




Creating a Globally Harmonized LCA Standard for GHG Emissions from Automotive

**Presentation by Jean Balsat, Manager,
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Transparency (A-PACT)**

WBCSD

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- **WBCSD's involvement in Carbon Transparency**
 - **Achieving a Globally Harmonized LCA Standard for GHG Emissions from Automotive**
 - **How can the UNECE GRPE ToR address current challenges**

WBCSD's involvement in Carbon Transparency

With its focus on aligning the business agenda in sustainability, WBCSD is ideally positioned to drive emissions transparency

The World Business Council for Sustainable Development (WBCSD) is the premier global, CEO-led community of over 200 of the world’s leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.



USD \$8.5 trillion
in combined revenues



19 million
employees



70
Global network partners



GLOBAL

Our 200+ members span across the globe and all economic sectors.



UNIQUE BUSINESS-ONLY PLATFORM

Our members enjoy access to a diverse business community across sectors and a pre-competitive to exchange ideas, know-how and information with peers.



CEO-LED

WBCSD is oriented towards collective action and led by the CEOs of our member companies.

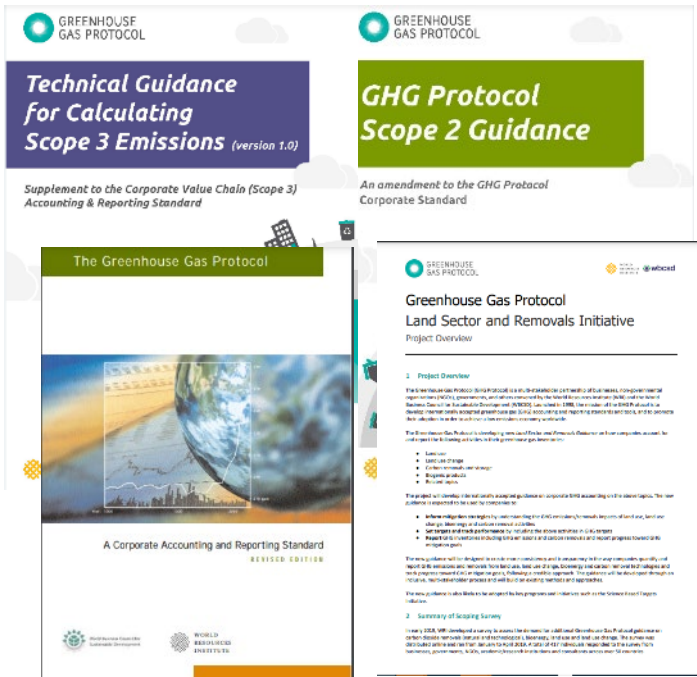


MARKET-DRIVEN

We strive to make more member companies more competitive. We reinforce the business of voice to government and policy decisions.

As the convener of the GHG Protocol, WBCSD drives emissions transparency in all supply chains

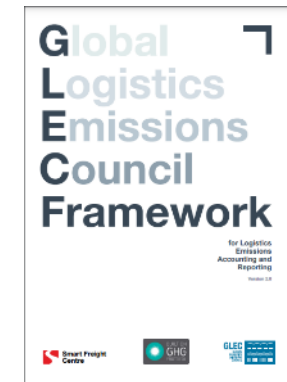
GHG Protocol addresses scope 1, 2, 3...



Product level emissions...



And is used for implementation



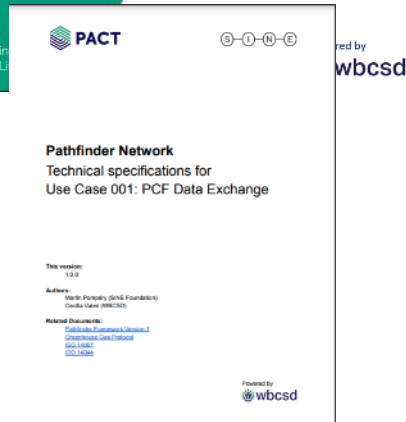
The Partnership for Carbon Transparency (PACT) develops additional guidance for product-level emissions accounting and exchange across automotive value chains

