

DG ENVIRONMENT

Commissioner Virginijus SINKEVIČIUS Environment, Oceans and Fisheries

Executive Council of the American Chamber of Commerce to the EU (AmCham EU)

(online, 1 June 10h00)

BRIEFING NOTE

Scene setter / Context:

You have been invited to meet the Executive Council of the American Chamber of Commerce to the EU (AmCham).

AmCham is in regular contact with DG ENV and has shown a particular interest in the Circular Economy work (meeting with Directorate B in late 2019). Head of Cabinet Vascega participated in an online AmCham event on the Circular Economy Action Plan in May last year.

The invitation comes from Susan Danger, the CEO of AmCham EU whose CV is included at the end of this briefing.

Although AmCham EU represents US companies operating in the EU and its interests are in EU issues (as opposed to the EU-US relationship), this event offers the chance to seek the view from business on the environmental opportunities offered by the change of administration and where they see the possibilities for greater EU-US alignment and cooperation.



Speech

Good morning, ladies and gentlemen, and thank you for this invitation.

It's very timely, because I have been hoping for an exchange with American businesses for a while. We are in a new political context, cooperation is the name of the game, and politically, things are moving very fast in Europe as well.

And of course, you are here in Europe, you're operating under EU law, and I want to make that easier for you. So I'm very happy to give you an update of our new political priorities, and I look forward to a productive exchange at the end.

(Pause)

First things first – we've all been hard hit by Covid 19. It's helped us identify a number of weak points in our systems, and one of those is very big indeed. Our current economic systems are weak, some would say unexpectedly vulnerable. The common conclusion is that we need to "Build Back Better." For the Commission, that means building back "Greener," and building more resilience into our systems.

So we are shooting for a green recovery. This is backed by our European Green Deal – a strategy for sustainable growth. Its aim is a fundamental transformation of the EU economy, setting on a path to competitiveness and resource-efficiency.

It has a long timeline, and by 2050, we want to ensure there are no net emissions of greenhouse gases, that our natural capital is protected, and that economic growth is decoupled from resource use and pollution.

The European Green Deal is a long-term strategy, but it's our short-term plan as well. We hope to achieve a recovery that is just, sustainable and rapid, as part of process that leaves no-one behind.

Beyond COVID, we face three environmental crises, and they all closely related. Climate change, biodiversity loss, and pollution. They are all driven by our excessive use of resources, and by unsustainable economic models.

The Green Deal is a systemic response. In the past year, it's allowed us to adopt a number of new initiatives. We have a new Climate Law, for carbon neutrality by the middle of the century. A new Circular Economy Action Plan, which I will talk about in a moment. A new Biodiversity Strategy for our nature, a Farm to Fork Strategy for sustainable food, a Zero Pollution Action Plan, for air water and soil, and a new Chemicals Strategy for Sustainability.

These strategies and instruments are good for the environment and the climate, but they're designed to be much more than that. As I said – the Green Deal is a strategy for growth and recovery. It is there to help bring about the green and digital transitions that will modernise and revitalise our economies, and move us towards a regenerative economy.

And it is good for Europe's competitiveness. This is a great opportunity to be at the forefront of many areas of change – for climate, for waste management, for water treatment, and many other areas in the twin green and digital transitions where we could keep a "first mover advantage".

(Pause)

I mentioned Circular Economy. This is a central element in the Green Deal. The new Action Plan proposes a model to reduce our consumption footprint and to double Europe's circular material use rate in the coming decade. The idea is to do that by changing the way we produce and consume. We focus on key product value chains, and on preventing waste from happening in the first place. We also identify actions to generate safe and high quality secondary raw materials, when waste can't be avoided.

(Pause)

A lot of the Green Deal is already in place. In December last year, for example, we adopted a new regulatory framework for Batteries. With it, the Commission proposes mandatory requirements for all batteries (so – industrial, automotive, electric vehicle and portable) that are placed on the EU market.

