EP Intergroup Climate Change, Biodiversity & Sustainable Development

Chemicals Strategy for Sustainability: How can we enhance safety & competitiveness?

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Hosted by MEP Maria Spyraki

Co-Chair of the European Parliament Intergroup
on 'Climate Change, Biodiversity & Sustainable Development'

Speakers:

- **Maria Spyraki**, MEP
- **Sylvie Lemoine**, Executive Director Product Stewardship, CEFIC
- **Carlo Pettinelli**, Director, Chemicals and Consumer Industries, DG GROW, European Commission
- **Bjorn Hansen**, Executive Director, ECHA
- **Sven Giegold**, MEP
- **Dr. Violaine Verougstraete**, Chemicals Management Director, Eurometaux
- **Oliver Loebel**, Secretary General, EurEau
- **Tatiana Santos**, Policy Manager for Chemicals & Nanotechnology, EEB

Opening remarks

MEP Maria Spyraki

MEP Maria Spyraki informed the public that 95% of all goods and products circulating in Europe are linked to chemicals or chemical processes. Therefore, **Ms. Spyraki** insisted that assessing the management of chemicals was essential. **Ms. Spyraki** then underlined a series of core questions, inter alia mentioning how to improve the regulatory system governing chemicals' use and how to facilitate the acceleration of the industry's evolution towards more sustainable chemicals. **MEP Maria Spyraki** also mentioned that the European Parliament is requesting the European Commission to eliminate risks related to chemicals as well as to set ambitious goals. There are already strong EU standards that need to be built upon; the Chemicals Strategy should therefore lead the way towards safer and more sustainable products with a set of new tools providing the regulatory stability needed. However, **MEP Maria Spyraki** pointed out that the Chemicals Strategy should also highlight the current legislation, asking the Member States to fully implement it. Moreover, **Ms. Spyraki** mentioned that unnecessary animal tests must be avoided and replaced by alternatives including new smart methods. Finally, **Ms. Spyraki** underlined the complexity of the current system around chemicals, with different managing bodies overlapping, such as the European Food Safety Authority, the European Chemicals Agency or the European Medicines Agency. In the current report produced by the MEPs, the European Parliament asks the full support of European Commission on this strategy, moreover to confirm the necessary and sustainable financing needed towards this purpose. Last but not least, **Ms. Spyraki** underlined that the Chemicals Strategy must aim at facilitating the circulation of data between the different stakeholders, from the big industries to consumers, in particular via the use of online platforms.

Panel discussion moderated by MEP Maria Spyraki:

Sylvie Lemoine, Executive Director Product Stewardship, CEFIC

Ms. Sylvie Lemoine began her intervention by illustrating that chemicals are everywhere and are strategic to the European interests. **Ms. Lemoine** explained that "behind all domains, there were thousands of companies, supply chains as well as thousands of chemicals present to give what we all need". **Ms. Lemoine** stressed the need for large amounts of renewable energy to move to climate neutrality, explaining that in order to produce this renewable energy, a variety of products are necessary as protective layers, carbon fibres, and more are made of chemicals. In addition, **Ms. Lemoine** mentioned that "we need to think materials" while looking at the future and therefore, think of recyclability, also in terms of chemicals. Regarding the broader picture, **Sylvie Lemoine** highlighted that this is where the Chemicals Strategy stands today, pushing models to evolve and actors to advance. Therefore, in the context of the European Green Deal and the Green Recovery, these are transformative times as there are real breakthrough innovations under development. As highlighted by **Ms. Lemoine**, changes are also needed at the production level, and also when it comes to waste. To demonstrate her idea, **Ms. Lemoine** highlighted, among other elements, electric cars and hydrogen as examples of the double opportunity for the chemical industry to contribute to climate neutrality and leave fossil fuels behind. Another evolution possible introduced by **Ms. Lemoine** is chemicals' recycling by using plastic waste as material stock, which would be the occasion for the creation of new business models. Moreover, she insisted that Europe needed to invest in those elements, as well as to support access to an affordable, clean and economical energy. Looking at the European Union legislative landscape, **Ms. Sylvie Lemoine** said that the legislative structure was complex, changed often and was based on criteria not always understood by stakeholders. In consequence, it resulted in uncertainty which is fails in encouraging investments and impacts Europe's competitiveness. At the