Pathfinder Framework and Network harmonize accounting and ensure interoperability in PCF data sharing



Pathfinder Framework
Guidance for the Accounting and Exchange of Product Life Cycle Emissions

Version 2 draft



Pathfinder Network
Technical specifications for Use Case 001: PCF Data Exchange

This version: 1.0.0

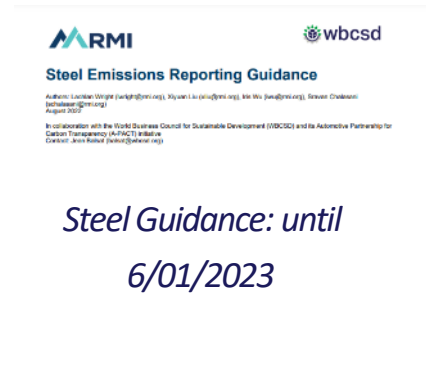
Author: World Economic Forum (WEF) Foundation, Decarbonization Center (DCC)

Related Documents:
[Pathfinder Framework](#)
[Open Access Data Exchange](#)
[DCC](#)

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A-PACT

Consultations on Steel, Catena-X Rulebook and A-PACT guidance



Steel Guidance: until 6/01/2023



PACT

A-PACT Guidance
Supplementary Guidance to the Pathfinder Framework for the Harmonization of Carbon Accounting in the Automotive Industry

Review Document

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CX-PCF-Rules
Catena-X
Product Carbon Footprint Rulebook

