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Metals Supply Chain and Green Transition: some suggestions for regulatory optimization

Brussels, 12 Mar 2020

Who we are

A global materials technology and recycling group

One of three global leaders in emission control catalysts for light-duty and heavy-duty vehicles and for all fuel types

A leading supplier of key materials for rechargeable batteries used in electrified transportation and portable electronics

The world's leading recycler of complex waste streams containing precious and other valuable metals

Suggestions for regulatory optimization

In the context of Metals Supply Chain and Green Transition

Balanced regulations: if you push here, it will hurt there

Fast track procedure for hazardous waste: more efficient and more effective

Responsible sourcing of primary materials: green transition needs clean minerals

Balanced regulations

Example 1: ELV, ban on Pb in SLI-batteries?

- ELV-directive sets a ban on Pb in SLI-batteries as soon as technically feasible
- About 80% of Pb is used for batteries; mostly SLI-batteries in cars

- Europe want access to technology-elements for its green transition
- Europe wants a CE

Ban on Pb in SLI = Reduced access to technology-elements, needed for energy transition and Less (precious) metals recycling.

Ban on a base metal is counterproductive

Balanced regulation

Example 2: towards a REACh occupational restriction for Co?

- Europe wants lower CO_2-emissions from mobility
- Therefore we need batteries; the most performant batteries contain Co
- Europe want to develop a domestic battery industry

- Europe wants a 'non-toxic environment'
- REACh-use restrictions on carcinogenic compounds; some Co-compounds are classified as carcinogenic

Actual restriction proposal will kill the emerging domestic battery value chain

Take socio-economic and environmental considerations into account

Balanced regulation

Example 3: towards abolishment of CO_2-compensations for Cu?

- Europe wants an energy transition towards more (renewable) electricity
- This will need a lot of Cu-wire
- EU domestic Cu-production has a low CO2-footprint

- Europe wants to become a CO2-neutral economy
- Fade out of free CO2-allocations and indirect compensations
- Proposal to abolish CO_2-compensations for Cu-production

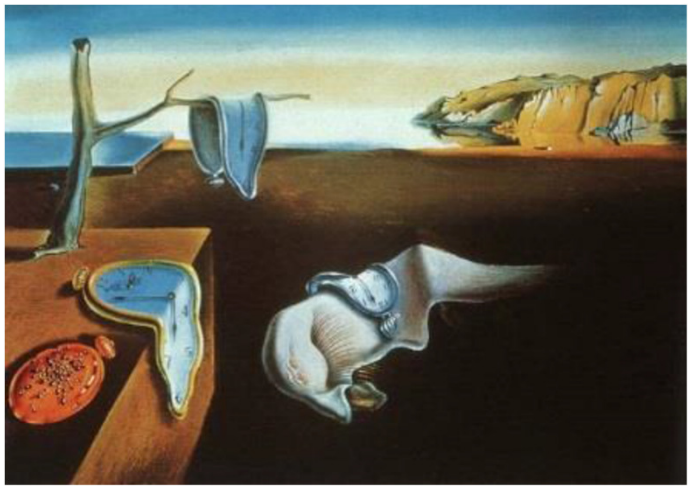
Imported Cu will reduce EU CO_2-footprint but increase worldwide CO_2-footprint

Take measures to maintain competitive position of domestic best performers

Transport of Hazardous Waste

Issues with current Notification procedure

- Different member states = different items in the notification file
- Systematically requests for additional information
- Exceeding of the time frames



Transport of Hazardous Waste

A Fast Track procedure would be efficient and effective

Transport of hazardous waste to pre-consented facility:

- Web based and tacitly approved ➔ efficient
- In depth audits / certificates ensures quality ➔ effective

Responsible sourcing

No green transition without responsibly sourced minerals

“THIS IS WHAT WE DIE FOR”

HUMAN RIGHTS ABUSES IN THE DEMOCRATIC REPUBLIC OF THE CONGO POWER THE GLOBAL TRADE IN COBALT

AMNESTY INTERNATIONAL

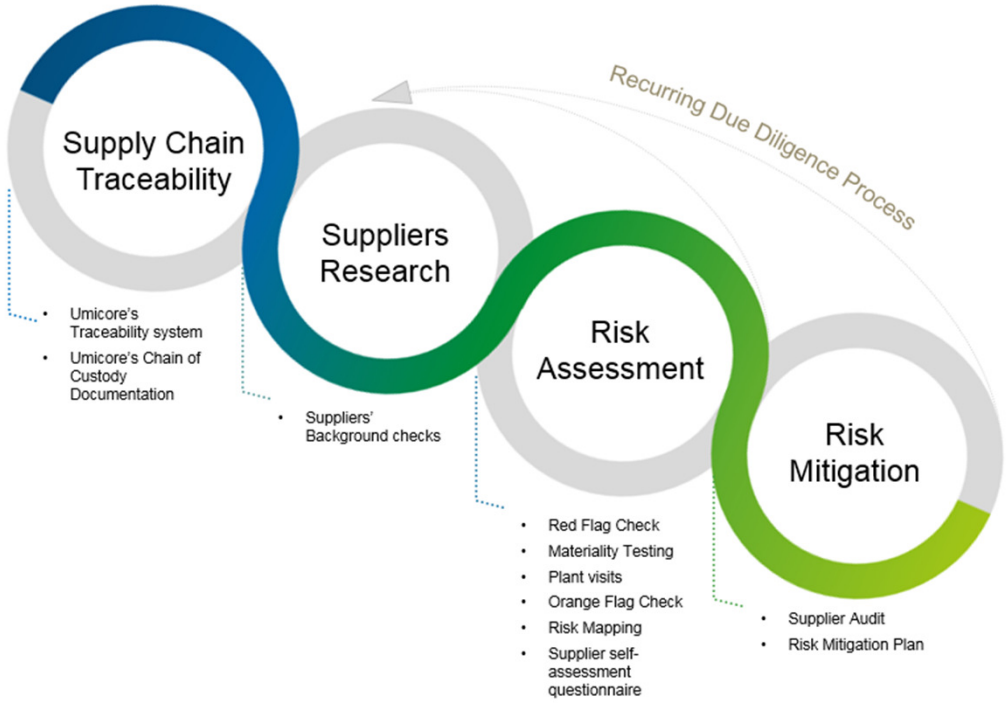
Risk associated with minerals mining:

- Environment
- Occupational health & Safety
- Social impacts, child labour, armed conflicts, bribery, ….

- Green transition will require metals
- Although very well recyclable, primary metals will be needed to build a stock in society
- Primary supply needs to be socially and environmentally acceptable

Responsible sourcing

Due diligence and risk mitigation along the value chain



Responsible sourcing

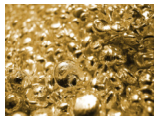
Lessons learnt from conflict minerals legislation

Extending scope of conflict minerals legislation? First in depth, other metals = later!

Leakages:

- Only for (listed) minerals and metals, whereas most EU refiner refine high risk mining/industrial by-products
- Metals imbedded in downstream products are not included
- Thresholds for due diligence: how many Kalashnikovs can armed groups buy with 1 coffeespoon of Au?

100 g
(1 coffeespoon)



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One Recommendation

A balanced regulation, taking into account ‘all’ values


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