Online, 5 November 2020, 10h30-11h15

Chemicals Strategy for Sustainability

*The **Chemicals Strategy for Sustainability** was adopted on 14 October. The Strategy presents an ambitious vision and objectives to move towards safe and sustainable chemicals and a toxic-free environment. It is built on two key pillars:*

- *Boosting innovation and competitiveness to make safe and sustainable chemicals the EU norm and global standard;*
- *Moving towards a more preventive legal framework to reduce the impact of hazardous chemicals on people and the environment.*

*The Strategy was welcomed by Member States and NGOs but industry's reactions were mixed. CEFIC approved of some elements of the Strategy such as the safe and sustainable-by-design concept and signals of more policy on enforcing compliance. However**, it considered the Strategy a long list of regulatory measures lacking clarity** on internal consistency, relation to the real-world geopolitical context like Brexit and how they will add up to achieve the Green Deal objectives. Also, according to CEFIC, a better balance should be struck between simply banning chemicals based on their hazardous properties and enabling the technology solutions that will make the Green Deal a reality. CEFIC also highlighted that an **uncoordinated policy risks outsourcing the Green Deal technology solutions to other parts of the world**. CEFIC is also against a full re-opening of REACH and calls for rigorous impact assessments on the proposals in the Strategy and on its overall contributions to the Green Deal.*

Main messages

- The Strategy proposes to build on our advanced EU chemicals *acquis* and to strengthen it, in order to address urgent issues like **endocrine disruptors**, **persistent chemicals**, and other very harmful chemicals which are causing **long term effects on humans and the environment** (e.g. on the immune and respiratory systems).
- With our Chemicals Strategy for Sustainability, we want to ensure that:
  - all chemicals are **produced and used safely and sustainably** along their lifecycle;
  - that substances of concern for human health or the environment are **substituted** as far as possible;
  - the use of the most harmful chemicals is generally minimised and especially **avoided in consumer products**, where non-essential for society.
- The Strategy sets out an ambitious regulatory agenda. It will be **rolled out in a phased manner,** through targeted modification of chemicals legislation, including REACH, and will build on impact assessments.
- The transition to chemicals that are **safe and sustainable by design** is not only a societal urgency but also a great economic opportunity. The Strategy will steer and support industry in its green transition. Support exists in the form of **Member State investments in projects facilitating the green and digital transition** and the Commission's **financial instruments for R&D programmes**, **re-skilling and innovative business models** to name just a few.
- But the Strategy is also about **simplification and consolidation** of the EU legal framework. We have heard the calls for decisions to come faster, to be more consistent and ensure greater predictability, and we have replied to these calls with a **'One substance one assessment' approach,** which will start already in 2021.

- We should not only install new measures and devise new plans, but should also ensure that the existing and future rules are effectively put in place by making sure that everybody adheres to them. That is why we will further **improve enforcement** of EU rules internally and at the borders by
  - strengthening the 'no data, no market' principle,
  - audits in EU countries and
  - establishing uniform conditions and frequency of checks for specific products.
- The Commission cannot implement the Strategy on its own. **Expert and stakeholder input is needed**. That is why we will establish a **high-level round table with experts from industry, science and civil society** to realise the Strategy's objectives in dialogue will all stakeholders concerned. It will focus on how to make the chemicals legislation work more efficiently and effectively, but also on how to boost the development and uptake of innovative safe and sustainable chemicals across sectors.

Defensives

How do you plan to address implementation, enforcement and compliance issues?

- We are already working together with Member States, ECHA and stakeholders to address key issues with the implementation of the current legal framework. For instance, we are implementing the **REACH Evaluation Action Plan** that was jointly developed with ECHA and we are also supporting Member States on other enforcement issues for REACH, such as border controls by customs authorities.
- Moreover, **making rules clearer and simpler and avoiding duplication of efforts** when we assess hazards and risks of a substance or when companies need to generate data for such assessments could improve implementation and enforcement. However, it should be kept in mind that **Member States are responsible for implementation and enforcement** of the EU legislation.
- The Commission is also interested in looking into how **digital technologies** could improve enforcement and support national authorities.

