transitions.

These strategic and critical materials are inherently circular. Unlike other materials, they have the potential to be infinitely recycled, enabling significant resource efficiency gains. However, this circularity potential remains underexploited due to insufficient waste collection, sorting, and pre-processing, barriers to waste shipments, scrap leakage, and non-harmonised implementation of the EU waste rules in Member States.

Overall, to succeed in the EU Circular Economy, the entire metals-value chain needs to excel: from securing access to secondary raw materials, through circular and sustainable product design, to creating a well-functioning EU single market for waste.

Therefore, the upcoming Circular Economy Act (CEA) must be coherent with a variety of existing EU rules on critical raw materials, batteries, ecodesign for sustainable products, waste shipments, as well as future rules for end-of-life vehicles and e-waste, among others.



Our high-level recommendations on the Circular Economy Act

1. Raw Materials Access

- Acknowledge that successful EU green and digital transitions depend on a reliable supply of raw materials from both primary and secondary sources and that a product's lifetime is one of the decisive factors determining when materials become available for recycling.

2. EU Single Market for Waste

- Ensure the harmonised interpretation and application of EU waste legislation and of waste classifications across Member States and streamline intra-EU waste shipments to pre-consented facilities.
- Advance further collection, sorting, and pre-processing of metal-containing waste in line with best available techniques.
- Streamline the shipment of metals-rich waste across the EU. Relevant measures in this context include maintaining the green-listed shipment regime for e-waste beyond 01/01/2027, expanding green listing of waste to all waste streams that contain CRM shipped to EU pre-consented facilities, and allowing the automatic EU-wide recognition of the waste treatment pre-consented facility status between EU Member States.
- Streamline the procedure to apply the existing official EU EoW criteria across Member States and ensure strengthened implementation of that procedure to avoid circumvention or misuse of the EoW status.
- Implement additional measures to prevent metal scrap or battery black mass leakage from the EU.¹

3. Product Design

- Product design rules should reflect full life cycle thinking and integrate recyclability and sustainability considerations from the design phase, taking into account the physical presence of metals, the technical and economic feasibility of recovery operations, and the strategic value of different CRMs and other valuable metals
- Avoid the introduction of minimum recycled content requirements for non-ferrous metals, with the exceptions of Rare Earth Elements (REE) in permanent magnets.

4. Industrial Symbiosis

- Promote industrial symbiosis by encouraging sector integration and rewarding synergies that advance a circular, climate-neutral economy and reduce waste.

5. Coherence of EU Legislation

- Ensure coherence and mutual reinforcement across raw materials, chemicals, climate, product, and waste legislation.

¹ While acknowledging the existence of well-established international value chains, e.g. for platinum group metals.



Our detailed recommendations

1. Raw Materials Access

Access to raw materials stands at the heart of Europe's industrial sovereignty and its ability to deliver on the twin green and digital transitions. The non-ferrous metals industry requires a reliable supply of strategic raw materials from both primary extraction and secondary sources.

The circularity potential of metals hinges on access to high-quality secondary raw materials. Yet, valuable metal-containing waste streams remain under-collected, misclassified, or are often leaving Europe under the false label of 'used goods' to be treated in sub-optimal environmental conditions in third countries.² Building a strong business case for high-quality recycling in Europe starts with proper collection, sorting, and treatment.

Recycling infrastructure can only process what is collected. However, the recycling facilities operated by European Metals members have the capacity to process more. Full exploitation of Europe's 'urban mine', particularly e-waste and batteries, is essential to strengthen Europe's self-sufficiency in raw materials and to enhance supply from secondary sources.

At the same time, the EU must prevent the loss of valuable scrap and metal-containing waste streams to those third countries where environmental and safety standards are not equivalent to those applied in the EU, and the cost of related CO₂ emissions is non-existent. This is also in line with the objectives of the Critical Raw Materials Act of boosting EU domestic raw materials production from both primary and secondary sources and reaching the prescribed benchmarks. That being said, any rules regulating imports and exports must consider well-established international value chains and avoid setting a one-size-fits-all approach.

Our recommendations

- Acknowledge that successful EU green and digital transitions depend on a reliable supply of raw materials from both primary and secondary sources and that a product's lifetime is one of the decisive factors determining when materials become available for recycling.

2. EU Single Market for Waste

To realise the full Circular Economy potential of metals, intra-EU waste flows to EU high-quality recyclers must be streamlined. Moreover, increased investments in the full recycling chain should take place, also considering new waste streams. Today, complex and inconsistent waste classification rules, combined with lengthy shipment procedures, hinder intra-EU circularity and create a competitive disadvantage for EU recyclers.

² As an example, around 3.5 million vehicles disappear without a trace from EU roads each year – and are exported or disposed of illegally. Source: End-of-life vehicles Regulation - Environment - European Commission (https://environment.ec.europa.eu/topics/waste-and-recycling/end-life-vehicles/end-life-vehicles-regulation_en)



A well-functioning internal market for waste must be based on harmonised waste classification (e.g., hazardous or non-hazardous), streamlined shipments of non-hazardous waste, and fast-track shipment procedures to pre-consented facilities.

Moreover, in accordance with the EU Waste Shipment Regulation, waste can be exported only when treated under standards and conditions equivalent to those upheld in the EU. Therefore, leakage of valuable metal waste to non-EU destinations with lower environmental standards must be stopped. At the same time, EU recyclers should be granted facilitated conditions to import waste containing CRM (e.g., end-of-life batteries, e-waste).

Additionally, the increased availability of low-carbon technologies reaching end-of-life (EV batteries, wind turbines, etc.) requires urgent scaling of EU recycling capacity to be ready to process new waste streams and to retain strategic metals in the EU and close material loops.

Our recommendations

- Harmonise waste classifications across Member States and streamline intra-EU waste shipments to pre-consented facilities.
- Prevent loss of valuable waste fractions from the EU: e.g., e-waste, metal scrap, battery black mass.³
- Facilitate imports of recyclable waste into the EU to feed local, sustainable recycling industries.
- Support investments in high-quality recycling capacity for emerging waste streams from green technologies.

2.1. Collection, sorting, and pre-processing of metal-containing waste

Metals are inherently circular and have the potential to be recycled indefinitely without losing their properties. European state-of-the-art facilities can recover 25+ metals from complex metal-containing products once these end-of-life products reach their premises. However, insufficient collection is one of today's main barriers to a circular economy. E-waste, which contains a large number of critical raw materials and is one of the fastest-growing waste streams in terms of both volume and circularity focus, often remains in consumers' drawers or gets lost in illegal channels along with all the valuable materials. Insufficient collection is also an issue for other CRM-rich end-of-life products, such as end-of-life vehicles that often go 'missing' but in fact are exported as 'used products' to third countries.⁴

Even if waste is adequately collected, the subsequent steps in the process might cause loss of materials if these are not properly sorted and pre-treated, including dismantling of the most valuable and rich in metals parts. For example, between 1.7 and 5.8 kg of copper is lost in steel scrap for every end-of-life vehicle that is recycled.⁵ By improving the separation and quality of the different waste fractions during pre-processing, this loss can be substantially minimised. Moreover, the recovery of CRMs and other valuable metals from both solid and liquid metal-

³ While acknowledging the existence of well-established international value chains, e.g. for platinum group metals.

⁴ As an example, around 3.5 million vehicles disappear without a trace from EU roads each year – and are exported or disposed of illegally. Source: End-of-life vehicles Regulation - Environment - European Commission (https://environment.ec.europa.eu/topics/waste-and-recycling/end-life-vehicles/end-life-vehicles-regulation_en)

⁵ Source: <https://institut-mobilites-en-transition.org/en/publications/car-to-car-steel/>



bearing industrial waste streams should also be explored, where technically feasible and environmentally sound.

Deposit return schemes or other reward-based programmes could be introduced as they have proven to be effective in increasing collection rates for bottles, cans, and small electronics.

Our recommendations

- Create awareness-raising campaigns to educate consumers to properly dispose of their waste so the urban mine potential can be exploited to the fullest.
- Advance further collection, sorting, and pre-processing of metal-containing waste.
- Encourage mandatory dismantling of parts from end-of-life products (e.g., WEEE).
- Introduce incentives or deposit return schemes to encourage consumers to contribute to a circular economy.

2.2. Shipments of Waste

Once properly collected, sorted, and pre-treated, waste is shipped to specialised treatment facilities. Because such facilities are not available in all Member States, waste is shipped across various Member States following the EU shipment procedures. However, intra-EU waste shipments remain burdensome for several reasons.

