

Press Release

CLEPA's Materials Regulations and Sustainability event unites stakeholders to drive sustainability in the automotive supply industry

Brussels, 26 May 2023 – CLEPA, the European association representing the automotive supply industry, successfully concluded its 15th edition of the Materials Regulations and Sustainability event. After three online editions, the event, which took place in Stuttgart, brought together a diverse range of stakeholders, including experts in materials, chemicals, and ecodesign, as well as regulators and industry leaders in corporate sustainability and reporting. Over the course of two days, more than 200 participants gained insights into the latest regulatory and legislative developments impacting the automotive supply industry.

The key message coming out of the event was fostering cooperation across the value chain and across regions, but the challenges were also made clear. The industry is facing considerable uncertainty due to regulatory delays, ambiguities in criteria and definitions, and the necessary trade-offs between chemical restrictions, circularity and sustainability.

The conference was also an opportunity to highlight the industry's initiatives and achievements. In his opening remarks, CLEPA's Secretary General, Benjamin Krieger, stated "Automotive suppliers are driving sustainable solutions through smart investments, circular product design, technology diversity, and global partnerships." He went on to say, "While we acknowledge the challenges, we are equally aware of the new business opportunities, which will increase demand for new skills and tools, as well as the best engineers and IT experts – together building the cars of the future."

Chemicals regulations will come at a cost to the industry, but predictability can help the transition

The European Commission outlined the progress and implementation status of the Chemical Strategy for Sustainability (CSS), emphasising that its execution, particularly the generic restrictions of REACH, will incur costs for the industry and turnover will be negatively impacted. The Commission agreed that more predictability will be key for success. A representative from the chemicals industry association CEFIC also highlighted the need for clarity, a workable timeline for implementation, simplification of existing bottlenecks and support for SMEs. During the first day, the audience learned that as it stands, the proposed PFAS restriction is a serious threat to the automotive industry and the European Green Deal. The automotive industry is planning a two-step approach to the consultation with a first submission before the summer break and a second before the deadline in September.

Suppliers anticipate the unveiling of the revised End of Life Vehicle Directive (ELVD)

The automotive industry's commitment to Circularity measures was another prominent theme. The European Commission shared a sneak-peak of what the industry can expect for the revision of the ELVD, slated for June 2023, highlighting the issue of missing vehicles, extended scope to new vehicle classes, and mandatory recycled content quotas as key

considerations. The Commission also noted its intention to turn the Directive into a Regulation. The industry emphasised the importance of getting the framework right and scaling up recycling technologies while ensuring feasibility and reduced environmental impact. The challenge of defining Substances of Concern (SoCs) based on their impact on recycling was also discussed, along with concerns about the “no data, no market” principle. The impact of the transition on circularity was also identified as a priority for R&D. Several engaging presentations showcased the work of relevant EU-funded projects. Notably, a representative from the CIRPASS project shared key takeaways derived from mapping various Digital Product Passport (DPP) initiatives and platforms, shedding light on the path to fostering innovation and driving sustainability through R&D efforts.



Critical Raw Materials access will be a key challenge in the upcoming years

The Commission projects a staggering uptick in demand for lithium in batteries in the EU, set to grow to 12 times the current demand by 2030 and an astounding 21 times by 2050. Recognising the importance of securing a sustainable supply of critical raw materials, the Critical Raw Materials Act (CRMA) seeks to address this pressing issue. However, several challenges must be tackled, including scaling up sustainable extraction, processing and manufacturing of material, as well as providing sufficient quality of secondary materials. CLEPA highlighted the importance of forging strategic partnerships to overcome dependencies, as well as conducting risk assessments and mitigation for conflict affected and high-risk areas, where data emerges as an essential element given the complexity of the automotive supply chain.

Harmonisation of sustainability policies and initiatives is needed to streamline industry efforts

The event also focused on automotive sustainability initiatives and tools, in particular, Corporate Social Responsibility, due diligence and their respective legislative files. Guest speakers from CSR Europe, Responsible Business Alliance and Responsible Supply Chain Initiative shared their insights on sustainability reporting and auditing in the automotive industry and concluded that there is a strong need to streamline these different mechanisms and requirements for suppliers.

Another key aspect of automotive sustainability is a Product's Carbon Footprint (PCF). With the increasing electrification of vehicles there is an urgent need for a harmonised methodology for PCF quantification. Distinguished speakers from A-PACT, Catena-X, and UNECE IWG A-LCA provided valuable insights into the planned initiatives aimed at enabling the collection, compilation, inter-exchange, and reporting of actual carbon footprint data. It was emphasized that globally accepted calculation guidelines and common tools are essential for accurate PCF calculation. This message was further reiterated during the IMDS session of the event, highlighting the integration of PCFs into IMDS and the intention to utilise the Catena-X PCF Rulebook as a foundational resource.

About CLEPA

CLEPA, the European Association of Automotive Suppliers, represents over 3,000 companies supplying state-of-the-art components and innovative technologies for safe, smart, and sustainable mobility.

CLEPA brings together over 120 global suppliers of car parts, systems, and modules and more than 20 national trade associations and European sector associations. CLEPA is the voice of the EU automotive supplier industry linking the sector to policy makers.



The automotive sector accounts for **30% of R&D** in the EU, making it the number one investor.



European automotive suppliers invest over **30 billion euros** yearly in research and development.



Automotive suppliers register over **39000 new patents** each year.



Automotive suppliers in Europe generate **1.7 million** direct jobs.

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