Catena-X

Automotive : to be launched

Interconnected PACT deep dives for automotive supply-chains



Tfs Product Carbon Footprint Guideline



GLEC Framework product guideline

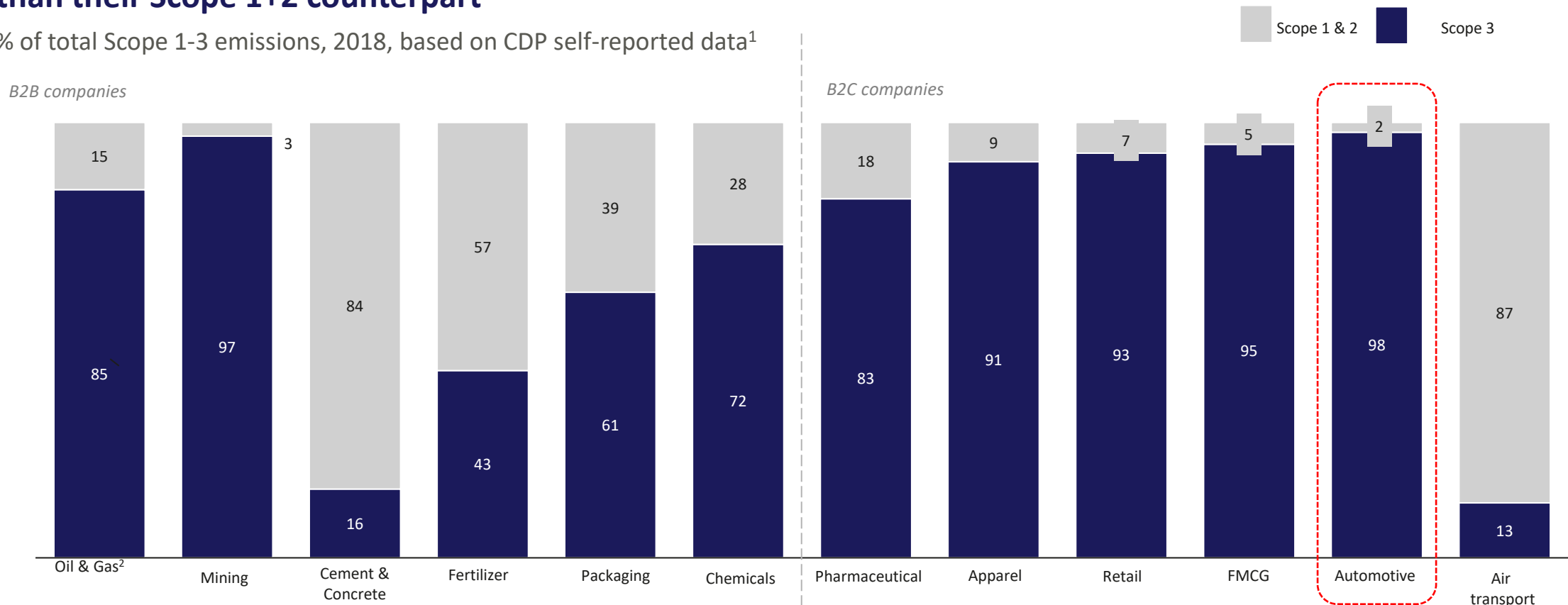


Achieving a Globally Harmonized LCA Standard for GHG Emissions from Automotive

The challenge: scope 3 emissions represent most of the carbon footprint of the automotive sector...

Across industries, Scope 3 emissions are significantly larger than their Scope 1+2 counterpart

% of total Scope 1-3 emissions, 2018, based on CDP self-reported data¹



1. Based on more than 50 selected stakeholders, including Shell, adidas, Pfizer, 3M, Volkswagen. 2. The main source of emission in Oil & Gas industry is use of sold refinement products and of sold natural gas, which belongs to Scope 3. 3 As per GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, from Scope 1 & 2 quantification and allocation calculated with LCAs.

Source: CDP

And four challenges need to be addressed to harmonize LCAs and put the automotive value-chains in a path compatible with climate ambitions

- ❖ Each lifecycle phase has its specificities and they are at different levels of maturity
- ❖ Some topics require harmonization across phases or across industries
 - e.g. which data exchanged, data quality rating, GHG emissions from transportation, GHG emissions from electricity
- ❖ Automotives being highly complex products with a high number of materials, automotive initiatives need to harmonize with product initiatives
 - Coordination of automotive-specific regulatory initiatives with product-level regulations can bring comparability (e.g. in the EU, Digital Product Passport, CBAM aluminum/steel)
 - Voluntary initiatives can offer rapid and consensual solutions (e.g. ResponsibleSteel)
- ❖ Improving the quality of the data is essential to drive the Net-zero transition and investments in clean technologies
 - Primary and/or high quality secondary data brings this transparency
 - Value for investors/customer comes from clear product-level information and differentiation, e.g. in steel



A-PACT identified elements of convergence in the supply chain to harmonize LCA methodologies and end the overlap of initiatives

- Which topics require harmonization, with which priority
 - e.g. system boundaries, allocation rules
- Which topics are cross-industry, automotive-specific, and product-specific
 - to avoid fragmenting the LCA space with automotive-specific rules, A-PACT focused on identifying key cross-industry topics and aligning automotive, steel and chemicals with the Pathfinder Framework on those
 - Cross-industry, automotive and product-specific should articulate with no conflict
- Methodology validation requires testing at scale



How can the UNECE GRPE ToR address current challenges

UNECE GRPE ToR should allow to address the following questions:

- What are the elements of convergence in existing automotive LCA methodologies in-between regions and initiatives? What are the elements requiring collaboration?
- How can the UNECE process benefit from existing knowledge and alignments in between methodologies? How to practically integrate those in the upcoming streams of work?
- What is needed to reinforce international collaboration, across sectors, and how to make it truly global?

WBCSD recommendations for UNECE GRPE ToR finalization

- Building on what exists with the key stakeholders involved
- Adopting a working group approach where sub-groups can detail perimeter and modulate timeline and meeting frequency, composed of the following groups:
 - Supply-chain GHG emissions
 - Use phase GHG emissions
 - End-of-life GHG emissions
 - Cross-cutting methodology topics
- Relevant stakeholders, elements of convergence, targeted expertise required, etc... can be defined
- Focus on improving the quality and accuracy of the data, with end goal of cross-border communication of primary data
 - Allows for evidence-based decision-making, minimizes market distortions
- Enable decarbonization by supporting product-specific decarbonization efforts through methodology choices, and prioritizing GHG hotspots

Time to Transform.