Firstly, there is a lack of harmonisation in the interpretation, implementation, and transposition of existing waste legislation across Member States and even regions. For example, differing classifications of hazardous and non-hazardous waste, inconsistent recognition of waste versus by-products, and the use of national waste codes rather than uniform EU ones. Therefore, the Waste Shipment Regulation (WSR) should support the recycling of CRM-rich waste and also be coordinated with the Critical Raw Materials Act (CRMA) for the exercise of green listing waste under the WSR to boost Europe's raw material independence. In this context, the green-listed waste shipment regime for e-waste under the Waste Shipment Regulation must be extended beyond 01/01/2027 and expanded to additional non-hazardous waste streams to facilitate the efficient movement of waste containing CRM.

Secondly, the number of pre-consented recovery facilities remains low. Competent authorities across Member States often recognise the pre-consent status differently and apply different criteria in their assessment of pre-consent requests, and their status is not automatically recognised across the EU. In this context, the WSR should define harmonised criteria for qualifying for pre-consented status and clarify the assessment criteria under which competent authorities may refuse a request for pre-consent, revoke the pre-consented status, and/or are allowed to grant a validity period of less than three years. Moreover, an automatic recognition of the pre-consented recovery facility status obtained in one Member State should be granted by the other Member States.

To further streamline waste shipments towards pre-consented facilities, the WSR should also ensure there is an alignment between the validity of the pre-consented status for facilities (10 years, unless fewer years are indicated in the relevant national authority's decision, under Art. 14(9)) and the validity periods for shipment authorisations (three years or less). Moreover,



shipments of metals-rich waste to European high-quality pre-consented facilities should be facilitated by ensuring that they can receive both hazardous and non-hazardous metals-containing waste, following the general information procedure.

Thirdly, there are long waiting times to obtain or renew a notification for waste shipment. On average, obtaining a new notification takes three to six months, and in some cases up to a year, while renewals typically require six months to one year, depending on the competent authorities. This incurs significant delays, as well as increased costs. In this context, European Metals recommends extending the pre-consented status of a recovery facility as long as the conditions for pre-consent are met or, alternatively, introducing a simplified procedure for the renewal of the pre-consented status for pre-consented facilities.

Additionally, financial guarantees remain high and vary significantly between Member States. Harmonisation of this issue would be extremely useful.

Our recommendations

- Ensure the harmonised interpretation and application of EU waste legislation.
- Maintain green-listed shipment regime for e-waste beyond 01/01/2027 and expand to other strategic streams.
- Allow automatic EU-wide recognition of the waste treatment pre-consented facility status between EU Member States.
- Clarify the assessment criteria under which competent authorities may refuse a request for pre-consent, revoke the pre-consented status, and/or are allowed to grant a validity period of less than three years.
- Expand green listing of waste (Annex IIIB of the Waste Shipment Regulation) to all waste streams that contain CRM shipped to EU pre-consented facilities.
- Extend the pre-consented status of a recovery facility as long as the conditions for pre-consent are met or, alternatively, introduce a simplified procedure for the renewal of the pre-consented status for pre-consented facilities.
- Apply binding tacit consent for waste shipments to pre-consented facilities notifications if the seven working days – or 30 days in the cases indicated in Art. 14(16) of the WSR – deadline is missed.
- Ensure the alignment between the validity of the pre-consented status for facilities and the period of validity of the consent.
- Harmonise the system for calculating financial guarantees for waste shipments across the EU.

2.3. End-of-Waste Criteria (EoW)

Our sector acknowledges the importance of having clear criteria under which waste ceases to be waste, and by-products are properly defined so that valuable non-ferrous metals can re-enter the economy. However, the practice shows that the official EU end-of-waste criteria prescribed for aluminium and copper scrap are not uniformly used across the EU Member States and the procedure to apply them differs from self-declaration only to an official decision by the Member State competent authority.



Too much freedom in EoW implementation creates favourable conditions for its misuse. As a result, high-quality recycling facilities receive, in reality, poor-quality metal scrap classified as EoW. Additionally, ‘falsely’ applied EoW status is also a circumvention path to export waste under a framework that has significantly fewer control steps than those under the shipment of waste. The EoW rules cannot be used to facilitate exports of aluminium or copper scrap outside Europe.

Such practices weaken the EU Circular Economy and hinder the Union’s ability to meet the recycling benchmark established under the CRM Act.

Our recommendations

- Streamline the procedure to apply the existing official EU EoW criteria across Member States and ensure strengthened implementation of that procedure to avoid circumvention or misuse of the EoW status.

