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End-of-life Vehicles – Revised proposal for a Regulation

Comments from the European metals industry

Introduction

In July 2023, the European Commission adopted its proposal for a revised end-of-life vehicles regulation. The proposal aims at strengthening the EU single market, while reducing the negative environmental impacts linked to the design, production, service and end-of-life treatment of vehicles and contributing to the sustainability of the automotive and recycling sectors.

As one of the key suppliers of the automotive sector, our industry supports the objectives of the proposal to increase availability and improve raw materials quality recycling to enhance EU open strategic autonomy and resilience and facilitate the circular transition of the automotive sector.

Metals are present in the car body (e.g. aluminium), car battery (e.g. lead, lithium, nickel, cobalt, copper, aluminium), catalytic converter (e.g. platinum, palladium), electronics (e.g. silicon, indium, gallium) or motor (e.g. copper, aluminium). Design for circularity and mandatory dismantling before shredding are effective measures to boost metals recovery and recycling.

In addition, maximising materials recovery and recycling quality will contribute to the objectives of EU Circular Economy and of the EU Critical Raw Materials Act.

Key recommendations

- **Requirements for substances in vehicles** – Use REACH as the tool for assessment of any new substance risk control (e.g. restrictions) in vehicles to keep a coherent approach to managing substances in products.
- **Minimum recycled content in vehicles** – Focus on improved collection of vehicles at End-of-Life (EoL) and dismantling of components before shredding to significantly increase the quantity of metals recovered.
- **Circularity Vehicle Passport** – Ensure that it does not duplicate the requirements from EU horizontal product law (i.e., Ecodesign for Sustainable Products Regulation) and other product- specific legislation using product passport, and that it represents an added value to already existing digital tools and platforms.
- **Mandatory removal of parts and components for recycling** – Increase the quality of vehicles waste treatment by focusing on the separation of the most valuable parts before shredding operations.
- **Shipments of end-of-life vehicles** – Strengthen (de)registration systems to tackle the issue of unknown whereabouts, and make sure that ELVs or their parts can be effectively shipped for recycling in the EU and that equivalent conditions apply when ELV treatment takes place outside the Union.

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Requirements for substances in vehicles (Art. 5)

- *Art. 5 defines the requirements for substances of concern in vehicles. It restricts the use of lead, cadmium, mercury and hexavalent chromium, with some derogations listed in Annex III. The article states that the use of Substances of Concern (SoC) should be minimised as far as possible. It also specifies that restrictions regarding placing on the market and use of other substances in vehicles will be managed under REACH.*
- *Art. 3 further specifies that SoCs are identified based on the definition from the Ecodesign for Sustainable Products Regulation (ESPR) that is currently under negotiations.*

Vehicles, and their components, are made of various materials, including some with hazard properties. As an example, the car battery contains hazardous substances that are used because of their physical and chemical properties that are critical to the technical functionality, safety and performance of the battery. As long as their exposure to human health and the environment is controlled, these do not cause any adverse effects. The assessment of substances used in batteries has its own path described under the Battery Regulation (EU 2023/1542) in order to better address the end-of-life (waste) phase. It is positive that the ELV legislative proposal refers to REACH regarding the management of other substances in ELVs. This is essential to avoid overlaps and double regulation.

REACH is the cornerstone of EU's chemical legislation. For any new restriction, tight coordination and coherence should be ensured under various EU regulations dealing with substances. With regard to chemicals management, primacy should be given to the REACH Regulation or other complementary legislation (e.g. Occupational Health and Safety, Environment Quality Standards, Industrial Emissions Directive), based on the outcome of a risk management option analysis. An additional benefit is that REACH covers both hazard and exposure information as well as conditions under which the exposure levels apply. Both are critical to define prioritisations for restrictions as well as for defining what restriction measure(s) would be the most effective. Moreover, under REACH there is already an information requirement for all substances and a request to keep the registration updated with all information that could influence the risk characterisation.