same time, **Ms. Lemoine** explained that there is an important number of chemicals registered under REACH including some that are qualified as hazardous in the regulatory sense. She stressed the fact there is no need to eliminate hazardous substances if they are used in a controlled manner in a closed environment. Furthermore, **Ms. Lemoine** added that there is often a biased interpretation of what a hazardous substance is. To illustrate her point, she indicated that there are such substances in disinfectors or propylene while disinfector was essential to the pandemic and propylene is widely used to make goods in Europe. Furthermore, leaving the investments stream outside Europe will most likely contribute to less controls and therefore more risks for the consumers. Finally, **Ms. Lemoine** presented the general position of CEFIC regarding the current legislation, considering REACH as a necessity, highlighting that there should be no compromise on safety, but also as a legislation that can be improved. **Ms. Lemoine** confirmed that there are improvement areas in regards to resource efficiency, affordability of feedstock, safe product design, as well as the size of the legal database that could be increased. In addition, she said that the creation of labels indicating if a product is either consisting of either imported or EU chemicals could be an important point of progress, contributing to keeping science at the centre of the decision-making process. A third key element underlined by **Ms. Lemoine** was also the need for a common definition and interpretation of sustainability. Finalizing her intervention, **Ms. Lemoine** expressed her hope to see opportunities deriving from the European Green Deal and its associated strategies.

Carlo Pettinelli, Director, Chemicals and Consumer Industries, DG GROW, European Commission

Mr. Carlo Pettinelli presented the EU legislation as the most advanced chemical regulation in the world. However, he said that there were further developments possible, in particular to encourage the European chemical industry's competitiveness and progress towards more sustainability, as science and society continue to evolve. **Mr. Pettinelli** highlighted that the EU's chemical industry was very large, and it would be interesting to build interconnections and create industrial ecosystems. In addition, as demonstrated during the pandemic, the movement of goods is essential to economic activities. However, as the COVID-19 crisis halted companies' activities, necessary long-term investments might be delayed. In consequence, **Mr. Pettinelli** declared that the EU should support the chemical sector as the use of chemicals will be multiplied with the environmental transition, while it is time for the EU to finalize the Chemicals Strategy. This new framework should propose a new approach of assessment of chemicals, including hazardous ones. Finally, **Mr. Pettinelli** explained that the Chemicals Strategy was in the frame of the Green Deal but also went beyond that, as it was interconnected with other strategies as the Circular Economy Action Plan and ongoing work on Ecosystems. He concluded that, while chemicals were part of the climate neutrality objective, taking the example of batteries needed for the electric vehicles, it was important to set a legal framework that increases the protection of citizens and of the environment without prompting the transfer of the environmental impacts in third countries. Lastly, **Mr. Carlo Pettinelli** mentioned that the main components of the Chemicals Strategy were in the roadmap that was recently published and that the European Commission received a lot of comments which will be featured within their work.

Bjorn Hansen, Executive Director, ECHA

Mr. Bjorn Hansen opened his presentation by confirming that the Chemicals Strategy is playing a key role in many other European policy developments, such as the Industry Agenda, the Digital Agenda or the Beating Cancer Plan, which all have the chemicals as a cornerstone element. Moreover, **Mr. Hansen** explained that ECHA could contribute in two groups; the group of the chemicals of today and