The way we see it, to develop a more sustainable and competitive battery industry, there are a number of requirements. That includes responsibly sourced materials, with restricted use of hazardous substances. Minimum content of recycled materials. New requirements for performance and durability, and a bigger effort to meet our targets for collection and recycling. That way, we modernise the sector, and make it ready for the huge expansion ahead.

Circularity is big feature in several other recent deliverables. The Renovation Wave integrates circular economy principles, to make the renovation of buildings in Europe circular, sustainable, and of course, energy-efficient. In the Chemical Strategy for Sustainability we proposed a series of actions to ensure that products are safe and sustainable-bydesign, and to increase safety of and trust in recycled materials and products. One goal here is to make 'Recycled in the EU" a benchmark around the world.

(Pause)

Looking to the future, the agenda is equally ambitious. Coming up on the horizon is a major deliverable, the Sustainable Product Policy Framework. There will legislative initiatives to empower consumers and tackle false green claims. Consumers will be able to choose green products more easily, and they will be better protected against products that are not so green.

And towards the end of the year, we will propose a Sustainable Products Initiative, to transform design. We want to make products more circular and resource-efficient, reducing waste and minimising environmental impacts throughout their life cycle. The Open Public Consultation was recently launched and will remain open until next week (9 June).

Those are broad-brush initiatives. We also have more targeted strategies in the pipeline, including action on key value chains. The Circular Economy Action Plan identifies seven of these, where the potential for circularity is particularly high. The goal is to translate the principles of a more sustainable product policy framework, so we change how we produce, use and recycle, for all of these value chains. That means textiles, buildings, the batteries I mentioned, vehicles, electronics and ICT, plastics, packaging, and food.

(Pause)

Transforming waste into resources is another priority.

The first step here is reducing waste creation. For this, we are exploring the feasibility of setting up waste reduction targets for impactful waste streams (i.e. packaging). We are revising major pieces of legislation, such as the Packaging and Packaging Waste Directive.

And work continues to mainstream the circular economy into other EU policies, especially for climate, and to support EU companies in their efforts to move towards business models that are more resource-efficient. The Member States'

Recovery and Resilience Plans will play a key role in supporting these transformations.

(Pause)

We know very well that the EU cannot and should not move to the circular economy in isolation. Supply chains are global. What we need is a **global** transition. The challenges are shared, and we need shared solutions to target climate change, biodiversity loss and pollution. So are actively reaching out to partner countries around the world, and looking for concrete actions that make our economic models more sustainable.

That's why, for example, together with UNEP and UNIDO, we launched a Global Alliance on Circular Economy and Resource Efficiency earlier on this year. GACERE has 13 countries as members already, including Canada, Japan and India. We are also teaming up with countries around the world to build support for a global plastics agreement to make plastic production worldwide sustainable and combat marine litter more effectively.

(Pause)

The Green Deal keeps rolling on, and the most recent delivery is a comprehensive action plan to move to a toxic free environment.

The first step was actually last October, when we adopted our Chemicals Strategy for Sustainability.

Here in the EU, we like to think we already have sophisticated chemicals legislation, supported by the most advanced knowledge base in the world. So why the need for a chemicals strategy for sustainability?

The truth is, many chemicals on the market still have hazardous properties that harm the environment and human

health. Science is alerting us to areas urgent action is needed, for example on endocrine disruptors. We already have strict rules for chemicals that are carcinogens – they cannot be used in consumer products – but we want to extend those rules to endocrine disruptors, and to chemicals that cause other chronic diseases such as asthma.

Some persistent chemicals like the PFAS group have entered the environment and contaminated entire regions in Europe, including drinking water.

European citizens – including the most vulnerable – are still too exposed to these very harmful chemicals, in particular through consumer products.

With our Chemicals Strategy for Sustainability, we aim to ensure that chemicals that cause long-term effects on human health and the environment are phased out and substituted, and that the use of the most harmful ones is avoided in consumer products.

As a priority, we will ban PFAS, allowing their use only when it is genuinely essential. This year should see the adoption of common criteria to identify endocrine disruptors. In 2022 we will propose to revise sectoral legislation and update REACH and the Classification, Labelling and Packaging of chemicals Regulation (CLP).

But if we want more protection, then we need more innovation.