Geneva, Amsterdam, Beijing, Delhi, London, New York, Singapore

Back-up slides

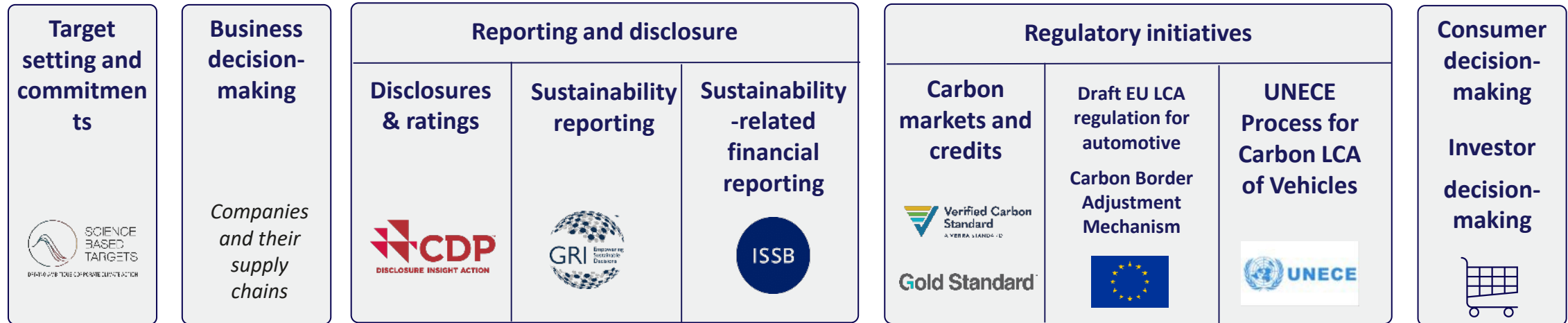
Transparency is essential in enabling and accelerating high-impact use cases – without this, decarbonization is at significant risk

Includes examples of core stakeholders

**570
Gt**

Max. cumulative carbon budget 2018-2050 to limit warming to 1.5°¹

Accelerated decarbonization and increased accountability for emissions



Carbon emission transparency across value chains

1. Budget of 570 GtCO₂ emissions from 2018 onward offers a 66% chance of limiting global warming to 1.5°C, when assessing historical temperature increases from blend of air and sea-surface temperatures. Source: McKinsey (Climate math: What a 1.5-degree pathway would take), organizational websites

PACT Unlocks decarbonization through real emissions transparency in value chains

PACT Establishes the global methodology and technical infrastructure for accurate, primary, and verified GHG emission data exchange and measurement



Pathfinder Framework

Ensure consistent and comparable carbon accounting



Harmonize the calculation of product-level emissions by creating **industry-agnostic guidance** for emissions accounting and data exchange **across value chains**



Publication and piloting of **guidelines for upstream-to-downstream emissions accounting and exchange**

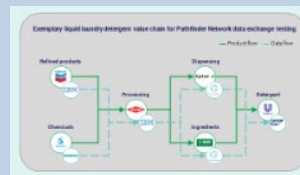


Pathfinder Network

Enable exchange of primary emissions data across value chains



Exchange of **standardized product emissions data** across connected value chain using **multiple tech solutions**



Data exchange pilot across value chain

Publication of first-of-its-kind **data exchange specifications** (incl. APIs and data model) to drive **technological interoperability**



