CBAM is not the solution for ALL ETS sectors, a thorough impact assessment is needed before adding new sectors

Any future proposal to extend CBAM to additional sectors currently covered by the EU ETS should only be considered after a thorough impact assessment and a close consultation of the European representatives of these industrial sectors

The CBAM could be an efficient instrument for some sectors to prevent carbon leakage and encourage decarbonisation in third countries, but it might not be the case for all ETS sectors characterised by e.g..:

- long/complex/fragmented value chains
- very positive net trade balances
- heterogeneous production processes
- low carbon intensity
- high number of installations and small emitters
- high indirect costs for electricity

For some ETS sectors with very specific value chains, products, and global trade flows, a CBAM would not be an effective tool to address carbon leakage, reduce emissions, and/or create leverage towards third countries to up their climate ambition. It would lead actually to further costs for the industry and increase carbon leakage rather than preventing it, putting at risk the achievement of EU Green Deal objectives.

Any future proposal to extend CBAM to additional ETS sectors should therefore be considered only after a **thorough impact assessment and a close consultation** of all concerned industrial sectors and should go through the ordinary legislative procedure. Such a complex mechanism cannot be implemented at a designated date (2030 or after) as a result of an arbitrary decision and the adoption of an EU Commission delegated act.

In case the in-depth impact assessment demonstrates the relevance and the workability of CBAM for some additional sectors which are currently covered by the EU ETS, these specific sectors should benefit not only from a test phase but also from a phase-out of free allowances of the same duration as the first CBAM sectors.

The introduction of a CBAM cannot be seen as a justification for ending **free allowances and indirect costs compensation**, especially for energy-intensive sectors and products for which a carbon leakage risk is identified but to which a CBAM would not apply.

It is essential to adapt EU decarbonisation policies to individual ETS sectors' characteristics and the new crisis context, to avoid the collapse of productive systems and social cohesion throughout the EU.

The undersigned associations consider it is essential to consider **complementary measures** to ensure the equal treatment of all products placed on the EU market with regard to the costs and limitations of decarbonisation measures. These complementary measures must first be identified and then elaborated and assessed in close consultation with concerned stakeholders, including industry.

Voting recommendations

Our associations cannot accept the forced gradual inclusion of all ETS sectors, through a delegated act, whatever their characteristics, and therefore reject the following amendments: 11, 22, 393, 396, 397, 577, 578, 1253

Our associations consider that amendments calling the EU Commission to release, before the end of the transitional period, a legislative proposal to extend the scope of this regulation to other sectors without asking a thorough impact assessment and consultation of concerned industry sectors should be rejected: 354, 1132

Our associations welcome and support the fact that many amendments have been tabled calling for a thorough impact assessment before including additional sectors: *357, 399, 400, 1107, 1108, 1126, 1128, 1130, 1141.*

Cepi
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. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 18.5 billion value addition to the European economy and €4.5 billion investments annually. Through its 18 national associations, Cepi gathers 495 companies operating 895 mills across Europe and directly employing more than 180,000 people.

Cerame-Unie
Cerame-Unie Aisbl (CU) is the European Ceramic Industry Association. Based in Brussels since 1962, it is the voice of the European Ceramic Industry to the EU institutions. The European ceramic industry covers a wide range of products including bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics, expanded clay and flowerpots. The industry generates over 200,000 direct jobs and a production value of €26 billion in the EU.

EDG European Domestic Glass
Based in Brussels, European Domestic Glass (EDG) is the representative organisation of the domestic glass producers in the European Union. The sector comprises the manufacturing of glass tableware, cookware and decorative items such as drinking glasses, bowls, plates, cookware, vases and ornaments. Domestic glass is manufactured by more than 300 facilities, mainly SMEs, which are spread throughout Europe. The domestic glass sector accounts for about 4% of the total European glass production and 24% of its employment.

ESGA European Special Glass Association
The European Special Glass Association (ESGA) is the representative organisation of the special glass producers in the European Union. These products have a high added-value linked to their intense technological content. This sector regroups a large range of products such as lighting glass, glass tubes, laboratory glassware, glass ceramics, heat-resistant glass, optical and ophthalmic glass, extra thin glass for the electronics industry (e.g. LCD panels,

photovoltaics) and radiation protection glasses. Special glass represents approximately 3% of the glass production in Europe and 14% of its employment.

EuLA
EuLA, the European Lime Association, represents about 95% of the European non-captive lime production through its 23 covered Member States (companies & national associations). The European lime sector operates more than 160 plants in the EU, producing a total of more than 22 million tons of lime and dolime, providing around 9.000 jobs in Europe. Lime is an essential but often unseen ingredient which possesses many applications for downstream industries. As a vital "enabler", lime is used for steel, water treatment, pharmaceuticals, environmental protection, glass and paper industrial processes, construction and civil engineering, and agriculture.

Eurima
Eurima is the European Insulation Manufacturers Association, representing the interests of all major European mineral wool insulation producers.
Our industry members produce a wide range of mineral wool products for thermal and acoustic insulation, providing fire protection of domestic and commercial buildings and industrial facilities while offering innovative growing media and green-roofing solutions.
We are a science and research-driven organisation, communicating the benefits of mineral wool insulation while assisting our members in fields such as product standardisation and EU-focused issue monitoring and management, helping them to stay informed and contribute to EU affairs relevant to mineral wool insulation products and the industry's licence-to-operate.

Euroalliages
EUROALLIAGES is the European association of ferro-alloys and silicon producers representing more than 95% of the sector. The total membership includes 21 companies, operating 45 plants in 12 different countries. Silicon which has been recognized as critical raw material and ferro-alloys are key enablers for a low-carbon economy in Europe and for sustainable solutions globally. Our products feed the steel, aluminium, chemical, electronic and solar value chains.

Euromines
Euromines is the recognised representative of the European metals and minerals mining industry. The association's main objective is to promote the industry and to maintain its relations with European institutions at all levels. Euromines provides services to its members with regard to EU policy and serves as a network for cooperation and for the exchange of information throughout the sector within Europe. The association also fosters contacts with the mining community throughout the world. Euromines represents large and small companies and subsidiaries in Europe and in other parts of the world which provide jobs to more than 350,000 people.

European Expanded Clay Association (EXCA)
EXCA represents the European manufacturers of expanded clay. Expanded clay is a natural, light and durable material, widely used in construction and as a growing media all over Europe. With its 11 member companies in 10 countries operating some 11 plants throughout Europe, EXCA represents more than 90% of the European industry.

FEVE The European Container Glass Federation
FEVE is the Federation of European manufacturers of glass containers for food and beverage, perfumery, cosmetics and pharmaceutical markets. Its members produce over 80 billion glass containers per year. The association has some 60 corporate members belonging to approximately 20 independent corporate groups. Their 160 manufacturing plants are located across 23 European countries and sustain 125.000 direct and indirect jobs along the total supply chain.