

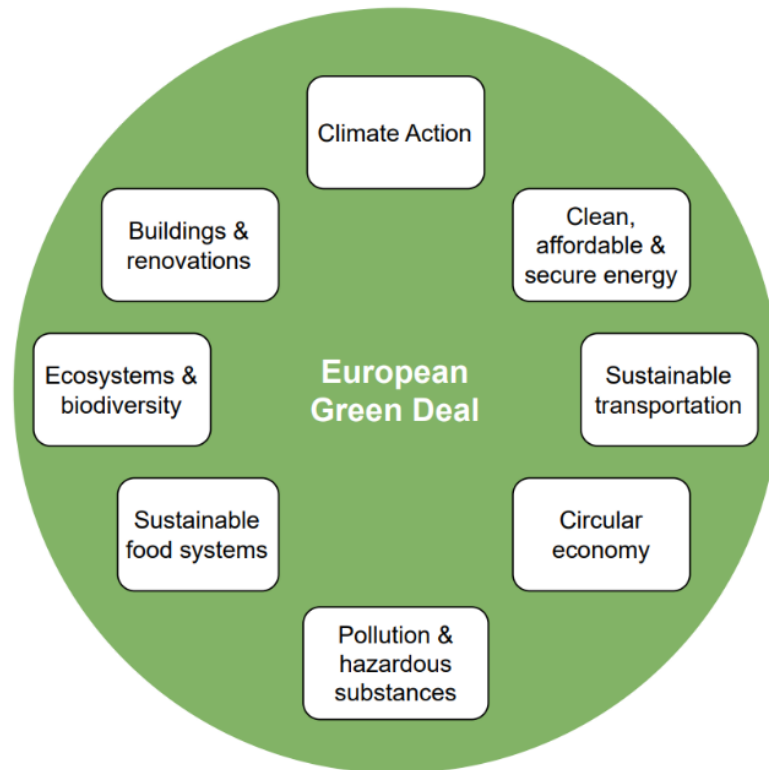
Brochure

Introduction to the European Green Deal



Introduction

The European Green Deal is a package of policies and strategies aimed at making Europe the world's first climate-neutral continent by 2050. It covers policy areas related to climate, biodiversity, energy, transport, industry, buildings, agriculture, and finance. This brochure explores the Green Deal's features and what it means for businesses worldwide.



Climate Action

The European Green Deal aims to reduce greenhouse gas emissions by 55% by 2030 and reach net zero by 2050, in line with the Paris Agreement. The recently adopted European Climate Law enshrines these targets into law, outlining emissions reduction measures and the role of carbon capture, utilization, and storage (CCUS) technologies. The EU Emissions Trading Scheme (ETS) is being expanded to cover additional sectors, and a Carbon Border Adjustment Mechanism (CBAM) has been adopted to impose a levy on imports based on their carbon content. The CBAM will initially apply to sectors highly exposed to carbon leakage and will take full effect in 2026.

Clean, affordable, and secure energy

Energy production and consumption account for around 75% of the EU's greenhouse gas emissions, making decarbonisation critical to achieving climate neutrality goals. The EU has implemented the Clean Energy package, which aims to transition to low-carbon energy from renewable sources, supported by the strategy for energy system integration. The TEN-E Regulation establishes a sustainable and interconnected energy infrastructure, with financial support from the EU. The revised Renewable Energy Directive sets legally binding targets on renewable energy production, while the Energy Efficiency Directive establishes targets to increase energy efficiency.

Sustainable transportation

The EU's transportation sector accounts for 25% of greenhouse gas emissions. To reduce this, the European Commission adopted a Strategy for Sustainable and Smart Mobility, aiming for a 90% emissions reduction by 2050. The strategy sets various milestones, such as 30 million zero-emission cars on European roads by 2030 and nearly all vehicles being zero-emission by 2050. Proposed revisions to legislation include expanding the network of recharging and refuelling stations and implementing advanced technology and communication systems on road networks.

Circular economy and industry

The European Circular Economy Action Plan (CEAP) is a key part of the European Green Deal, aiming to shift from linear production to a circular economy within planetary limits. It introduces the Ecodesign for Sustainable Products Regulation (ESPR) under the Sustainable Products Initiative (SPI), replacing the Ecodesign Directive (2009/125/EC) effective January 2024. ESPR extends sustainability requirements beyond energy products to various sectors, promoting repairability, durability, recoverability, and safety.

Within ESPR, the European Commission plans to launch the Digital Product Passport (DPP) to tag and link products to supply chain data, enhancing transparency and circularity. DPP empowers consumers with product information, promoting longer product lifespans. ESPR may lead to product-as-a-service models becoming common.

Eliminating Pollution

The EU's Zero Pollution action plan addresses pollution's impact on health and biodiversity. It has three main components:

- Chemical Strategy for Sustainability (CSS): Aims to reduce risks from hazardous substances for human health and the environment.
- Zero Pollution plan for water, air, and soil: Focuses on monitoring and reducing pollution levels to non-harmful levels.
- Review of measures for pollution from large industrial installations: Targets high-polluting industries, aligning with climate, energy, and circular economy goals.

Sustainable food systems

The EU's Farm to Fork Strategy aims to transform the food system for sustainability, health, and fairness. It commits €10 billion for research and development in agriculture, fisheries, and digital solutions. A legislative framework for sustainable food systems, focusing on trade and cooperation, is expected by the end of 2023. Additionally, there's a voluntary EU Code of Conduct for responsible food business and marketing practices, involving the entire food supply chain.

Preserving and restoring biodiversity

The EU Biodiversity Strategy for 2030, a key part of the European Green Deal, addresses biodiversity loss and ecosystem degradation. It emphasizes nature-based solutions and complements the Farm to Fork Strategy for food security. The EU commits at least €20 billion annually, combining public and private funding, to achieve biodiversity goals.

Key objectives include safeguarding and restoring natural habitats, adopting nature-friendly farming and forest management, enhancing urban biodiversity, addressing invasive alien species, and promoting sustainable fisheries and marine ecosystems.

Buildings and renovations

In 2020, the European Commission launched a 'renovation wave' for energy efficiency and carbon emission reduction in both private and public buildings (Directive (2018/2002)). This strategy targets the least energy-efficient buildings, prioritizing those with the lowest Energy Performance Certificate (EPC) ratings. Prominent public buildings like schools and hospitals will lead by example with efficiency improvements, including decarbonized heating and the use of recycled materials. To support these renovations, the EU is considering including building emissions in the Emissions Trading System (ETS) and exploring funding options from the ETS Modernization Fund for low-income households.

Finance and support

The European Commission is committed to funding new technologies crucial for the Green Deal's success. They've pledged over €1 trillion in sustainable investments through the European Green Deal Investment Plan (EGDIP) for the next decade. Businesses can access these funds via various programs, grants, and loans.

For instance, €95.5 billion is allocated to the Horizon Europe program, which partners with industry and member states to expedite the shift towards a sustainable economy. Additionally, the EU's Taxonomy Regulation (2020/852) encourages private sector investment in green and sustainable projects by offering a framework to identify environmentally sound economic activities.

How can Yordas help?

For more insight into the European Green Deal, download our [Simple Guide to the European Green Deal](#).

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