

Licensing Team
Thurrock Council
Civic Offices
New Road
Grays
RM17 6SL

25th January 2023

Dear Sir/Madam,

Application for the Grant of a Metal Dealer Licence Applicant: European Metal Recycling Limited Sites: Berths 13 to 20, Tilbury Freeport, Tilbury. Essex RM18 7NU & Station Road, East Tilbury, RM18 8QR

Thank you for your email dated 13 January 2023 inviting us to make representations in respect of the proposed refusal of the above application which is being considered by the Licensing Authority Committee. I have set out below some representations on behalf of EMR (European Metal Recycling). Representatives of EMR would welcome the opportunity to meet with the Licensing Sub Committee (the "Committee") in order to answer any questions which Committee members may have in respect of EMR's application and these representations.

To assist members of the Committee, I have set out below a brief summary of the circumstances which led to the conviction under section 33 Environmental Protection Act 1990 referred to in the notice from the Committee to EMR dated 13 January 2023, together with some additional submissions in support of the application on behalf of EMR.

A summary of the points covered by this letter is set out below:

- The Stowey Quarry conviction arose due to a mistake and was not deliberate.
- EMR has an otherwise excellent compliance record.
- EMR is a significant employer in the area, upskilling the community through investing in training and development.
- As a major site for the export of recycled steel, the Tilbury Docks site is of strategic importance to the nation's drive to increase recycling and reduce carbon emissions.
- EMR is implementing a £9 million investment plan at Tilbury Docks to expand its ability to export recycled, low carbon metals.
- EMR recycles over 10 million tonnes of metal and plastics each year, saving 12 million tonnes of Co2 compared to virgin ore, which is equivalent to 3,776,224 acres of Amazon rainforest.
- EMR has shown its commitment to its local communities, through its charitable donations and initiatives.

European Metal Recycling Ltd.

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- EMR has shown a strong commitment to biodiversity which is predicted to result in a net gain of over 200%, as measured by the Natural England biodiversity metric.
- 99% of EMR's profits are re-invested into the business to fund innovation into new, low-carbon and nature-positive advanced technology and creating innovative products that are less carbon intensive, protecting our planet.
- EMR has demonstrated a commitment to leading business initiatives across the industry and beyond to deliver change that will move our sector and the UK towards net-zero carbon emissions.

These points are covered in greater detail below.

Background to Stowey Quarry

The Prosecution

In early 2016 EMR had been lawfully storing at EMR's Tilbury Docks site 1,962 tonnes of processed shredder residue waste. This waste was being stored with the consent of the Environment Agency and was intended to be used as feedstock for a waste to energy plant which EMR had at that time been constructing in Oldbury, West Midlands. Due to unexpected delays in the commissioning of the waste to energy plant, the Environment Agency asked EMR to dispose of the waste from the Tilbury Docks site and EMR agreed to do so.

Accordingly, EMR engaged the services of a specialist waste broker to find a suitable site for the lawful disposal of the waste and the broker recommended a site known as Stowey Quarry, near Bristol. At the time, EMR believed that the waste permit held by the owners of this site was such that the site was permitted to receive this type of waste material, when in fact it was not. This was a technical oversight by the EMR employee who had checked the permit and undertook a due diligence site visit. EMR acknowledges that its due diligence processes ought to have identified that the site was not permitted to receive the waste which EMR subsequently deposited there.

As a consequence of this mistake, in July 2021 EMR pleaded guilty to charges alleging a failure to fulfil its duty of care in sending this waste to Stowey Quarry in 2016. No offence was committed at Tilbury Docks.

