

## DECARBONISING EUROPE'S BUILDINGS

### TOWARDS CLIMATE NEUTRALITY WITH GYPSUM

1<sup>st</sup> February 2024

#### SUMMARY NOTE:

##### Welcome

Eurogypsum's President **Dr Jörg Ertle** welcomed the speakers and participants.

Dr Ertle underlined that the gypsum industry supports the Commission's climate neutrality ambitions, but also has its expectations on how the industry and the policymakers can best work together to achieve this common goal.



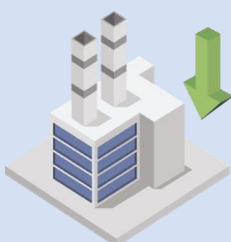
Achieving climate neutrality by 2050 is a framework for all industries and it forms part of a wider global objective.

Several key milestones lie ahead on the path towards 2050 – the 2030 framework, the 2040 climate targets to be presented on 6 February, and (in the near future) - the upcoming elections to the European Parliament (EP). Nevertheless, Dr Ertle expressed hope that the climate ambitions will remain strong during the next mandate.

While the gypsum industry is a smaller sector within the buildings industry, it can greatly contribute to reducing emissions during the lifespan of buildings. Dr Ertle highlighted that gypsum products are circular, which is an excellent demonstration of how industries can leverage their potential by working together with actors along the value chain.

##### Keynote Speech

**Alexandre Paquot**, the Director of Innovation for Low Carbon, Resilient Economy at DG CLIMA, European Commission, stressed the importance of climate neutrality as a global challenge, highlighting that the European Union (EU) is not alone in their pursuits of ambitious climate targets. He invited the participants to look at investment policies in the United States (US) and China. The key distinguishing factor in the EU is higher





predictability. The objective of climate neutrality is explicitly stated in the Climate Law. Moreover, the set of legislation for 2030 is a finished framework. He underlined that the EU Emissions Trading System (EU ETS) and the carbon price will strengthen the level of ambition and stimulate investment.

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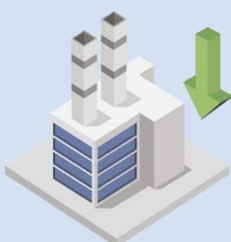
Currently, the focus is on implementing the legislation. Mr.

Paquot stressed that the European Commission is committed to facilitate implementation in the businesses, through supporting instruments (e.g. The Innovation Fund). The Innovation Fund, which is funded through the EU ETS, has been set up to support decarbonisation of industry. The Innovation Fund's total funding amounts to about €40 billion from 2020 to 2030. It aims to bring new technologies from research into commercialisation (commercial viability). Until now, 6.2 billion EUR from the Fund have already been allocated and the next 4 billion EUR call is currently ongoing.

Mr. Paquot referred to the communication on the 2040 targets, to be adopted on 6 February, which will announce which target level is envisaged for 2040. He pointed out that it will be the start of a conversation, and not a legal proposal.

## Presentation of the Roadmap

**Ed Allathan**, the Leader of the Climate Action Working Group at Eurogypsum, presented the gypsum industry and the wide range of products manufactured by the industry (plasters, plasterboards, gypsum blocks etc.), which form part of systems and solutions for buildings, in particular for energy efficiency when combined with insulation. Lightweight and low-carbon solutions with gypsum



contribute to the decarbonisation of the building stock, for new construction and building renovations. He presented the industry's positive contribution to society through:

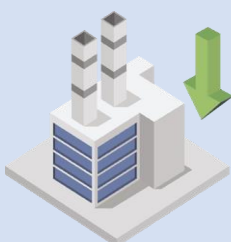
- energy efficiency in buildings,
- reduced emissions in production,
- the protection of ecosystems and nature restoration in the quarries,
- the recycling of construction and demolition waste for circular production,
- minimised transport emissions,
- as well as multiple benefits offered by gypsum-based solutions, such as fire protection, acoustic insulation, or indoor air quality.

The [Eurogypsum Roadmap Towards Climate Neutrality](#) aims to express the industry's positive contribution through lightweight construction, as well as demonstrate our decarbonisation potential and our willingness to support the climate agenda.

**Annita Papa**, Senior Public Affairs Officer at Eurogypsum, presented a few best practices from the sector:

- The Etex plant in Auneuil (France) with reduced emissions from a high-technology dryer and the use of 25% recycled gypsum from the surroundings;
- The Saint-Gobain Gyproc plant in Fredrikstad (Norway) with a fully electrified production using hydropower. This 25 million EUR investment benefited from 7 million EUR subsidies from the Norwegian state enterprise Enova;
- The Knauf plant in Hobro (Denmark) which cooperates with the local heating plant, enabling to provide 80% of the surplus heat from production to the local district heating network, serving 100,000 households annually.