Pathfinder Ecosystem

Foster collaboration and integration



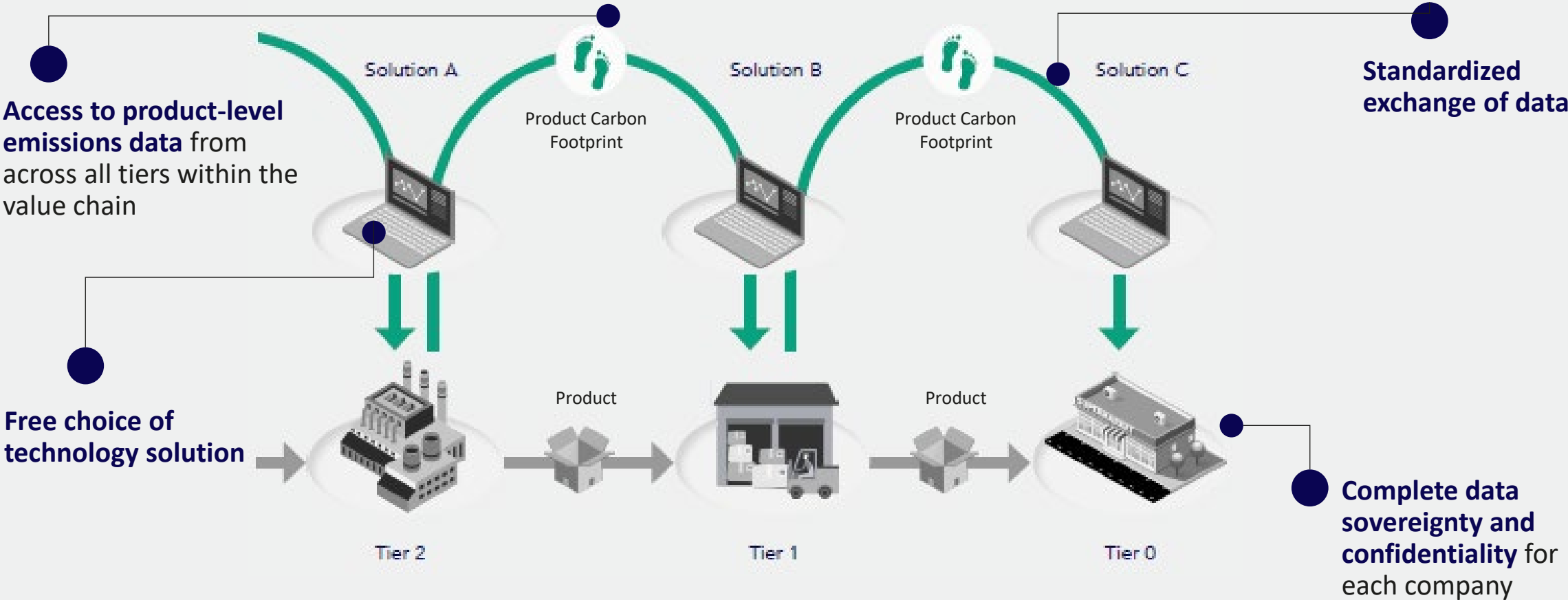
Drive **exchange, alignment, and integration between stakeholders** on emissions transparency, by convening and co-developing of methodological



PACT ecosystem

Collaboration between **~100 stakeholders** incl. **~60 WBCSD member companies** and **~10 industry initiatives** (circa 2,500 companies)