EMR's response to the Stowey Quarry conviction

Notwithstanding its otherwise excellent compliance record, EMR deeply regrets and has apologised for the failures which resulted in the Stowey Quarry prosecution. EMR has, since this incident, undertaken a comprehensive review of its policies and procedures to ensure that the risk of a similar incident happening again has been reduced to the lowest possible level. These steps include the following:

- (a) EMR's duty of care audit process relating to waste and the facilities to which those wastes are transferred has been revised and now includes a peer review step to minimise the chances of an error being made.
- (b) EMR revised its waste policy and guidance, which is supported by a programme of internal compliance audits. EMR's environmental management system has been certified to ISO14001, now covering all UK operations.
- (c) A specialist Waste & By-Products Manager has been employed by EMR to manage transfers of all waste between EMR sites to external facilities. The duties of this Manager include the monitoring of all outgoing waste movements. Waste cannot be despatched without checks, approval and guidance

from the Waste and By-Products Manager, the UK Environmental & Regulatory Manager or the SHE (Safety, Health, and Environment) Technical Manager.

- (d) A programme of waste characterisation and classification was introduced (and is now well established) to ensure that all wastes are appropriately assigned the correct waste description and EWC code once assessed and/or analysed to determine the most suitable and compliant treatment, recycling, or disposal outlet.
- (e) Two additional professionals have been appointed to the SHEQ and Waste and By-products teams, respectively.

EMR's compliance record on environmental matters

EMR has a strong compliance history and works closely with the Environment Agency on improving standards across the industry, investing heavily into research and development to extend the life of materials, converting as much waste into valuable resources as possible. Despite this investment, each year EMR still has to lawfully dispose of approximately 300,000 tonnes of shredder waste to landfill at a cost of approximately £30 million per annum.

EMR recognises the importance of maintaining the highest environmental standards and works hard to create industry leading recycling processes to achieve this goal. Prior to this incident, EMR had not received a single conviction for any environmental offence in the preceding 15 years and nor has it received one since. Given the scale of EMR's operations, the volume of materials it handles and the length of time it has traded, EMR's excellent environmental record is not a matter of luck. EMR is both a responsible and compliant organisation and the events leading up to the deposit of waste at Stowey Quarry in 2016 were a departure from EMR's otherwise high standards.

In sentencing EMR for the Stowey Quarry offence, the judge (Mr Justice Johnson QC) accepted that in this case, whilst EMR had made a mistake, it had not committed offences deliberately. He commented as follows:

"EMR is a very substantial company dating back, as I have said, to the 1940s. It processes a huge amount of waste each year. It has not committed any criminal offences in the last 15 years. That tends to indicate that it does generally have policies and procedures in place that have genuinely been sufficient to ensure compliance with the regulatory regime. Although in one sense it had a motive to take a short cut and take advantage of favourable terms to deposit waste at Stowey Quarry, the benefit it stood to gain was wholly insignificant compared to its resources. Its turnover was in the billions. The benefit was around £33,000.

Between 2017 and 2020 EMR sent an average of 377,000 tonnes of waste to landfill each year, at an annual cost of £30 million in landfill tax alone. I do not believe that EMR would have put its reputation at risk for the sake of £33,000. I do not consider that it is likely that it deliberately or even recklessly committed these offences."

EMR's Commitment to Thurrock

EMR's operations in Thurrock

EMR operates two sites in the Tilbury area: a site at Tilbury Docks which is our principal deep-sea export terminal in the South of England; and a site at East Tilbury which is our main shredder site in the Southeast.

Tilbury Docks directly employs 37 colleagues, 30 of whom are from the local area, and exports approximately 1m tonnes of recycled metal per annum, originating from our own network of 22

feeder sites in the Southeast (employing over 115 colleagues) and from a wide range of third party suppliers, including other metal recycling merchants. EMR's Tilbury Docks site is therefore a critical export outlet for metal recyclers in the UK.

EMR's East Tilbury site, which employs a further 18 colleagues, is responsible for recycling a large percentage of the materials exported by EMR from Tilbury Docks. Its proximity to Tilbury Docks means that EMR can transport recycled metal with minimal carbon impact and congestion on the roads.

