

Evaluation of EU's car labelling Directive

Response to the call for evidence by Gröna Mobilister (Swedish organisation number 802400-0674)

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Gröna Mobilister (Green Mobilists Sweden) is a non-profit, non-governmental Swedish organisation that aims to pave the way for sustainable mobility. One of our focus areas is to improve sustainability-related consumer information, using the watchword *Vi Vill Veta* (We Want to Know).

Gröna Mobilister is grateful for this opportunity to submit evidence to the European Commission. For several years, the organisation has been promoting mandatory eco-labels on cars in Sweden that include life-cycle data. Such labels were proposed by the Swedish government in December 2023 in its Climate policy action plan [1]. The preparatory work in Sweden to design such labels is referenced below, as it may be relevant to an upcoming revision of the car labelling Directive.

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Policy recommendations

Gröna Mobilister agrees with the assessment by the Commission that “markets, society and the EU’s policy framework have evolved significantly” since the last evaluation in 2016 of EU’s car labelling Directive (1999/94/EG), and that a new evaluation therefore is needed.

The main market development since 2016 is that the sales of electric vehicles (including plug-in hybrids) has grown significantly and will grow further in the near future. A major development of EU policy is the *Fit for 55* package, according to which new cars and vans should have zero CO₂ tailpipe emissions in 2035, as codified in Article 1 in Regulation (EU) 2023/851. To stay relevant, car labelling must therefore be relevant to electric cars and other “zero-emission vehicles” and must help steer the electrification in a sustainable direction.

To this end, it is necessary to adopt a life-cycle perspective, displaying data on the labels such as greenhouse gas emission in the production phase (cradle-to-gate) and the share of recycled material. Such an approach becomes possible soon, as a common methodology for life-cycle analyses of cars will be adopted by the EU no later than 31 December 2025, according to Regulation (EU) 2023/851.

To be effective, a revised car labelling Directive should contain clear rules for car labels common to all member states. The degree of harmonisation is currently low, due to the vague instructions set down by the present car labelling Directive (1999/94/EG).

Further, a user-friendly web-based product database common to all member states is desirable, with additional information about each car model, as well as explanations and general guidance, to be reached from the car labels via QR-codes. The rules in the energy label Regulation (EU) 2017/1369 should be used as a role model in both these respects.

If such clear rules for car labelling with life-cycle perspective are adopted, car labelling would probably help reduce the carbon footprint of road vehicles to a considerable degree, comparable to the significant increase in energy efficiency of appliances caused by the European energy labels.

To guarantee such an effect, clear rules for the exposure of car labels in the digital marketing landscape are essential.

Life-cycle data for car labelling

Thanks to regulations recently adopted by the EU, as specified below, a standardised method to perform life-cycle assessments (LCA) of new cars will soon be available, as well as the carbon footprint and the recycled share of critical minerals in all new electric car batteries.

Initially, it will be voluntary for manufacturers to perform a standardised LCA of the entire car, and to report it to the Commission. In the report *Environmental challenges through the life cycle of battery electric vehicles* by Ricardo [2], requested by the TRAN Committee of the European Parliament, the following policy recommendation is expressed, referring to these LCA:

Additional benefits may also emerge from its use in reporting and communicating comparable environmental performance of vehicles to investors and customers. As such, more widespread LCA reporting should be encouraged and mandatory reporting could be considered in the future.

One way to implement this policy recommendation by Ricardo would be to use LCA-data on mandatory eco-labels on new cars. However, the voluntary nature of the LCA reporting is an initial limitation. In this situation, default values for the carbon footprint of the car (or parts of it) in the cradle-to-gate phase must be offered to car makers as an alternative.

Such an arrangement is not foreign to EU legislation. The renewable energy Directive (EU) 2018/2001, amended by (EU) 2023/2413, gives fuel companies the opportunity to use default values when reporting the carbon footprint (well-to-tank) of biofuels to national authorities. This opportunity can be employed if the company cannot, or do not want to, make a specific LCA of their own biofuels. These default values are laid down in Directive (EU) 2018/2001, representing a typical production chain of a certain biofuel with given raw materials.

The actual or the default value of the carbon footprint of a given biofuel is used in Sweden as input to mandatory eco-labels on fuel dispensers with company-specific data [3]. An analogous system is possible for mandatory eco-labels on cars.

Relevant sections of EU regulations are reproduced below since they are crucial to the policy recommendations by Gröna Mobilister, as presented above.

According to Article 7a in Regulation (EU) 2023/851:

2. By 31 December 2025, the Commission shall adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by laying down a common Union methodology for the assessment and the consistent data reporting of the full life-cycle CO₂ emissions of passenger cars and light commercial vehicles.

3. From 1 June 2026, manufacturers may, on a voluntary basis, submit to the Commission the life-cycle CO₂ emissions data for new passenger cars and new light commercial vehicles using the methodology referred to in paragraph 2.

