

EU Recyclers' Circular Economy Action Plan for Recycled Metals

EURIC'S **6 KEY POLICY ASKS** FOR A **CIRCULAR** AND **COMPETITIVE METALS** SECTOR

Overview

The metals and steel recycling industry is vital for the EU's climate and environmental goals, as well as its strategic autonomy. A strong European metals recycling sector is not just vital for maintaining a competitive metal value chain, but also for ensuring that the EU meets its emission reduction and circularity targets. However, European recyclers are grappling with significant challenges. The **ongoing economic crisis, driven by high energy prices and geopolitical tensions, has created a structurally weak domestic demand for recycled metals, compounded by decreased EU manufacturing capacity.** This, in turn, limits investments in new recycling facilities.

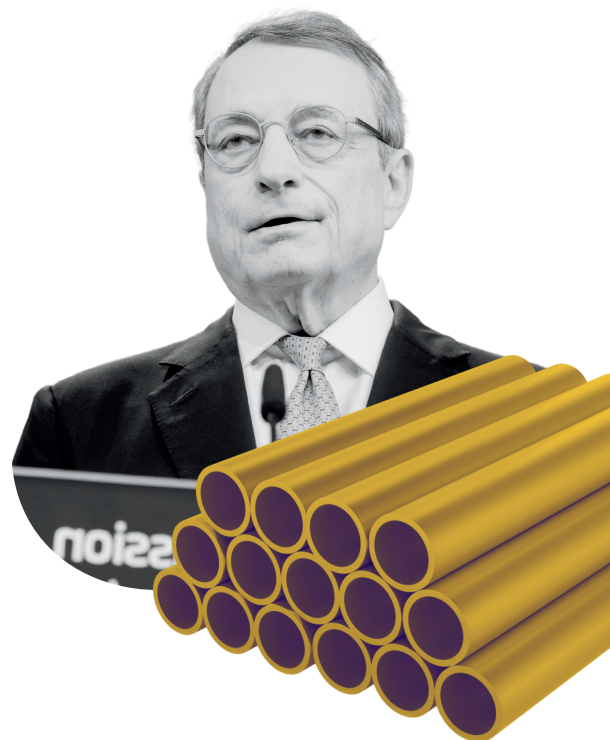
Despite these hurdles, **Europe's impressive recycling rates for metals should be leveraged** to boost the sector's competitiveness.

In line with the findings of the Draghi report, EuRIC, the European Recycling Industries' Confederation, has identified a set of strategic priorities that should be addressed in the **upcoming Action Plan for Steel and Metals.**

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EURIC KEY POLICY ASKS:



Leverage the contribution of recycling to the EU's climate and strategic autonomy goals by **incentivising the uptake of products made with recycled content**.



Support open and fair trade for recycled metals.



Recognise recycling as the key industry it is, giving it the support it deserves.



Involve recyclers in shaping and implementing all relevant legislation to ensure policies are practical, feasible and effective.



Simplify regulations by reducing administrative burdens to make recycling more appealing and efficient.



Support EU industries by addressing high energy costs, ensuring a more viable and competitive environment for all.



1

LEVERAGE THE CONTRIBUTION OF RECYCLING TO THE EU'S CLIMATE AND STRATEGIC AUTONOMY GOALS

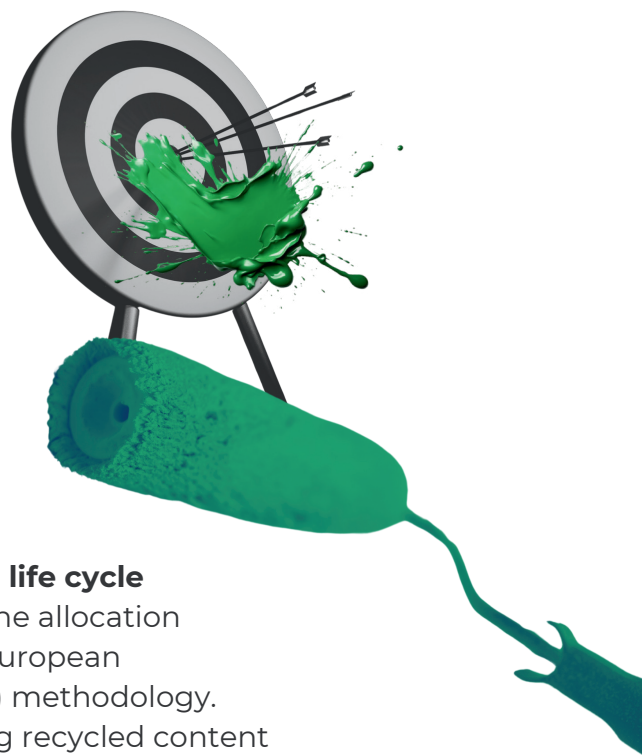
The recycling industry plays a vital role in advancing the EU's climate and strategic objectives, while also reducing the continent's dependency on the import of raw materials.

