



# 2030 INDUSTRY MANIFESTO

Our industry, our solutions, our future

On the path to decarbonise the European economy, 2030 is a critical year. Achieving ambitious carbon emission reductions requires new investment projects to be designed in order to deliver the decarbonisation targets.

Coupling the post-corona crisis transition with the carbon-neutral transition could be our chance to reshape the European economy by strengthening the resilience of its industrial value chains and rewarding sustainable circular business models.

Our industry is committed to doing its part: our renewable and recycled wood-based fibre solutions are made in Europe from predominantly European sustainably growing forests and recycled in Europe. We provide essential goods and solutions for today's and tomorrow's societal needs.

Furthermore, we have already achieved a 29% reduction of carbon emissions from 2005 to date, making our sector's direct emissions accountable for less than 0.7% of total EU GHG emissions: a leading performance amongst industrial sectors!

With its goal of reducing greenhouse gas emissions by 40% until 2030, the EU already has an ambitious target that is already the highest compared to its international partners. Just as climate change is global, so is our industry. Conflicting international ambitions will lead to carbon leakage, if not prevented. This, in turn, would counteract the overall target. To prevent this from happening, the EU ETS contains provisions for a partially

free allocation of allowances and the possibility of a compensation for indirect costs. Even if these measures are not enough to hold up a level playing field, they will support our sector in keeping up at international level.

An even more ambitious target of 55% is about to be put in place. However, to ensure that EU climate policy is contributing to the fight against global warming, protection measures against carbon leakage need to be stabilised.

Furthermore, to reach a 55% target, an adjusted industry strategy must be combined with the right regulation framework and the necessary financial support for sustainable solutions. **With substantial support from the EU, the already ambitious targets set by our industry could potentially be exceeded.**

The Pulp and Paper sector is in a key position to support the EU in becoming fit for 2050. Our sector has several potentials to substantially and sustainably reduce greenhouse gas emissions. In order to achieve these aspirations, the availability of political support will be critical.

Our industry needs a sufficiently stable operational environment. We need to be confident of the future and profitable in order to be able to deliver huge levels of financial investment over a number of years, likely working in partnership with equipment suppliers, energy partners, financial companies and drawing support from the public sector.



# OUR INDUSTRY OFFERS SOLUTIONS FOR CLIMATE: **WE CAN DO EVEN MORE WITH THE RIGHT REGULATORY ENVIRONMENT**



**Innovation towards the EU 2050 goal of being the first climate-neutral continent must be combined with the resilience and competitiveness of the EU economy, including a strong manufacturing base. Funding innovative projects in product development and low-carbon manufacturing is essential now in order to be available in time.**

**With strong political support, our sector can and will contribute - with product substitution, sustainable forest management and decarbonised production - to reaching the 2030 goal and European carbon neutrality in 2050.**

## CARBON REDUCTION POTENTIALS

## NECESSARY REGULATORY SUPPORT

### Via Product Substitution

By substituting fossil-based products with forest-based products, our industry prevents the use of fossil materials and reduces CO<sub>2</sub> emissions in other sectors. Such a reduction can even be multiplied by leveraging our expertise in the circular economy. This combination makes the pulp and paper industry's substitution potential an important factor in reducing emissions in other sectors.

1

### Incentivize the forest-based circular economy

To strengthen the forest-based circular economy, the following measures are important:

- Promotion of renewable and recyclable bio-based products and the creation of new markets.
- Bio-based products need high quality virgin fibre in order to achieve climate benefits and raw material for recycling to achieve a circular economy.
- Further improvement and harmonisation of European waste collection systems for large scale and high quality recycling.

### Via Sustainable Forest Management

Forests have become a symbol of combating climate change. Without a doubt, their role is essential in many ways. Forests provide natural resources for a sustainable society. They preserve biodiversity and can act as an immense carbon sink. In order to secure these benefits, our industry, together with other partners of the forest-based sector, contributes to active and timely management, effective reforestation, regeneration of harvested areas and safeguarding biodiversity. Therefore, sustainable forest management is indispensable.

2

### Enhance sustainable forest management

A new EU forest strategy is needed, to secure the benefits of forests for society. This strategy should include:

- Coverage of the forests and forest-based sector - bioeconomy as a goal of the forest strategy.
- A continuation of the non-end-use specific sustainability approach for forest biomass.
- Fostering the knowledge-base on the availability of forest resources with socio-economic indicators and science-based data on biodiversity.
- Supporting restoration of damaged forests and adaptation of forests to climate change.
- Ensuring the application of our industry's sustainable standards in other sectors and world regions.

### Via Emission Reduction in our production processes

The pulp and paper industry has already reduced its emissions very effectively. Our production processes have almost no process emissions thus all resulting fossil emissions are energy-related. Options to phase out fossil combustion are more costly, and the eminent risk of carbon leakage leaves no room for more expensive alternatives. Rising energy prices, be it through CO<sub>2</sub>-pricing or fuel-switch, jeopardise production in Europe. A new industry strategy that brings together competitiveness and the reduction of CO<sub>2</sub> could lead the way towards a carbon neutral production in Europe.

3

### Induce investments in emission reductions ensuring a cost-competitive carbon neutral energy supply

To keep our industry internationally competitive and to promote a carbon-neutral energy use, the following measures are essential:

- A Regulatory framework that promotes, de-risks, supports and rewards investments in energy efficiency, CO<sub>2</sub> avoidance and renewable energies.
- Availability of affordable climate-neutral energies sources – such as electricity, biogas or hydrogen – without sectoral restrictions.
- Supporting the phasing out of fossil fuel combustion.
- Securing effective protection for our sector against the risk of carbon leakage.