2.4. Leakage of Waste

Leakage of metal-containing waste from the EU, particularly through illegal exports and non-compliant waste shipments, undermines Europe’s goals of boosting recycling and securing domestic access to critical raw materials (CRMs). Such losses weaken the circular economy, significantly reduce the availability of waste for EU high-quality recyclers⁶, and pose a serious risk to human health and the environment if carried in sub-standard conditions.

To address this, the EU should increase enforcement and traceability through stricter customs checks, digital tracking, and stronger penalties that outweigh the gains from illegal shipments. Improved coordination and information sharing between Member States, plus a higher number of well-trained customs officers, would be a good starting point.

In addition, mandatory agreements between waste collection points and authorised treatment facilities could also prevent leakage of waste towards non-authorised treatment facilities. A robust and harmonised monitoring framework, together with appropriate measures to reduce the exports of valuable materials and components outside of the EU, is vital to ensure that valuable waste stays within Europe’s recycling system. For aluminium, for example, introducing export fees on aluminium scrap is a necessary and effective tool to retain this valuable resource within Europe. It would help channel more scrap for sorting and remelting in European recycling facilities.⁷ For copper, the introduction of separate Combined Nomenclature (CN) codes for copper materials with EoW status would enable more accurate tracking and assessment of the volumes of recycled EoW products exported from the EU, preventing these materials from leaving Europe.

At the same time, given the global and interconnected nature of our markets, a “one-fits-all” approach should be avoided, and targeted approaches based on the characteristics of the materials and their supply chains are necessary.

⁶ Recycling of metals is a multistep process which relies on efficient collection and sorting, pretreatment of scrap metal; further processing such as melting of scrap and casting into a shape. To drive high-quality recycling well-sorted input material (e.g. metal scrap) is needed which can be recycled in as many loops as possible with minimal losses while maintaining its inherent and desired properties.

⁷ https://european-aluminium.eu/wp-content/uploads/2025/06/25-08-28-European-Aluminium_Scrap-export-fees.pdf



Our recommendations

- Introduce more frequent and stricter customs checks at the EU border to prevent illegal shipments to extra-EU countries.
- Implement additional measures to prevent metal scrap or battery black mass leakage from the EU, e.g., a separate Combined Nomenclature (CN) code for copper materials with End of Waste (EoW) status.
- In addition, mandatory agreements between waste collection points and authorised treatment facilities could also prevent leakage of waste towards non-authorised treatment facilities.

3. Product Design

3.1 Design for circularity and sustainability

The design phase of products is critical for determining how easily metals and critical raw materials can be recovered at the end-of-life. Sustainable and circular design is key from the perspective of the product's full life cycle.

At present, the ESPR sets the rules for all products put on the EU single market with a few exemptions, for example, food, animal feed, and medicinal products. The ESPR as an overarching regulation seeks to boost circularity, improve sustainability, and reduce environmental impact. In this context, it is essential that circularity is properly addressed during the design phase and that design rules for product including CRMs and other valuable metals, adopt a life-cycle approach. For instance, product design rules should incorporate dismantling and removability requirements and require the separation of components rich in CRMs and other valuable metals prior to recycling. These rules should be calibrated based on the physical presence (small, medium, large) of those materials in a product, the technical and economic feasibility of recovery operations, and the strategic value of different CRMs and other valuable metals.

Moreover, it must be considered that several product-specific EU regulations on products containing non-ferrous metals (e.g., batteries, construction products, packaging, and soon end-of-life vehicles) are already in place and regulate those products. In these cases, the ESPR can rather only serve as a complement when the environmental sustainability dimensions cannot be fully and/or appropriately addressed via the existing, specific legislation. Finally, new products put on the EU market will increasingly be accompanied by the Digital Product Passports (DPP). The DPP should facilitate the identification of critical raw materials (CRM) and give information on the components in which they are located in order to facilitate their identification and recovery.

Our recommendations

- Product design rules should reflect full life cycle thinking and integrate recyclability and sustainability considerations from the design phase, taking into account the physical presence of metals, the technical and economic feasibility of recovery operations, and the strategic value of different CRMs and other valuable metals
- Facilitate the identification of critical raw materials (CRM) in products and components to facilitate their recovery, including via the Digital Product Passport (DPP).



3.2 Recycled Content

Recycled content targets are being increasingly introduced across various EU product regulations. While they might be useful to address market failures in the secondary markets of some materials due to quality and/or price aspects, they are not recommended for metals, with the exception of specific emerging critical segments, notably for Rare Earth Elements (REE) in permanent magnets.

