

# EFB position on The European Green Deal

February 2020



## Family Business for the Green Deal

### *A call to action!*

The European Green Deal is the most ambitious project ever undertaken to reverse the effects of man-made climate change. Europe's response to this climate emergency is ambitious and far reaching. Government, businesses, non-governmental organizations and citizens must unite to deliver on the Green Deal. Family businesses, as the producers of goods and services, as consumers of energy and raw materials, and as a major employers, want to make the Green Deal work for all.

We already work, together with governments and with all stakeholders, to make our economies sustainable at a higher level. Besides reducing, recovering and recycling, we are on the innovate road to de-plastify, de-fossilise and de-carbonise as far as it is possible.

Family businesses will contribute to the common good, will actively, with all stakeholders, create economic and social benefits whilst endeavouring to mitigate negative environmental impacts. **Family businesses in Europe can provide the economic component to manage our further transition to the green sustainable economy.** Family businesses worldwide already make extra efforts and develop in cooperation with UNCTAD the family business sustainability indicators. **As family business owners, the commitment with sustainability has passed from one generation to the next as part of our DNA.**

We will endeavour to continue on the sustainability journey that many businesses have already started. **Because we operate over generations, not quarters, we will continue to use responsible patient capital to finance our long-term investments that will provide us with the ecological innovations that are needed.**

European Family Businesses fully supports the goal of making Europe a climate-neutral continent by 2050 in a net perspective.

### *Making the Green deal work*

For EFB, the upcoming political decisions will be crucial in determining whether the European approach for a Green deal will be successful and, therefore, the needed blueprint for the world. We offer the decision makers, on European and national levels, takers to include the expertise of Family Businesses in shaping the Green Deal which leads to the greenest and most efficient businesses in the world. The right setting of the system will define whether Europe remains a global economic player, which will be able to have a positive impact on reversing the global climate. **EFB believes that only by guaranteeing the economic leadership of the European economy will we reduce mankind's emissions and ecological footprint.**

**We must avoid a disjointed and uncoordinated implementation of the Green Deal.** This will distract the EU from its goals of providing growth, prosperity and opportunities for its citizens

and would be a major step backwards for Europe and the world. **EFB maintains that only a market-based Green Deal has the potential to establish Europe as a solution-finder for the human problem of climate change. It also requires an open and transparent single energy market in Europe.**

### ***Expand the EU Emissions Trading System***

The reduction of CO<sub>2</sub> emissions to achieve the 2050 target can only be controlled by the highly efficient instrument of an emissions trading system (ETS). This system, which has long been successfully established by the EU for industry and the energy sector, allows transparent pricing of emission reductions for consumers and producers.

**The EU Commission must push ahead with the cross-sectoral introduction of the ETS to other sectors such as building, transport or agriculture. The functionality of the ETS must be ensured by guaranteeing that national emission instruments are compatible with the ETS.**

Multiple pricing and control of emissions, both in the Member States and at a European level, will not have the desired effect. Multiple exposures are likely to lead to discrepancies in the market, and production will be caught up by non-European businesses, which will not foster the required innovations and energy efficiencies that we need to reverse the effects of man-made climate change.

For this reason, EFB believes that **the formulation of sustainability targets or separate instruments for individual sectors must be avoided.** Because energy policy is subject to national competence and the energy mix behind it is completely different across Europe, there can only be one EU-wide overarching control mechanism for emissions.

The EU Commission must make every effort to ensure that ETS systems are introduced and coordinated worldwide. This is the only way to create a level playing field for the benefit of the climate and sustainable companies.

In this context, **the greatest challenges are, on the one hand, not to threaten the existence of the European economy by setting self-imposed targets. On the other hand, the EU must continue to be a champion of a WTO-based free trade that should be further developed. Any 'border adjustment mechanism' must fit in the context of multilateralism.**

Highly innovative companies in Europe will only be able to cope with rising costs for emission avoidance if they can be planned. In the medium and long term, only a comprehensive ETS will guarantee this predictability.

**Family businesses from across the EU have already started their transformative journey to becoming ecologically, socially and economically sustainable. We urge all decision makers to engage constructively with the business community so we can make the Green deal work for everyone. Europe cannot miss the opportunity to be the front runner in setting up a workable and coherent system to protect our planet.**