



European Association of Automotive Suppliers

# UNECE IWG A-LCA SG3

*Feb 19<sup>th</sup> 2024*

# UNECE IWG A-LCA

## ORGANIZATIONAL TOPICS



### 4.1 Representative of SG3 party:

SG3 receives input which is not fully self explaining. To enable queries SG3 lead wants to name contact persons.

#### Contracting parties

- China            Tongzhu Zhang
- Japan            Tetsuya Suzuki (com)
- Korea            Suhan Park
- UK                Eleanore Deansmith

#### NGOs

- AECC            Joachim Demuynck
- CLEPA            Ansgar Christ
- ~~ETRMA~~        ~~Alex van Gelderen~~
- ~~ICCT~~            ~~Georg Bieker~~
- MECA            Michael Geller
- ~~NGVA~~        ~~Alberto Castagnini~~
- OICA            Tina Dettmer

# UNECE IWG A-LCA

## ORGANIZATIONAL TOPICS



4.2 – 4.5:

Discussion Topics		Status	Poll Results								
			China	Japan	Korea	UK	AECC	CLEPA	MECA	OICA	
Aspects	Allocation hierarchy	Discussion									
	Chain of custody	tbd									
	Data quality rating	Proposal	✓	o	o	(✓)	✓	✓	✓	✓	✓
	Declared Unit	Proposal	✓	✓	✓	(✓)	✓	✓	✓	✓	✓
	Geography	tbd									
	GHGases	Proposal	✓	✓	o	(✓)	✓	✓	✓	✓	✓
	Infrastructure	tbd									
	Materiality limit	Discussion									
	Offsets	tbd									
	Primary data share	Proposal	✓	o	o	(✓)	✓	✓	✓	✓	✓
	Recycling	tbd									
	Representative vehicle	tbd									
	Secondary data	tbd									
	System boundaries	tbd									
	Transport emission	Discussion									
	Transparency vs Verification	tbd									
Waste	tbd										

The Japanese positions are as follows:

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- declared unit : Agree
- gh gases : Agree
- data quality rating / • primary data share : Partially Agree.

We believe it is important to understand the quality of data when using it.

The purpose of primary data quality is to ensure level 4 quality.

While keeping the above data quality in mind, we think it would be good if we could continue to discuss how we should improve the data quality for Lv1-3?

And come up with a way to ensure overall data quality, including other SGs.

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# S. Korea's opinion on the CLEPA's proposal

Topic	Opinion	Comment
Declared unit	Agree	We agree with the proposal, by the way there is a need for a detailed way to clarify the two concepts (functional unit & declared unit) so that we are not misused as functional units.
PDS	Need to discuss further	The purpose of this concept was explained at the last meeting, by the way we did not clearly understand, and we did not accurately understand how to verify it when evaluated with this concept. So these two issues regarding PDS should be explained in detail. Furthermore, a method should be considered for cases where the value is lowered in the case of decarbonization, as in the slide made at the request of OICA.

## S. Korea's opinion on the CLEPA's proposal

Topic	Decision	Comment
DQR	Need to discuss further	It is better to propose a more specific method than to present only requirements, however, there are some qualitative descriptions (example, similar/different technology, reporting period/shorter period, etc.). And additional explanation is needed why a specific value (3 and 6 years in time, 50% in completeness, etc.) is set to that value. Furthermore,
GHG	Need to discuss further	We agree with the proposal to include GHGs as defined by the IPCC. GHGs, however, that are emitted at each phase or from the part production process but are not covered by the IPCC should be investigated in advance, and how to include it must be presented.



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# UNECE IWG A-LCA SG3 Input on 'Allocation Hierarchy'

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- An allocation hierarchy is relevant in multi output processes (co-products)
- Definition in ISO14067, February 2019:  
Subdivision -> System Expansion - > Economic Value (if divergent) -> Physical Relationship

### 6.4.6.2 Allocation procedure

The CFP study shall include the identification of the processes shared with other product systems and deal with them in accordance with the stepwise procedure presented below.

NOTE Formally, step 1 is not part of the allocation procedure.