Recycled content materials serve the purpose of increasing the demand for secondary raw materials. However, demand for most recycled CRMs and other valuable metals is already high even in the absence of mandatory recycled content requirements for metals-containing waste, with the key issue rather lying in low collection and recycling rates of those materials. The introduction of recycled content targets for non-ferrous metals would not generate any significant advantage for the metals value chain but would rather risk translating into undesired consequences for the European metals' ecosystem.

Moreover, it is essential to note that meeting recycled content targets is strictly dependent on the availability of secondary raw materials. In case of a lack of sufficient resources, the EU would risk relying on imports from third countries without minimum recycled content targets, leading to new strategic dependencies and an increase in CO2 emissions. This is a likely risk under the current EU Batteries Regulation. Moreover, careful consideration must be given to the relationship between mandatory recycled content requirements and strategies aimed at extending product lifespans. The lifetime of a product influences when its materials will return to the system and become available for recycling. Finally, minimum recycled content targets risk translating into a distortion of materials flows, notably the reallocation of recycled materials from applications with no recycled content requirements to those for which those targets are mandated, without leading to an actual increase in recycling rates.

Instead of applying mandatory recycled content targets for metals, future policy should focus on maximising the collection, sorting, and recycling efficiency of metal-containing waste. This approach will naturally create the right conditions for increased secondary metals use.

Our recommendations

- Avoid the introduction of minimum recycled content requirements for non-ferrous metals, with the exceptions of Rare Earth Elements (REE) in permanent magnets.
- Focus on ensuring that metal-containing products are collected, sorted, and recycled effectively using the best available techniques.

4. Industrial Symbiosis

Due to the multi-metal nature of raw materials for metal production, industrial symbiosis is embedded in the non-ferrous industry business model. As a result, metals producers and recyclers are organised in a complex and highly integrated network of different operators.

The main target is to create additional economic value by recovering all valuable metals contained in natural ores and secondary raw materials, and to reduce the quantity of waste for final disposal.



Producers sell their residues and by-products to specialised companies to enable the extraction of additional valuable metals from a range of sources and concentrations. For example, clean copper cable scrap is approximately 99% pure copper, but e-waste has a copper content that ranges between 4 to 20%. Increasingly complex primary metal ores and concentrates are leading to more complex by-products and intermediates. These contain more minor constituents in higher concentrations. Another example (primary metal production) is copper, nickel, cobalt, cadmium, and precious metals-containing leach residues, a by-product in primary zinc production, which is sent to copper smelters for copper- and other metals recovery. Large volumes of zinc-containing flue dust are produced in steel production and recycling. This hazardous waste is recycled for its zinc content in the zinc industry.

Industrial symbiosis is the best way to valorise by-products, like iron silicate, and connect these streams into other sectors (e.g., construction) so that materials are kept in the loop to save natural resources, lower CO₂ emissions, and prevent landfilling. It is essential to preserve the activities of companies operating through industrial symbiosis for a successful circular economy. If these networks cease operating, large volumes of waste would no longer be recycled but instead landfilled or exported, resulting in the loss of valuable metals for Europe.

One of Europe's leading examples of industrial symbiosis is the Kokkola Industrial Park (KIP) in Finland, where circular economy principles have evolved since the 1960s, initially driven by practical needs and cost-efficiency. The companies within KIP operate in a tightly integrated system, with multiple closed-loop synergies based on the exchange of materials, energy, and resources.

Also, the Flanders Metal Valley in Belgium is a unique network of metal producers and supporting industries that forms a pioneering region in innovative metals production and recycling. It is hosting major players like Umicore, Aurubis, Nyrstar, and others. These companies form a unique industrial ecosystem that recovers over 20 different metals through advanced technologies and close collaboration from various waste streams like copper, tin or lead scrap, zinc dust, e-waste, spent catalyst, fuel cells or industrial residues.

Our recommendations

- Promote industrial symbiosis by encouraging sector integration and rewarding synergies that advance a circular, climate-neutral economy and reduce waste.

5. Coherence across EU Legislation

The effectiveness of metals circularity policy also depends on the coherence between the EU's various regulatory frameworks across the raw materials, chemicals, product, and waste legislation. Misalignments between these frameworks can hinder investment, compliance, and circular business models.