the group of the chemicals needed for tomorrow. For this second group, **Mr. Hansen** underlined the importance to embark in a common European effort to get through the transition. From the European Commission's paper, **Mr. Hansen** retains three elements; the issue of energy, higher demands for safety, and also other demands on the zero emissions' aim, inter alia underlining the objective of a more circular economy. At the same time, **Mr. Hansen** asserted that circular economy was all about circularity of chemicals and chemicals' recycling. Looking at the first group, referring to chemicals of today, **Mr. Hansen** mentioned that it is needed to increase efficiency and consistency in the way the chemical sector works, both being essential to reduce the costs, to innovate and to support the internal market, as well as to be more competitive. He outlined that predictability was a solution to many of the objectives of the European Union. On the "one substance, one assessment" concept, **Mr. Hansen** presented ECHA's ideas that consist of two elements; legislation organization and data. On data, he detailed that the possibility of applications on data developed by IT experts exists, as there is a big potential of digitalisation. On the regulatory side, he highlighted the important potential for a more efficient legislation through better co-ordination, as there are many different set-ups that play a role in the assessment of chemicals, and through using their respective competences. According to **Mr. Hansen**, division at the legislative level will make it easier to coordinate. **Mr. Bjorn Hansen** concluded his intervention by underlining that these proposed improvements were also applicable to ECHA's own machinery.

MEP Sven Giegold

Within his intervention, **MEP Sven Giegold** underlined that the European chemical industry was a large and competitive industry, although it lacks sustainability at the moment. **Mr. Giegold** acknowledged that it was a difficult task to change process production lines in order to make them more sustainable. However, **Mr. Giegold** declared that there is a true opportunity to make the European common market a front-runner on non-toxic environment standards, on circular economy and on sustainable material base. At the same time, **Mr. Giegold** quoted that "Europe has already the most progressive chemical legislation even if it is not always enforced, which is a problem. We should make sure that it is enforced not only on the production side but also when it comes to imports". To achieve this, according to **MEP Sven Giegold**, the power of the common market can be used to develop competitive products. As toxicity is one of the planet limits, as well as the pressure on biodiversity for resources, sustainable chemistry can be part of the solution, according to **Mr. Giegold**. Therefore, the European Parliament's resolution is forwarding a long list of proposals with prerequisites for some particular chemical groups that are demanding fast progress. In addition, the European Parliament calls on ECHA and on the Commission to take action to enforce the existing legislation with faster work and infringement procedures. In addition, **Mr. Giegold** stressed that, so far, the recovery plan failed to express the enormous importance of toxic pollution while it must be more present in the recovery package and its funding. Finally, **MEP Sven Giegold** highlighted that the hazardous chemicals must be replaced, diminished or at least be risk-contained. He concluded by saying that the European Parliament's resolution was part a paradigm shift in order to develop a global vision for a competitive and sustainable chemical industry.

Dr. Violaine Verougstraete, Chemicals Management Director, Eurometaux

During her presentation, **Dr. Violaine Verougstraete** provided the audience with three key points to remember, in order to have a truly sustainable chemicals strategy. Firstly, she mentioned that the Chemicals Strategy will only succeed if the EU considers the specificity of metals. Indeed, in terms of volumes, they are among the largest substances registered under REACH. However, **Ms. Verougstraete** underlined that metals were not included in discussions as much as organics, whereas clear regulation was needed for predictability and investment. Secondly, metals will only gain importance with the Green Deal and the Green Recovery, as the EU has recognized the need to invest in industrial capacities for supplies to batteries, clean mobility and renewable energy, according to **Ms. Verougstraete**. Moreover, in May 2020, the World Bank released its projections for global demand for metals and minerals and it might skyrocket by up to 500% with the transition to climate neutrality. And thirdly, as many metals come from outside of Europe, **Ms. Verougstraete** called attention to this increased demand and the need to keep as much material possible in Europe. **Ms. Verougstraete** explained that, as metals are too precious to waste, the industries have already an objective of 100% of recyclability when currently it is of 50%. Therefore, metals are already leading the way in circularity as it allows strategic materials' autonomy but also generally lower emissions. **Ms. Verougstraete** also shared the fact that metals and their recycling are essential to achieve the objectives of the Green Deal and circularity as, for example, there are nickel and cobalt in batteries as well as silver in solar panels. Finally, **Dr. Violaine Verougstraete** presented successively three aims in regards to metals that can be part of the Chemicals Strategy. The first aim cited by **Ms. Verougstraete** is to minimize exposure and prevent risks to health and the environment, as we will need more metals in the future and many of them will be hazardous. The second aim is to better manage processes in order to have the certainty and predictability needed for investments in industries from aerosols to low-carbon technologies. To do so, **Ms. Verougstraete** pointed out some regulatory adjustments as maximizing the use of existing data and strengthening the risk management option's analysis concept. According to **Ms. Verougstraete**, one key element here is to enable the existing legislation to work better, including its enforcement. Lastly, the third aim is to maximize societal welfare as chemicals management, circularity and climate neutrality are intrinsically interlinked, strengthen each other, and therefore, affect our future world economy. Finally, **Ms. Verougstraete** concluded by stressing that the approach to chemical management must be more holistic in order to provide greater predictability and to ensure coherence with the Green Deal objectives.

