Stakeholders call for ambitious recycled plastic content targets in EU vehicle regulation.

Ambitious recycled plastic content targets are essential to increase the circularity of the automotive sector by bridging design and end-of-life vehicle treatment and driving demand for circular and low-carbon materials. The signatories, representing the waste management and recycling industry, automotive suppliers and NGOs, call on EU lawmakers to uphold the ambitious standards set by Commission's proposed Regulation on End-of-Life Vehicles (ELVR)¹.

The signatories urge EU policymakers to:

1. Uphold the 25% recycled plastic content in new vehicles

A 25% recycled content target for plastics, originating from post-consumer plastic waste, in new vehicles, with a closed-loop target of 25% from automotive end-of-life plastics aligns with what well-performing OEMs (original equipment manufacturers) can already achieve. As highlighted by the JRC², this target provides the best cost-benefit balance, avoids excessive costs and supply shortages, while it also offers certainty for manufacturing planning, with some manufacturers already exceeding these levels. Maintaining this recycled content target is also an absolute precondition for meeting the proposed 30% plastic recycling goal set under the ELVR proposal.

2. Accelerate implementation to reverse the current situation

Despite recent progress, demand for recycled plastic remains weak due to current low virgin plastic prices and rising imports. To reverse this situation, drive immediate investments and expand recycling capacity, we call for setting recycled content targets to take effect within 48 months of the regulation's entry into force. This can be achieved in two ways: by bringing forward the 25% recycled content obligation, or by setting intermediate targets at 48 months while keeping the 25% requirement at 72 months after the regulation's entry into force.

3. Count only post-consumer waste toward targets

Including post-industrial waste to meet the 25% target would undermine efforts to improve recycling of end-of-life vehicle plastics and would hamper circularity. A meaningful contribution to environmental protection would not be guaranteed, as production waste (post-industrial or pre-consumer waste) is significantly purer (considering an overall assessment), than consumer-generated waste (post-consumer waste). Prioritising post-consumer waste in these targets will support ELVs recyclers in investing and scaling up their operations.

4. Ensure investment stability for innovation and recycling capacity expansion

Planning stability is essential to drive circularity and decarbonisation in vehicle production. To boost investment in R&D, innovation and the scaling of recycling capacities, we urge policymakers to avoid lowering targets or adding revision/derogation clauses that could create uncertainty and disrupt critical investments.

¹ EC's proposal for a Regulation on End-of-life Vehicles. Available here

² JRC Report "Towards recycled plastic content targets in new passenger cars and light commercial vehicles". Available <u>here</u>.

Co-signatories:

