

CEO INITIATIVE

Our contribution to
EU 2050 climate neutrality



WE ARE READY TO FACE THE CLIMATE CHANGE CHALLENGE

The challenge of climate change is an issue of global emergency, and the response needs to be global. Simultaneously it offers a great innovation opportunity for European industry.

The Paris Agreement has demonstrated that Europe can lead on this global challenge. We wish to support the ambition, leading by example in coupling economic growth in Europe

with reduction of carbon emissions. In this context, European leaders must redouble their efforts to secure commensurate actions from all other nations.

Reaching a climate-neutral Europe by 2050 will require simultaneously deploying different solutions in different regions to achieve a fair and sustainable transition while safeguarding and enhancing industry's

competitiveness. It will also require substantial commitment from all agents, industry sectors, society and each of the Member States.

Yet given the proper regulatory framework, we believe that we can deliver the essential building blocks for achieving Europe's long-term vision, such as energy efficiency, a competitive industry and a circular economy and bioeconomy.

WHAT MAKES OUR INDUSTRY SPECIAL

It is clear that renewability and circularity are key solutions to decarbonise society. And that forests are the most effective carbon sinks known to man.

Through our sustainable forest management we contribute significantly to the growing forest coverage in Europe, thereby enabling forests to play their combined role of carbon sequestration as well as providing carbon neutral materials for carbon storage and substitution of fossil-based raw materials.

Our industry offers innovative and resource-efficient solutions for current and future challenges. As a vital part of a circular bio-economy, we provide consumers with a wide range of renewable and recyclable solutions for packaging, different papers, textiles, bio-composites, bio-chemicals and energy products.

In addition, we operate as a strategic element of the circular forest-based industry value chain, providing an ever-increasing range of solutions for

our customers, for other industries, and for society at large.

Our industry has therefore a strategic interest in being at the forefront in making the decarbonisation of European society happen.

Unleashing the full potential of our sector brings Europe closer to achieve a climate neutral economy, leveraging on our strengths: competitiveness, renewability, and circularity.

OUR UNIQUE

VALUE-PROPOSITION TO POLICY-MAKERS

We will play a pivotal role in developing a climate-neutral European economy by continuing on our path to:

1 Provide innovative products and solutions for a climate-neutral society

- Via product substitution, our circular bio-based products will replace those produced from fossil or other non-renewable raw materials or that use carbon-intensive production processes.
- We are, and we will continue, empowering people to make sustainable choices by providing a growing portfolio of climate-friendly products based on sustainably-sourced, renewable, recyclable, bio-based materials.
- We contribute to carbon capture by boosting the uptake of bio-based products, deploying new technologies and increasing forest resources.

2 Couple our renewable raw material to circularity, to give new impetus to the European economy

- Building on our position as world champions in recycling, we are set to increase recycling further in Europe, we have extensive experience in working with local authorities to improve separate collection of paper and board for recycling to boost the circular economy.
- A strength of our industry is keeping the carbon in the loop, by cascading the use of our raw materials for our products. As the circular economy needs to be constantly replenished, priority should always be given to renewable materials sourced from bioeconomy.
- By fostering demand for sustainable and certified raw materials, we are opening up for new business models in cooperation with other sector while contributing to expanding sustainable forest management practices in Europe and beyond.

3 Reduce our impact on climate change while increasing production in Europe

- Our sector is investing at a rate of more than €5 billion per annum, increasing our production volumes while simultaneously reducing our carbon footprint. Our carbon emissions have fallen by 27 percent since 2005, primarily by investing in energy efficiency improvements and increasing renewable energy production and use while developing our local economies.
- We will continue on this path, working also with our partners to improve our overall carbon footprint. A step change is ultimately needed, supported by breakthrough technologies and solutions. We are committed to searching for them.
- We will communicate regularly on our investments in reducing our impact on climate change, in exploring new business models, in developing innovative production processes and products and in strengthening our European value-chain.

OUR CALLS TO POLICY-MAKERS

Accordingly, we call upon European and national policy-makers to help us to:

1 Provide innovative products and solutions for a climate neutral society, by:

- Improve access to recyclable and bio-based products through public procurement and investment support for deploying product innovations.
- Develop a coherent and harmonised product policy that effectively encourages substituting fossil-based products by using product standards and product labels based on fair and correct measuring method.
- Define the framework conditions for a sustainable and functioning bioeconomy.

2 Couple our renewable raw material to circularity, to give new impetus to the European economy, by:

- Increase availability and access to bio-based raw materials, highlighting their benefits and key role in sustainability of bio-based industries.
- Share best practices in sustainable forest management to achieve better growth while at the same time adapt forests to climate change to avoid damages (pests, fires, etc.).
- Increase material and raw material efficiency through promoting the cascading use principle and circular economy, by encouraging citizens to systematically recycle all paper, packaging and other fibre-based products.
- Ensure recycling infrastructures deliver high-quality secondary raw materials to industry.

3 Reduce our impact on climate change while keeping and increasing production in Europe, by:

- Promote and reward investments by guaranteeing a coherent, stable and predictable regulatory framework.
- Supporting development and deployment of innovative decarbonisation solutions for industrial processes, with a particular focus on energy efficiency and on-site renewable energy sources, so that our industry can develop a pathway to substantial reduction of energy usage.
- Establish a European Clean Energy Master Plan, with clear milestones, for a cost-efficient energy transition that would deliver, in particular:
 - *Cost-competitive climate-neutral fuels for industry (be it biogas, hydrogen, synthetic gas or others), using existing infrastructures.*
 - *Large-scale roll-out of cost-competitive climate neutral electricity generation.*
 - *Effective sector integration, by adequately recognising and valorising energy system benefits from distributed industrial generation – such as CHP facilities.*
- Secure the position of our industry in international trade by ensuring market access for our products, protecting them from unfair competition and securing a level playing field.
- Redouble EU efforts to deliver effective and comparable reduction efforts in the rest of the world.

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CEPI is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy. We are a responsible industry: 92% of our raw materials are sourced in Europe and certified as sustainable, 91% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 71,6%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 20 billion value addition to the European economy and €5.5 billion investments annually.

Through its 18 national associations, CEPI gathers 500 companies operating 895 mills across Europe and directly employing more than 180,000 people.