

**COMMUNICATION FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN  
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE  
REGIONS**

on the Sustainable Production and Consumption and Sustainable Industrial  
Policy Action Plan

Brussels, 10<sup>th</sup> October 2008

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Position of the European Chemical Industry Council (Cefic)

The European Chemical Industry Council, Cefic, is fully committed to the objective of improving the quality of life for present and future generations, and therefore notes with interest of the Communication from the Commission on the Sustainable Production & Consumption and Sustainable Industrial Policy Action Plan.

The European chemical industry continues to improve the environmental performance of products and production and is delighted to note that the Commission acknowledges its continued leadership in environmental performance in their working paper. The European chemical industry has a proven track record of improving environmental performance, which is demonstrated through the annual Cefic Responsible Care<sup>®</sup> report.

Cefic strongly supports the aim to develop an integrated approach covering a range of different policy instruments in as far as this leads to better regulation and not to double regulation. Cefic is concerned that the Action Plan covers sectors for which separate policies and legislation already exist for reducing environmental impact. Duplicating existing frameworks would prove counter-productive. More recognition for the existing regulatory frameworks' and the various industry sectors' contributions to meeting the action plan's objectives would be very much welcomed.

**General considerations**

The chemical industry position can be summarised as follows, the European chemical industry:

- Considers that sustainable development is not limited to the pursuit of environmental protection, but equally covers economic growth and social welfare. Sustainable development aims to improve the quality of life in a way that mutually reinforces economic growth, welfare and environmental protection.

- Insists that consistent and scientifically sound methodologies and criteria are used when considering instruments for better products and/or for further tools for smarter consumption, and that transparency and stakeholder involvement is guaranteed throughout the entire process.
- Encourages the Commission as a priority to effectively implement the current Eco-Design Directive in order to ensure a better uptake and improved consumer understanding of energy-using products before extending the Directive to other product groups
- Strongly opposes creating double legislation concerning the use of hazardous chemicals as existing legislation such as REACH adequately covers risk management of chemicals and is amongst others aimed at reducing their potential environmental impact
- Welcomes strengthened links between Eco-Design, energy labelling and eco-labelling provided that all instruments consistently apply well-defined criteria based on sound science, take a full life cycle perspective, and are uniformly implemented by all EU Member States
- Welcomes the Commission's proposal to extend the Retail Forum to other stakeholders such as raw material producers
- Believes that further policies and legislation related to leaner production, such as a revision of EMAS, covering the chemical industry and its related sectors may be of little benefit given their strong track record
- Considers that policies or regulations aimed at tackling climate change and promoting further energy efficiency of products should not hinder further innovation and should encourage the innovation efforts of the European chemical industry
- Helps defining R&D priorities that are aimed to develop innovative, sustainable solutions and the benefits of this work reach far beyond the confines of the chemical manufacturing sector.
- Different policy instruments envisaged under the Commission's action plan should neither lead to distortions in global competition putting European products at a disadvantage nor create trade barriers.

## ***Detailed considerations***

### **Eco-Design Directive**

The chemical industry is uniquely positioned to help develop solutions for a sustainable future in particular for one of the key challenges of sustainable development, climate change. Cefic supports the focus of the Eco-Design Directive on products that directly or indirectly impact energy consumption during use and calls for a clear definition of energy-related products. Nevertheless, industry must have sufficient flexibility to drive product development. Cefic therefore encourages the Commission as a priority to effectively implement the current Eco-Design Directive (EuP) in order to ensure a better uptake and improved consumer understanding of energy-using products before extending the Directive to other product groups.

Regarding the implementation of the current EuP directive, it should be recognised that energy efficiency is already being improved in other phases of the product life cycle, which are often not taken into account. Cefic, therefore, strongly encourages the legislators to assess energy consumption taking the full life cycle into account when assessing a product's performance.

Moreover, implementing measures should be based on the proven capacity of such measures in achieving the environmental objectives set out by the Commission while taking the economic and social dimension of sustainable development into account.

Finally, the eco-design of products should under no circumstances lead to distortions in global competition and put European products at a disadvantage and should remain sufficiently flexible to drive product development.

### **The use of hazardous materials**

The European chemical industry strongly questions the need to create additional legislation aiming to "reduce the use of hazardous materials as appropriate".

Where managing hazardous chemicals is concerned, the European Union has adopted through the new chemicals policy, REACH, which entered into force only last year, one of the most comprehensive and demanding chemicals policy instruments in the world. The main aims of the regulation are to improve the protection of human health and the environment from the risks that can be posed by chemicals, the free circulation of chemical substances on the internal market as well as the growth of competitiveness and innovation.

Existing legislation such as REACH adequately covers risk management of chemicals and is amongst others aimed at reducing their potential environmental impact. Moreover, REACH takes a life cycle approach to managing risks that may be associated with the use of chemicals by recognising the responsibility of actors in the life cycle of chemicals. Therefore, Cefic strongly opposes creating double legislation.

### **Minimum requirements and benchmarks**

Cefic supports the principle of setting minimum requirements and benchmarks as long as they are focused on the Internal Market and ensure that they provide business with a long-term perspective. Cefic emphasizes the necessity for the periodic revision of these requirements and benchmarks to be long enough to allow innovative products reaching the market and to allow innovative chemical producers enjoying acceptable returns on their investments. In the absence of a long term planning horizon, this would hamper investment in research and development and innovation in the EU.

### **Energy and eco-labelling**

The chemical industry is fully committed to continuously improving its environmental performance and to providing consumer products that meet very high levels of safety. Cefic therefore welcomes strengthened links between Eco-Design, energy labelling and eco-labelling provided that all instruments consistently apply well-defined criteria based on sound science and that they are uniformly implemented by all EU Member States.

