

# Roundtable on the Responsible Recycling of Metals (RRRM) Shipbreaking and Steel Working Group - Definitions and Implications

28 September 2023

## Meeting Agenda

1. Introduction and review of outcomes from last meeting/matters arising
2. Reminder of where we are in the process
3. Session objectives and instructions
4. Facilitated breakout groups
5. Feedback and Discussion
6. Next Steps

## Discussions, Outcomes and Decisions

- Two breakout groups discussed definitions related to scrap, waste, and risk to help solidify our understanding of relevant terms and identify potential gaps that impact on an improved due diligence and ESG management process. The groups were facilitated by Dave Knight and Ladin Camci (CARES).
- It was agreed that steel scrap should be referred to as ferrous scrap to include other types such as pig iron scrap and that we should defer to industry (BIR Terms and Glossary). As this is member only document Patrick offered to access it.
- In relation to this, the group discussed how to distinguish between post-production (pre-consumer) and post-consumer scrap, noting shipbreaking is always post-consumer, however the risk is linked to not only the shipbreaking, but also further processing and steel recycling at the steel mill and that these stages need better clarity and definition.
- The concept of green steel was discussed, noting the risk of potential greenwashing in using this term. It was added that green steel should not only involved recycling but also the type of energy used in production as well as broader environmental and social requirements. The European Proposal for a Green Claims Directive was suggested to be used as a basis for requirements on what 'green' means. The consensus was to avoid using this term.
- Zero, net-zero and near-zero definitions were marked as important in relation to steel and that these terms are well defined with thresholds under IEA/SBTi/RS publications and that our recommendation should be to align to these.
- The group discussed the importance of pricing to reflect carbon, as this could support the uptake of scrap in the production processes. The Platts/S&P Global Commodity initiative was mentioned, which launched two new European carbon-accounted hot-rolled coil (HRC) steel price assessments, which offer the first-ever carbon-accounted pricing offering for the ferrous supply chain.
- Whether scrap is pre- or post-consumer can impact on claims relating to embodied carbon in outputs.
- It was emphasized that steel is the most recycled material in the world and that there are low levels of losses.
- In terms of beaching, the group discussed the importance of mentioning the risks associated to different types of ship arrivals, and how it is referred to in different

geographical areas, noting all have risks and the management of them is critical. It was agreed that an approach that focused on the conditions of the ship recycling facility might be more important to focus on than the arrival type.

- The importance of ‘Flag of Convenience’ and the risks associated with this were debated in the group. Some noted that it indeed is a factor of risk, whereas others noted that it could be but is not necessarily a clear indicator of it and deemed not important as a risk indicator. To this end, it is be more important to focus on the process starting with the landing and arrival of the ship rather than focuses on flagging of the vessel.
- A discussion on the ability to use the metal grading system to assess ESG risks indicated that there is some potential, including in relation to maximising and maintaining the steel at the highest quality levels and also where lower quality (typically post-consumer) grades could indicate risk. However, it is not as straight forward as metals are sold on quality and so mixing, blending and grading mean there may not be a strong relationship to ESG risk.
- Increasingly, hand-held XRF (X-Ray Fluorescence Spectrometer) guns, which can distinguish grade and chemistry of steel without needing lab tests are being used to help grade and price scrap. Vessels also have expansion plans (design drawings) which indicate which materials are in the vessels, including (theoretically) what steel is used in which part of the vessel. This together with the XRF gun can improve grade-based recycling.
- In terms of policy, the Norwegian Transparency Action was discussed, which aims to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. It was mentioned that it sets similar levels of Due Diligence as the EU Due Diligence Act.
- The group discussed the importance of chain of custody flows, allocating responsibilities for sharing of pertinent ESG risk, management and performance information by each actor.
- Scrap traders (may not take possession of metals), processors and dealers are covered by BIR definitions.
- Elin of Greig Green provided a useful example of a local community organisations (supported by Grieg Green) who are linking up women involved as individuals in the pre-processing of scrap metals in Alang (Scrap Collecting(?) Women of Alang (SEWA)). It was noted that these are exactly the kinds of groups where risks are high and where flows of information could be improved.
- Subsistence collectors was the preferred term for these types of collectors aligned to the work of ISO 59014 (and IWA 19: 2017 which also includes Unofficial Business Activities and Official Business Activities in its terms)

Action agreed	Owner	Deadline
Email <a href="mailto:coordinator@rrmroundtable.org">coordinator@rrmroundtable.org</a> your reviewed glossary with feedback in the format “RRRM Glossary YOUR NAME.xls”	SSWG members	29/09/23
Email <a href="mailto:secretariat@rrmroundtable.org">secretariat@rrmroundtable.org</a> your organisation’s logo which will be used in the RRRM website, if not already done so	SSWG members (excluding the SG members)	Asap
Forward contacts from civil society and/or other relevant stakeholders that you believe should be included in this Working Group	NFWG members	Asap

Pre-reading materials to be shared with the SSWG members ahead of the third NFWG meeting on due diligence	Secretariat	13/10/23
The glossary to be updated in line with the feedback received and to be kept as a “living document”. Latest version to be shared by time of next meeting	Secretariat	19/10/23

### Attendees

Andreea Miu, Sustainable Shipping Initiative (SSI)  
 Bernadetta Mantoan, NGO Shipbreaking Platform  
 Ehud Bar-Lev (Udi), Lloyd's Register  
 Elin Saltkjel, Grieg Services  
 Henning Gramann, GSR Services  
 Ladin Camci, CARES  
 Patrick Davidson, Mayer Environmental EMR  
 Rory Meredith, ResponsibleSteel (RS)  
 Sameen Khan, The Climate Group / SteelZero  
 Victor Nieto, Metals Hub  
 Dave Knight, Roundtable for the Responsible Recycling of Metals  
 Umut Cantoru, Roundtable for the Responsible Recycling of Metals  
 Måns Löfvall, Roundtable for the Responsible Recycling of Metals