

Media release

19th International Automobile Recycling Congress IARC 2019

March 20 – 22, 2019, Vienna, Austria

Birrwil, March 12, 2019: The countdown has begun – only eight more days until the conference begins – and all that's missing is you! If you haven't yet registered because you've had so much to do, that's not a problem, as our last-minute check-in is open until March 20. We look forward to hearing from you.

It's well worth attending the IARC 2019, as not only a fascinating, comprehensive conference program awaits you, we've also invited some highly interesting speakers. Not only will Klaus Hauschulte from Scholz Recycling GmbH be on the podium, Artemis Hatzi-Hull from the EU Commission, Eric Hannon from McKinsey & Company, Inc. and Johann Prammer from voestalpine AG will also be our guests, to name but a few. Altogether, around 30 well-known recycling experts will be at the IARC 2019 to present the latest developments in the automotive recycling industry.

Shortly before the beginning of the congress we had the opportunity to speak to Klaus Hauschulte, CEO of Scholz Recycling GmbH, and asked him what he intends to report on at the IARC 2019. Although he didn't want to reveal too much, of course, we did manage to get a few statements from him:

• Mr Hauschulte, at the IARC 2019 you will be talking on the subject of "Demands for more Reuse and Recycling". How important is the topic of reuse for your company?

As experts for driving the circular economy via recycling and as part of our Vision 2022, electric mobility and the increasing volume of batteries are topics of the future that we at Scholz Recycling want to discuss. Reuse is always preferable to recycling. That's not only important in legal terms, but ecologically as well. Particularly batteries, lubricants and spare parts can already be potentially reused and for that reason we are attempting to improve recycling routes in collaboration with our partners. An important point, however, is that we handle wastes in a proper manner, even before they are reused.

• Is reuse therefore also a potentially viable business for end-of-life vehicle recyclers because recycling is becoming less lucrative?

Reuse is definitely an important aspect for car recyclers, too, but end-of-life vehicles are not glass bottles. We are not planning to enter the spare parts business; that's up to the dismantling companies. However, the increasing connectedness of vehicle components via software and their ability to be updated could be stumbling blocks for immediate reusability. Solutions will then be needed, not only for reuse, in order for components and raw materials to be reused in production scenarios. If we don't create common strategies to tackle these questions at European level, recycling could become anything but lucrative, as the ratio of metals to plastics is changing.

• Your core competence is actually in the field of metal recycling. Which percentage of metals are you currently able to recycle from end-of-life vehicles?

As a leading recycler of nonferrous metals and steel scrap, Scholz is capable of recovering up to 99 per cent of the metals, even from finely granulated shredder residues, and only last year we again invested in the further development of our systems in order to do so. Nevertheless, additional investment will be needed

going forward that we will hardly be able to afford on our own, the reason being that the composites and alloys used in lightweight components are making it increasingly difficult to achieve complete purity when sorting. Moreover, between 2010 and 2030 the ratio of metals is likely to drop from 70 per cent to just below half of the material mix.

• And what does the remainder consist of?

Going forward, almost one third of an end-of-life vehicle will consist of polymers and composites for which there is no market and no commercially viable separation and sorting technology, as it has yet to be developed. Even energy recovery is becoming increasingly difficult. That's a serious problem for ELV recycling in general and that's why it will be the main topic of my talk. We need to create solutions in collaboration with the manufacturers and the suppliers.

• Although composites make vehicles lighter, it is a well-known fact that they are far more difficult to recycle. Is the automotive industry ready to listen?

I sincerely hope so. I used to work for a major lightweight construction supplier, I'm familiar with the business and therefore convinced that we need technical developments from that field. However, we can also find solutions by incorporating recyclability at the product design stage. We could even share the R&D costs with the automotive industry and thus generate benefits in terms of costs, recycling, environmental protection and resource supply security. We have already made numerous offers from our side, so let's see what comes of them.

• The automotive industry is currently deeply involved with the question of how manufacturers can cut their carbon emissions. What needs to happen to ensure that automotive developers also focus more keenly on the recyclability of the materials used?

Together with a competitor, Scholz Recycling has already started a recycling initiative at national level to get manufacturers, researchers, associations and politicians on one common platform. It's no good simply worrying about the banning of plastic straws, we need to give recycling products a viable market, also by creating favourable political framework conditions if necessary and creating demand as well as incentives all the way to the consumers, as we don't have a market for non-metallic residues. This could be done by broadening the ecodesign directive and adapting the end-of-life vehicles directive accordingly. And we need to speak about more ideas than just reuse quotas for recycling products in manufacturing. We are talking about manufacturer responsibility, raw materials production and reducing carbon emissions across the entire life cycle of a vehicle – recycling needs to be at both the beginning and the end.

Thank you for the interview, Mr Hauschulte.

Come and join us at the IARC 2019 in Vienna! Don't miss this opportunity to exchange views and ideas with experts from all areas of the automotive recycling industry! We look forward to welcoming you at this year's industry meeting! For all the details on the program and how to register, go to: <u>https://www.icm.ch/iarc-2019</u>.

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About ICM

ICM AG is an international leader in the organisation of conferences that specialise in the recycling of vehicles, electronics and batteries. These waste streams have been among the world's fastest-growing raw materials markets for many years.

ICM is a Swiss company which has organised conferences in Europe, North America and Asia since the year 2000. The company was founded by Jeanette Duttlinger. Her team consists of 15 employees who speak German, English, Spanish, French, Italian, Chinese and Japanese.