

# METALS DAILY

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## Aluminum industry needs consensus on carbon tally for process scrap: panel

- Vague methods could lead to 'green washing'
- Scrap carbon footprint must not be double counted

The global aluminum industry must reach an agreement on how to properly account for the carbon footprint of pre-consumer industrial processing scrap in a manner that doesn't inflate the material's "green" attributes or devalue its recyclability advantages, industry stakeholders said Feb. 1.

"There is not a consensus in the industry right now as to the right way to calculate this carbon footprint," Robert Morgan, the sales director of Hydro Aluminum Metals USA, said during a panel discussion at the S&P Global Platts Aluminum Symposium.

"If you look at Hydro, we believe that the carbon footprint of the pre-consumer scrap matches that of the primary metal."

Hydro Aluminum Metals USA is a division on Norway-based aluminum producer Norsk Hydro.

Pre-consumer, or process, scrap is the leftover material generated from the manufacturing process when primary aluminum and its alloys are fabricated into downstream products.

Morgan said other industry bodies calculate the carbon footprint at zero for pre-consumer scrap, a perspective that could incentivize the production of waste.

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### PLATTS KEY METALS BENCHMARKS

	Symbol		Change	Date assessed
<b>Daily prices</b>				
Alumina PAX FOB Australia (\$/mt)	MMWAU00	375.000	7.000	31-Jan
Aluminum MW US Transaction premium (¢/lb)	MMAKE00	34.850	0.000	02-Feb
Aluminum CIF Japan premium (\$/mt)	MMANA00	115.000-125.000	0.000/0.000	02-Feb
Aluminum CIF Japan premium Q1 (\$/mt)	AAFGA00	177.000-177.000	0.000/0.000	02-Feb
Aluminum GW premium paid IW Rotterdam (\$/mt)	AALVE00	430.000-455.000	0.000/0.000	02-Feb
Molybdenum oxide, daily dealer (\$/lb)	MMAYQ00	19.020-19.150	0.000/0.000	02-Feb
Ferromolybdenum, 65% European (\$/kg)	MMAFO00	44.300-44.700	-0.100/-0.100	02-Feb
Clean Copper Concentrates TC (\$/mt)	PCCCB00	61.900	0.000	31-Jan
Clean Copper Concentrates RC (cents/lb)	PCCCC00	6.190	0.000	31-Jan
<b>Twice weekly prices</b>				
MW US A380 Alloy (¢/lb)	MMAAD00	144.000-146.000	0.000/0.000	31-Jan
<b>Weekly prices</b>				
Aluminum CIF Brazil premium (\$/mt)	MMABP04	415.000	0.000	28-Jan
Aluminum ADC12 FOB China (\$/mt)	AAVSJ00	2620.000-2640.000	0.000/0.000	31-Jan
Aluminum Alloy 226 del. European works (Eur/mt)	AALVT00	2400.000-2550.000	100.000/100.000	28-Jan
Manganese Ore, 44% Mn, CIF Tianjin (\$/dmtu)	AAWER00	5.350	0.000	28-Jan
Manganese Ore, 37% Mn, CIF Tianjin (\$/dmtu)	AAXRX00	4.550	0.000	28-Jan
Moly oxide, Daily Dealer Wk Avg. (\$/lb)	MMAGQ00	19.042-19.200	-0.058/-0.068	28-Jan
Silicon, 553 Grade delivered US Midwest (¢/lb)	MMAJM00	420.000-480.000	0.000/0.000	02-Feb
Ferrochrome, US 65% High-Carbon IW US (¢/lb)	MMAFA00	220.000-225.000	0.000/0.000	02-Feb
Silicomanganese, 65:16 DDP NW Europe (Eur/mt)	MMAGR00	1520.000-1600.000	-80.000/-100.000	02-Feb
Ferrosilicon, FOB China (\$/mt)	MMAJP00	1950.000-2000.000	0.000/0.000	31-Jan
Ferrotitanium MW US, 70% (\$/lb)	MMAFT00	3.900-4.200	-0.100/-0.100	27-Jan
Copper NY Dealer cathodes premium (¢/lb)	MMACP00	8.500-9.500	0.000/0.000	27-Jan
Copper MW No.1 Bare Bright Disc (¢/lb)	MMACL10	8.000	-2.000	02-Feb

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## CARBON-ACCOUNTED METALS

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“You could see someone stamping out a gingerbread man from the middle of the cookie sheet, which is not the most efficient way to do that, and then rolling out the process scrap and calling that zero,” he added.