To maximise the recycling industry's potential, recycled materials should be seen as a competitive advantage, not only to achieve decarbonisation goals but also to make the most of the resources already available within the EU.

To effectively support the EU's circularity and decarbonisation ambitions, **EuRIC stresses the need for robust and unbiased methodologies in public procurement and product sustainability definitions, to support the establishment of truly green lead markets.**

In practice, **EuRIC advocates for the use of impartial life cycle assessment (LCA) methodologies** and a revision of the allocation factor in the Circular Footprint Formula (CFF) of the European Commission's Product Environmental Footprint (PEF) methodology. This would ensure the environmental benefits of using recycled content are fully recognised across all products and production routes.

Accordingly, EuRIC also calls on policy makers to **reject the use of biased methodologies, such as the "sliding scale", to avoid greenwashing.**



To leverage the contribution of recycling to the EU's climate and strategic autonomy goals,

WE ASK FOR:



Mandatory recycled content targets for metals to drive demand for circular products, leveraging lead markets and public procurement rules.

As a matter of principle, **green lead market criteria should always include circularity targets in the form of mandatory recycled content from post-consumer waste**. This approach will favour low-carbon production, since secondary metal manufacturing leads to significant emission savings, especially for ferrous metals^[1] like steel, and non-ferrous metals, such as aluminium and copper.



Impartial methodologies, such as life cycle assessments, that fairly recognise the role of circular products in achieving the EU's decarbonisation goals.



Rejection of the sliding scale methodology in any policy or labelling framework, as it distorts the environmental impact of products.



^[1] EuRIC's Metal Recycling Factsheet

2

SUPPORT OPEN AND FAIR TRADE FOR RECYCLED METALS

In 2023, the overall domestic supply of recycled steel reached approximately 94 million tonnes, with domestic consumption exceeding 75 million tonnes and exports totaling nearly 19 million tonnes [2]. At the same time, total steel output from the secondary route in Europe has been declining [3]. Given this trend, claims of a recycled steel shortage are unfounded and lack supporting evidence.

In the past decade, exports of recycled metal have only increased to match the low uptake by the internal market, as the EU's steel manufacturing capacity has decreased over the years, forcing some plants to halt production. Therefore, **the increase in recycled steel exports mirrors, in terms of volume, the decrease in EU consumption.** Given the fixed costs recyclers face, any short-term disruption in exports would have negative environmental and economic consequences, leading to a drop in metal waste collection and processing across Europe.

It is important to clarify that the trade of recycled metals, when classified as waste, will already be restricted under the new Waste Shipment Regulation (WSR). As some recycled metals still lack an established and strong EU market due to the absence of regulatory incentives, such as mandatory post-consumer recycled content targets, their uptake by European industry remains uncertain.

Therefore, to ensure operational stability for European metals recyclers, it is critical to guarantee that no further trade restrictions for recycled metals will be imposed. Open trade is essential to provide EU recyclers with the certainty needed to process Europe's metal waste. With local demand too low to absorb all recycled metals produced in Europe, exports are necessary to keep the European recycling industry competitive and allow it to invest in advanced technologies that will improve the quality of recycled output to meet future EU demand. **Restricting exports of recycled metals would not solve the ongoing crisis – instead, it would harm European recyclers and disrupt the entire metals value chain.**

[2] EUROFER, 2024: European Steel in Figures

[3] Dropping from around 66 million tonnes in 2021 to around 56 in 2023



To support open and fair trade for recycled metals,

WE ASK FOR:



The creation of a true single market for recycled metals, facilitating intra-EU trade and harmonising rules and compliance procedures for operators.



No additional export restrictions on recycled metals, preserving global market access.



The inclusion of provisions on recycled materials in all EU free trade agreements to strengthen global supply chains.



RECOGNISE RECYCLING AS THE KEY INDUSTRY IT IS, GIVING IT THE SUPPORT IT DESERVES

The recycling sector is not immune to the surrounding economic and geopolitical uncertainties. With fixed operational costs, European recyclers warn that without support, recycling plants across Europe will continue to scale back investments and reduce their waste processing capacity.

Designing Extended Producer Responsibility (EPR) schemes in a way that guarantees recyclers' ownership of recycled materials is key to fostering a competitive and innovative recycling industry.

Over the past decades, EPR schemes have been introduced for certain waste streams to ensure producers cover the cost of managing their products at the end of their life. While these schemes can be appropriate for some waste streams, they should only be established when absolutely necessary, to avoid unnecessary regulatory intervention and preserve free and fair competition.

