

# EU's Car Labelling Directive Evaluation - call for evidence. Response from the Swedish 2030-secretariat

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## **Background**

The EU Commission is evaluating the current car labelling directive, which has introduced in 1999 and last evaluated in 2016. This is the <u>Swedish 2030-secretariat</u>'s brief input to the call for evidence. For further details or other input, do not hesitate to <u>contact the Secretariat</u>.

### Reasons to act

The EU Commission states that "markets, society and the EU's policy framework have evolved significantly" since the EU's car labelling Directive (1999/94/EG) was last evaluated in 2016. The 2030-secretariat strongly agrees with this statement, and highlights the following five key characteristics of the change:

- 1. **Key policy advancements**, with the EU climate law and the targets of climate neutrality in 2050 and 55 percent emissions reduction to 2030, as detailed in the *Fit for 55* package, including the requirements for new cars and vans to be zero CO2 tailpipe-compliant by 2035.
- 2. **Memberstate policy advancements,** with several European markets implementing stringent climate targets and measures for the transport sector, including Sweden's climate law stating that the CO2 emissions from transports are to be reduced by 70 percent between 2010 and 2030 the very basis for the 2030-secretariat.
- 3. **Strong market development,** with an electric car being the bestseller in Europe in 2023 and strong growth for electrified vehicles in most EU member states.
- 4. **Increased inter-country sales.** Compared to 1999 a much larger proportion of vehicles (new and used) are sold in a different EU-country than in which it will be used, largely due to internet advertising.

5. Climate urgency, with the world at the threshold of the 1.5 degree target of the Paris Agreement and a clear realization amongst most citizens that extreme weather and other consequences of climate change are now beginning to show, enhancing the need for deep, fast and persistent emissions reductions.

## **Key suggestions**

The 2030-secretariat has seven key suggestions for the revision of the labelling.

1. **Cradle-to-cradle.** The EU labelling should henceforth use a life-cycle perspective, displaying greenhouse gas emission from a cradle-to-cradle perspective, based on the common methodology for life-cycle analyses of cars which is to be adopted by the EU 31<sup>st</sup> of December 2025 at the latest (EU2023/851). The percentage of recycled material should also be made public per key component or raw material, as well as the countries of origin for all materials above a certain threshold.

This standardized LCA should as soon as possible be mandatory for vehicle manufacturers to use and display, with the compulsory carbon footprint declaration for batteries as an early step model per manufacturing plant, compulsory from the 18<sup>th</sup> of February 2025. Prior to the availability of product-specific data, standardized default values can be used, as in the RED for energy. As evidenced by surveys from eg the Swedish organization Gröna Mobilister, most car manufacturers are in favour of publicly available LCA values per vehicle model; a strong encouragement for a speedy continued EU process.

- 2. **Harmonized usage.** The revised car labelling must lead to a uniform usage across member states, so that the EU citizen can easily compare offers across the Union. This work should in turn be harmonized with but not await the ongoing UN-ECE process of LCAs for vehicles. Individual memberstates should be encouraged to move faster than the EU as a whole, eg Sweden which in its recently presented Climate policy action plan (Skr. 2023/24:59) clarifies that a mandatory usage of eco-labels and LCAs for new cars will be introduced.
- 3. **User-friendly**. The sustainability data should be readily available in a common, webbased database available in all official EU languages. It should be accessible through a joint web address and through model-related, direct QR-codes, prominently displayed in advertisements and sales material for the vehicles as well as on the physical vehicles at the points of sale. This should also be applied to used car sales, so as to influence resale values and thus strengthen the incentive for sustainable vehicles.

- 4. **Eco-encouraging**. For ease of understanding, it should be clarified how the consumers choice of fuel influences the LCA factor of vehicles (for instance fossil diesel versus HVO) or electricity (for instance grid average or 100 percent solar). The national grid emission factor should be used for the individual countries alongside with an EU average, so as to both be able to compare between vehicle models across the Union, and to understand the actual footprint of using the car in a specific memberstate.
- 5. **Updates**. Thanks to the EU demand for on-board diagnostics in new vehicles, knowledge on actual fuel consumption is rapidly increasing and shows a large discrepancy compared to WLTP data. This is particularly true for plug-in hybrids. Such real world data should be introduced in the LCA at regular control stations, tentatively every second year.
- 6. **Other transports**. LCAs matter for all vehicles, and the EU should ensure that LCAs are introduced also for trucks, buses, motorcycles and other vehicles so as to help fleet buyers and public procurement to demand low LCA vehicles.
- 7. **Proactive communication**. As evidenced everyday in social media, there are many misconceptions and misunderstandings when it comes to the LCA of different kinds of vehicles, particularly for the EVs and their batteries. It is our belief that this divulgation is at times done by actors unenthusiastic about the switch away from fossil fuel-powered vehicles. The EU LCA data and the car labelling serve as a good basis for the EU to both pro- and reactively share objective, verified LCA data that helps reduce the opportunities for the spreading of contrafactual disinformation. This will then help the customer to make well-informed choices, which is the very basis for the directive.

#### Final words

We thank you for the opportunity to give our input on this directive and rest at your entire disposal for any additional information or clarification that you may require, in this or any related subject.

Stockholm the 16th of April 2024

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