Sustainability Working Group – April 2025

Agenda

- Welcoming new members
- Competition rules reminder
- Update on FCE’s membership to the STF
- 2025 priorities
- Scope 3 Emissions reporting
- Decarbonise Corporate Fleet
- Varia and upcoming events
- AOB

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Welcoming new members

- New Associate members joining the Working Group:

Cardtrend
TFC
MultiTankCard

Short tour de table to present ourselves to our new colleagues

Competition and compliance rules

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DO’S:

- Ensure business contacts with competitors have a legitimate purpose and are supervised by the FCE Secretariat.
- If discussions go off-topic or are anti-competitive: change the subject, leave, and report the incident.
- Review agendas, follow them, and keep approved meeting minutes.
- Keep social interactions with competitors non-business related.
- Discuss general industry issues, publicly available info, and non-sensitive topics.

DON'TS:

- Do not discuss sensitive commercial strategies with competitors (pricing, marketing, target markets, etc.).
- Avoid sharing forward-looking, recent, or competitive data without FCE Secretariat's prior written consent.
- Do not use FCE premises for unofficial business activities outside of the official program.
- Do not engage in exclusionary practices or collective boycotts.

Update on FCE's membership to the Sustainable Transport Forum (STF)

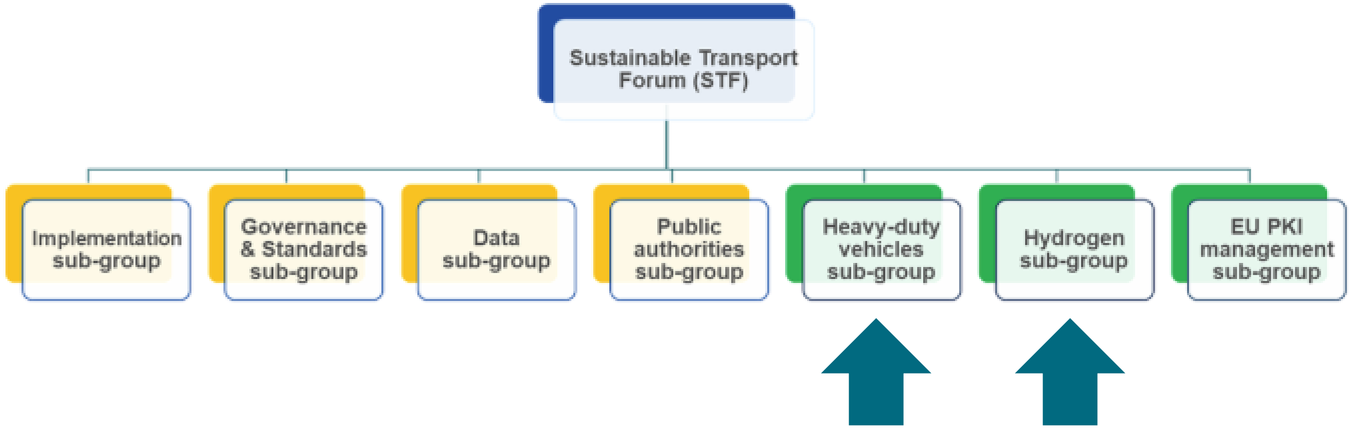
The STF:

- Support the Commission in developing & implementing policies, legislation, and delegated/implementing acts related to sustainable mobility and alternative transport fuels and infrastructure.

- Facilitate coordination and exchange between the Commission, Member States, and stakeholders, promoting best practices and experience-sharing.

- Provide technical advice and expertise to ensure future-proof, innovation-friendly solutions for a decarbonised and energy-efficient transport sector.

FCE is an Observer member of the STF since February 2023



FCE is an Observer member of the sub-groups since August 2024 and April 2025.

Update on FCE’s membership to the Sustainable Transport Forum (STF)

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Overview - Hydrogen refuelling infrastructure sub-group (road transport vehicles)

Main tasks:

- Support the Commission in developing concrete recommendations and a comprehensive understanding of how to plan and implement the rollout of hydrogen refuelling infrastructure, including financing needs and strategies for pooling investment.
- Facilitate exchanges between public authorities, industry experts and the Commission on the development of high-quality hydrogen refuelling infrastructure.

Planned deliverables by end of 2025:

- H2 in road transport: Implementing AFIR
- Financing the H2 refuelling stations
- Regulatory aspects of safety
- National incentives – an EU perspective
- H2 technologies

Update on FCE's membership to the Sustainable Transport Forum (STF)

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Overview – Sub-group on zero-emission HDVs (buses, coaches & trucks)

Main tasks:

- Support the Commission in developing recommendations and insights on the planning, deployment, and operation of zero-emission HDVs and their recharging/refuelling infrastructure, particularly along the TEN-T network and in urban nodes.
- Serve as a stakeholder platform to facilitate exchange on key issues related to high-quality recharging and refuelling infrastructure, including technologies, use cases, location planning, grid integration, and standardization needs.