Restrictions under REACH allow for consideration of socio-economic impacts, and should take into account broader EU policy objectives, to avoid disproportionate control measures and unnecessary substitution. During the assessment of any future substance restrictions a balance should be given to the interface of the 4Cs representing the: Chemicals management, Circularity, Climate and Criticality characteristics of a given substance. More specifically, the following aspects should be covered: technical and economic feasibility of substitution and risk control measures; social and economic impacts, full lifecycle consideration of the existing substance and its potential substitutes underpinned by the car safety.

Our recommendations:

- Use REACH registration data sets and restriction processes as the framework for assessment of any new substance restrictions in vehicles.

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- Avoid regrettable substitution from a chemicals management perspective and take into account the broader perspective by using a materials life cycle approach.
- Introduce exemptions from minimization (Substances of Concern) or substitution requirements (Substances of Very High Concern) when human and environmental exposure is controlled (i.e. no risks).
- Strike the balance between the Chemicals management, Circularity, Climate and Criticality objectives when considering possible substance restrictions.

Minimum recycled content in vehicles (Art. 6)

- *Art. 6 contains the provisions on recycled content for materials in vehicles. It requires that each vehicle type contains at least 25% of plastic recycled from post-consumer plastic waste (out of which 25% from recycled end-of-life vehicles). It also foresees future assessment of recycled content requirements for ferrous and some non-ferrous metals.*

Metals are already largely recycled from end-of-life vehicles, e.g. 95% of aluminium from collected cars is effectively recycled and can be used in new products. The market for secondary metals is today well developed and any additional measure, such as minimum recycled content requirements, shall be properly assessed in a dedicated impact assessment to avoid any potential market distortion. Because the primary and secondary metals have the same quality, which is not the case for other materials, they can be used in equivalent applications. Moreover, due to technical reasons they are often mixed together in metallurgical processes.

For our industry, improved design for recycling and dismantling of components before shredding would prove very effective to increase metals recycling from end-of-life vehicles, compared to other measures, but the challenge brought in by the electrification of the fleet needs to be factored in. Such trend is having and will increasingly have an effect on the design of vehicles, in the choice of materials and in the specifications for the use of materials in certain applications.

In addition, improved collection and treatment of end-of-life vehicles would play a major role in boosting the quantity and quality of metals recovered from vehicles. Currently, 1/3 of end-of-life vehicles are not accounted for and not collected at their end-of-life. Those are so called "unknown whereabouts". They are likely illegally exported and not treated under proper environmental conditions. This represents a big loss of metals stock in the EU and a significant unexploited circularity potential, hindering the objectives of the EU circular economy and open strategic autonomy.

Our recommendations:

- Focus on improved design for recycling and dismantling of components before shredding to enhance metals recycling from end-of-life vehicles.

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- If any recycled content obligation for the non-ferrous metals is to be foreseen in the future, it must be preceded by thorough checks and impact assessment, as well as compare its effectiveness with that of other recycling metrics, such as recovery targets to boost the availability of high-quality secondary NFMs.
- Address missing vehicles to improve collection of end-of-life vehicles and ensure those are recycled in the EU, contributing to the objectives of the EU circular economy and open strategic autonomy.

Circularity Vehicle Passport (Art. 13)

- *Art. 13 prescribes the development of the Circularity Vehicle Passport, a digital tool supporting the sharing of information across actors of the automotive value chain, including information on safe removal and replacement of components.*

The Circularity Vehicle Passport aims at facilitating sharing of information and would help tracking vehicles along their lifecycle, and potentially reducing the number of missing vehicles, and consequently the quantity of raw materials illegally leaving the Union.

It is important that the tool is developed coherently with other existing and future digital tools and platforms, as stated in Recital 31 of the legislative proposal, and in a way that does not create excessive administrative burden, or duplication of requirements foreseen in other pieces of legislation, e.g. the new Batteries Regulation and the future Ecodesign for Sustainable Products Regulation (ESPR).

Such a tool has to take into account confidentiality of information and also differentiate on levels of data accessibility depending on the type of stakeholder, e.g. authorities, recyclers, consumer.