EMR also employs 15 commercial colleagues across the Southeast and numerous other support staff. Their jobs are also dependent upon the continued operation of EMR's Tilbury Docks and East Tilbury sites. In addition to this, EMR has a substantial supply chain, including many local contractors supporting our operational and maintenance needs, plus a large network of third-party hauliers who transport the recycled material alongside our own fleet, all of whom would be significantly impacted should EMR not secure the renewal of its licence to operate from Tilbury Docks and East Tilbury.

Contribution to the nation's future infrastructure

All of the recycled ferrous metal processed through Tilbury Docks are supplied to steel makers operating electric-arc furnaces which, by using renewable power, reduce global carbon emissions by at least 1800Kg CO2eq when compared to current UK blast furnace steel production. If, like steel producers in the European Union, the UK steel industry transitions fully to electric-arc furnace production, the UK is likely to become a net importer of recycled steel from other parts of the world. So whether EMR is exporting recycled steel for the next few years or importing it in the longer term, EMR's Tilbury Docks facility will remain a vital part of strategic infrastructure for the nation.

EMR's investment at Tilbury

EMR's sites within the Thurrock region operate within committed long term leases, which reflect the strategic nature of the sites within our UK portfolio. Property related overheads run at an annual cost of approximately £3,000,000 per year.

In addition to this, EMR continues to invest heavily in East Tilbury and the port facility within Tilbury Docks. Investment into plant and infrastructure averages around £2,500,000 per annum. EMR is in the process of completing a £9 million investment plan at Tilbury Docks entitled "Future Docks". This will expand our ability to export recycled metals and align the site with EMR's sustainability strategy. We purchased two new electric ship loading cranes, to partner with our fully electric gantry cranes, for further carbon reduction.

The investment also allowed us to enhance our environmental credentials with improved dust suppression and improved ground and drainage conditions, future-proofing the site as a low carbon recycled metal exporter for years to come.

EMR's contribution to the local community

We make it our mission to utilise our considerable knowledge and influence within the metal recycling industry for the greater good. Whether it is empowering local communities, inspiring the next generation, or encouraging environmental change, our corporate giving programme aims to make a positive and lasting contribution through engagement, collaboration, and measurable action.

EMR's Young Futures Reimagined initiative was launched in 2020. It aims to help young people across the UK to build bright futures. The initiative sees each of EMR's UK sites partner with a local charity to help them to give young people opportunities that may otherwise not be available to them.

Since 2019 EMR has supported One Community, a local charity in Tilbury, that inspires and supports local people to work together to achieve the best for themselves and the community. EMR has donated over £26,000, supporting 16 young people between the ages of 18 -25 to access One Community's Volunteer Investment Programme (VIP). This gives those struggling to find employment, access to voluntary experience whilst supporting them with CV writing and job applications.

EMR also partnered with One Community to give Tilbury Town Station a horticultural facelift. Working with a horticultural mentor, volunteers regenerated the station with fresh flowers and trees, which is one of the first things visitors to the town see when they arrive by train.

EMR is also a regular sponsor of Tilbury Picnic in the Park, an annual free event organised by Tilbury Riverside Project.

In 2018 EMR entered a ten-year sponsorship deal with Tilbury FC having sponsored the Tilbury FC Youth Team.

EMR's Commitment to sustainability

Sustainability through innovation

EMR's purpose is to create a future where the materials we use do not need to be extracted from the planet. We recycle over 10 million tonnes of metal and plastics each year - anything from a can to an aircraft carrier. This saves 12 million tonnes of Co2 compared to virgin ore, which is equivalent to 3,776,224 acres of Amazon rainforest.

To help the world use its precious resources more sustainably, we have committed to become a fully net-zero business by 2040 and have aligned our climate commitments with science to fight against climate change.

As a family-owned business, 99% of our profits are re-invested back into the business, committing significant investment into new, low-carbon and nature-positive advanced technology and creating innovative products that are less carbon intensive than conventional equivalents. This is achieved through our dedicated R&D facility, home to 25 research and development engineers and an extensive laboratory.