Oliver Loebel, Secretary General, EurEau

Mr. Oliver Loebel began his presentation by introducing EurEau (European Federation of Water Services) and its mission, which is "to protect public health and the environment by delivering safe and affordable water services at any moment and time". **Mr. Loebel** explained that he would have a slightly different perspective as sustainability and affordability demands on water depend on the toxic substances it contains. First and foremost, **Mr. Loebel** made clear that experts agree to say that in order to minimize the release of hazardous substances to the aquatic environment, we must act as early as possible, at the design phase, authorization phase as well as manufacturing phase. Indeed, legislative measures taken early in the life cycle are far more effective than trying to regulate assess the many pathways between human activities and environment once the damage is done according to the panellist. Furthermore, **Mr. Loebel** presented EurEau's recommendations, which fully support the application of the TFEU article 191.2 as a legal basis. According to **Mr. Loebel,** the precautionary principle, preventive action, control-at-source and polluter-pays principle must be key elements of the Chemicals Strategy and must ensure coherence between chemical legislation, environmental policies and Green Deal strategies. **Mr. Loebel** also clarified the support of EurEau to the generic risk

assessment as action must be based on the intrinsic properties of products to avoid their release in the environment. Moreover, **Mr. Loebel** highlighted that the "one substance – one hazard assessment" must not contradict group restrictions like micro-plastics and PFAS as it is a useful tool. Last but not least, **Mr. Oliver Loebel** ensured full support to the European Parliament's efforts to ban all non-essential PFAS applications and to take action at the source, as well as to address the EDCs and Mixtures and Cocktail Effects. In addition, **Mr. Loebel** was strongly in favour of the application of the polluter-pays principle and the support to innovation as a key role to the development of green and sustainable chemistry.

Tatiana Santos, Policy Manager for Chemicals & Nanotechnology, EEB

The panel discussion was concluded by **Ms. Tatiana Santos**, representing the European Environmental Bureau, who presented an overview of the chemicals situation. Firstly, she explained that chemicals and plastics' production are increasing at a rate seven times higher than the population's growth and are, in consequence, creating a global problem. Chemicals are the source of unbearable levels of pollution with over 6 million tonnes of plastics produced between 1950 and 2015 with about two thirds being either toxic for the environment or for the health. **Ms. Santos** underlined also that in Europe we produce 300 million tonnes of toxic substances a year and it leads to the toxification of the planet, which is a global threat to the people and the wildlife. **Ms. Santos** added that chemicals reach our bodies and that babies are now born 'pre-polluted' as 300 new industrial chemicals can be found in their bodies compared to their grandparents. Therefore, **Ms. Santos** explained that chemicals can also contribute to the rise in severe health problems (reduced IQ, developmental disorders of children, reduced fertility, cancers), and strain on Europe's ecosystems. In addition, **Ms. Santos** introduced the fact that pollution is the world's largest environmental cause of disease and premature death, costing trillions of dollars every year. **Ms. Tatiana Santos** told the audience that there are three main threats to the future; climate change, biodiversity loss and chemical pollution, the latter being probably the most unknown one and maybe even the most important one because it impacts the two others. Besides, the chemical sector is the world's second largest industry and the largest industrial user of energy and one of the biggest emitters on the planet. In consequence, as chemicals have a close relation to almost all planetary boundaries, the Chemicals Strategy is a strong opportunity to tackle the problem of toxicity of chemicals according to the panelist. Finally, **Ms. Santos** presented EEB's position on the Chemicals Strategy as EEB would welcome its further focus on detoxification, decarbonisation, safety and sustainability of chemical substances, as well as on reduction of exposure. EEB encourages a shift from toxic and linear resource-intensive productions to safer and more circular ones, that seek zero pollution and zero waste in order to protect the citizens and the environment. **Ms. Santos** also underlined that substitution and green innovation should be better promoted, and strongly welcomed the European Parliament's motion for a resolution as it contains the most basic elements needed according to her. Concluding her intervention, **Ms. Tatiana Santos** mentioned the conference on "tackling the pollution for a green recovery" that EEB organized with FIPRA a few weeks ago and the follow-up that will occur in July.