**Ed Allathan** presented the life cycle carbon footprint of two representative products: plasterboard and plaster. While manufacturing accounts for the largest share of emissions, raw materials supply and transport are also significant emitting stages for the gypsum industry. The industry's journey to climate neutrality involves the deployment of technologies to electrify or use renewable energy and green hydrogen. Moreover, cooperation with other actors of the value chain is indispensable to reduce emissions from transport and raw materials supply, as well to increase circularity.



To make it happen, the industry needs a secured access to local raw materials, affordable and available renewable energy, access to investment, a predictable carbon price signal, demand-driving policies which push the quality of new build and the renovation of existing buildings, and incentives for best performers.



**Céline Carré**, the Leader of the Sustainable Construction Working Group at Eurogypsum, referred to the COP28 which officially launched the Buildings Breakthrough initiative, a global initiative to make Net-Zero the new normal for buildings by 2030. She welcomed the initiative as a good push to transform the fragmented value chain and identify solutions to make progress on the objectives. She pointed to the UN Building and Climate Forum in Paris (7-8

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March 2024), which should pave the way for more concrete actions. In the context of the upcoming EP elections, she called for leadership on renovation, on decarbonisation, and for the growth of the sector. To improve the situation in the sector, we should synchronise the demand and supply of sustainable construction – with investment visibility, move further on low-carbon construction, connecting the building and product policies. Paraphrasing Jacques Delors, the former Commission President who passed away recently, she pointed out that the gypsum sector can help policymakers to be architects, not only firemen.

## Debate

Asked by Eurogypsum's Secretary General - **Tristan Suffys** - about the key challenges facing the gypsum sector to decarbonise, **Jörg Ertle** underlined the need to push buildings renovation further. Through the "vertical extension" of buildings and using lightweight materials, urban development can be increased. However, access to raw materials and green energy will be vital in making it





possible. He referred to the expected phase-out of synthetic gypsum resulting from the closing of coal power plants, which will require ensuring a sufficient supply of natural and recycled gypsum. He reminded the participants that the deployment of new technologies requires time; this will pose a serious challenge for industry players to upgrade their production

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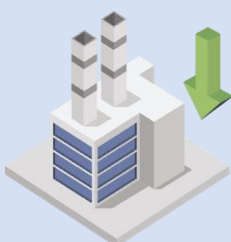
facilities in the short to medium term. Regarding support for investment, he called on regulators not to forget sectors which are “easier to abate”, such as the gypsum sector. He also underlined that citizens are central in the process and should be taken care of, by offering them affordable and comfortable housing solutions.

**Alexandre Paquot** referred to the National Energy and Climate Plans as a powerful tool to promote action in the Member States to support decarbonisation. He also stressed that access to renewable energy is a clear priority, and we can expect prices to decrease over time. He confirmed that the EU Innovation Fund would be perfectly suitable to support the gypsum industry to decarbonise its production.



Questions and remarks from the audience included:

- Possible industry support to speed up the submission and implementation of National Energy and Climate Plans.
- The perceived lack of ambition in the new Energy Performance of Buildings Directive (EPBD).
- The importance of having a comprehensive and ambitious policy to push construction and renovation.
- The sustainable supply of gypsum volumes with the phase-out of coal power plants.



**Alexandre Paquot** insisted on the need to implement the EU legislation, whereby Member States will play an important role. The process for setting the 2040 targets will be starting soon, involving consultation with Member States and stakeholders. The new Commission will then have to adopt a revised Climate Law.

**Céline Carré** pointed out that the flexibility introduced in the final compromise on the EPBD would require proper implementation work for the Member States to deliver on renovation. While there are already good practices in renovation driving policies, the main challenge will be scaling up these initiatives to achieve the policy objectives.

**Ed Allathan** commented on the links between gypsum recycling and decarbonisation: For recycling to have a positive impact on decarbonisation, certain conditions must be met, in particular, ensuring the local sourcing of waste. Increased recycling is in any case part of the industry's efforts on circularity.



**Alexandre Paquot** expressed interest in having a more detailed plan as a follow-up to implement the Eurogypsum roadmap.

## Closing Words

**Jörg Ertle** closed the event by drawing a few main conclusions:

- Zooming out to the global picture, we can see that we are on a good path in Europe and we are coordinating with other global players, in particular the US.
- Significant investments are needed to support the decarbonization journey. Therefore, the industry should take advantage of the EU Innovation Fund and the investment opportunities should continuously be supported by the policymakers.
- Partnerships with other industries are vital and lessons should be learnt from the existing best practices.
- Circularity brings many benefits, but also has its limits when it comes to decarbonisation potential.
- The legal framework is in place, which is good news. Now, we need to keep the momentum with the Member States, and with other industries, to move towards climate neutrality.

He thanked participants and encouraged them to keep engaging in the conversation and collaboration.



