To:

Stefano Soro, Head of Green and Circular Economy Unit, DG GROW, European Commission Mattia Pellegrini, Head of From Waste to Resources Unit, DG ENV, European Commission Ewout Deurwaarder, DG GROW, European Commission Kerstin Lichtenvort, DG GROW, European Commission Cesar Santos Gil, DG ENV, European Commission

Cc:

Susanna Andreasi Bassi, Joint Research Centre (JRC)
Jens F. Peters, Joint Research Centre (JRC)
Daniele Candelaresi, Joint Research Centre (JRC)
Antonio Valente, Joint Research Centre (JRC)
Nicola Ferrara, Joint Research Centre (JRC)
Fabrice Mathieux, Joint Research Centre (JRC)
Fulvio Ardente, Joint Research Centre (JRC)

24 July 2023

JOINT LETTER OF CONCERN

Final JRC draft of the "Rules for the calculation of the Carbon Footprint of Electric Vehicle Batteries (CFB-EV)" and the suggested approach to account for recycled materials

The EU JRC (Joint Research Center) advisory has recently issued a final draft of the "Rules for the calculation of the Carbon Footprint of Electric Vehicle Batteries (CFB-EV)", entering a phase of consultation.

While the effort to regulate and provide additional guidance on the carbon footprint calculation of electric vehicle (EV) batteries is both sensible and appreciated, the draft contains some aspects that raise concerns for the industry, particularly regarding the assessment of the impact of recycled material (and the so-called modelling of the "end-of-life"). Such concerns have been voiced by battery and automotive manufacturing actors, who would like to discuss them openly with the EU policy-makers prior to the JRC draft recommendation solidifying into a delegated act, outlining the battery carbon footprint calculation methodology, as required by the EU Battery Regulation.

¹ https://eplca.jrc.ec.europa.eu/permalink/battery/GRB-CBF_CarbonFootprintRules-EV_June_2023.pdf , JRC, 2023

The mentioned JRC document proposes to apply the so-called Circular Footprint Formula (CFF) to the calculation of battery carbon footprint, in reference to the Product Environmental Footprint (PEF)² method, as a way to model the end-of-life of EV batteries. In a strongly simplified description³, as compared to other approaches (such as the "cut-off" approach), the CFF assigns end-of-life emission credits for recycling activities that are supposed to take place in the future (and therefore not verifiable at the time of calculation).

Furthermore, the CFF approach, with its numerous parameters required for its application, adds not only a significant complexity burden to practitioners and reporting companies, but also deviates from other globally recognized accounting practices (which favor the "cut-off" approach), as spelled out in ISO standards⁴, GHG Product Protocol⁵ and other sectoral specific standards issued by the Global Battery Alliance⁶, Catena-X⁷, WBCSD PACT Framework⁸, Together for Sustainability (TfS)⁹. As a result, a separate European regulation advocating solely for the adoption of CFF would limit the possibility to benchmark and compare calculated carbon footprints of EV batteries manufactured in the EU or in jurisdictions outside of the EU.

We therefore recommend the widely adopted and recognized "cut-off" approach for the modeling of end-of-life of EV batteries, instead of CFF.

In conclusion, the signatories of this letter would like to raise their concerns over the JRC draft, which will guide the carbon footprint calculation of EV batteries, and would kindly call on the European Commission to reconsider the JRC recommendation to use the CFF in the light of the reasons listed above.

We thank the EU authorities and decision-makers in advance for their kind consideration of our views and stand ready to exchange views and explain our reasoning further.

² European Commission's Environmental Footprint approach (as in the <u>Commission Recommendation (EU)</u> <u>2021/2279</u>) and relevant Product Environmental Footprint Category Rules (PEFCRs)

³ Comparison of End-of-Life Allocation Approaches, Battery Pass Consortium, 2023

⁴ ISO 14044:2006: Environmental management - Life cycle assessment - Requirements and guidelines; ISO 14067:2018: Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification

⁵ Product Life Cycle Accounting and Reporting Standard, Greenhouse Gas (GHG) Protocol, 2011

⁶ Greenhouse Gas Rulebook, Global Battery Alliance, 2023

⁷ Product Carbon Footprint Rulebook, Catena X, 2022

⁸ Pathfinder Framework: Guidance for the Accounting and Exchange of Product Lifecycle Emissions, WBCSD, 2023

⁹ Product Carbon Footprint Guideline for the Chemical Industry, Together for Sustainability, 2022

SIGNATORIES



European Automobile Manufacturers' Association (ACEA)

Antoine Mackie
Environmental Policy Manager



CLEPA European Association of Automotive Suppliers

Parlo Delumo

Paolo Alburno

Director Technical Regulations



BASF SE

M. Volland
Martin Volland

Senior Vice President Corporate Strategy and Sustainability BMW GROUP

BMW Group

Dr. Thomas Backer

Dr. Thomas BeckerVice President Sustainability,
Mobility



Robert Bosch GmbH

pki, BOSCH,
DE, T, O,
Torsten.Kall
weit

Digitally signed by
pki, BOSCH, DE, T,
O, Torsten.Kallweit
Date: 2023.07.18
13:53:03 +02'00'

Torsten Kallweit
Senior Vice President
Sustainability & EHS



Covestro Deutschland AG

Dr. Christian Häßler Vice President, Head Global Circular

Economy Program



LG Chem, Ltd.

Hyang Mok Lee

Executive Vice President, Head of Battery Materials Business Unit



Magna Europe

an Gun

Dieter Althaus

Vice President Governmental Affairs

SOLVAY

Progress beyond

Solvay

Christophe Couesnon

Battery Platform, Head of Strategy and Sustainability

WACKER

Wacker Chemie AG

Dr. Martina Schulze-Adams

Senior Vice President Corporate Development

1) Shotel-por