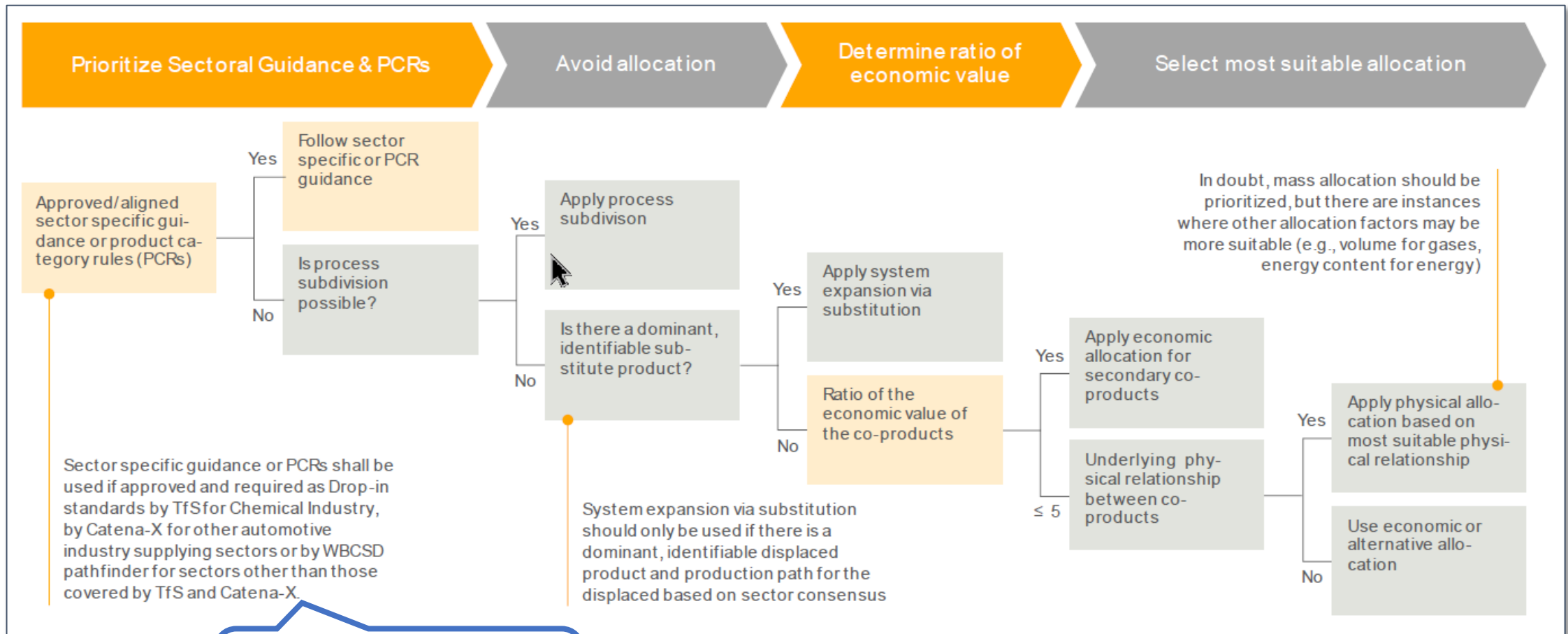
- a) Step 1: Wherever possible, allocation should be avoided by
  - 1) dividing the unit process to be allocated into two or more sub-processes separately and collecting the input and output data related to these sub-processes, or
  - 2) expanding the product system to include the additional functions related to the co-products.

b) Step 2: Where allocation cannot be avoided, the inputs and outputs of the system should be partitioned between its different products or functions in a way that reflects the underlying physical relationships between them.

c) Step 3: Where physical relationship alone cannot be established or used as the basis for allocation, the inputs should be allocated between the products and the functions in a way that reflects other relationships between them. For example, input and output data might be allocated between co-products in proportion to the economic value of the products.



# Multi-output allocation decision procedure



Definition of whitelist by UNECE IWG required

# Multi-output allocation decision procedure



**worldsteel**  
ASSOCIATION



1

Follow approved sector-specific guidance or PCRs

Avoid allocation through process subdivision

2

Avoid allocation through process subdivision

System expansion via substitution

3

System expansion via substitution

Worldsteel prescribes system expansion as the default methodology

Follow approved sector-specific guidance or PCRs

No hierarchy, but process specific allocation procedures

No hierarchy, but process specific allocation procedures

System expansion NOT mentioned in hierarchy

4a

Physical allocation if ratio of economic value is <5

Physical allocation if ratio of economic value is <5

Physical allocation if ratio of economic value is <4

4b

Economic allocation if ratio of economic value is >5

Economic allocation if ratio of economic value is >5

Economic allocation if ratio of economic value is >4



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# UNECE IWG A-LCA SG3 Input on 'Glossary'

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## CLEPA INPUT: 5.2 GLOSSARY



- First glossary proposal sent out for feedback: Helpful?

Term	Definition	Source
A Allocation	Partitioning the input or output flows of a process or a product system between the product system under study and one or more other product systems	DIN EN ISO 14040, Feb. 2021
A Attributable process	Those processes that consists of all service, material and energy flows that become, make and carry a product throughout its life cycle.	WBCSD Pathfinder
B Biogenic carbon	Carbon derived from biomass	DIN EN ISO 14067, Feb. 2019
C Carbon offsetting	Mechanism for compensating for a full PCF or a partial PCF through the prevention of the release of, reduction in, or removal of an amount of GHG emissions in a process outside the product system under study	DIN EN ISO 14067, Feb. 2019
C Closed-loop recycling	In a closed loop, the secondary material from one product system is either reused in the same product system (real closed-loop) or used in another product system without changing the inherent technical properties of the material (quasi closed-loop).	Catena-X PCF Rulebook
C CO <sub>2</sub> e (carbon dioxide equivalent)	Unit for comparing the radiative forcing of a greenhouse gas to that of carbon dioxide	DIN EN ISO 14067, Feb. 2019
C Co-product	Any of two or more products coming from the same unit process or product system	DIN EN ISO 14067, Feb. 2019
C Cradle-to-gate PCF	Part of a product's full life cycle, covering all emissions allocated to a product upstream of a company plus all emissions resulting from processes within the company until the product leaves the suppliers' gate	WBCSD Pathfinder
C Cut-off criteria	Specification of the amount of material or energy flow or the level of significance of GHG emissions associated with unit process or the product system, to be excluded from a PCF study	DIN EN ISO 14067, Feb. 2019
D Declared unit	Quantity of a product for use as a reference unit in the quantification of a Cradle-to-Gate PCF	adapted from DIN EN ISO 14067
D Direct emissions	GHG emissions from the processes that are owned or controlled by the reporting company	WBCSD Pathfinder
D Downstream emissions	Indirect GHG emissions that occur in the value chain following the processes owned or controlled by the reporting company	WBCSD Pathfinder

- Please check if you agree with the proposed definitions!
- Please provide proposals for missing entries (term, definition (& source))!



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**Thank you**