

## **The automotive industry strategies to comply with the European Union Circular Economy Package**

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After five years of European Commission work and completion of the legislative procedure, the final acts on Circular Economy Package were signed on May 30<sup>th</sup>, 2018 and it was published in the European Commission Official Journal on July 4<sup>th</sup>, 2018. Member States are required to transpose the directives into national law by July 5<sup>th</sup>, 2020. Some of the issues of this package include new waste management targets regarding reuse, recycling and landfilling, strengthening provisions on waste prevention and extended producer responsibility and streamlining definitions, reporting obligations and calculation methods for targets.<sup>1</sup>

As part of the four legislative proposals, the European Commission presented an action plan amending the following legal acts:<sup>2</sup>

- Directive 2008/98/EC on waste
- Directive 1999/31/EC on the landfill of waste
- Directive 94/62/EC on packaging and packaging waste
- Directives 2000/53/EC on end-of-life vehicles
- Directive 2006/66/EC on batteries and accumulators and waste batteries
- Directive 2012/19/EU on waste electrical and electronic equipment

This action plan also includes extended producer responsibility schemes which imply that producers have to take over the financial and/or organisational responsibility for collecting used goods for their treatment for recycling.

The automotive industry has been working to fulfill the directives mentioned before and to accomplish his responsibility as producer. So, every year, 8 to 9 million tones of end-of-life vehicles (ELV) are generated in the European Union and from

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<sup>1</sup> Didier Bourguignon (July, 2018). Circular economy package. Four legislative proposals on waste. European Parliament. *Briefing EU Legislation in Progress*, p. 1. Accessed at [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625108/EPRS\\_BRI\(2018\)625108\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/625108/EPRS_BRI(2018)625108_EN.pdf).

<sup>2</sup> *Idem*.

80% to 100% of materials from ELVs are collected through regular channels and they are recovered or recycled.<sup>3</sup>

Nevertheless, with reference to waste portable batteries and accumulators, they amounted 40% of portable batteries and accumulators placed on the market in 2013. Unfortunately, batteries and accumulators not collected separately enter the municipal waste stream and are either landfilled or incinerated.<sup>4</sup>

Furthermore, electrical and electronic waste, referred to as 'waste electrical and electronic equipment' (WEEE) is one of the fastest growing waste streams, increasing from 3% to 5% per year. In 2012, 9 million tonnes of electrical and electronic products were put on the EU market and 3.5 million tonnes of electrical and electronic waste were collected through regular channels for treatment, of which 2.5 million tonnes were later recycled or reused. Electrical and electronic waste which are not collected separately are either kept by consumers in their homes, collected outside regular channels or disposed of with mixed ordinary waste (going to landfills or incinerators).<sup>5</sup> These are a few of the situations that Circular Economic Package is willing to prevent.

The auto industry has been at the forefront of innovation, particularly when it comes to manufacturing processes and materials management. Today, with concerns mounting over the environment and high materials costs, automakers are turning toward “circular integration” as a means to not only set in sustainability programs, but also create jobs and save costs.<sup>6</sup> So, the automotive industry is committed to making European Union’s economy more efficient by pursuing a circular economy approach.

The aim of this research is to analyse the main strategies that the automotive industry has set up to comply with the European Union Circular Economy Package.

<sup>3</sup> Didier Bourguignon (March, 2018). Circular economy package. Four legislative proposals on waste. European Parliament. *Briefing EU Legislation in Progress*, p. 3. Accessed at <http://www.europarl.europa.eu/EPERS/EPERS-Briefing-573936-Circular-economy-package-FINAL.pdf>.

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<sup>5</sup> *Idem*

<sup>6</sup> Karen Thuermer (2018). *Automakers enter the circular economy*. AreaDevelopment.com. Accessed at <http://www.areadevelopment.com/sustainable-development/q3-2018-auto-aero-site-guide/automakers-enter-the-circular-economy.shtml>

To reach this objective, firstly the circular economy will be explained, secondly the Circular Economy Package will be described and lastly, the main strategies of the automotive industry to comply with the law will be analysed and some European carmakers cases such as Renault, BMW and RollsRoyce will be studied.