

# Cefic views on the EU Action Plan Towards a Zero Pollution Ambition for air, water and soil

Cefic supports the overall strategic direction enshrined in the EU Action Plan Towards a Zero Pollution Ambition for air, water and soil to reduce the environmental footprint of our societal activities while caring for European citizens' well-being and restoring biodiversity.

As recognised in the European Green Deal Communication and also confirmed by our swift actions to help millions of European citizens during the COVID-19 pandemic, the chemical industry is a recognised as an indispensable solution provider to many key value chains of the European economy.

An 'industry of industries', our molecules and materials are used in every industry from agriculture to construction, energy, health care, textiles, and transportation. We produce the building blocks and high-tech materials on which a modern, low-carbon, resource-efficient society is built. A Responsible Care® registered industry sector, we aim at investing in the best available technologies and adopting the best practices to reduce our industrial emissions to water and air¹ based on thorough risk assessments. We support the Commission Circular Economy Action Plan and put it in motion². Indeed, we see our industry at the heart of Europe's circular economy, as outlined in Cefic's Mid-Century vision³. We take environment, safety and health protection at work as non-negotiable matters while adopting the best operational excellence programs to prevent any exposure of our Workers at the chemical facilities.

Emissions are on a downwards trend, that doesn't take away that Cefic strives to continue improving its environment performance, and as such would like to illustrate ways forward and share its views for the overall focus areas below:

# Strengthen the implementation and enforcement of existing legislations

Over the past years, the Commission has undertaken several evaluations of the performance of existing legislations based on better regulation principles, e.g. water, air, waste, Industrial Emissions Directive (IED). The overall conclusions show that the frameworks are considered 'fit for purpose'<sup>4</sup>. Before adding new legislative proposals, we believe in strict application of the Better Regulation Principle along with the necessary impact assessments based on available data. The focus of the future Action Plan should be on

<sup>&</sup>lt;sup>4</sup> Fitness Check of the Water Framework Directive and the Floods Directive (SWD(2019) 439); Fitness Check of the Ambient Air Quality Directives (SWD(2019)427); Industrial Emissions Directive (SWD(2020) 182 final)





<sup>&</sup>lt;sup>1</sup> Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role in improving quality of life and contributing to sustainable development. Cefic Responsible Care Key performance indicators – 2017 shows that the chemical companies have reduced the SO<sub>2</sub> emissions to the atmosphere by around two thirds, while the NOx reduced by 42%. Over the past ten years, companies have reduced the quantity of nitrogen in water by 30% and the phosphorus by 40%.

<sup>&</sup>lt;sup>2</sup> See for instance our position on Circular Economy and Chemical Recycling

<sup>&</sup>lt;sup>3</sup> Molecule Managers - A journey into the Future of Europe with the European Chemical Industry

streamlining to achieve consistency and eliminate duplication, step up enforcement, ensure enforceability of regulatory measures and solve implementation issues.

Cefic also believes it is crucial to strengthen the collaboration between all stakeholders in order to ensure an effective implementation and enforceability of measures.

# Improve the health and environment acquis

Chemical industry is committed to seeking continuous improvement through innovation to reduce the environmental and health impacts and contribute to a more sustainable Europe. We highlight the long-lasting commitment of the EU chemical manufacturing industry to adopt and implement the highest operational excellence standards and procedures to protect the people and environment such as Cefic's Responsible Care® management framework.

In order to deliver on these objectives that are crucial for the industry, we would foresee a legislative framework that supports innovation, and provides an easier access to finance (on a non-discriminatory/technology-neutral basis) both in production processes, abatement techniques and products formulation. Evaluations and impact assessments are crucial to match the level of ambition and the state of play of technologies. It should be ensured that the coherence between the existing legislations and the initiatives coming from the Green Deal is improved, while avoiding the overlapping of objectives.

### Improvements to the governance of pollution policies

Seeking for the Best-in-Class standards and practices in Europe for circularity, climate neutrality, biodiversity, water and air quality are a necessary societal investment that could take Europe to the forefront of leading on planetary issues. However, doing this in Europe only in isolation from the rest of international community risks hampering our industry's ability to thrive and deliver solutions to societal challenges in a competitive environment. The chemical industry is highly exposed to international competition, both on the internal EU as well as on international markets<sup>5</sup>. To make the necessary investments the competitiveness of our industry needs to be secured and preferably improved. The EU standards of production should square a delicate circle of being challenging and being achievable without losing sight of those which our international competitors have to meet. We recall that a study for the European Commission of 2017 on the cumulated costs of regulation for the chemical industry demonstrated the implementation costs of environment related legislation amounted to one third of the total costs of €100 billion in the period 2004 – 2014 (33%)<sup>6</sup>.

We are looking forward to contributing to improve governance of pollution policies across different policy areas such as climate, trade, international actions. While aiming for effective implementation of European best in class environmental standards, we believe the enforcement must be accompanied by a thorough impact assessment inclusive of the impact on competitiveness.

<sup>&</sup>lt;sup>5</sup> Similarly, this is already being recognized by the EC developing Carbon Border Adjustment Measures for energy intensive and trade exposed sectors

<sup>6</sup> Cumulative Cost Assessment for the EU Chemical Industry -Final Report (2016); Ref. Ares(2016)3304226

# Digitalisation

A more extensive use of artificial intelligence and blockchain technologies will make chemicals production and chemical risk assessment more efficient and transparent. Digitalisation could unlock up to €550 billion of value over the next few decades while enabling lower greenhouse gas emissions; lower injury rates; higher environment, health and safety standards and predictability; greater value chain transparency and improved public trust<sup>7</sup>. It would also help to improve the declarable substances for safe recycling in supply chains and further improve the assessment of chemicals in the EU (e.g. predictive toxicology<sup>8</sup>). Increased digitalisation has also an important role to play in improving implementation and enforcement across Member States.

Cefic is looking forward to sharing its ideas and exploring potential policy solutions with the European Commission and Stakeholders in due course.

#### Cefic statement of COVID-19 crisis

While contributing to this consultation we remain very aware we are all still experiencing unprecedented times, with industry, governments and institutions around the world taking major actions to address the Covid-19 crisis, and introducing large-scale policies which will have significant impacts for years to come. We will continue to support Europe's Member State governments and institutions in their efforts to overcome the socio-economic impacts of the crisis.

When investing for the future, industry, governments and institutions will have to ensure investments align with the policy targets of a climate neutral Europe by 2050. All this also means that the attractiveness of Europe as a re-investment destination, and re-shoring industry back to Europe, will depend more than ever on a favourable policy framework that manages ever-growing differences between the world's regions. We look to the European Commission to undertake the appropriate assessments and to include these wider considerations in the future framework that will be developed.

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#### **About Cefic**

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.2 million jobs and account for 17% of world chemicals production.

<sup>&</sup>lt;sup>7</sup> Molecule Managers - A journey into the Future of Europe with the European Chemical Industry

<sup>&</sup>lt;sup>8</sup> Chemicals Strategy for Sustainability - Towards a Toxic-Free Environment