

Joint Industry Statement

Recognising Aluminium in the CO₂ Standards for Cars Material-Credit Mechanism

European Aluminium and the European Automobile Manufacturers' Association (ACEA) jointly call on the European Parliament and the Council to ensure that European aluminium is eligible alongside steel under the material-credit mechanism proposed in the revision of Regulation (EU) 2019/631, proposal 2025/0420 (COD).

Both materials should be eligible within a **single, technology-neutral compensation mechanism** and subject to robust, harmonised carbon-intensity thresholds and verification rules. These criteria should be consistent with the methodologies being developed for both steel and aluminium under the Ecodesign for Sustainable Products Regulation (ESPR) and the Industrial Accelerator Act (IAA).

This approach would give car manufacturers greater flexibility in meeting their regulatory obligations, support European lead markets for low-carbon materials and preserve the ability of automotive engineers to select the most appropriate material for each application.

The Irish Presidency Steering Note of 30 July confirms broad support among Member States for recognising low-carbon steel through the proposed credit mechanism. The note presents the mechanism both as a flexibility for vehicle manufacturers and as a means of creating demand for low-carbon materials produced in Europe. **Importantly, it also invites delegations to consider including low-carbon aluminium within credit system.**

Including aluminium would be consistent with the wider objectives of the Industrial Accelerator Act. As recalled in the Steering Note, the IAA identifies both steel and aluminium as strategic sectors of Europe's industrial base and recognises the need for stronger demand-side measures to support their decarbonisation.

The Commission is also expected to establish a definition and methodology for low-carbon aluminium through a delegated act under the ESPR. The CO₂ standards regulation can build on this work, ensuring coherence across EU legislation and avoiding the creation of a separate or duplicative accounting framework.

We believe that the credit mechanism should be based on three shared principles.

First, it should preserve technology neutrality and a level playing field between steel and aluminium. Both these materials are widely used in vehicle manufacturing and can provide alternative technical solutions in a range of components. A mechanism limited to one material could unintentionally influence material choices for regulatory rather than technical, environmental or economic reasons.

Recognising both low-carbon steel and low-carbon aluminium within the credit mechanism is essential to avoid such distortions. A balanced and appropriately calibrated framework would preserve manufacturers' freedom to select the material, or combination of materials, best suited to each vehicle and component from a cost as well as technical perspective, while rewarding verified reductions in the carbon footprint of materials produced in Europe.

Second, the mechanism should recognise aluminium's contribution to vehicle efficiency. Aluminium plays an important role in lightweighting, vehicle performance and the transition to zero-emission mobility. In suitable applications, replacing conventional steel components with aluminium can substantially reduce component weight.

For electric vehicles, for instance, lower mass can contribute to improved range and energy efficiency and can reduce the battery capacity required to achieve a given level of performance. A technology-neutral credit mechanism should therefore support, rather than constrain, manufacturers' ability to optimise vehicle weight, battery size, safety, performance, affordability and lifecycle emissions.

Third, implementation should build on methodologies already being developed at EU level. Work on the definition, carbon-intensity methodology and verification of low-carbon aluminium is progressing under the ESPR framework. The regulation should refer to this methodology and ensure consistency with the relevant carbon-labelling and lead-market provisions of the IAA.

This would provide manufacturers and material suppliers with a clear, credible and practical implementation pathway. It would also facilitate agreement between the co-legislators by avoiding the need to establish an entirely new multi-material carbon-accounting framework within Regulation (EU) 2019/631 revision.

Our recommendations

We call on the co-legislators to amend Article 5b so that **low-carbon steel and low-carbon aluminium are both eligible under the proposed material-credit mechanism.**

A well-designed mechanism should:

- provide flexibility for car manufacturers;
- create demand for verified low-carbon aluminium and steel produced in Europe;
- maintain fair competition and technology neutrality between materials;
- support lightweighting and vehicle energy efficiency;
- rely on robust, harmonised and transparent carbon-accounting rules; and
- strengthen the competitiveness and decarbonisation of Europe's automotive and aluminium and steel value chains.

The objective should be to reward the use of low-carbon European materials and accelerate industrial decarbonisation and not to create a regulatory preference for one material over another. **By recognising both steel and aluminium, the EU can establish a more balanced, effective and future-proof mechanism that supports car manufacturers, European material producers and the Union's broader climate and industrial objectives.**



About European Aluminium

European Aluminium, founded in 1981 and based in Brussels, is the voice of the aluminium industry in Europe. We actively engage with decision makers and the wider stakeholder community to promote the outstanding properties of aluminium, secure growth and optimise the contribution our metal can make to meeting Europe's sustainability challenges. Our 100+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations, representing more than 600 plants in 30 European countries. Aluminium products are used across a wide range of markets, including automotive, transport, renewable energy infrastructure, building and construction, defence, and packaging. www.european-aluminium.eu

About the European Automobile Manufacturers' Association (ACEA)

The European Automobile Manufacturers' Association (ACEA) represents the 17 major Europe-based car, van, truck and bus makers: BMW Group, DAF Trucks, Daimler Truck, Ferrari, Ford of Europe, Honda Motor Europe, Hyundai Motor Europe, Iveco Group, JLR, Mercedes-Benz, Nissan, Renault Group, Stellantis, Toyota Motor Europe, TRATON GROUP, Volkswagen Group, and Volvo Group. www.acea.auto