Catherine Athènes, vice president of global sustainability for France-based aluminum roller Constellium, said the practice of attributing pre-consumer scrap with a zero-carbon footprint could lead a producer to be accused of “green washing,” or misrepresenting the carbon profile of a finished product associated with the scrap.

However, the aluminum industry must be careful that the carbon profile of pre-consumer scrap doesn’t get double counted in the accounting of both the aluminum producer and the end-user, she added.

“What we think is most important is that there is neither double counting nor no counting,” Athènes said. “If I sell a coil [of aluminum] and they cut 40% when they stamp, of this 40%, if they take [the carbon burden] in and I take that, then it’s double counting. Then, we’re just penalizing aluminum for nothing because the reality is that part of it is going to be recycled.”

Eccomelt Technical Director Martin Hartlieb said companies incur the risk of “green washing” and associated penalties if there is no standard carbon accounting method for scrap, especially as end-users increasingly prioritize carbon calculations.

“We need to get this whole dispute about the reset to zero or how much is actually left in process scrap in the value chain, but in any case, recycling is key for our industry’s future,” he said.

North America-based Eccomelt produces secondary aluminum alloys from post-consumer scrap.

— [Nick Lazzaro](#)

### Ronal, Eccomelt enter secondary aluminum supply deal

- Aluminum to be used in wheel production
- Eccomelt will supply substitute for primary A356.2

Wheel manufacturer Ronal Group has signed a memorandum of understanding with Eccomelt in which the latter will supply it with low-carbon secondary aluminum, the companies said Feb. 2.

“Eccomelt currently has the best carbon footprint on the market, which is why we are seeking a long-term strategic partnership with this company in Europe and North America,” Ronal CEO Oliver Brauner said in a statement.

The Canada-based Eccomelt produces a proprietary, high-purity secondary aluminum alloy from recycled vehicle wheels that serves as a lower-carbon substitute for primary A356.2 alloy used in the automotive industry. Ronal will utilize Eccomelt’s aluminum in the production of new light alloy wheels for passenger cars and commercial vehicles.

“The carbon footprint of primary aluminum consumed in Europe

averages 8.6 kg of CO<sub>2</sub>e per kg of aluminum,” Ronal said. “With the Eccomelt material, the wheel manufacturer can reduce this by more than 90%.”

The Switzerland-based Ronal will have access to a “preferential supply of Eccomelt’s post-consumer material,” according to the statement, but the exact volume of aluminum included in the deal was not disclosed.

“By using this high-quality post-consumer material, we can offer our customers the production of carbon-reduced wheels and at the same time come a big step closer to our goal of producing all wheels carbon-neutral in 2050,” Brauner added.

Ronal said aluminum procurement accounts for 74% of the carbon footprint in its operations.

Eccomelt utilizes a patented non-thermal recycling and cleaning method to process recycled aluminum wheels at lower operational costs and reduced emissions. The method generates minimal dross when melting and allows for high density to maximize furnace and transportation efficiency.

The alloy producer will open a 60 million lb/year low-carbon aluminum alloy plant in Houston in the first quarter. It already operates facilities in Manchester, Georgia, and in Toronto, Ontario.

— [Nick Lazzaro](#)

## LIGHT METALS

### US silicon price range holds amid thin spot trade

US spot silicon trade remained thin in the week to Feb. 2, and while reported spot transactions were on par with those seen in the past several weeks, there was an overall sentiment of price weakness on the horizon.

The S&P Global Platts US 553-grade silicon price assessment held Feb.2 at \$4.20-\$4.80 lb, unchanged from Jan. 26.

There were unconfirmed reports of cheaper silicon floating around the market, being offered by traders, or resold by secondary smelters.

One consumer was offered spot silicon at \$4.50 but did not have a need for spot material. He said he wasn’t going to resell his silicon.

“I have some, but I’m not going to sell it. I do believe there are some selling higher,” the consumer said, adding that there is ample material available, with silicon is entering the country from Thailand, Malaysia and Norway.

On the low-end of reported deals, a trader reported a spot sale of 553-grade silicon at \$4.25, delivered Midwest. The trader noted that secondary smelters were full on silicon “because of COVID and buying high-silicon scrap.”

Another trader confirmed that, while silicon had changed hands at lower numbers, it was resold material by consumers. He sold a truckload of 553-grade silicon at \$4.25, though he said it was to a “very good” paying customer with a good freight. The trader said he would offer the material at \$4.35 for a regular Midwest delivery.

“The consensus for non-consumers is prices won’t go down for the next few months,” the trader said. “One person is doing some reselling; a smelter is reselling. He overbought and he’s trying to get rid of stuff, so he’s willing to sell below market.”

A silicon producer said that an anticipated chip shortage and the