For waste streams under EPR schemes, it is essential to ensure that material ownership is retained by the recycling company entrusted with the responsibility to process the waste. This ensures **recycling remains a viable business model** and **limits unnecessary burdens and costs for producers and consumers**, and thus, encourages investment in research and development – critical to materialising the EU's environmental, climate and strategic autonomy objectives.

To recognise recycling as the key industry it is, giving it the support it deserves,

WE ASK FOR:



Assessing the intrinsic value of a waste stream before setting up an EPR scheme to evaluate whether intervention is genuinely needed.



Guarantee recyclers' representation in the governance boards of EPR schemes to ensure fair decision-making, balanced interests and a holistic approach.



4

INVOLVE RECYCLERS IN SHAPING AND IMPLEMENTING ALL RELEVANT LEGISLATION

For recycling to thrive, legislation must be designed in a way that boosts recycling and strengthens the industry. This requires **directly hearing from European recyclers' when developing and implementing new legislation.**

During the 2024-2029 mandate, several pieces of secondary legislation relevant for recyclers will be introduced or implemented, including the Ecodesign for Sustainable Products Regulation (ESPR), the End-of-Life Vehicles Regulation (ELVR), the Critical Raw Materials Act (CRMA), the Batteries Regulation and the Revision of the Waste Electrical and Electronic Equipment Directive (WEEE).

To ensure that the requirements stemming from these policies are both economically viable and aligned with well established and efficient recycling practices, it is crucial to consult recyclers and **build on their practical knowledge and expertise.**



“European recyclers stand ready to work with the Commission and industrial value chains to make recycling the engine of the Circular Economy Act, the Clean Industrial Deal and of all upcoming initiatives, including the Steel and Metals Action Plan

Julia Ettinger, EuRIC Secretary General ”

To involve recyclers in shaping and implementing all relevant legislation,

WE ASK FOR:



Stronger recognition of the recycling industry in European industrial and raw materials policies.



Active consultation of recyclers when shaping and implementing measures to increase both the quality and quantity of recycled materials.



Setting up of a Forum, gathering suppliers, producers, recyclers and main users of ferrous and non-ferrous metals to jointly boost EU low-carbon and circular re-industrialisation within the EU.

5

SIMPLIFY REGULATIONS BY REDUCING ADMINISTRATIVE BURDENS

The EU recycling industry needs faster and simpler administrative processes to expand its critical role in the circular economy.

Today, **lengthy and complex permitting procedures, alongside barriers or even denials of essential guarantees like insurance and access to funding, create an unstable and unappealing operational business environment, limiting recyclers' ability to grow.**

These issues not only hinder the EU circular economy but also slow down much-needed investment in new recycling technologies, particularly for recovering critical raw materials.

Additionally, toward this goal, **access to EU funding and investment banks must be simplified** and made more accessible to encourage circular business models and drive innovation.



To simplify regulations by reducing administrative burdens,

WE ASK FOR:



Simplifying and shortening permitting processes for recyclers to accelerate the growth of the sector.



Improving access to capital for investments into clean technologies.



Addressing insurance barriers and denials for recycling facilities, particularly those caused by fire risks from the increasing presence of lithium-ion batteries in waste streams.

6

SUPPORT EU INDUSTRIES BY ADDRESSING HIGH ENERGY COSTS

Rising energy costs, combined with **slow permitting** and **heavy administrative burdens**, threaten the competitiveness of Europe's metals recycling industry. The **EU's de-industrialisation trend**, worsened by unfair competition with third countries, has made it clear that **Europe must support its manufacturing and recycling sectors to remain competitive**.

High energy costs impact the entire metals value chain, reducing steel and metal production and **creating uncertainty for recyclers**. **Despite their key role in lowering emissions and securing Europe's raw material supply, metal recyclers do not qualify as an energy-intensive sector, (unlike metals producers) and rarely benefit from any EU support schemes.**



To support EU industries by addressing high energy costs,

WE ASK FOR:



Accelerating the deployment of renewable energy to help stabilise energy costs.



Introducing a temporary support instrument for the industry during the energy transition.



Facilitating access to power purchase agreements (PPAs) so that recyclers can ensure affordable, long-term energy prices.

EuRIC, the European Recycling Industries' Confederation is the umbrella organisation for the recycling industries in Europe. Through its 75 members from 23 European countries, EuRIC represents more than 5,500 large companies and SMEs involved in the recycling and trade of various resource streams. They represent a contribution of 95 billion EUR to the EU economy and 300,000 green and local jobs.

By turning waste into resources, recycling reintroduces valuable materials into value chains over and over again. By bridging circularity and climate neutrality, recyclers are pioneers in leading Europe's industrial transition.



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