Our recommendations:

- Ensure that the Circularity Vehicle Passport does not lead to duplication of existing requirements, but it is coherent with and represents an added value to already existing digital tools and platforms.
- Make sure that the Passport adequately considers data confidentiality and that access to the data stored is tailormade according to users' needs.

Mandatory removal of parts and components for recycling (Art. 30)

- *Art. 30 prescribes the mandatory removal of some parts and components prior to shredding, including electric vehicle batteries and components containing critical raw materials (as defined in the Critical Raw Materials Act).*

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- *Recital 54 and Art. 29 specify that all batteries incorporated in vehicles are to be separately removed from an end-of-life vehicle and stored in a designated area for further treatment, in order to ensure a proper implementation of the Batteries Regulation.*

Vehicles are made of many components, with different materials composition and characteristics. Once they reach the end-of-life, they go through a series of steps before getting actually recycled (e.g. depollution, dismantling, shredding, sorting). It is of utmost importance, that components are separated before the shredding, in order to maximise separation, recoverability and quality of materials. Otherwise, materials with high and strategic value risk being lost.

Mandatory removal of some parts before shredding would facilitate separation of materials and better enable high-quality recycling. In addition, it is especially advantageous for parts that can easily be recycled into similar applications again (e.g. hoods, doors).

Quality recycling is already in the focus of the newly proposed text. However, this aspect could be further emphasised by establishing minimum quality requirements for the material fractions recovered from ELVs that shall be guaranteed whether dismantling before shredding takes place or not. An example is the provision for flat glass included in Annex F.

Batteries are to be separated from the car, like other components, and treated in line with the objectives of the EU Batteries Regulation, as already specified in the new ELV proposal.

Our recommendations:

- Keep mandatory removal of parts and components prior to shredding, as this measure has the potential to facilitate the recycling of materials.
- Set minimum quality requirements for the material fractions recovered from ELVs.
- Ensure that batteries are removed from vehicles and directed to the right recycling channels to be treated in line with the EU Batteries Regulation.
- Encourage Member States to advance and improve collection, dismantling and sorting infrastructure for ELVs.

Shipments of end-of-life vehicles (Art. 36)

- *Art. 36 specifies under which conditions end-of-life vehicles may be shipped and treated outside the EU, requiring that treated vehicles can count towards the reuse, recycling and recovery targets established in article 34, only if treated under "broadly equivalent conditions".*
- *Art. 38 indicates that only roadworthy vehicles can be exported from the EU and mentions more coordinated actions among Member States on exchange of information.*

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It is in our interest that recycling of ELVs, the recovery of their valuable materials and the proper handling of materials for disposal takes place in the European state-of-art recycling facilities complying with strict EHS rules. However, the legislative proposal also foresees a situation when end-of-life vehicles are shipped outside the EU for recycling and can be counted towards the achievements of targets only if treated under "broadly equivalent conditions".

It is positive that provisions and definitions are as much coherent as possible with existing legislation, in this case the Waste Shipment Regulation. However, it is important to highlight that this phrasing should be made more ambitious, by removing the adjective "broadly", which risk weakening its purpose. This should be applying to both, the Waste Shipment Regulation and the End-of-Life Vehicles Regulation.

The evaluation of the current rules for the ELVs has revealed that actions are highly needed to fight illegal exports of end-of-life vehicles. In that context, the proposal rightfully includes a requirement that only roadworthy vehicles can be exported, as well as provisions for improved traceability and better communication among Member States.

Our recommendations:

- Strengthen requirements to avoid that non-roadworthy vehicles can be exported outside the EU.
- Specify that vehicles treated outside the EU, can be counted towards the reuse, recovery and recycling targets only if treated under correspondent equivalent conditions.
- Improve statistics and reporting by the Member States to get a real picture of quantities and geography of ELVs flows.

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About Eurometaux: Eurometaux is an industry association representing the collective European non-ferrous metals industry, including smelters, refiners, fabricators and recyclers of all non-ferrous metals produced industrially in Europe. In total the industry employs 500,000 people across over 900 facilities, with an annual turnover of €120bn.