Q&A Session

During the Q&A session that followed the panel discussion, **Mr. Carlo Pettineli** was asked which objective of the Chemical Strategy of the Commission could be achieved realistically in this term and if the Chemicals Strategy contained an action plan on PFAS. **Mr. Pettineli** responded that it was impossible to say what could be achieved as the final strategy has not been adopted yet and there was

still a lot of work to do, particularly at the political level. However, **Mr. Pettineli** admitted that it will be an ambitious strategy as it is in the framework of the ambitious Green Deal. **Mr. Pettineli** explained that the Commission was still working on PFAS, and could not mention how it will be addressed, as this element has not been decided yet.

The third question, raised by **MEP Maria Spyraki** and addressed to **Ms. Lemoine**, covered the subject of safer alternatives, when feasible, to hazardous substances. According to **Ms. Lemoine**, replacing hazardous substances starts with a good understanding of the properties of current chemicals. She explained that there is still a lot of work to be done as the chemical industry still relies on animal testing which is time-consuming and expensive. **Ms. Lemoine** also mentioned that there is a need to fully understand all the uses of chemicals in order to prevent eventual releases in the environment. From that perspective, REACH is really well-designed according to the speaker, and it must be built upon. In addition, in the framework of the continuous improvement concept, **Ms. Lemoine** highlighted that young chemists must be trained to think environment and circularity when they design new chemicals and that there must be improvements in the value chain in order to have chemicals worth investing in.

The last question towards ECHA touched upon data use and coordination. For **Mr. Hansen**, it is essential for ECHA to cooperate effectively with safety agencies as ECHA is supplying IT tools. **Mr. Hansen** confirmed that huge progress has already been made in the past 25 years and that ECHA was not far away from providing a system which effectively supplies data in a format that other stakeholders can also use. The panelist also made the remark that this system is fully aligned with the digital agenda.

Prior to the webinar's conclusion, **MEP Sven Giegold** requested some further clarifications from the European Commission on the subject of an action plan on PFAS, as there has been a clear demand by Member States and the European Parliament. To this, **Mr. Pittinelli** answered that he could not commit on the behalf of the Commission as the final strategy was still under development and will not be finalized before the summer break.

Take-away messages and conclusions

MEP Maria Spyraki

Summing up the event's discussion, **MEP Maria Spyraki** highlighted the importance of the first motion for a resolution proposed by the Parliament during this mandate, which asked the Commission to set up important priorities for the Chemicals Strategy. **Ms. Spyraki** underlined that the main take-away message was that this strategy must increase the level of protection of consumers while at the same time facilitate the industry in order to provide the consumers and the market with safer alternatives**. Ms. Spyraki** emphasized that the strategy could be the source of a new level-playing field concerning the competition market within and outside Europe, as we are consuming products with chemicals produced outside the EU. Last but not least, **MEP Maria Spyraki** concluded by affirming the essentiality of a consensus in order to have a strategy for chemicals that will be totally enforced by the Member States.