How will the Commission ensure that its impact assessment (still to come) looks at the consequences of the overall strategy on Europe's economy and people in a holistic manner (looking at its cumulative effects, versus single initiatives in isolation)?

- The Chemicals Strategy and the actions announced are the result of **extensive evaluations and studies done over the past three years** by the Commission on chemicals legislation (second REACH review, Fitness check on all chemicals legislation except REACH, studies towards a non-toxic environment strategy). These gave a very comprehensive overview of where EU legislation is effective and where there are still gaps which need to be addressed.
- As for the legal proposals announced in the Strategy where impact assessments are needed, they will be carried out following the Commission's Better Regulation principles and tools, including public consultations and evidence gathering, to explore the best regulatory options and to assess the socio-economic and environmental impact of those proposals. **Impact assessments will be carried out for any proposal to amend the CLP and REACH regulations as well as proposals to amend sectorial legislation.**
- We have announced in the Strategy that we will establish a **high-level roundtable** in order to monitor the progress on the Strategy together with all relevant stakeholders. We are confident that this roundtable will further help to **ensure coherence and synergies** between the different actions and processes during implementation.

Safe and sustainable-by-design and promoting safer alternatives

- We want that chemicals are not harmful to human health and the environment, and pose no problems at the end-of-life or use stage. The best way to achieve this is to **design chemicals, materials and processes straight from the beginning in such a way that they are safe and sustainable.**
- Shifting towards 'safe and sustainable-by-design' chemicals, material and products is a win-win agenda for all. We want to create a virtuous circle between protection and environment. In the EU, we already have industry frontrunners whose business models are set up in this spirit. These **frontrunners should become a model for the others.**

Impact of the Strategy on industry

- This Strategy addresses key gaps to innovation and competitiveness in the EU's chemicals policy, for example:
  - **inadequate interfaces** between different chemicals legislation,
  - insufficient information, and **lack of funding** to support transformative innovations,
  - lack of encouragement for **co-operation** within and between sectors,
  - lack of **skilled workforce**.
- With the Strategy, we establish a coherent vision and various sets of actions, which allow protection to go hand in hand with innovation and competitiveness.
- Stimulating **safe and sustainable by design will boost innovations** and create a new market for our industry. Research and innovation funding, cohesion funds and recovery instruments will fully support this transition.
- Coherence in the regulatory processes will **signal the direction and secure long-term investments**, which will enable our industry to reap the first-mover advantage.

Impact of Brexit

- The UK has chosen to leave the EU, and to leave the internal market. This means that as of the end of the transition period **the UK will no longer participate in the EU's REACH system** and in the activities of the European Chemicals Agency.
- This means of course some changes, and companies should prepare for these changes. We have recalled this several times and have issued various preparedness Communications as well as specific guidance on REACH.
- But the idea behind the **'level playing field'** in the future agreement is to avoid damaging divergences between the EU and the UK that could lead to distortion of competition, by setting a **clear floor for environmental standards** – but not only - in the future agreement. The EU is also insisting on a mechanism to ensure that the common floor can evolve over time.
- We cannot hold back the implementation of the Green Deal if others choose a different path. But we are confident the **UK also shares the need to protect people and the environment** and that this comes with raising the standards to incentivise transformation.

Open strategic autonomy

- The COVID-19 pandemic has demonstrated that manufacturing and supply chains have become increasingly complex and globalised. The EU must strengthen its open strategic autonomy, the resilience of value chains and **diversify sustainable sourcing** for those chemicals that are crucial for us.

- The Strategy will promote this through **EU funding and investment** mechanisms. Regulatory and non-regulatory measures will ensure a level playing field between the EU and the non-EU industry. This will be done through a **targeted revision of the REACH Regulation**, and by **strengthening contro**ls of chemicals and products, which enter the EU market, including through online sales.

