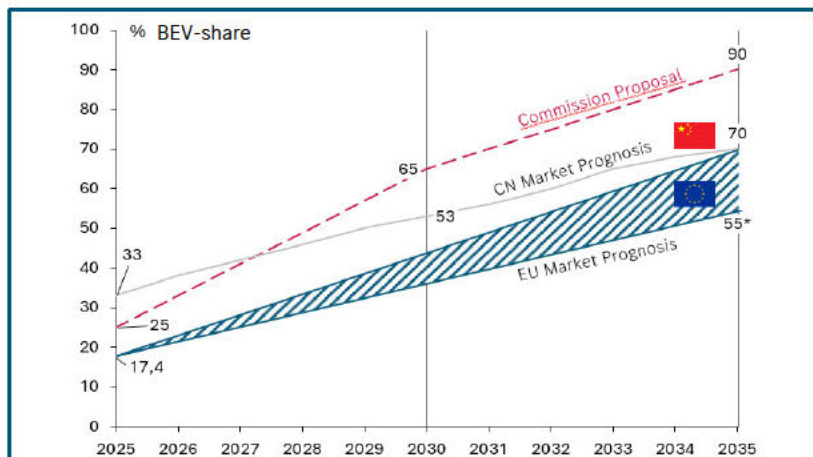


EU | CO2: Automotive industry needs realistic targets and more flexibilities

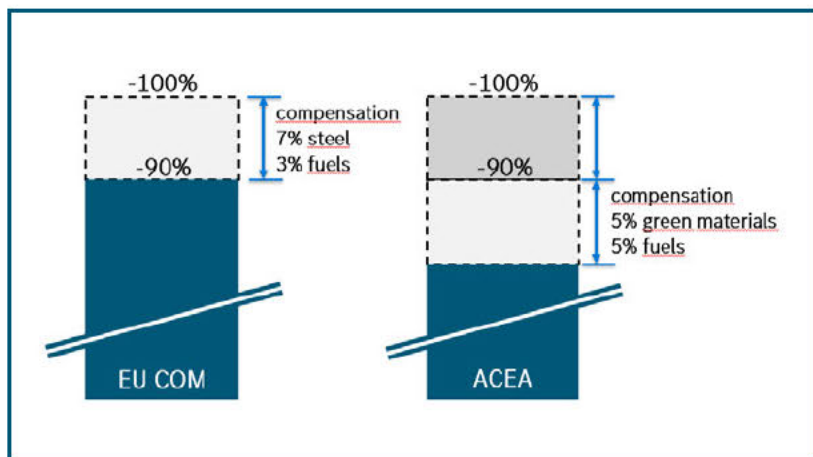


- S&P Global forecasts 66% BEV 2035 (best case scenario, incl. regulat. adaption)
- Even in China only 70% 2035 forecasted by SAE China

• **acea** position on cars:

- **2030:** 5y. Averaging (2028-32)
- **2035:** -90%, no compensation by OEMs
- further 10% compensation by green materials + fuels
- further flexibilities i. a.
 - Super-credits (small, Made in Europe)
 - Correction of negative slope (mass adjustment)
 - PHEV Utility Factor 1 freeze
 - VEEF – Vehicles running Exclusively on Eligible Fuels (RED Definition)
- **Vans:** see next slide

ACEA compromise
between volume/
premium OEM's



Definition for made in Europe for super-credits will be made in the Industrial Accelerator Act.

EU | CO2: Van Priorities



- **acea** position Vans:

- **2030: further target adjustment of -35%**
COM proposal already addresses an adjustment from -50% to -40% for 2030
- **2 averaging periods (2025-29, 2030-34)**
no CO2 relief, only time flexibility to comply with CO2 targets
- **2035: target adjustment (-80%, unconditioned)**
in line with target adjustment of 2030 due to slower BEV ramp up of Vans
- **further 10% compensation by green materials + fuels**
- **VEEF – Vehicles running Exclusively on Eligible Fuels (RED Definition)**
- **Super-credits for all BEV of 1,2**
Length or efficiency criteria not applicable, if MiE than 1,3 in total
- **Phi Factor Correction 2025 onwards**
COM proposal already addresses this necessary correction, high importance for OEM's
- **Simplify inclusion of electrified N2 vehicles up to 4.25t GVW**
see ACEA amendment

Industrial Accelerator Act - Proposal to adjust Key Elements

- EU Local Content of 70% from 2028 (Components incl. OEM value add) → 60%
- Assembly in the EU inkl. UK (+ legacy production in Turkey and Morocco)
- Battery: 1 Step - 3 years after Entry into Force requirement for Cells + 2 additional battery components
2 Step – minimum 4 years after EiF requirement: Cells, Cathode, BMS + 2 additional components
- E-Powertrain (COM proposal: >50% EU content based on total exWorks price): Delete (due to double regulation)
- Main electronic systems (>50% EU content based on total exWorks price): Delete (due to double regulation)
- 25% green steel + 25% green aluminium: delete (due to double regulation with CO2)
- Fleet Approach: 70% threshold including MiE vehicles for export
The geographical scope for this fleet-level calculation should be strictly EU27+EEA+the UK (including an exemption for existing operations in Morocco and Turkey). The fleet booster calculation should also recognise the important economic role of vehicles manufactured in the Europe destined for exports. Safeguards could be considered to prevent business models that would undermine the general objectives of the IAA.
- Super-credits for all in EU registered vehicles of OEM, which fulfills the MiE fleet approach

- MB proposal for Methodology:

$$\text{EU Local Content}^* [\%] = \frac{[\text{Summe „MiE“ Komponentenkosten} + \text{OEM EU Value add} + 5\% \text{ OEM-Marge}]}{[\text{Summe aller Komponentenkosten} + \text{OEM Value add} + 5\% \text{ OEM-Marge}]}$$

*Ohne Batterie

Industrial Accelerator Act – Foreign Direct Investment

- For investments **exceeding €100 million** where a **single third country controls more than 40% of global manufacturing capacity**.
- greenfield and brownfield investments
- Investments must create high-quality jobs in the EU (50% “Union” workers mandatory) and meet at least three out of the following five conditions:
 - no foreign ownership of >49%
 - joint venture with EU entities
 - tech and knowledge transfer
 - min. 1% R&D spending in the EU
 - 30% input products man. in the EU