According to Article 7 of Regulation (EU) 2023/1542:

1. For electric vehicle batteries, [...] a carbon footprint declaration shall be drawn up for each battery model per manufacturing plant, [...] containing, at least, the following information:

- (c) information about the geographic location of the battery manufacturing plant;
- (d) the carbon footprint of the battery, calculated as kg of carbon dioxide equivalent per one kWh of the total energy provided by the battery over its expected service life;
- (e) the carbon footprint of the battery differentiated according to life cycle stage [...];
- (g) a web link giving access to a public version of the study supporting the carbon footprint values referred to in points (d) and (e).

The carbon footprint declaration shall apply from:

- (a) 18 February 2025 or 12 months after the date of entry into force either of the delegated act or of the implementing act respectively referred to in the fourth subparagraph, points (a) and (b), whichever is the latest, for electric vehicle batteries;

According to Article 8 of Regulation (EU) 2023/1542:

1. From 18 August 2028 [...], electric vehicle batteries and SLI batteries that contain cobalt, lead, lithium or nickel in active materials, shall be accompanied by documentation containing information about the percentage share of cobalt, lithium or nickel that is present in active materials and that has been recovered

from battery manufacturing waste or post-consumer waste, and the percentage share of lead that is present in the battery and that has been recovered from waste, for each battery model per year and per manufacturing plant.

The Swedish initiative

There is a long Swedish tradition to adopt a life-cycle perspective on the environmental impact of products. Thanks to initiatives from the Swedish Environmental Protection Agency and industry, the Environmental Product Declaration (EPD) and the Product Category Rules (PCR) were invented in the 90s. However, there seems to be no viable PCR for cars.

Sven-Olof Ryding was one of the initiators of the EPD-system. In an op-ed in 2019, he argued in the context of the debate on the sustainability of electric cars that given proper standards, data from LCA:s can be trusted as instruments of control and selection [4].

Gröna Mobilister has been promoting mandatory eco-labels on cars with life-cycle perspective since 2019 [5]. In 2022, the Swedish Energy Agency published a report commissioned by the government that presented suggestions how such eco-labels may be designed [6]. The Swedish government circulated this report for comments in spring 2023 [7]. Gröna Mobilister handed in an elaborate response with some detailed suggestions [8].

In December 2023, the Swedish government included mandatory eco-labels on new cars with life-cycle perspective in its Climate policy action plan (Skr. 2023/24:59), mandated by the Swedish climate Act (SFS 2017:720) [1].

Reactions from the automotive industry

Gröna Mobilister has been discussing car labelling with the automotive industry since 2019. Since then, the organisation has published three reports that focus on the transparency and sustainability of car manufacture [9].

Several companies seem to realise that transparency is in their own best interest, since their economic stakes in successful electrification are high. Toyota and Volvo Cars told Gröna Mobilister already in 2019 that they appreciate that the organisation brings up the LCA issue.

Volvo Cars expressed at the same time that the company welcomes the efforts within the EU to standardise LCA for cars, so that they become better suited for

consumer information. Just as Volvo Cars, Polestar has made it part of their strategy to embrace transparency. Both Polestar and Volvo Cars have promised to publish LCA:s of all their new electric cars. So far, they live up to this promise, as shown by their very recent publications of LCA:s of Polestar 3 and Volvo EX30.

In 2021, Tesla told Gröna Mobilister that they encourage the work at the EU-level to come up with a common LCA-methodology that makes it possible to compare the carbon footprint of cars from different manufacturers. Tesla added that the company welcomes the new battery Regulation (EU) 2023/1542.

Similarly, BMW told Gröna Mobilister in 2021 that they consider LCA to be “super important”.

Gröna Mobilister performed a more comprehensive survey among car companies in spring 2023. Representatives of 31 car brands on the Swedish market were asked the following three questions. Partial or full answers arrived for 17 of these brands. The brands that answered *Yes* to a given question are listed below. It is worth noticing that some answers were indeterminate, but that no negative answers were given (discounting the reservation by Volvo Cars, as described below).

1. *Would you like to see a requirement from the EU that car companies perform standardised LCA:s of new cars, which are made publicly available?*

Yes: Audi, Isuzu, Kia, Lexus, Mazda, Seat, Skoda, Polestar, Porsche, Subaru, Toyota, Volkswagen, Volvo Cars*

2. *Would you like to see data from such LCA:s (e.g. the cradle-to-gate carbon footprint) being displayed on eco-labels on cars in Sweden?*

Yes: Audi, Isuzu, Kia, Lexus, Mazda, Seat, Skoda, Polestar, Porsche, Subaru, Toyota, Volkswagen, Volvo Cars*

3. *In the upcoming battery Regulation there are requirements that the carbon footprint is declared, together with the recycled share of critical raw materials. Would you like to see such data being displayed on eco-labels on cars in Sweden?*

Yes: Audi, Isuzu, Kia, Lexus, Seat, Skoda, Polestar, Porsche, Subaru, Toyota, Volkswagen, Volvo Cars

*Volvo Cars would like to see such a standard becoming global, not just being applied in the EU.

The reservation by Volvo Cars relates to the fact that besides *TranSensus LCA*, the European project on the harmonisation of LCA supported by the Commission, there is also a *Working Group on Automotive LCA* within the UN-ECE, led by the governments of Japan and the Republic of Korea, aiming at a global standard [10].