Opening existing legislation, notably REACH

- To deliver more protection and innovation we must simplify, consolidate and strengthen the legal framework on chemicals.
- To achieve this we will look how to upg**rade REACH and the Classification, Labelling and Packaging Regulations** in the most targeted way possible, limited to reaching the objectives of this Strategy.
- This will ensure – for instance – that sufficient information on chemicals manufactured or imported into the EU is generated, that substances of concern are rapidly identified and, where needed, phased-out from problematic uses.
- We will also look at **sectoral chemicals legislation**, such as toys, cosmetics, food contact materials.
- It goes without saying that any legal proposal will follow the Commission's Better Regulation guidelines, including an **impact assessment and a consultation process with stakeholders.**

Substances to be banned for consumer products (generic risk approach)

- We want to extend the generic approach to risk management to **chemicals that cause cancers, gene mutations,** affect the **reproductive and the endocrine system,** or are **persistent and bioaccumulable.**
- At a later stage, we will include also **chemicals affecting the immune, neurological and respiratory systems** and chemicals toxic to a **specific organ.**
- I want to stress that we will still allow uses of harmful chemicals that can be proven **essential for our society**, for example for technologies needed for the transition to climate neutrality.
- The total amount of substances identified in those categories at the time being is a **few hundred** chemicals (out of over 25.000 registered), for the two phases.
- And let me stress very clearly: we are here talking about the most harmful substances for human health and the environment, and several of them are already restricted in some of our legislation, not just in consumer products.

Essential uses

- The concept of "essential uses" guarantees that there are no obstacles to substances to be used in applications with an important societal value (e.g. health protection including protective equipment, or technologies for climate neutrality), but also that we push towards making use of safer alternatives when those exist.
- The purpose of defining criteria for essential uses is not to define generally that a technological product or that the general use of chemicals is essential or not. It is the use of a chemical in a specific application and the specific feature it provides that is assessed.
- The concept is already used to implement REACH (authorisation and restrictions) by helping to decide which authorisation should be granted and how derogations shall be granted (for restrictions).
- The concept is already defined under the **Montreal Protocol**, and we can build on that.

Substances of concern

- Substances of concern are those particularly hazardous for human health or the environment, as they cause chronic effects, meaning negative effects for life.
- In the context of the Chemicals Strategy, substances of concern includes those substances identified to be of very high concern under REACH, as well as those listed as having chronic effects under the Classification, Labelling and Packaging of chemicals Regulation. Additional substances can cause problems for recycling.
- These substances should be substituted as far as possible, and exposure of people and the environment should be minimised and their presence in waste and secondary raw materials limited to exceptional and justified circumstances.
- The development of safe and sustainable-by-design chemicals and the minimisation of these substances of concern in products and waste are key to achieve a clean circular economy.

Simplification and burden reduction: One substance, one assessment

- "**One substance, one assessment**" is an approach, through which we want to simplify, streamline and better coordinate the processes of hazard and risk assessments, to improve its consistency and quality across legislation.
- This includes the initiation of the assessment, the allocation of responsibilities, the application of methodologies, the use of data and the application of transparency rules.
- The purpose is also to make more efficient use of expertise and resources, reduce burdens on stakeholders and increase their trust in the scientific advice underpinning the assessments. This will contribute to faster and more predictable decision-making.
- Most importantly, we will establish a publically available overview of all planned and ongoing assessment initiatives across legislation. We will also better coordinate with Member States and our scientific agencies. We also plan to rationalise the use of expertise and resources by **reattributing the technical and scientific work on chemicals to our European Agencies.**
- We will strengthen harmonisation of hazard assessments by **strengthening the Regulation on Classification, Labelling and Packaging of chemicals.**
- And finally, we will improve the access, use and sharing of data (including the scientific data) by developing a **common open data platform on chemicals**, by making a proposal for strengthening open data and transparency principles across chemical legislation and by developing tools to enhance use of scientific data in risk assessment.