Our "reusable steel" products help the construction industry to save 98% of its carbon emissions. Our "green steel" products, which are derived from our unique partnership with Tata Steel, aim to replace virgin materials, reducing carbon impact and protecting our finite resources. And our "recycled polymer plastic" products offer a high-quality, low-carbon plastic, reducing carbon emissions by 86% compared to virgin plastics.

Our dedication to drive forward the recycling industry, both regarding efficiency and sustainability, puts innovation at the forefront of what we do.

EMR's innovative partnerships

We work with key businesses and industries across the globe to promote circularity and minimise waste to landfill through innovation. Examples of this are:

RECOVAS: Is a consortium established to develop the UK's first commercial scale recycling facility for automotive battery packs. The project aims to provide a standardised and reliable route for recycling and re-purposing lithium-ion car batteries.

RECTIFI: 'Reducing Embedded Carbon Through Transformation of Foundation Industries' brings together the steel, cement, and recycling industries, to explore how the use of recycled materials can create a radical shift for the UK's foundation industries on the path for net-zero.

Leading the sustainability agenda

Through our Board memberships with the Environmental Services Association (trade body for the UK's major waste processors) and the British Metal Recycling Association, EMR is leading business initiatives to deliver change that will move our sector and the UK towards net-zero carbon emissions.

Our CEO, Chris Sheppard, is an active member of DEFRA's Council for Sustainable Business and the related advisory panel for Get Nature Positive, which is driving leading businesses across the UK to increase biodiversity in their operations.

Three EMR staff are active members of the ESA's biodiversity working group, which in 2022 developed the ESA's Biodiversity Best Practice Guide. This has been distributed to all ESA members.

Sustainability and governance

It is EMR's aspiration to attain B-Corp status which celebrates companies that meet the exacting standards of social and environmental performance, transparency, and accountability. As part of this process, we have published our first group-wide sustainability report, disclosing our performance in safety, carbon emissions and energy use.

To manage continuous improvement across EMR's operations, all our sites including East Tilbury and Tilbury Dock, are certified to ISO9001, ISO14001 and ISO45001.

We are transitioning to renewable power supplies with 86% of our energy now from renewable sources, including our own purpose built solar panel energy generation at various sites across the UK.

Biodiversity and water conservation

In 2022 we conducted surveys of all our 65 UK sites and developed a tailored nature positive plan for each one. Once fully implemented, this plan is forecast to deliver a biodiversity net gain of over 200% across our full estate, as measured by the Natural England biodiversity metric. During 2023 we will start to implement these plans.

Summary

The concern which the Committee has raised in relation to the conviction which EMR received in 2021 under the Environmental Protection Act 1990 is understandable. However, I hope that the contents of this letter will reassure the Committee that EMR is a responsible organisation which takes its environmental responsibilities very seriously and leads the industry in the UK in driving forward environmental improvements.

It is also worth noting that EMR holds waste permits to operate at Tilbury Docks and East Tilbury. These permits were issued by the EA, which monitors and regulates EMR's activities at these sites and elsewhere in the UK. Under the terms of its Enforcement and Sanctions Policy, had the EA considered, following the 2021 prosecution, that EMR was not a fit and proper organisation, it had the power to suspend or revoke EMR's waste permitsⁱ. The EA has not done so. In fact since the 2021 prosecution, the Environment Agency has made positive determinations in eighteen applications made by EMR for new environmental permits or to vary or transfer existing permits. Thirteen of these applications were submitted following EMR's conviction. The EA would not have granted such applications unless it considered EMR to be a competent and responsible operator.

I have also enclosed a letter of support from Port of Tilbury London Limited which owns and operates the Port of Tilbury.

Yours faithfully,

Christopher Tinsley Company Secretary

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ⁱ See para 7.4.6 Environment Agency enforcement and sanctions policy - GOV.UK (www.gov.uk)