Volvo Cars participates in both projects. Magnus Holst is Communication manager at Volvo Car Sverige. He clarified the position of the company as follows in March 2024 (translated from Swedish by Gröna Mobilister):

We hope that the framework that will come out of the work by UN-ECE will largely build upon the work conducted within TranSensus, but today it is too early to say what the final result will be. From previous experiences, we know that the EU often adapts its methods to the requirements by UN-ECE when these are decided, which will contribute to increased global harmonisation.

It should be stressed that the above viewpoints and answers to survey questions were given by the Swedish representatives of each car manufacturer.

In addition to that, the German headquarters of the entire VW group offered the following statement in May 2023 via their Swedish representatives (translated from Swedish by Gröna Mobilister):

The Volkswagen Group is working on a process to communicate the carbon footprint of all cars, but it will take some time due to some legal and technical requirements that have to be completed.

Sources and further reading

[1] A proposal for mandatory eco-labels on new cars is given in section 9.2.5 in the Climate policy action plan of the Swedish government (in Swedish): *Regeringens klimathandlingsplan – hela vägen till nettonoll* (Skr. 2023/24:59), pp. 148-149, December 2023. <https://www.regeringen.se/rattsliga-dokument/skrivelse/2023/12/skr.-20232459>

[2] TRAN Committee of the European Parliament (Ricardo Energy & Environment), *Environmental challenges through the life cycle of battery electric vehicles*, March 2023. [https://www.europarl.europa.eu/thinktank/en/document/IPOL_STU\(2023\)733112](https://www.europarl.europa.eu/thinktank/en/document/IPOL_STU(2023)733112)

[3] In Sweden, retailers are obliged to publish environmental information about their transportation fuels on their websites (including electricity). In larger fuel stations, there should be eco-labels on the dispenser with some of this information. The system is handled by the Swedish Energy Agency: Statens energimyndighet, *Miljöinformation om drivmedel*, January 2021.

<https://www.energimyndigheten.se/fornybart/hallbarhetskriterier/miljoinformati-on-om-drivmedel/> (In Swedish)

[4] Sven-Olof Ryding, *Livscykelanalyser går visst att lita på*, Ny Teknik, July 2019.

<https://www.nyteknik.se/debatt/livscykelanalyser-gar-visst-att-lita-pa/930840> (In Swedish)

[5] Gröna Mobilister collects all published material relating to the campaign for mandatory eco-labels on cars with life-cycle perspective on its website: Gröna Mobilister, *Vi Vill Veta: miljödeklaration av bilar*.

<https://gronamobilister.se/aktiviteter/vi-vill-veta/miljodeklaration-av-bilar/> (In Swedish)

[6] In 2021, the Swedish government commissioned a report from the Swedish Energy Agency in order to explore the possibilities for eco-labels on cars with life cycle perspective, with instructions to come up with specific proposals: Statens energimyndighet, *Vägledning om lätta fordons energianvändning och koldioxidutsläpp*, Regeringsuppdrag, Dnr 2020-25875, June 2022.

<https://www.energimyndigheten.se/nyhetsarkiv/2022/forslag-till-ny-markning-ska-underlatta-nybilskopare-att-gora-hallbart-val/> (In Swedish)

[7] The Swedish Ministry of Climate and Enterprise circulated the above report [6] for comments in spring 2023. All responses can be downloaded from the government website: Klimat- och näringslivsdepartementet: *Remiss av Energimyndighetens rapport - Vägledning om lätta fordons energianvändning och koldioxidutsläpp*, Dnr KN2023/00697, February 2023.

<https://www.regeringen.se/remisser/2023/02/remiss-av-energimyndighetens-rapport---vagledning-om-latta-fordons-energianvandning-och-koldioxidutslapp/> (In Swedish)

[8] The response from Gröna Mobilister to the call [7] for comments on the report [6] by the Swedish Energy Agency: *Remissvar från Gröna Mobilister gällande Energimyndighetens rapport – Vägledning om lätta fordons energianvändning och koldioxidutsläpp*, May 2023.

<https://gronamobilister.se/remissvar/2023/miljodeklaration-av-bilar/> (In Swedish)

[9] Gröna Mobilister has published reports in 2019, 2021 and 2023 about transparency and LCA in the automotive industry. The latest of these reports is called *Towards transparent and sustainable car manufacture?: Gröna Mobilister, På väg mot transparent och hållbar biltillverkning?* May 2023 (produced in a joint project with BioDriv Öst). <https://gronamobilister.se/rapporter/2023/pa-vag-mot-transparent-och-hallbar-biltillverkning/> (In Swedish)

[10] Ongoing international projects to harmonise LCA for cars: Fraunhofer Institute for Structural Durability and System Reliability LBF, *TranSensus LCA*.

<https://www.lbf.fraunhofer.de/en/press-releases/eu-projekt-transensus-lca-kicked-off-in-brussels.html>; United Nations Economic Commission for Europe (UN-ECE), Informal Working Group on Automotive Life Cycle Assessment. <https://unece.org/sustainable-development/news/unece-starts-regulatory-work-automotive-life-cycle-assessment>

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