So we also aim to boost development of alternatives, new chemicals and materials that are safe and sustainable by design, from production to end of life. We'll start by developing criteria to drive research into this direction, establish an EU-wide support network, and provide financial support for their commercialisation and uptake.

(Pause)

What I presented today is a just a snapshot of the European Green Deal and the main initiatives already under way. I could have included many more, like the recast of the drinking water directive, or the revision of our legislation on urban waste water which is now under way.

The agenda is equally ambitious for the future. We know that most of these challenges are global, and that's why the European Green Deal has a strong international component. We are determined to work together with our partners on coordinated responses to the challenges we share.

In this context, we are especially looking forward to an opportunity to relaunch our environmental cooperation with the United States, and to pursuing an ambitious transatlantic green agenda aligned with the objective of the European Green Deal.

My expectation is that the Circular Economy will be at the centre of that relaunch, and first contacts seem to confirm this hope.

Even under the previous administration, there was US interest in our experience with Circular Economy. That's because there is widespread recognition that these are no longer 'environmental' files. They're good for the environment. But for the world economy, they're inevitable, and the business opportunities are huge.

I look forward to your views on these matters!

Thank you.

O&A

Given the wide range of companies represented in the Executive Council it is difficult to anticipate the questions. Therefore a range of possible answers to Circular Economy questions are given in a separate document included in the BASIS package.

Depending on the nature of the discussions we can use the occasion to ask the opinions of participants on the situation in the United States with the arrival of the new administration:

- What changes do they anticipate/ are they already seeing with the change of US administration?
- What are their views on the opportunities offered by the green transition?
- Where would they see greater alignment of the EU and US on environmental matters?

Background information

1. The American Chamber of Commerce to the EU (AmCham EU)

AmCham EU (<u>www.amchameu.eu</u>) presents itself as speaking for American companies committed to Europe on trade, investment and competitiveness issues. It says that it aims to ensure a growth-orientated business and investment climate in Europe and that AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters.

AmCham EU's Executive Council is a group of more than 20 European CEOs who lead the European operations of some of the world's largest multinational companies. In their invitation AmCham EU claim that "they are passionate about and committed to the competitiveness of Europe in the global economy".

Its website reports that "aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development."

AmCham is in regular contact with DG ENV and has shown a particular interest in the Circular Economy work (meeting with Directorate B in late 2019). Head of Cabinet Vascega participated in an online AmCham event on the Circular Economy Action Plan in May last year.

A list of the members of the AmCham EU Executive board members and the companies that they represent is given in a separate document in the BASIS package.



Susan Danger

CEO, AmCham EU

Susan Danger is CEO of the American Chamber of Commerce to the EU (AmCham EU), which speaks for American companies committed to Europe on trade, investment and competitiveness issues. She has full strategic and operational responsibility for the association and represents it externally. AmCham EU is a membership organisation supporting over 150 US corporate companies, international business, and law and consultancy firms in the area of public affairs.

Susan has dedicated her entire career to advancing transatlantic cooperation. She joined AmCham EU in 1995 as Communications Manager, becoming Communications & Operations Manager in 2000. Since 2002 she has been leading the organisation as Managing Director and since 2016 as CEO. In 2003 she oversaw the re-branding of AmCham EU and its separation from AmCham Belgium.

In 2017 AmCham EU was awarded for the fourth time the Trade Association/Professional Body of the Year Award, having previously won the award in 2009, 2012 and 2014.

Susan was named by POLITICO as one of the top 20 women influencers in Brussels in 2016.

Susan was elected as Chair of AmChams in Europe network for the period 2020-2022. She served as Vice-Chair of AmChams in Europe from 2009 to 2014, prior to which she was a Member of its Executive Committee (2005-2008).

A graduate of the University of Bath, UK, with a BA in European Studies, French and German, Susan's career developed in London in marketing and communications within the tour operation industry, where prior to coming to Brussels she worked for Thomson Tour Operations.

A UK citizen fluent in English, German and French and conversant in Dutch and Spanish, Susan Danger lives in Brussels with her husband and three children.