

POSITION PAPER

# End-of-Life Vehicle Regulation

Towards a circular automotive future



# Introduction



The proposed End-of-Life Vehicle Regulation (ELVR) is poised to become a key piece of legislation for the automotive supply industry, serving as an important lever for a more circular economy, contributing towards decarbonisation efforts. The proposal reflects the European Commission's goal of promoting circularity in the sector through stricter design targets, increased use of recycled materials, improved and standardised product information, and prolonging the lifecycle of products and materials. Establishing legal requirements for a circular automotive economy and increasing harmonisation across member states represents a positive step towards achieving the EU's sustainability ambitions.

## Executive Summary

CLEPA supports the Commission's intention to broaden the scope of the ELVR proposal beyond its current focus on waste management, transitioning towards a more comprehensive circular policy that acknowledges the important role of lifetime maximisation strategies, including repair, reuse, remanufacturing and refurbishment, as well as the use of more recycled and sustainable materials. However, we recommend clarifying certain drafted articles to provide businesses with certainty and ensure seamless implementation of the legislation. Furthermore, it will be crucial for the industry to achieve alignment between applicable policies, such as the Critical Raw Materials Act (CRMA), Batteries Regulation, Waste Framework Directive, and other environmental and chemicals legislation.

This document outlines CLEPA's priorities and recommendations for the proposal currently under discussion within the European institutions:

-  **Technology-neutral recycled content targets:** Achievable and aligned with the EU's decarbonisation goals, these targets are an effective circularity measure. To ensure the production of newly type-approved vehicles, the Commission should assess the availability of recycled plastics after the adoption of the Regulation to determine the necessity of a more flexible approach to the origin of secondary plastic feedstock.
-  **Harmonised calculation methodology for recycled content:** We urgently call for EU-harmonised rules for calculating and verifying chemically recycled content using chain of custody (e.g. mass balance approach).
-  **Addressing legacy substances:** ELVR must tackle the issue of accumulated legacy substances, aligning with other relevant automotive substance legislation.
-  **Streamlined information requirements:** Clear reporting thresholds and requirements are essential for effective compliance.
-  **Acknowledging the role of remanufacturing:** The regulation should better recognise remanufacturing and its operators. We recommend adopting the industry-agreed definition of "Remanufacturing" and defining the different activities during the treatment process separately in Article 3.
-  **Removal of parts for reuse or remanufacturing:** This process should remain driven by market demand and ecological feasibility.

# Recommendations



## 1. *Technology-neutral recycled content targets improve automotive circularity if they are feasible and aligned with the EU's decarbonisation goals.*

Automotive suppliers continuously aim to increase the use of more sustainable materials (e.g., recycled or bio-based plastics) in their products. Different factors, such as quality and availability, influence the material selection process and should be considered against the proposed quotas for recycled plastic content to ensure their attainability.

We are also concerned about the very limited scope of plastic materials that can be used to fulfil the targets. Firstly, the proposed definition of plastics in Article 3(g) based on REACH fails to include several polymer types commonly used in vehicles. CLEPA acknowledges the importance of extending the scope of the plastics definition to include not only thermoplastics but also thermosets, elastomers and polyurethane foams, as suggested in the JRC report.<sup>1</sup>

Secondly, **we strongly recommend considering all waste streams as a source counting towards the proposed recycled plastic content targets in Article 6.** Focusing solely on post-consumer plastic would significantly limit the available feedstock for producing recycled plastics. This concern is equally applicable to the closed-loop requirement for recycled content. Instead of only counting plastics recovered from end-of-life vehicles towards the closed-loop targets as stated in the current proposal, plastics recovered from parts and components removed from vehicles during their use-phase should also count towards closed-loop targets.

**CLEPA also calls for an assessment of the availability of recycled plastics by the Commission after the adoption of the Regulation, according to Article 6 paragraph 2.** The assessment should examine feedstock availability for the closed-loop targets, including the existing and forecasted availability of plastics recovered from waste, in view of technical and scientific progress. This assessment shall decide upon new measures for the production of new vehicles with an appropriate share of recycled plastics.

Increasing the availability of feedstock will require efforts from all stakeholders, including policymakers, recyclers, collectors and end-market users. It is also strongly linked to the capacity of recycling technologies. Chemical recycling allows the production of high-quality recycled plastics for safety, regulatory and performance reasons. For this technology to succeed and deliver at scale, **EU-harmonised rules are urgently needed for calculating and verifying chemically recycled content using chain of custody (e.g., mass balance approach).**

Nevertheless, CLEPA supports a technology-neutral approach towards recycling technologies to achieve climate neutrality and ensure a circular economy. We encourage continued collective efforts in all processes that aim to reduce CO<sub>2</sub> emissions. An additional concern regards the lack of a common calculation methodology for recycled content. **We strongly support the need for a harmonised calculation methodology for recycled content. The inclusion of a minimum threshold should also be defined for any declaration requirement.**