The upcoming Circular Economy Act should build a coherent framework and act as a bridge across the various EU regulations, like the Critical Raw Materials Act with its benchmarks, the ESPR, the Batteries Regulation, the Waste Framework Directive, the Waste Shipment Regulation, and the chemicals legislation, including REACH, CLP, and RoHS. It also needs to be fully in line with the



objectives pursued by the upcoming ELVR and the future revision of the Waste Electrical and Electronic Equipment (WEEE) Directive. Additionally, the proposal of the so-called Environmental Omnibus represents a further opportunity to reduce administrative burden while enhancing environmental performance.

A systemic, cross-cutting policy approach is essential to deliver strategic and circular metals value chains in Europe.

Our recommendations

- Ensure coherence and mutual reinforcement across raw materials, chemicals, product, and waste legislation.
- Advance simplification efforts (e.g., Environmental Omnibus) to reduce regulatory complexity for circular business models.

5.1 Chemicals, Products, and Waste Interface

A lot of non-ferrous metals or metal compounds, including those used in low-carbon applications, have classifiable hazards of some type. Risk management measures exist and are in place to control emissions and exposure and hence avoid the occurrence of effects associated with these hazardous properties. The presence and use of such substances do not mean 'harm' per se.

The use of these metals and metal compounds is necessary to achieve the technical performance expected by the market, and they cannot be substituted (see paragraph above). Their risk management is controlled by compliance with the REACH Regulation (EC) 1907/2006, occupational safety and health (OSH) legislations and/or sector-specific environmental/product legislation. This network of legislation helps to identify where exposure/emissions may occur and address those to ensure they do not pose an unacceptable risk to human health or the environment.

For example, a battery is a sealed unit, designed to prevent the release of substances during proper use. At the end of its life, recycling operations are conducted by permitted facilities operating under controlled conditions in accordance with EU and national legislation to ensure both workers' safety and environmental protection.

Our recommendations

- Avoid restrictions and limitations based solely on the hazard classification of a substance and take into account risk control measures and related EU legislation.
- Align the requirements within materials/chemicals, products, and waste legislation to support (rather than hinder) the Circular Economy by promoting safe recycling of hazardous substances.

5.2 Recycling of Complex Waste and Emissions

Recycling has the potential to lower the metals industry's overall carbon footprint on a lifecycle basis, as recycling of high-quality metallic scrap requires less energy than extraction and primary production operations. However, it is also true that recycling of some metals from by-products and complex waste fractions can result in higher CO₂ emissions and energy requirements, due to the presence of plastics and other organic materials, as well as lower metal concentrations and/or



small volumes, or due to their oxidized form in by-products such as dusts, slags, and leach residues.

As an example, the recycling of e-waste is a complex process that involves pre-processing (dismantling, shredding), followed by smelting and refining, which are needed to allow the recovery of copper and other valuable metals. Non-metallic components, such as plastics and other organic materials, remain mixed with the metal fractions, leading to unavoidable process emissions. Currently, technical limitations constrain the reduction of the carbon footprint associated with these processes, potentially exposing the production of refined metals from recycled materials to significant carbon costs, in stark contrast with the objective of a stronger circular economy.

The regulatory framework should facilitate rather than disincentivise the recycling of complex waste. For instance, the EU ETS should acknowledge the life-cycle benefits of recovering those valuable materials, which are very often critical, as a necessary step to keep and scale up recycling within the EU. Moreover, careful consideration should be given to the uncertainties around the revision of the EU ETS product and fallback benchmarks. Future benchmarks and the methodologies underpinning them should better reflect current industrial realities in order to avoid significant reductions in free allocation for the NFM industry. Weakening carbon leakage protection for these sectors would de facto contradict the objectives of the CRMA, RepowerEU, and ResourceEU initiatives, undermining the very industrial base that the EU seeks to strengthen. Moreover, to ensure undertakings in the metals value-chain are not subject to excessive energy costs under the upcoming ETS2 and from the new ETS on maritime transport, a legal basis enabling Member States to offset pass-through costs should be introduced.

Finally, Further considerations should also be given as to how CCS and CCU will be treated, combined with the high cost of removal technologies, risk deterring investment in recycling infrastructure and innovation.

Our recommendations

- Ensure that the EU ETS and ETS2 facilitate the recycling of metal-rich waste streams rather than hindering it.

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About European Metals

European Metals is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policy makers. We bring together the companies and associations shaping Europe's non-ferrous metals ecosystem: from upstream mining and refining to downstream use and high-quality recycling. By connecting technical expertise with policy action, we ensure that the importance of the metals sector is recognised, valued, and that our sector's future is secured. For more information, visit our website: <https://european-metals.eu>.