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Building a circular economy for end-of-life vehicles (ELV) in Canada

National automotive recycling sector council will help maximize resource recovery associated with end-of-life vehicles

(November 10, 2016 – Toronto) The Automotive Recyclers in Canada (ARC) with the support of the Canadian Vehicle Manufacturers' Association (CVMA) and Global Automakers of Canada (GAC) is announcing the launch of the national End-of-Life Vehicle Sector Council (ELVSC).

ELVSC will be a critical component of the circular economy for the management of 1.6 million vehicles that reach end-of-life annually in Canada. It will act as a standards development and regulatory compliance body in support of the ELV environmental management standard that will also provide technical clearinghouse services for educating and training ELV processors in best practices for the dismantling, reuse and recycling of ELV and their components.

ELVSC will also support Ontario auto recyclers to meet regulated end-of-life vehicle (ELV) recycling standards adopted by Ontario in March 2016 and other provinces (PEI). These standards will ensure vehicle are dismantled with proper management of hazardous and subject wastes and will require all ELV recyclers in Ontario to prevent discharges of pollutants (e.g. air conditioning refrigerants, mercury switches and lamps, lubricants, and asbestos brake pads) to the environment.

The Ontario regulated standards are based on the work undertaken by the ARC over the preceding 10 years that resulted in the Canadian Automotive Recycling Environmental Code (CAREC). CAREC was developed in response to demands by Environment and Climate Change Canada for diligent ELV recycling practices for vehicles recovered under the national vehicle scrappage program and those run independently by automakers.

ARC is now launching the ELVSC in recognition that vehicles are becoming increasingly sophisticated using lightweight materials and employing diverse power and drivetrains, which require increased technical knowledge, sophistication and environmental diligence on the part of ELV recyclers.

Says, Steve Fletcher, Managing Director of ARC, "Establishing a high level of proficiency in the automotive recycling sector is critical to building future commercial partnerships, increasing technical communication between automakers and ELV recyclers and extracting the maximum amount of resources from ELV safely and without discharges to the environment."

As a national not-for-profit ELVSC will:

- Maintain a uniform environmental performance standards for Canadian ELV recyclers that will serve as a baseline for jurisdictions that have not developed regulated standards;
- Facilitate the education and training of ELV recyclers with a view to assisting them in achieving regulatory compliance in Canadian jurisdictions with recycling standards (currently Price Edward Island, Ontario and British Columbia);
- Provide a critical clearinghouse service to facilitate OEM-recycler technical information exchange;
- Collect, collate and report environmental data associated with ELV recycling in Canada; and,
- Work with industry partners, government and academia to undertake research to support innovation in ELV related resource recovery.

The Honourable Glen Murray Minister of Environment and Climate Change (MOECC) states, "Today, I welcome the End of Life Vehicle Sector Council into the resource recovery world. We support efforts they are making with regard to managing vehicles at the end of their useful lives across the country. National standards would ensure vehicles are dismantled with proper management of pollutants and increased recycling. I am happy that regulations we put into place here in Ontario this year, in a previously unregulated industry, are showing positive environmental results and moving us further toward a circular economy"

"The Canadian Vehicle Manufacturers' Association (CVMA) fully supports the work and policy objectives undertaken by ARC to develop the ELV EMS and it commends Ontario for its leadership in proceeding with the implementation of this new environmental standard. The formation of the ELVSC nationally recognizes the longstanding recycling infrastructure that exists in Canada and makes the application of this standard a collaborative venue for ensuring proper and systematic vehicle recycling which protects the environment and results in innovative resource recovery efforts", said Mark Nantais, President.

"This is a great development for the end-of-life vehicle process. It will basically put into place what most people already assume happens and ensure proper waste disposal at regulated facilities across many communities," said Teresa Di Felice, Director, Government and Community Relations, CAA SCO.

"The Canadian Steel Producers Association (CSPA) strongly supports the sustainable dismantling, reuse and recycling of ELVs and their components in Canada. Steel is a material that can be recycled repeatedly without losing its properties, making recycled steel a critical raw material in the steelmaking process. With CSPA member companies recycling more than 7 million tonnes of steel annually, much of which is the result of ELV processing, maintaining best practices for ELV processing is of particular concern to CSPA member companies." Says Aleksandra Pogoda, Director of Environment, Canadian Steel Producers Association.

"Formalizing the process to ensure that vehicles and their components are recycled in a way that respects the environment is in everyone's interest," said David Adams, President of the Global Automakers of Canada. "A robust, collaborative end-of –life process also facilitates the vehicle retirement process outlined in Ontario's Climate Change Action Plan as a means of significantly reducing GHG emissions from the light-duty vehicle sector," added Adams.

For more information or to schedule interviews, contact:

Don Huff, (C) 416-805-7720, (O) 416-972-7401 or at huffd@ecostrategy.ca

About the Automotive Recyclers of Canada (ARC)

The Automotive Recyclers of Canada represents over 400 vehicle recyclers and dismantlers from across Canada. ARC members collectively recycle an average of 400,000 vehicles each year thereby avoiding over 1 million metric tonnes of greenhouse gases associated with producing metals from raw materials. www.autorecyclers.ca

About the Canadian Vehicle Manufacturers' Association (CVMA)

The CVMA is the industry association that has represented Canada's leading manufacturers of light and heavy duty motor vehicles for more than 85 years. Its membership includes FCA Canada Inc.; Ford Motor Company of Canada, Limited and General Motors of Canada Company. Collectively its members account for more than 60% of vehicles produced in Canada, operate five vehicle assembly plants as well as engine and components plants, and have over 1,300 dealerships. The CVMA provides research, information, industry-government advocacy on a broad range of issues aimed at building a better understanding of the importance of a healthy automotive industry to Canada's economic well-being and prosperity. 115,000 jobs are directly tied to vehicle assembly in Canada. Direct and indirect jobs associated with vehicle manufacturing are estimated at over 500,000 across Canada. www.cvma.ca

About Global Automakers of Canada (GAC)

GAC is the national trade association representing the Canadian interests of 15 of the world's leading automakers. The GAC advocates for sound public policy to support a competitive and sustainable automotive market in Canada. Our members are committed to meeting the mobility needs of Canadians by providing greater consumer choice, offering leading edge safety and environmental technologies and eliminating unnecessary regulatory and trade barriers. In 2015, the member companies of the GAC had a 56.0% share of the Canadian automotive market. This represents a growth in sales of 4.3% from 2014. The members directly and indirectly employ some 77,000 Canadians and 63% of the vehicles sold by member companies in Canada were built in the NAFTA region. <u>www.globalautomakers.ca</u>

About the Canadian Steel Producers Association (CSPA)

The CSPA is the national voice of Canada's \$14B steel industry. Our member companies annually produce approximately 13 million tonnes of primary steel as well as over 1 million tonnes of steel pipe and tube products in facilities located across Canada. Domestic steel operations directly employ some 22,000 Canadians while supporting an additional 100,000 indirect jobs. www.canadiansteel.ca

About the Canadian Automobile Association South Central Ontario club (CAA SCO)

As a leader and advocate for road safety and mobility, CAA SCO is a not-for-profit auto club which represents the interests of 2 million members. For over a century, CAA has collaborated with communities, police services and governments to help keep drivers and their families safe while travelling on our roads. www.caasco.com