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## **Drinking Water Directive – Establishing the European positive lists of starting substances, compositions and constituents**

Finance Finland (FFI) represents the Finnish banking and insurance sectors. Our members include nearly all banks, life and non-life insurers, employee pension companies, finance houses, fund management companies and securities dealers operating in Finland.

FFI objects to the exclusion of dezincification resistant brass alloys from the positive lists regarding materials that come into contact with drinking water. In practice, this pertains to the various components used in water supply systems. The brass alloys have type approval in Finland and have been appropriately notified to ECHA, and FFI demands that they are included in the European positive lists.

The quality of drinking water varies between member states, making it necessary to set different national requirements for the materials used in water supply systems. In Finland, for example, it is necessary to use dezincification resistant brass alloys. The dezincification resistance is achieved by adding small amounts of lead in the alloy. Fitting water supply systems with brass parts that are not resistant to dezincification would lead to their premature failure and leaks and thus contribute to a significant increase in the number of moisture and mould damages.

Over the last decade, Finnish insurance companies annually paid out EUR 145–188 million in compensations for leak damages. The number of claims ranged between 28,000 and 42,000 per year. In 2022, for example, the number of claims was 28,000 for a total of EUR 157 million.

It should be noted that the figures only include losses that were covered by insurance. Insurance does not, for example, cover damages from slowly developing dampness or mould, which are immensely common. Only sudden and unforeseen water leak damages are compensated. Nevertheless, the number of claims incurred from water damages is much higher than from fire damages in both home insurance and real estate insurance.

Excluding the dezincification resistant materials from the positive list would cause significant economic and technical problems, especially considering how short the transition period proposed by the Commission is.

If the Commission nevertheless wants to prohibit the use of the brass alloys type-approved in Finland, it must provide a sufficient transition period to enable real opportunities to develop durable, sustainable and otherwise suitable materials to replace the existing ones. The transition period must be at least ten years, and the national type approvals must remain valid for the entire transition period.

Finding workable solutions is further complicated by the European Commission's circular economy action plan, which includes legal requirements for example concerning the sustainability and recyclability of construction products throughout their entire lifecycle from design to demolition.

The Finnish brass industry is almost fully circular, based on 90% recycled materials. Manufacturing scrap and used brass products are turned into high-quality secondary

raw materials. The industry currently operates perfectly in line with the aims of the EU circular economy action plan and stands as an example of how sustainable product design can minimise the environmental and climate impact of a product's lifecycle. The modern Finnish practices reduce waste and emissions by generating secondary raw materials from resources that were formerly classified as waste.

The Commission's proposal undermines its very own aims for a circular economy if it prohibits the use of a durable solution and prevents the use of recycled materials in its potential substitutes by requiring the use of primary metals in production.

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