The criteria for eco-labelling should be fully in line with the concept of sustainable development. This means that not only the environmental aspects, but also costs and profitability aspects, social aspects as well as the product's function should be taken into account. Eco-labels should remain a voluntary instrument and should under no circumstances lead to trade barriers.

The European chemical industry fully supports the Commission in their aim of ensuring that data and scientific knowledge are used efficiently and that information given to consumers is consistent. For example, the outcomes of scientifically sound risk assessments satisfying the legal requirements of the new chemicals policy, REACH, should be taken into account when designing criteria for the European eco-label. Cefic fully supports a risk-based approach to ensure the safe and responsible management of chemicals. Chemicals, for which it has been demonstrated that they can be safely used provided that basic risk management measures are taken throughout their life cycle, should be fully eligible to meet the eco-label criteria.

Cefic would also like to raise a concern about the proposed 10% threshold: 10% of products available on the market should meet a set of different environmental parameters at the moment of defining the criteria. It is not clear how different environmental parameters will be taken into account. Moreover, a standard based on the 10%-tile might be too restrictive or disproportionately favour technologies that benefit from intellectual property right protection and may not be available for consumer markets.

The chemical industry encourages the legislators to take note of very successful initiatives of industry that have been taken in order to achieve product excellence including better environmental performance, as demonstrated for

example through the ICCA Global Product Strategy, the HERA project and the AISE Charter for Sustainable Cleaning.

### **Incentives**

The chemical industry supports the Commission in trying to overcome fragmentation and to establish a harmonised base for public procurement and incentives provided by the EU and its Member States. An appropriate pan-European scheme that is consistent with the internal market would be welcomed as long as criteria are set up in a consistent way based on sound science and by a European panel. Unlike the EU flower scheme, where criteria are established on the basis of a European consensus, current participation stakeholders in national eco-label consultative and criteria setting forums (e.g. Blue Angel or Nordic Swan) is limited to national stakeholders. This constitutes a barrier to free movement of goods and certain resulting criteria can be viewed as protectionism.

### **Retail Forum**

Cefic welcomes the Commission's proposal to extend the Retail Forum to other stakeholders such as producers. The Forum should be extended to the entire supply chain including suppliers of raw materials thus allowing holistic solutions to be developed. This is fully in line with the ambition of the European Commission to develop Better Regulation. Cefic would much welcome the opportunity to contribute to the dialogue.

### **Leaner Production**

The European chemical industry is committed to continuously improve and report performance as articulated in the Responsible Care® programme. The Responsible Care® Global Charter, launched in 2006, defines a clear programme to contribute to sustainable development by extending Responsible Care® through the value chain. The European chemical industry has a very strong track record of improving environmental performance, which is communicated annually through the Cefic Responsible Care® Report. For example, although production in the European chemical industry has increased by more than 50% since 1990, **greenhouse gas emissions have fallen by more than 25%**. With a reduction of 80 million tonnes of carbon dioxide equivalents since 1990, the chemical industry alone has achieved nearly one third of the EU15 commitment under the Kyoto Protocol to reduce greenhouse gas emissions by 8% between 1990 and 2012.

Cefic considers that very comprehensive legislation is already in place to improve environmental performance from production and would question the actual ability of the chemical industry to further improve environmental performance in production beyond current policies and legislation as a consequence. To support this view, Cefic would like to give several examples from the Commission's working paper on the impact assessment accompanying the Action Plan:

Example 1: To reduce greenhouse gas emissions, the European Union has set an ambitious target of 20% reduction (or 30% if international agreement is reached) by 2020. The main instrument, the Emission Trading Scheme (ETS) is planned to be expanded to cover **all** greenhouse gases from **all** major industrial emitters, thus covering 40% of the greenhouse gases in the EU.

Example 2: Legislation is already in place to regulate the environmental pollution of the production and waste stage and there is specific legislation related to air quality. The directive on industrial emissions covering **52,000** installations takes into account the **entire environmental impact** of an installation, covering e.g. emissions to air, water and land, **use of raw materials**, energy efficiency, generation of waste, noise, prevention of accidents, and restoration of the site upon closure. The Commission itself concludes that environmental impact during the production stage is controlled by this.

Example 3: The revision of the National Emissions Ceilings sets targets for Member States to reduce environmental pollution stemming from particulate matter, ammonia, nitrogen oxides, sulphur dioxide, volatile organic compounds and ground level ozone. The Thematic Strategy on Air Pollution will drive down air pollution significantly with **reductions between 27% and 82%** of the five main polluting substances.

In conclusion, the European chemical industry has a strong track record in improving environmental performance, through voluntary and legislative initiatives, so we believe that further policies and legislation, such as a revision of EMAS, covering the chemical industry and its related sectors may be of little benefit.

### **Eco-innovation**

The European chemical industry welcomes the idea of promoting the development and the uptake of eco-innovation. Cefic, through the European Technology Platform for Sustainable Chemistry (SusChem), already helps defining R&D priorities that are aimed to develop innovative, sustainable solutions, and the benefits of this work reach far beyond the confines of the chemical manufacturing sector. The **SusChem visionary projects**, i.e. the Smart Energy Home, the Integrated Bio-refinery and the F3 (fast, future, flexible) Factory, are all key contributions from the European chemical industry to sustainable development.

### **Stimulating Global markets**

Cefic strongly encourages the European Union to support promotion of international agreements, such as those on climate change, as well as sharing of good practices as part of the United Nations 10-Year Framework of Programmes

### **Contact**

Johan Breukelaar (Director International chemicals policy)