**The issue of accumulated legacy substances must also be addressed in ELVR and any other relevant automotive substance legislation.** Automotive components rely on several thousands of chemicals and substances to ensure the highest quality and performance of products. Nevertheless, the use of restricted substances is avoided and reduced to the maximum extent possible in any automotive component. It is also common practice in the automotive supply chain to report the presence, if any, of restricted substances in their products, following article 33 of the REACH Regulation. However, there

<sup>1</sup> <https://op.europa.eu/en/publication-detail/-/publication/0980feaf-2146-11ee-94cb-01aa75ed71a1/language-en>



is a considerable time gap between the moment of first placing an automotive product on the market and the moment this product will be remanufactured or recycled (>15 years, and even longer for trucks and buses). During this period, several substances may have been further regulated and will likely be present when this product reaches remanufacturing or recycling facilities. This is a burden passed on to remanufacturers and recyclers, who do not have full visibility of the composition of used products and are also not able to remove restricted substances from them.

## 2. *A streamlined approach to labelling and information requirements is needed.*

Regarding the minimum information on the label (Annex VII Part D 2) limited to the purpose of direct reuse, the processes of remanufacturing and refurbishment do not require information such as the description of the original component, the vehicle identification number or information on the dismantling company. Current established processes in sorting and selection centres effectively work without the link to the original part and vehicle. Therefore, we recommend changing Annex VII Part D (2) to "Minimum information to be provided in the labelling of the parts placed on the market for direct reuse." Additionally, we welcome guidance on the labelling of remanufactured parts for trade in the market. CLEPA recommends as minimum information the name or trademark of the remanufacturer and the information that the part is remanufactured.

For the specific case of permanent magnets, provisions for labelling requirements and further access to product information permanent magnets should avoid deviations between the ELVR text and CRMA. More importantly, we see it as crucial that the ELVR takes precedence over CRMA (COM(2023) 160).

## 3. *The role of remanufacturing and its operators should be acknowledged.*

It is positive that the text introduces a definition of remanufacturing and clearly states that parts for remanufacturing (cores) or reuse should not be considered waste (Article 31). Unfortunately, the important role of remanufacturers is not fully acknowledged in the proposal (e.g., in relation to handling removed cores) and instead favors waste management operators. The consequence would be that remanufacturers and other economic operators, such as dismantlers, could be expected to either obtain a waste management license or be excluded from the process.

The regulation should better reflect the actual remanufacturing process, in the definitions but also throughout the text, shifting the focus from waste operators to a broader set of players, from dismantlers, repair and maintenance operators to remanufacturers. **CLEPA wishes to highlight that there is an industry-agreed definition of "Remanufacturing"<sup>2</sup> which we strongly advise to be used for the purpose of this regulation.** A new definition of "core"<sup>3</sup> must be added, as it is a specific terminology used broadly by the automotive aftermarket.

The different activities during the treatment process must also be defined separately and included in Art 3: **"remanufacturers", "waste management operators", "authorised dismantler" and "repair and maintenance operator."** Additionally, all activities mentioned in the Regulation should be clearly defined in Article 3, including depollution, dismantling, compacting, shearing, shredding, and recovery or preparation for disposal.

<sup>2</sup> <https://clepa.eu/mediaroom/remanufacturing-associations-agree-international-industry-definition/>

<sup>3</sup> A core is a previously sold, worn or non-functional product or part, intended for the remanufacturing process. During reverse logistics, a core is protected, handled and identified for remanufacturing to avoid damage and to preserve its value. A core is not waste or scrap and is not intended to be reused before remanufacturing.



#### **4. *Mandatory removal should take into account economic and environmental aspects across the value chain.***

The proposal foresees new obligations on the removal of certain parts and components from end-of-life vehicles prior to shredding. This can be a positive measure when applied to parts and components for which there is a downstream market for their reuse and remanufacturing. This, however, might not be the case for all components mentioned in Annex VII, Part C. The list of components (Annex VII Part C) should be revised according to ecological and economic aspects along the entire value chain (including remanufacturers, logistics, raw material industry, automobile manufacturers and suppliers), as explained in a recent position paper published together with ACEA and EURIC.<sup>4</sup>

**The removal of parts and components for reuse or remanufacturing should remain driven by market demand and ecological feasibility** (toxicity, CO<sub>2</sub> footprint, durability, etc). Furthermore, a design that does not hinder removal is required in Article 7(1) but there is no provision for specific design criteria and there is no provision for the development of implementing acts. As a result, there is a concern that the standard of judgment differs from each OEM, which may hinder the standardization of design and lead to higher development costs and more variants. This could increase efforts and costs for suppliers and treatment facilities.

For more information, please contact  
CLEPA's Circularity and Materials Manager, [Beatriz Ildefonso](#)

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<sup>4</sup> <https://clepa.eu/mediaroom/vehicle-recyclers-and-manufacturers-raise-concerns-over-counterproductive-elv-dismantling-requirements/>



## 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 **39,000 new patents** each year.



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

**CLEPA**  
Cours Saint-Michel 30g,  
1040 Brussels, Belgium

[www.clepa.eu](http://www.clepa.eu)

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