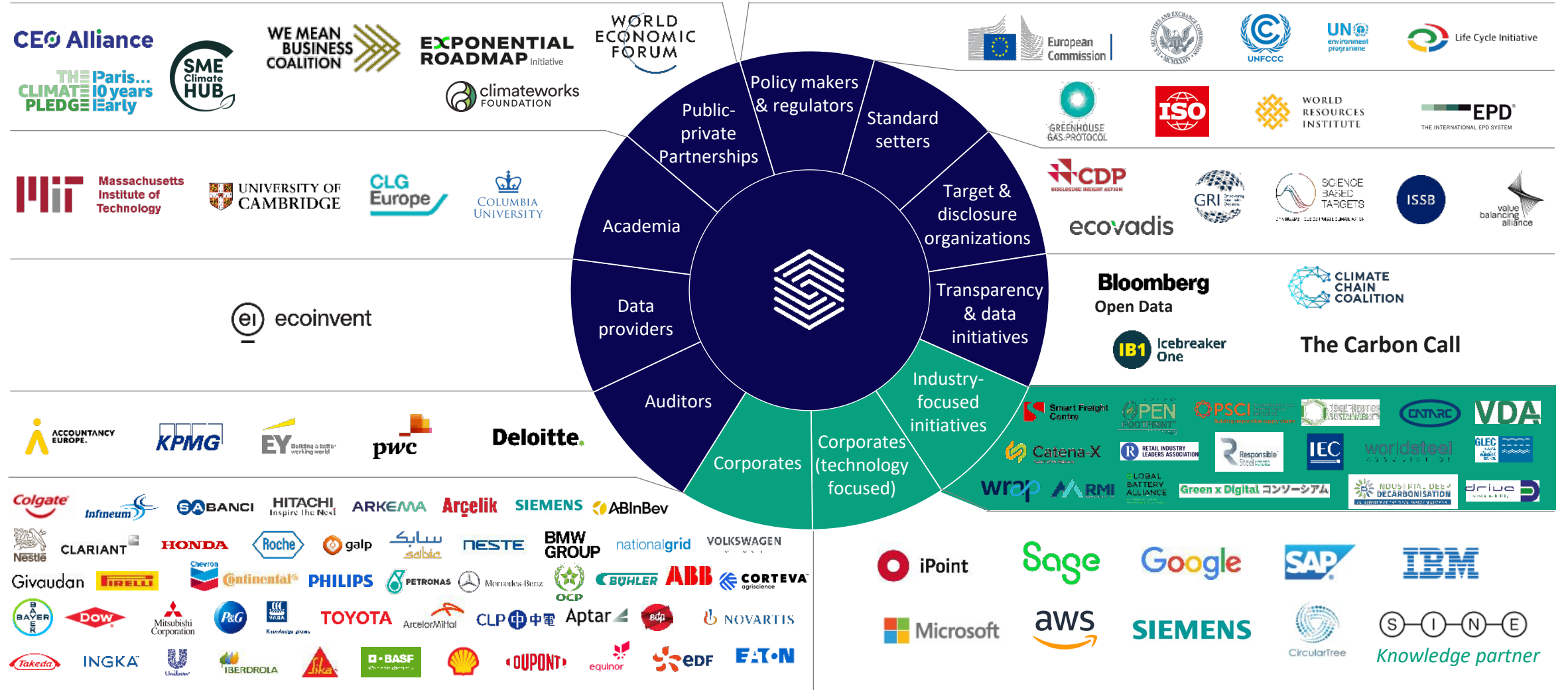
In practice, PACT is enabling companies to share their GHG emissions data with their suppliers, equipping them with the necessary baseline for decarbonization



A wide range of impactful partners already engaged and linked into the ecosystem are calling for emissions transparency

Status quo – further engagement on-going

WBCSD members



Together, we drive collaboration and enable LCA comparability, ultimately accelerating the transition to net-zero vehicles

A-PACT is...

- **Producing globally harmonized Product Carbon Footprint (PCF) methodologies for automotive** with additional level of guidance than existing standards
- Creating an **umbrella for sub-sector initiatives** and **sector-specific guidance** (steel, batteries, aluminum, etc...) to foster **cross-material comparability**
- Providing **technical cooperation** with regulators and standards setters for a **common roadmap and solution**
- Initiating Pilot sfor **digital exchange of GHG data**, starting with **steel** and **batteries**

How

- Launched with **over 10 OEMs and tier 1 industry leaders**
- **Global** ecosystem (WBCSD members, Catena-X, RMI, extended partners)
- **Technical cooperation** on identified challenges
 - **Calculation methods** (e.g. system boundaries, allocation rules, decarbonization incentives, GHG emissions from electricity)
 - **Data Quality in PCF exchange** (e.g. definitions of primary data, data quality indicators)
 - **Secondary materials** (e.g. accounting for recycled materials, determining GHG emissions for ore/scrap)
 - **Certification and verification** (e.g. accepted standards, automation, green steel certificates)