

From: [REDACTED] european-aluminium.eu>
Sent: jeudi 28 janvier 2021 14:52
To: CAB SIMSON CONTACT
Cc: KADARIK Peeter (CAB-SIMSON); CHAPUIS Laure (CAB-SIMSON); NYITRAI Kitti (CAB-SIMSON); GRASSI Stefano (CAB-SIMSON); [REDACTED]
Subject: European Aluminium letter on EU Taxonomy Delegated Acts on Sustainable Aluminium
Attachments: 20201217 FINAL European Aluminium on draft Delegated Regulation on climate mitigation adaptation_Final.pdf

Dear Commissioner Simson,
Dear Mr Grassi,
Dear Cabinet Members,

Further to our previous exchanges, we are contacting you to enquire whether you would be available to discuss the draft Delegated Regulation on climate mitigation/adaptation and the thresholds for the definition of sustainable primary aluminium production.

In our (attached) submission to the public consultation on the draft rules we explain why we believe the current approach is unrealistic and would penalise green investments in our sector despite aluminium's enormous climate mitigation potential.

The DNSH criteria for climate change mitigation must be amended to reflect the global average carbon footprint for aluminium production. This is absolutely necessary in order to ensure that European smelters are not labelled as doing significant harm to the environment despite having a carbon footprint that is ~50% lower than the global average. If this issue is not fixed, European aluminium producers will be penalized, to the benefit of more carbon-intensive producers in other regions of the world, leading to carbon leakage.

In particular:

- According to the draft rules (see [here](#), [here](#) and [here](#)) most primary smelters would not be eligible to the taxonomy and thus benefit from sustainable investment in the future. The very strict thresholds linked to the ETS benchmark and the 100gCO₂ and 270g CO₂ thresholds (indirect emissions) is one of our primary concerns
- The draft Delegated Regulation now introduces a new threshold under the do no significant harm (DNSH) criteria for the climate adaptation objective referring to (i) the median value based on the methodology and data collected for the definition of the revised ETS benchmarks for phase IV, and (ii) the average carbon footprint of the European electricity mix. **This is at odds with the TEGs original proposal** which recommended to have an internationally recognised method for determining low carbon transition pathway or (2) that are lower than the average global emissions (based on emission performance standard determined by internationally recognised data) for that economic activity.
- Such new proposal, which is strictly based on the carbon content of the electricity consumed and therefore its location, does not take into account the global dimension of our value chain. Basing the DNSH criteria on the average footprint of the European electricity mix disregards the important differences that exist between the electricity mixes in different Member States.

- As a result, it will be completely impossible for aluminium smelters in certain Member States (e.g., Germany, Greece, Romania) to match this threshold. These producers will be labelled as doing significant harm to the environment, despite having a carbon footprint that is 50% lower than the average global footprint for aluminium production: as a result, said industries will be essentially blocked from much needed financing in order to proceed with capital-intensive investment (where possible) towards further emissions reduction. This is in fact compromising the exact objective of the taxonomy.

Overall, the capability of meeting such thresholds depend on the location. Consequentially, smelters in the EU can meet such criteria only when nuclear or hydro power is available. That would be a very limited number out of the 11 still operating in the EU27 + UK and there is absolutely no guarantee that it will be possible for an aluminium producer to reduce its indirect carbon footprint, especially because this is something out of their direct control. It will harm the level playing field.

We trust you will take our views in due consideration and remain available to discuss the above at your earliest convenience.

All the best,



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From: [redacted]@european-aluminium.eu>

Sent: 08 October 2020 14:46

To: cab-simson-contact@ec.europa.eu

Cc: peeter.kadarik [redacted] laure.chapuis [redacted] kitti.nyitra [redacted]

Subject: European Aluminium letter on EU Taxonomy Delegated Acts on Sustainable Aluminium

Dear Commissioner,

Please find enclosed for your kind consideration a letter from European Aluminium on the EU Sustainable Finance Taxonomy and the upcoming Delegated Act on Climate Mitigation and Adaptation.

We trust you will take our views in due consideration and remain at your disposal to further exchange on the matter at your earliest convenience.

Best wishes,

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european-aluminium.eu



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