

Open letter to Mr. Jean-Claude Juncker
President-elect of the European Commission
Rue de la Loi 200
B – 1049 Brussels

Brussels, 29 September 2014

Dear President-elect Juncker,

As a group of European and international companies active in diverse sectors of the economy, and representing all parts of the manufacturing process, we believe that the consequences of the economic crisis underline the need and opportunity for economic systemic change in the EU.

We believe that business as usual will not bring about the industrial renaissance that all stakeholders are calling for. An enabling policy framework, triggering a shift towards a more sustainable growth path is needed and should be based on the following measures and objectives:

- **Supporting the decoupling of Europe's economic growth from its material consumption/use. A Circular Economy is an economic growth agenda.** Across Europe, low carbon sector jobs have grown significantly. In 2011 an estimated 78 million Europeans were employed in the EU's low carbon and environmental business sector. The European Commission estimates that up to 65 million jobs could be created or retained by 2020 in renewables, energy efficiency and from reinvested ETS revenues alone.
- **Driving Resource Efficiency in the EU will require clear policy decisions to be made.** The overall tax policy throughout the EU will have to take into account the conundrum posed by the coexistence in Europe of a substantial hi-tech manufacturing base and scarce raw materials. Setting realistic targets in 2030 for material re-use and closed business loops will progressively divert material from landfill and developing indicators will help measuring progress on use of materials, water, land and GHG emissions. Among other measures, it should be considered to lower import tariffs for sustainably sourced raw materials and develop common methodologies to measure the environmental impact of products. Finally, communicating this information to consumers will enable them to make more sustainable choices.
- **Setting policies to improve market uptake of recycled materials is necessary.** For instance products with recycled or reused materials could benefit from a reduced VAT rate or from exemptions from packaging levies, provided that the performances of those products are equivalent during the use phase of the life cycle analysis.
- **Supporting the transition of business towards the circular economy** will require efforts to promote investments in new business models and remanufacturing. The EU could also play a role in facilitating the cooperation across industries to strengthen circular models and incentivize reverse logistics. Moreover, the public sector should promote long-term performance based business models in public private partnerships and make use of green public procurement.

- **Setting an overall resource efficiency target with clear objectives and key performance indicators at EU level is important** to guide policy formulation and provide a benchmark to assess progress.

As a first mover the EU will reap the benefits. We call upon you to underline your support for making the circular economy an integral part of your growth agenda.

Yours sincerely,

Arnaud Chatin, Director EU Affairs, **Michelin**

Walter J.P. van Kuijen, Senior Vice President **Philips International**, Head of Strategy and BD
Markets

Henry Saint Bris, Vice President for Marketing and Institutional Relations, **Suez Environnement**

Christiaan Prins, Head of European External Affairs, **Unilever**