



The Container Glass Industry: an Asset for Europe's Low-Carbon Economy in a Fair Post 2020 EU-ETS

The industry calls on the Members of the European Parliament and Member States to:

Guarantee that best performers exposed to carbon leakage are not penalized with additional costs

- Why?** • Product benchmarks must be based on the average of the 10% most efficient manufacturing plants in Europe and not be adjusted by a flat rate reduction

Maintain the carbon leakage methodology, as proposed by the European Commission

- Why?** • It identifies adequately sectors which need to be protected against carbon leakage
- It must be predictable and stable for the entire trading period to encourage investments in the EU circular economy
- All sectors exposed to carbon leakage should be compensated for indirect costs

Make the system more dynamic and future oriented

- Why?** • To avoid over-supply or under-supply, the allocation system should be more dynamic and based on the production of two years before


Reject tiered approach

- Why?** • Tiered approach is based on flawed assumptions
- It penalizes sectors with high employment rates
- It jeopardizes competitiveness of the European manufacturing industry and associated value chains
- It penalizes recycling: the more the container glass industry uses recycled content, the lower it would rank in the tiers
- It dismays investments in recycling, innovation and decarbonization
- It triggers internal market distortions (e.g. in the packaging sector)
- It cuts the free allocations of the European Container Glass industry by 65%

Strike a fair balance between auctioning and free allocation share

- Why?** • Revise the auctioning share of 57% proposed by the European Commission
- It should be 52.5% - see Belgian non-paper

Carbon Leakage: a Reality for Container Glass



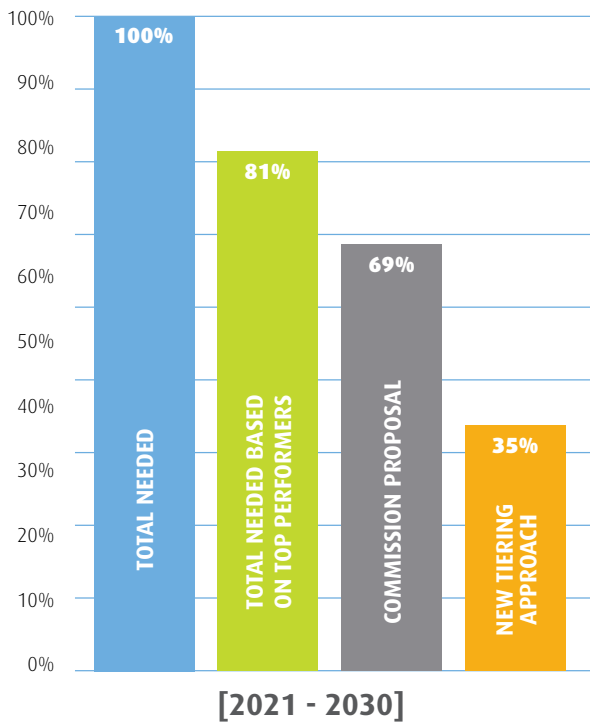
9 plants,
6 furnaces
closed in Europe in the past 7 years



14
new furnaces
opened at EU's borders

EU-ETS Allowances Needed to Produce in Europe Versus Current Proposals

Container Glass Industry Case



With a tiered approach, the container glass industry would receive only 35% of the CO₂ allowances needed to produce in Europe. This would translate into a dramatic shortage of financial resources to invest in innovation, optimization of the recycling phase, and decarbonisation of the bottle-to-bottle production system. On the contrary, it would exacerbate the risks of investment leakage.

- Sector needs [%]
- Allocation at benchmark level [%]
- Allocation according to Commission proposal [%]
- Allocation with the tiered approach [%]

The European Container Glass Industry is a Real Circular Economy

162
manufacturing plants

125 000
jobs maintained

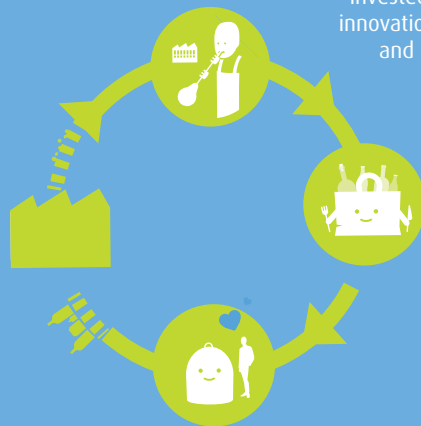
610 M€
invested per year in plants innovation, energy efficiency and decarbonisation



73%
of glass bottles recycled in a closed loop circular economy



€21
billion per year to positive EU trade balance thanks to products packed in glass



Energy consumption reduced by 80%
in the last 50 years.

CO₂ emissions reduced by 70%
in 50 years

FEVE is the Federation of European manufacturers of glass containers and machine-made glass tableware. Its members contribute € 9.5 billion per year to the EU GDP. The association has some 60 corporate members belonging to approximately 20 independent corporate groups. Manufacturing plants are located across 23 European States and include global blue chip and major companies working for the world's biggest consumer brands. **See more on www.feve.org**