Planned deliverables by end of 2025:

- Recharging standards: role of CCS and MCS and timeframe for possible transition
- CO2 regulation, expected number of ZEVs (BEV – H2), actual infrastructure demand
- Use-cases and user requirements
- Transparency about available infrastructure for HDVs, rollout plans, grid capacity
- Bottlenecks hindering infrastructure deployment and ways to address them
- Perspectives on ERS

Defining 2025 priorities

Current status of heatmap document

- The heatmap document is currently being circulated among members.
- New deadline to be set – we are still awaiting submissions from several members
- Too early to determine which topics are generating the most interest.

One initial proposal:

- Under ETS2, mandate FCE Tax Working Group to analyse and clarify how the term "**fuel supplier**" could extend beyond the party that owns or operates a fuel station.

FCE Presentation - Scope 3 Emissions

radius

Introduction

Purpose of Presentation:

- ➢ Seek interest in understanding the different perspectives surrounding Cat 1 (purchased goods and services) and Cat 11 (use of sold products) Scope 3 emissions

Potential Risks:

- ➢ Potential risks around Scope 3 emissions disclosure for Fuel Card companies might be:
  - **Legislative** – as we are aware, there are commitments to disclose Scope 3 emissions under the following legislation -
    - CSRD
    - CSDDD
    - ISSB (IFRS)
  - **Financial** – future risk of carbon taxation, including EU ETS 2
  - **Reputational** – inclusion of Category 1 and 11 Scope 3 hugely increases potentially disclosable emissions that may cause reputational damage

Why might this be important to Fuel Card companies?

- ➢ Protect the industry with clarity on how we define emissions - ensuring that the scope is consistent
- ➢ Increase confidence for climate transition planning ensuring members are starting with a good justifiable baseline position

What are the key Scope 3 categories?

Recap:

- Scope 3 emissions are defined as '*emissions that result from activities not under the organisation's direct control but are related to its business.'*
- Of the 15 emission categories within Scope 3, two categories might be contentious for many businesses in the FCE group

Scope 3 Category 1 – Purchased goods and services

- Upstream emissions embedded in the goods and services purchased by a company that is otherwise not included in other Scope 3 upstream categories.
- The emissions associated with sourcing, creating and transporting a good / service.
- Common examples of these emissions include:
  - Extraction of raw materials
  - Manufacturing of goods
  - Transportation

Scope 3 Category 11 – Use of Sold Products

- These are the emissions resulting from the use of a good or service sold by a company. These emissions are downstream.
- For Fuel Card businesses, the vast majority of these emissions could result from the use of fuel that has been sold to customers via fuel card offerings, but this is uncertain.

Why do these emissions create a challenge?

- It is unclear whether the use of fuel sold via fuel cards falls under the Fuel Card businesses scope
- Ownership boundaries need to be defined before there can be certainty that these emissions fall into **or** out of Scope, considering:
  - Operational ownership
  - Financial ownership
- These ownership boundaries can change based on the fuel card model
- Whilst you might expect Cat 1 emissions to be out of scope if Cat 11 emissions are, could there be different methodology around a business's responsibility for upstream emissions, considering that the business is still generating income from product sales, without being responsible for the use of the fuel

Scope 3 Carbon Emissions – Different Perspectives

Industry Position

- Scope 1,2 and 3 reporting is required e.g. CSRD
- Scope 1 and 2 emissions can be relatively low compared to business' size, often due to most of the operations being office-based and low-impact
- Scope 3 emissions can fluctuate massively depending on the classification of Category 1 and 11 emissions

Depending on each company's operations, there are potentially a few keyways that emissions can vary:

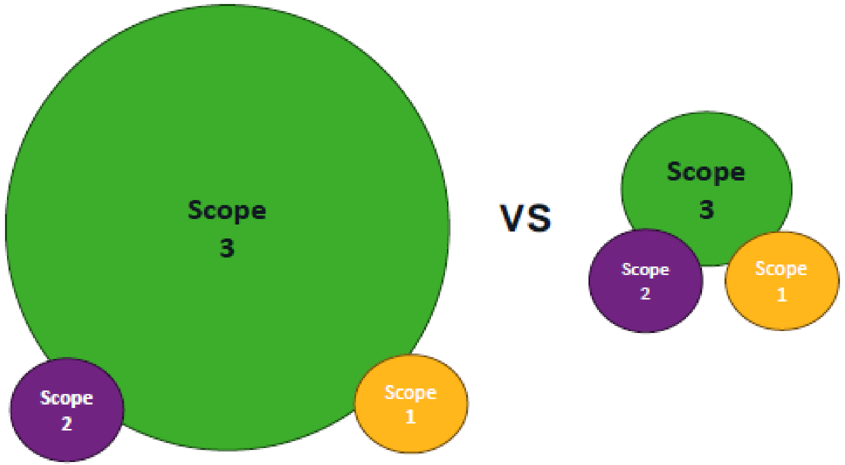
1. **Fuel cards vs Bunkering:**
   - Different operational ownership responsibilities for bunkered fuel when compared to traditional fuel card offerings, creating variation in Cat 1 and 11 emission disclosures
   - Might be due to additional storage and transportation requirements on Fuel Card businesses when bunkering, compared to fuel being drawn from the fuel network

2. **Reporting requirement differences:**
   - Different legislation and jurisdictions may require companies to report using certain ownership boundaries, such as operational and financial, especially as methodology around carbon accounting is not always well specified
   - It's therefore important for businesses with complex emission sources to understand and be satisfied with what would be in / out of scope for them under multiple ownership boundaries, to help with compliance

Industry Risk

- Who cares? Investors, NGO risk, Commercial tenders
- Introduction of carbon taxes akin to CBAM or EU ETS - £xx per tonne
- UK and Europe has set legally binding Net Zero 2050 targets

The potential fluctuation in total emissions from a Fuel Card business can be large:



Different perspectives?
All perspectives have their own merit to review. This is not an exhaustive list fand is for illustration purposes only:

- **Perspective 1:** include all Scope 3 Cat 1 and 11 emissions from both Fuel Card and Bunkering operations
- **Perspective 2:** Include all Scope 3 Cat 1 but **exclude** Scope 3 Cat 11. This scenario sees the ownership of emissions resulting from the supply chain (up until the fuel is 'sold'), but not the emissions from customers consuming the fuel
- **Perspective 3:** Include emissions for Scope 3 Cat 1 and 11 emissions **but only** for Fuel Bunkering business. Assumes operational / financial control over bunkered fuel
- **Perspective 4:** Do not report on any Scope 3 Cat 1 and 11 emissions from fuel sold via Fuel Cards or via the Bunkering business

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Summary

FCE Sustainability Working Group Questions:

- What are the Working Group's thoughts on the risks associated with the positioning of Scope 3, Category 1 and 11?
- How do members feel about organising a separate discussion meeting for interested members to exchange views on Scope 3 reporting?

Decarbonise Corporate Fleets

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Upcoming legislative proposal (Q4 2025/Q1 2026): measures to support zero-emission vehicles uptake, preceded by High-level dialogue (Q2 2025).

Key issues for Commission's upcoming legislative proposal:

- Prioritisation of entities, vehicles and fleets.
- Ambition level and impact on air pollution.
- Territorial considerations.
- Technology assessment.
- Impact of mass/volumes on emissions.
- Ensuring competitiveness.
- Reducing administrative burden for companies, especially SMEs.

Decarbonise Corporate Fleets

FCE planned initiative

Objective:

- Position FCE as a key player in road transport decarbonization.

Key Actions:

- Publish a position paper by June 2025.
  →Members are encouraged to contribute relevant elements and documents
- Actively engage in the high-level dialogue.
- Launch an outreach campaign targeting the European Commission, MEPs, and Member States.
- Organise a dinner debate in Autumn 2025.

Varia & upcoming events (1/2)

New public consultations opened by the European Commission (*until 8 May 2025 midnight*):

- Regulation to assess real-world fuel consumption of HDVs, on-board devices are used. This initiative ensures these devices are evaluated during engine approval and that key data can be accessed during in-service testing using portable emissions measurement systems.
- Implementing regulation on technical requirements for on-board devices to monitor and determine fuel and/or energy consumption, mileage and payloads for HDVs.

Varia & upcoming events (1/2)

Upcoming events of interest for WG members:

- Transport & logistics companies decarbonize: progress and future pathways, 29 April 2025, IRU (online)

- Heavy-Duty Vehicles – What future in Europe's automotive sector?, 13 May 2025, Euractiv/ACEA (online)

- **European Sustainable Energy Week**, 10-12 June 2025, European Commission (Brussels & Online)

https://interactive.eusew.eu/

AOB / open discussion

AOB : Any other question you would like to raise with the group?

Sustainability working group calendar :

-**May 22nd at 14:00 CEST**

-June 19th at 14:00 CEST

-July 24th at 14:00 CEST

-September 11th at 14:00 CEST

-October 23rd at 14:00 CEST

-December 11th at 14:00 CEST