

Position Paper

Ecopreneur.eu position on carbon pricing in the EU

Ecopreneur.eu – the European Sustainable Business Federation – and its seven member organisations welcome the high priority the European Commission and the European Parliament give to addressing the existential threats caused by climate change.

However, we strongly consider **the lack of common standards for measuring CO₂ and other greenhouse gas (GHG) emissions (CO₂e) and the lack of effective compensation schemes** a major impediment for a timely transition to a carbon neutral, fair and truly sustainable economy.

According to the EU waste hierarchy, the **1st priority of all actors in the economy should be on avoiding GHG emissions, followed by emission reduction** rather than using compensation schemes that are little transparent and little effective due to false claims and systematic fraud schemes.

For this reason, Ecopreneur.eu calls for **consistent and fair policy measures, standards, and rules for measuring GHG emissions**, using the GHG Protocol and Science-Based-Targets as a reference, and advocates minimum standards for calculating and compensating these emissions.

Specifically, our Federation sees the **need for “true pricing” and the internalisation of the “true cost” of GHG emissions for all products and services**. We regard this as an essential prerequisite for assuring the competitiveness of sustainable companies across all sectors of the EU and the transition to a carbon neutral, inclusive and sustainable economy.

To this end, our Federation strongly advocates the following **rules and measures**:

- **Extension of the EU ETS to all products** facing international competition
- **Cancellation of free CO₂ credits** or allowances for specific industries or product groups
- **Rapid implementation of the Carbon Border Adjustment Mechanism (CBAM)** with expansion to all industry sectors, products and services that cause unfair competition due to carbon leakage
- EU-wide implementation of harmonised **eco-modulated Extended Producer Responsibility (EPR) schemes taking into account GHG emissions**
- **Additional taxation of GHG emissions** at the national level until the EU ETS carbon price has reached its True Cost value.

As for imports and exports, the amount of the CBAM levy should be linked to the CO₂ certificates traded under the existing EU ETS. The total system to internalise GHG impacts from products and services should be ambitious but fair, without a cap, and high enough to drive the change towards a strong EU market for low-carbon circular products and services.

By including eco-modulation in EPR schemes for waste-intensive products like packaging, cars, electronics and batteries, the full-cycle environmental and social costs are included in the fee, thereby pricing the costs of GHG emissions that can be avoided by waste reduction, reuse and recycling.

More specifically:

- Companies should disclose how and how often they purchase carbon offsets under the EU ETS to neutralize some of their emissions
- Compensation methods should consider a timeframe to measure impact and promote the implementation of renewable energy projects such as REDD+, for example
- Funds from the CBAM should be reinvested in measures and technologies that reduce carbon emissions both in the importing countries
- A due diligence process should be put in place for compliance with GHG standards for all companies importing into the EU
- GHG emissions and climate impact assessment should become mandatory for corporate operations and products as a condition to a business license
- Voluntary GHG emissions targets should be promoted along with reduction plans and offsetting through economic, fiscal and social incentives across the EU (science-based contribution to EU 2030 reduction targets)
- CO₂e footprint labelling should be mandatory for products and services capturing the top 80% of the EU
- Virtual CO₂e related discounts should be introduced for public supply and infrastructure tenders as to achieve that low-carbon solutions receive a higher rating in the ranking of proposal (green public procurement)
- Access to investment capital and/or loans for sustainable economic activities should be facilitated while those with little environmental or social value should be singled out
- Stakeholder consultations on climate and environmental impact should become mandatory governance practice and being considered in new investments.

About Ecopreneur.eu

Ecopreneur.eu is the European Sustainable Business Federation of currently seven national associations representing about 3000 sustainable companies - mostly SMEs. A member of the Coordination Group of the European Circular Economy Stakeholder Platform, Ecopreneur.eu is the only cross-sectoral EU business organisation committed to ambitious measures, rules and regulations for a low-carbon circular economy. We advocate a new economic framework in which sustainability is promoted, the environment respected, and ecological principles are followed. Ecopreneur.eu and our members bring concrete experience from pioneering companies into the political debate, show best practice examples and represent the needs of green SMEs in a credible way.

Contact

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