DG ENVIRONMENT

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Meeting
with Chief Executive of
CEMBUREAU

Event on 04/03/2021 11:00

Present:
DG Environment: [redacted], [redacted], [redacted] *(note taker)*
Cembureau: Chief Executive [redacted]*, and Public Affairs Director* [redacted]

[redacted] thanks Cembureau for reaching out, the cement sector comes up in discussions linked to many policy initiatives and it is therefore very relevant to have a meeting at this point in time. DG ENV sees relevant links in many cases, such as in relation to circularity, biodiversity, zero pollution etc. [redacted] expresses how DG ENV is grateful for the involvement in the development and testing of Level(s), which we plan to push forward in different initiatives.

[redacted] give an overview of the sector, with some key figures. 180 M tonnes are produced in the EU, representing about 4% of world production. Import takes place from certain countries close to the EU, but the main global producer China, with 50% of global production, does not export to the EU.

He sets out the main points that they would like to bring up at today's meeting:

- Their recent roadmap for carbon neutrality
- Possibility to use alternative fuel to reduce carbon emissions
- Their contribution to circularity

<u>Roadmap for Carbon Neutrality</u>

[redacted] describes how the roadmap from late last year, sets out how the cement production will be fully decarbonised by 2050, in line with the overall EU objectives. It includes targets for 2030 and has very precise recommendations. It is based on a full life cycle approach, which means it takes into account recarbonation (i.e. the absorption of CO2 in the air during the lifetime of the built structure), recycling of concrete etc.

<u>Alternative fuel for carbon emission reduction</u>

The roadmap furthermore builds on the phasing out of fossil fuels for their kilns. Instead, the sector uses non-recyclable waste[1]. This represents 15% of their carbon reduction potential overall, and is thus an important part. Many kilns do this already, some running on up to 90% of alternative fuels. The current Cembureau figures overall are 48% (which means that 21 M tonnes of CO2 are "saved" annually). 90% is the overall goal for 2050, while the target is set for 60% by 2030.

This however is based on having access to such waste to use as alternative fuel, which can sometimes be difficult, primarily due to national regulation linked to taxation and permitting, but problems can also arise linked to EU policy, such as for waste shipment/export. The sector needs access to waste and wishes discussions in this regard should be based on science and not perceptions.

While 1/3 of the carbon emissions from the sector comes from fuel combustion, 2/3 stems from the calcination process (the actual chemical reaction) and for this carbon capture will be needed.

Contribution to circularity

[redacted] explains the different ways in which the sector is embracing circularity, e.g. by using waste from other sectors, by providing a product with a long lifetime but also by using alternative raw materials such as tyres where not only the calorific value is used but also the iron, which is needed for clinker production.

Other ongoing work are linked to studies to speed up recarbonation, the absorption of CO2 during the lifetime of the building. This inevitably puts the cement sector in a better light, but it is based on the fact that one looks at the building as being the product to do the lifecycle assessment for, and not the material itself.

There is a sense of uneasiness in the sector when it comes to the comparison of concrete and wood in how they contribute to the circular economy. Recent EU policy documents seem to take a stand for wood and France has just presented a decree for lifecycle assessment of buildings with a proposed methodology that will inevitably favour wood.

He stresses how material neutrality should prevail, while policy makers should set performance targets. These should be based on a lifecycle approach, where they feel the sector is well positioned.

[redacted] comments on the importance for us to have a clear picture of the use of different resources by the sector. It is an energy intensive sector and is sometimes referred to with a slightly negative slant, hence the contribution of the sector to society, with its primarily European production, is important to communicate on.

She explains how DG Environment always is looking at the full value chain when pursuing circularity and how the DG wants to push Level(s), which indeed takes a material neutral

[1] Typically either biomass such as sewage sludge, sawdust and animal carcass, or other waste such as industrial, municipal, plastic, tyres.

approach. The link can also be made to Bauhaus and she encourages Cembureau to be actively involved there as well. Just as with the development of Level(s), their involvement will pay off.

[redacted] points out some important factors that are likely to steer the building sector in the future and where the cement sector can be well positioned if investing in research and development: long lifetime, adaptability, recycling/reuse, also based on modularity.

[redacted] continues and as for access to waste, the objective is of course to reduce non-recyclable waste to the minimum, but there will always be such waste streams as well. For different reasons, geopolitical and economic, there is an interest in having the waste market kept in the EU. In this way we can ensure safe and high quality use of secondary materials in the EU, and circular symbiosis. This will favour the access to alternative fuel for the cement sector as well.

Regarding the situation with the French decree, while the Commission is positive regarding the steps taken to encourage lifecycle assessment, it has not yet itself finalised the revision of the Construction Product Regulation, and this will have an impact on how it will go forward in this area. What is clear is that, generally, we want to see a process based on life cycle performance.

Other comments

Biodiversity

[redacted] explains how plants are typically located close to limestone quarries, and once the quarries are not used anymore, they need to be restored. They do this, and have a code of conduct for this process.

[redacted] confirms the importance of such code of conduct, as it does send signals. The question is how this is used throughout the sector, also among smaller players.

IED

[redacted] expresses the concern from the sector regarding the revision of the IED in that it has to show consistency with the ETS.

[redacted] confirms that this is part of the impact assessment and that there are ongoing discussions with DG CLIMA about what can be captured better in the IED. The overall objective is of course climate neutrality by 2050 and here we are looking at the energy intensive sector.

She also stresses the zero pollution action plan, setting up objectives for 2050, to come out in May. She points to the fact that they can always share opinions with us, also beyond consultations.