ALL THAT GLITTERS IS NOT JUST GOLD
The circular economy is taking on more and more significance but a potential clash is looming between maximising the potential of our waste and safeguarding human health.

Industries and policymakers are now showing huge interest in closing production loops, whether motivated by cutting costs, honouring sustainability commitments or scoring political points.

At an event in Brussels last week, stakeholders from the precious metals sector and beyond met up to discuss the relationship between chemical management and the circular economy.
Europe’s ‘Kafka-esque’ recycling dilemma for precious metals

Ex-chemicals agency chief: ‘Courage’ needed to rethink EU laws

Do you want to know the precious metals recipe to address potential trade offs between Chemical Management and Circular Economy?
Precious metals are big business in the EU but possible conflicts between recycling policies and chemical management mean that the industry risks missing out on a golden opportunity.

Hear ‘precious metals’ and think bracelets, rings and gold bars. But that is not the reality: One-third of the globe’s 4,500 tonnes gold demand is needed in industrial and manufacturing processes, while only 50% of silver’s 35,000 tonnes demand comes from jewellery.

Precious metals like gold, silver and platinum are used more and more in our electronic devices, the batteries of our electric vehicles and even our satellites and spacecraft.

But just like any other useful material, precious metals are facing recycling challenges on all fronts. One of the main problems is the simple matter of collecting used items like old phones, laptops and tablets.

Consumer culture, programmed obsolescence and simple wear-and-tear mean that people are now replacing their smartphones on a regular basis.

Research in the United States showed that although phones last on average just under five years, consumers upgrade or replace their devices roughly every two years.

Those phones either end up passed on to a family member or friend or, more likely, in the back of a drawer in case of an emergency.

In Europe, only one-third of waste electrical and electronic equipment is collected and reported, which means four tonnes and 40 tonnes of gold and silver, respectively, goes unused. Only 10% of recycled gold comes

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from electronics, the rest is unwanted jewellery.

At an event organised by the European Precious Metals Federation on 5 December, President Heinz-Günter Schenzel called for “intensive recycling” and highlighted the fact that gold, silver et al can be reused over and over, unlike other recyclates like plastic.

Chemicals management expert Hugo Waeterschoot pointed out that the high value of precious metals makes recycling an extremely attractive option. A lack of business case often acts as a barrier in other sectors.

**PRECIOUS CONFLICT**

Waeterschoot also said that the relationship between recycling and EU chemical management law, known as REACH, is such that they are “not always best friends”.

Hopes to boost recycling levels have to be tempered against 2006’s REACH regulation, which evaluates the potential impact of substances on human health and the environment.

That is because the industrial processes used by precious metal producers include substances like lead, which is itself a hazardous material regulated by REACH.

During a presentation of a study on the implications of REACH law on the sector, expert Tim Becker outlined how different approaches could affect the circular economy, concluding that there is a “possible conflict” between policies.

Other stakeholders, like Egbert Lox from metals company Umicore, explained how differences between waste management directives and chemical management regulations have created an uneven playing field in Europe.

“From a logistics point of view, we have a Kafka-esque situation in Europe, where there are even different rules between regions, trucks are being stopped where there aren’t any borders,” Lox revealed, adding that a review of existing laws is “overdue”.

In the EU, directives lay down the broad strokes of an objective, with member states free to decide how to transpose rules into national law, while regulations have the same legal force throughout the entire bloc.

The Belgian ministry of economy’s Simon Cogen agreed that “directives are problematic” and added that the EU should look into a broad all-encompassing sustainability regulation.

**GOLDEN WORDS**

The European Commission’s Enrique Garcia-John, a policy officer dealing with REACH, suggested that part of the problem is that stakeholders from the waste and chemical industries have not communicated well with one another.

That point was echoed by the European Chemical Agency’s Matti Vainio, who said that “understanding trade-offs and problems is absolutely vital” and that the industry has to “clarify what their problems actually are”.

He added that the tools provided by ECHA are still sufficient but suggested that there are “more fundamental problems in waste rules”.

