

[NGO-Industry's comments on the European Commission's proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles](#)

The undersigned organisations would like to encourage EU decision-makers to further promote closed-loop recycling in the Commission's proposal for a Regulation on circularity requirements for vehicles design and on management of end-of-life vehicles.

Natural Mineral Waters Europe (NMWE), The Reloop Platform, UNESDA Soft Drinks Europe and Zero Waste Europe applaud the Commission's ambition to support closed-loop recycling in its proposal on end-of-life vehicles but would like to prevent some possible undesirable effects of the proposed text.

Article 6 of the proposal requires that each vehicle type contains at least 25% of plastic recycled from post-consumer plastic waste, and that **25% of such material should come from recycled end-of-life vehicles (in a vehicle-to-vehicle recycling system).**

While this is a clear step towards increasing the circularity of vehicles, it also means that the remaining 75% of the recycled content target may be achieved with materials from other sources than end-of-life vehicles.

Experience from recent years suggests that some of the recycled content used to achieve the new target will come from other sources (including of a specific quality such as food contact materials) and therefore represent undesirable downcycling¹. A further negative effect may emerge from the automotive industry using recycled material that has the potential for continuous recycling in non-recyclable applications, thereby breaking closed-loop recycling in other applications. It may also be that the proposed targets create such competition for recycled materials that they jeopardise other sectors' ability to comply with their own recycled content obligations under EU legislation.

PET beverage bottles offer a good illustration of these concerns. Thanks to the value chain's sustained investments in Extended Producer Responsibility Schemes (EPR) and Deposit and Return Systems (DRS), PET beverage bottles boast a fairly high collection and recycling rate. They provide high quality food-grade recyclates which can then be used back into new beverage bottles (in a 'closed loop': bottle-to-bottle).

However, the recyclate from PET bottles is often diverted by other sectors into lower-grade applications, which are not recyclable. This is 'downcycling', and it compromises beverage producers' ability to comply with their own obligations under the Single Use Plastics Directive (25% and 30% closed-loop recycling², in 2025 and 2030 respectively) and the ambitions of the upcoming Packaging and Packaging Waste Regulation.

¹ By downcycling we understand an irreversible loss of material properties that are necessary for the original application. While the recyclate substitutes material in a new application, the original application must replenish the lost material with virgin sources. While downcycling is often the best available option due to regulation, lack of capacity or the market reality, it should not be allowed to compete with recycling in closed-loop, where that one is possible.

² The recycled content targets applied to PET beverage bottles are de facto closed-loop targets as there is currently no other source of recyclates of the appropriate quality to be used in new PET beverage bottles.

To pre-empt such issues, we would suggest focusing on closed-loop recycled content targets³, taking into account technical feasibility, and allowing for their revision and gradual expansion over time. Meanwhile, the proposal should discourage use of recycled material where this material can be recycled in a closed loop by other sectors. Further, it should endorse the principle of securing priority access to its own feedstock for recycling for any sector subject to mandatory recycled content targets.

By doing this, we will:

- support the principles and environmental objectives of a circular economy and incentivize each sector to invest in the circularity of its own value chain, with the associated environmental benefits⁴;
- avoid unfair situations where some sectors free ride on the design and collection efforts of other sectors; and
- secure the ability of beverage manufacturers⁵ and future obliged sectors to meet their own mandatory and voluntary recycled content targets and ambitions.

In the context of the current proposal, we would gradually increase the share of closed-loop recycling of plastic, failing which it may soon become obsolete. Indeed, the measures included in the proposal to improve vehicles' collection and recyclability as well as technical evolutions are expected to have a positive impact on the feasibility of increased closed-loop recycling in vehicles.

We therefore urge EU decision-makers to promote closed-loop recycling as the priority recycling system for all products made available on the EU market, including vehicles. Downcycling should only be allowed when closed-loop recycling is not technically feasible or environmentally desirable.

We thank you in advance for your attention,

Yours sincerely,

Signatories:

NMWE - Natural Mineral Waters Europe

The Reloop Platform

UNESDA - Soft Drinks Europe

Zero Waste Europe

³ As opposed to generic recycled content targets which can be achieved by both open and closed loop recycling.

⁴ In one of its [recent reports](#), the Reloop Platform demonstrated the significant environmental benefits of increasing separate collection and closed-loop recycling of beverage packaging (including thanks to the reduced demand in virgin material).

⁵ PET share of all plastics used in the automotive sector is small. However, since recycled bottles are readily available, r-PET can become the low-hanging fruit in reaching the proposed 25% of r-content, and thus have a measurable impact on disrupting the closed-loop recycling. Recent years saw numerous instances of car and tyre manufacturers trumpeting their bottle-downcycling efforts.

