

PRESS RELEASE
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A Strong Climate Stimulus Programme for Industry – Using Crisis Management as Catalyst for the Transformation to Climate Neutrality

Shortly before the introduction of a German Federal Government stimulus programme, Foundation 2° has released a position paper based on a dialogue with leading German industrial companies

The industrial sector is facing particularly large challenges in light of the economic impacts of the Corona pandemic. At the same time, it is one of the key stakeholders involved in reaching climate targets. In order to closely link the economic measures for addressing both the Corona and climate crises, Foundation 2° has developed a position paper on the basis of a dialogue process with industrial companies from the key energy-intensive steel, chemicals, cement, and non-ferrous metals sectors in Germany. The position paper provides policy instruments necessary to achieve the transformation of industry towards climate neutrality while strengthening innovative potential and competitiveness in the current difficult economic situation.

The companies involved in the dialogue process include, among others, Aurubis AG, BASF SE, Covestro AG, HeidelbergCement AG, Otto Fuchs KG, Salzgitter AG, Papier- und Kartonfabrik Varel GmbH & Co. KG, Siemens Energy, thyssenkrupp Steel Europe AG and Wacker Chemie AG.

“The industrial sector remains committed to ambitious climate targets and has put forward concrete proposals on how to achieve them,” says Sabine Nallinger, board member of Foundation 2°, speaking on the position paper. With it, industry sends a strong signal to policymakers. “We now need reliable solutions from policymakers to make the industrial sector crisis-proof and to support it in its transformation in pursuit of the climate targets.”

The position paper provides concrete proposals for a mix of instruments for a climate-neutral industrial sector. These include the creation of an investment programme for low carbon breakthrough technologies (LCBT) with key points such as an innovation and investment fund for LCBT and the introduction of instruments for minimising risk in large investment projects such as carbon contracts for difference.

The position paper calls for ambitious expansion targets for the production capacity of hydrogen and the introduction of a quota for hydrogen from renewable energy sources, as well as a simultaneous expansion of the necessary infrastructure, such as that needed for the transport of hydrogen.

In addition, the dialogue with the companies revealed industry’s need for lead markets for industrial products from low-carbon manufacturing and the corresponding manufacturing technologies. This entails the creation of incentives and regulatory instruments that generate demand for products from low-carbon manufacturing such as, for example, bonuses, quotas, or the definition of ambitious, climate-friendly specifications for public procurement.

Last but not least, the paper calls for the expansion of generating capacities and infrastructures for a sufficient supply of renewable energy at competitive prices and provides recommendations for the acceleration of the expansion of renewable energy generating capacity and of the power transmission grid.

This position paper is, following on the business statement issued by 68 companies and initiated by Foundation 2° - the largest, most comprehensive statement from businesses for ambitious climate action ever issued in

Germany – a further important, substantive contribution by Foundation 2° and crystallises the demands for the design of a climate stimulus programme from the perspective of the industrial sector.
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The position paper can be found at <https://www.stiftung2grad.de/en/industry-climate-stimulus-programme>

About Foundation 2°

Foundation 2° is an initiative of Board Chairpersons, Managing Directors, and family entrepreneurs. Its goal is to call upon policymakers to establish effective market frameworks for climate action and to support the problem-solving expertise of German enterprises. The foundation is named for its most important goal: to limit average global warming to considerably under 2 degrees Celsius. The supporters of the foundation are: AIDA Cruises, ALDI SÜD Dienstleistungs-GmbH & Co. oHG, DAIKIN Airconditioning Germany GmbH, Deutsche Bahn AG, DEUTSCHE ROCKWOOL, Deutsche Telekom AG, Deutsche Wohnen SE, EnBW Energie Baden-Württemberg AG, Gegenbauer Holding SE & Co. KG, GLS Gemeinschaftsbank eG, GOLDBECK GmbH, Interseroh/ALBA, Otto Group, OTTO FUCHS KG, PUMA SE, Salzgitter AG, Schüco International KG, Schwäbisch Hall-Stiftung bauen-wohnen-leben, thyssenkrupp AG, and Union Investment.

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