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**Eurogypsum** is a European federation of national associations of producers of gypsum products (i.e. plaster and plasterboard). It is one of the few fully integrated industries (from cradle to cradle) within the construction products field. The companies which mine gypsum also process it and manufacture the value-added products and systems used extensively in construction and other industries. With a turnover of EUR 7 billion, the European gypsum and anhydrite industry operates some 101 factories and 160 quarries and generates employment directly to 16,000 persons and indirectly for 300,000 persons. The gypsum industry provides jobs to 1,100,000 plasterers and plasterboard installers. It trains around 25,000 persons per year across Europe.

## EUROGYPSUM AISBL

Rue de la Presse 4 / Drukpersstraat 4

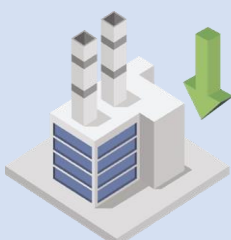
B-1000 Brussels – Belgium

T: +32 2 227 11 30

E-Mail: [secretariat@eurogypsum.org](mailto:secretariat@eurogypsum.org)

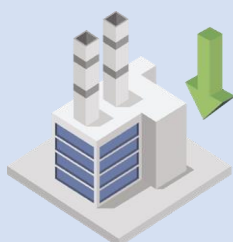
Website: [www.eurogypsum.org](http://www.eurogypsum.org)

EU Transparency Register: 26369367005-58



## ANNEX: LIST OF PARTICIPANTS

| First name    | Name              | Organisation                      | Position  |
|---------------|-------------------|-----------------------------------|---|
| Ed            | Allathan          | Saint-Gobain<br>EUROGYPSUM        | Global Head of Environment<br>Climate Action WG Leader          |
| Anna          | Blake             | European Commission<br>(DG CLIMA) | Policy Analyst  |
| Andrea        | Bogi              | Hanover<br>Communications         | Senior Consultant   |
| Jeremy        | Boomer            | Natura Mater                      | Founder   |
| Yosra         | Briki             | Vicat                             | Project Manager Regulatory<br>Affairs                           |
| Anne-Claire   | Bruant            | Cerame-Unie                       | Sustainability & Construction<br>Senior Manager                 |
| Mara          | Caboara           | EXCA                              | Secretary General   |
| Céline        | Carré             | Saint-Gobain<br>EUROGYPSUM        | Head of Public Affairs<br>Sustainable Construction WG<br>Leader |
| Adrien        | Carton            | Glass for Europe                  | Sustainable Construction &<br>Industrial Policy Manager         |
| Germain       | Castermans        | Etex                              | Global Environmental Manager                                    |
| Billie        | Christelle        | <i>Independent</i>                | Courtier d'affaires   |
| Borja         | Cuesta            | Etex                              | Public Affairs Manager  |
| Jonas         | Eloy              | Tracimat                          | Project Manager   |
| Jörg          | Dr. Ertle         | EUROGYPSUM<br>Etex Group          | President<br>Head of CSR  |
| Dirk          | Fincke            | Aggregates Europe-<br>UEPG        | Secretary General   |
| Jochen        | Friedrichs        | Etex Group                        | Head of Division Building<br>Performance                        |
| Quentin       | Galland           | Knauf Insulation                  | Group Public & Regulatory Affairs<br>Director                   |
| Jean-Baptiste | Gomes             | CEMBUREAU                         | Senior Public Affairs Manager                                   |
| Alberto       | Lopez de<br>Lucas | European Commission<br>(DG GROW)  | Policy Officer  |
| Vagner        | Maringolo         | CEMBUREAU                         | Sustainable Construction<br>Manager                             |
| Christopher   | Marton            | Ramboll Management<br>Consulting  | Consultant  |
| Samuel        | Michel            | Grayling                          | Senior Consultant   |
| Annita        | Papa              | EUROGYPSUM                        | Senior Public Affairs Officer                                   |
| Alexandre     | Paquot            | European Commission<br>(DG CLIMA) | Director - Innovation for a Low<br>Carbon, Resilient Economy    |
| Federica      | Rizzo             | Owens Corning                     | EU Regulatory & Sustainability Sr<br>Counsel                    |





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|------------------|--------------------|-------------------|--|
| <b>Simon P.</b>  | <b>Saverys</b>     | DIGNITY SERVICE   | Private Advisor to the BOARD & the CEO |
| <b>Joan Marc</b> | <b>Simon</b>       | Zero Waste Europe | Founder                                |
| <b>Tristan</b>   | <b>Suffys</b>      | EUROGYPSUM        | Secretary General                      |
| <b>Alicja</b>    | <b>Szambelan</b>   | EUROGYPSUM        | Junior Policy & Communication Officer  |
| <b>Rolf</b>      | <b>Van Rompaey</b> | Etex              | Head of Public Affairs                 |
| <b>Sara</b>      | <b>Versano</b>     | Eurima            | Policy Manager                         |
| <b>Damien</b>    | <b>Zaher</b>       | Owens Corning     | General Manager                        |