The silver lining seems to be that different stakeholders are now on the same page, in that all want the circular economy to take off in a big way, while also safeguarding worker health.

Garcia-John concluded that the next Commission will have to pay attention to the issue, as the borderline between what is a product and what is waste becomes “fuzzier” by the day.
Ex-chemicals agency chief: ‘Courage’ needed to rethink EU laws

By Sam Morgan | EURACTIV.com

Europe’s chemical management rules, REACH, are over a decade old and the man seen as the architect of the legislation still thinks it is the most modern of its kind in the world. But the former boss of the European Chemicals Agency says the EU could do with going back to the drawing board.

Geert Dancet was executive director of the European Chemicals Agency (ECHA) for a decade and former head of the European Commission’s REACH unit until 2007. He is now a consultant on chemicals legislation and competition matters.

He spoke to EURACTIV’s Sam Morgan on the sidelines of the European Precious Metals Federation’s event on chemical management and the circular economy.

Climate change grabs the headlines these days but circular economy doesn’t

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**seem to be a priority for governments. A new Commission strategy for 2050 includes it under its most ambitious scenario but what needs to change for it to really sit high on the agenda?**

The European Commission has already done a lot in this regard, particularly in the long run, when it could be as important as climate change. In the end, we basically need to all change the way we actually act.

So it’s very important that we collect and recycle waste, correctly. Everything needs to be recycled to its maximum extent, which will ultimately support our economy, because it’s a win-win. We have a lot to gain here, as Europe, in terms of a non-toxic environment but also being competitive. We can even collect things from parts of the world that have not taken the step to put a priority on this.

**Is technology a barrier here? Or is it more about a behavioural change?**

We have the technology. Part of the solution is making sure we return our small electronics, but I think there’s more to it than that. Collection points have to be industry-orientated, so we can strip out things like precious metals, nickel, copper etc.

But we shouldn’t just be focusing on chemicals, the same is true of plastics, which is even more of a problem than metals. Just think about the pollution. We used to talk about metal pollution, like the situation in the Baltic Sea years ago, but now it’s plastic. They have to be recycled, much more so than the low percentages that are currently the state-of-play. The ‘throwaway attitude’ that we have in society has to change.

**Will industry sit down, clarify and say what their problems are at the moment? Or are they afraid of losing their competitive edge too much?**

I think in the precious metals industry, they get it, as there aren’t so many of them. But in plastics, there are thousands of players; it’s much more difficult for them to organise a comprehensive strategy that says the industry can self-regulate.

I believe a lot in self-regulation but it’s under-developed. It can replace real regulation, which is so difficult these days to get through the decision-making process. We’re looking at waiting times of decades sometimes. I think industry can take it as a moral obligation to try to do this where possible.

**You were at ECHA for some years. Can regulatory frameworks keep up with pace of innovation we’re seeing in things like the mobility sector? Or do we need to go back to basics and have a clear-out?**

In Europe, I think we could benefit from some going back to the drawing board and integrating a lot more legislation. There’s over 50 pieces that try to regulate chemicals. That’s far too complex, far too many authorities vying with each other, either within member states or at EU level.

They all do complementary things and could work more efficiently together. There needs to be the courage to have a rethink of the system. It’s like with climate change, you need the right motivation for policymakers to make it a priority.

Europe has the most modern chemicals legislation in the world but it’s only modern in the way it is implemented. It still dates back to 2006, so there needs to be the courage to think about how it can be improved, make it more coherent with other policies, like circular economy.
The "Conflict and Opportunity: Chemical Management, the Circular Economy and Precious Metals" event concluded on the 5th of December in Brussels after an inspiring afternoon of engaging debate around the subject.

We are delighted to be able to share with you our formal conclusions derived from the afternoons lively debate. Below are the video conclusions for you viewing. Our event page is also available, where you can download a conclusion summary document from the day as well as other event related documentation.

By EPMF - European Precious Metals Federation

Video: http://eurac.tv/9PS6
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