

CO2 TARGETS FOR HEAVY-DUTY VEHICLE MANUFACTURERS - URGENT ACTION NEEDED

- European commercial vehicle manufacturers provide the vehicles that are the **backbone of the European economy**, essential to daily life for hundreds of millions of citizens and businesses. We are committed to providing the right vehicles that help transition Europe's road transport sector to **fossil-free transport solutions by 2040**.
- **We have invested billions in developing competitive zero-emission vehicles (ZEV) and can offer ZEV solutions for all of Europe's transport needs.** However, market uptake remains slow and highly uneven, concentrated to only a few countries with more favourable enabling conditions (notably Switzerland and Norway, both not EU Member States).
- Achieving the 2030 CO2 reduction target requires a **tenfold increase** of the ZEV market share from today's 3.5% to 35% in less than five years.
- We acknowledge the measures outlined in the **Automotive Action Plan, but they do not match the urgency of the challenge.** Manufacturers face excessive non-compliance penalties for factors beyond our control, threatening both the transition and Europe's global competitiveness. This requires urgent and coordinated action.

PRIORITY REQUESTS

- The current regulatory framework places **disproportionate burden on the manufacturers, those most ready to deliver.** Vehicle manufacturers are the only stakeholders in the transport and logistics value chain with binding CO2 targets; but we cannot deliver the transition alone.
- We therefore reiterate our call for
 - An **urgent assessment and regular monitoring of the state of the critical enabling conditions** for the climate neutrality transition of heavy-duty road transport.
 - An **accelerated review of the HDV CO2 regulation for vehicle manufacturers** that better recognises the interdependencies in the transport and logistics industry.
- **In parallel, urgent short-term action is needed to facilitate the undue burden.**
- As an immediate measure, we request that the European Commission propose a targeted amendment to Regulation (EU) 2019/1242 to **introduce some flexibility in the generation of emission credits for vehicle manufacturers.**
 - The regulation allows vehicle manufacturers to generate multi-annual emission credits and debts, offering some - albeit limited - flexibility. Emission credits are only generated when a manufacturer's annual CO2 emissions **fall below a**

predefined linear trajectory between the target years, although the legally binding targets remain at -15% (2025 – 2029), -43% (2030 – 2034) and -64% (2035 – 2039). As a result, manufacturers are de facto forced to significantly exceed the legally binding targets to be able to generate credits and benefit from the flexibility mechanism.

- If emissions exceed the legally binding CO2 target, emission debts are incurred. These must be fully balanced by the final year of each compliance period: 2029, 2034, and 2039.
- The recent revision of the regulation extended this credit/debt system through 2039 and extended the validity of unused credits, which now expire automatically seven years after they have been acquired.
- Vehicle manufacturers should be able to **generate credits independent of the artificial CO2 reduction trajectory** as soon as the emissions are below the legally binding CO2 target, i.e. -15% from 2025 to 2029, -43% from 2030 to 2034 and -64% from 2035 to 2039.
- The Commission should therefore propose the following targeted amendment to Annex I point 5.2 for the calculation of the emission credits and debts.
- **We would like to underline that this immediate action would facilitate the regulatory burden on manufacturers, it is however not a solution to the wider issue of the too slow development of enabling conditions.**



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Amendment to Annex I point 5.2 of Regulation (EU) 2019/1242**Annex I point 5.2: Calculation of the emission credits and debts in each reporting period**

For each manufacturer and each reporting period of the years Y from 2019 to 2040 the emission credits $cCO_2(X)_Y$ and emission debts $dCO_2(X)_Y$, ($X = NO, M$), shall have the following values or be 0 (i.e. emission credits and emission debts cannot be negative), whichever is greater:

	$2019 \leq Y < 2025$	$2025 \leq Y < 2030$	$2030 \leq Y < 2040$
$cCO_2(NO)_Y$	$[ET(2025)_Y - CO_2(2025)_Y] \times V_y$	$[ET(NO)_Y - CO_2(NO)_Y] \times V_y$	$[ET(NO)_Y - CO_2(NO)_Y] \times V_y$
$dCO_2(NO)_Y$	0	$[CO_2(2025)_Y - T(2025)_Y] \times V_y$	$[CO_2(NO)_Y - T(NO)_Y] \times V_y$
$cCO_2(M)_Y$	0	$[ET(M)_Y - CO_2(M)_Y] \times V_y$	$[ET(M)_Y - CO_2(M)_Y] \times V_y$
$dCO_2(M)_Y$	0	0	$[CO_2(M)_Y - T(M)_Y] \times V_y$

Amendment

	$2019 \leq Y < 2025$	$2025 \leq Y < 2030$	$2030 \leq Y < 2035$	$2035 \leq Y < 2040$
$cCO_2(NO)_Y$	$[ET(2025)_Y - CO_2(2025)_Y] \times V_y$	$[ET(NO)_{2025} - CO_2(NO)_Y] \times V_y$	$[ET(NO)_{2030} - CO_2(NO)_Y] \times V_y$	$[ET(NO)_Y - CO_2(NO)_Y] \times V_y$
$dCO_2(NO)_Y$	0	$[CO_2(2025)_Y - T(2025)_Y] \times V_y$	$[CO_2(NO)_Y - T(NO)_Y] \times V_y$	$[CO_2(NO)_Y - T(NO)_Y] \times V_y$
$cCO_2(M)_Y$	0	$[ET(M)_{2025} - CO_2(M)_Y] \times V_y$	$[ET(M)_{2030} - CO_2(M)_Y] \times V_y$	$[ET(M)_Y - CO_2(M)_Y] \times V_y$
$dCO_2(M)_Y$	0	0	$[CO_2(M)_Y - T(M)_Y] \times V_y$	$[CO_2(M)_Y - T(M)_Y] \times V_y$

When calculating emission credits $cCO_2(X)_Y$ the share_{sg} for reporting period Y shall be used in $ET(X)_{2025}$ and $ET(X)_{2030}$.

Where,

$ET(X)_Y$ is the manufacturer's CO₂ emissions reduction trajectory in the reporting period of the year Y determined in accordance with point 5.1 ($X = 2025, NO, M$);

$CO_2(X)_Y$ is the manufacturer's average specific CO₂ emissions in the reporting period of the year Y determined in accordance with point 2.7 ($X = 2025, NO, M$);

$T(X)_Y$ is the manufacturer's specific CO₂ emissions target in the reporting period of the year Y determined in accordance with point 4 ($X = 2025, NO, M$);

V_Y is the number of new heavy-duty vehicles of the manufacturer in the reporting period of the year Y.