Enforcement of chemicals legislation

- This is a key priority, and we are fully aware of the problems in enforcement. The second REACH evaluation showed that the **non-compliance of registration dossiers** is a key issue.
- We developed with the Chemicals Agency a Joint Action Plan, which includes measures to ensure that registration dossiers are complete and to step up compliance checks.
- Our strategy now proposes to strengthen the principle of **'no data, no market'**, but also the **'polluter-pays' principle** under REACH, and to allow for **revoking the registration numbers in case of non-compliance.**
- Action in this area is crucial to protect our consumers, but also to ensure a level playing field for our industry.

- We will step up action and tools to ensure that **market surveillance is targeted** to the areas where there is higher risk of non-compliance – meaning in particular **online sales and imports.**
- We will also establish an audit system to **assess and support the enforcement systems** in the Member States.
- However, we also count on **action from Member States** to reinforce market surveillance and border control mechanisms.

Banning production of chemicals not allowed in EU market (for exports)

- Currently, most EU legislation (including REACH and pesticides) allows to **produce in the EU and to export to other countries** what we do not allow for use in the EU, because we considered it unsafe for our health or the environment.
- But we want and we need to **show more coherence**. We need to make sure that our legislation applies the same approach to what we allow in our market and what we export to other markets.
- The Strategy is the occasion to show that we do not only want to strengthen controls of what we import in the EU, but also make sure that **what we export is safe.**
- This is very much in line with the Green Deal commitment to **lead the way on health and environmental standards globally.**

Coherence and synergies with existing legislation

- The Strategy is a comprehensive strategic document on the future of the EU chemicals policy. It provides a **clear vision and objectives** in terms of protection and innovation.
- Different pieces of legislation dealing with the assessment and management of chemicals fall in the scope of the Strategy, as shown in the Annex to the Strategy, and they will contribute to achieving those objectives.
- We will also implement the “One substance, one assessment” approach to ensure that the processes dealing with the assessments of substances are coordinated and synchronised as much as possible. We will cooperate closely with Member States and EU agencies, but also internally across Commission services.
- This will greatly **strengthen the coherence of processes and outcomes** across chemicals legislation, from horizontal legislation (i.e. REACH and CLP), legislation on products, on releases of chemicals to the environment, or chemicals in waste.

How does the Strategy address energy and resource efficiency, and how does it contribute to climate neutrality?

- The Strategy promotes, firstly, the production and use of chemicals for application which are essential for society, including for climate neutrality and energy/resource efficiency. Secondly, as we know that **the chemical sector is one of the most polluting and resource/energy consuming,** the Strategy announces a set of actions and incentives to promote the green transition of the sector and of its value chain.
- Thirdly, as the main objective of the Strategy is to push for chemicals which are safe and sustainable along their life cycle, we will assess – as announced in the strategy - how to best introduce information requirements under REACH on the **overall environmental footprint of chemicals, including on emissions of greenhouse gases.**

Background

European Green Deal

The Green Deal includes a **Zero Pollution** ambition and the Chemicals Strategy for Sustainability is the first deliverable, to be followed by a **zero pollution action plan for water, air and soil in 2021.**

Chemicals Strategy for Sustainability

The Chemicals Strategy aims at better protecting citizens and the environment against hazardous chemicals, encouraging innovation for the development of safe alternatives and increasing global competitiveness of the EU chemicals industry.

In order to increase protection of health and the environment, the Commission proposes to ban the most harmful substances from consumer products and step up the protection of children from hazardous substances in childcare articles. EU laws will be strengthened to tackle substances with endocrine disrupting properties, which will be banned from consumer products. EU legislation will also address the combination effect of chemicals and ensure that substances of concern are only allowed if their use is necessary for health, safety or is critical for the functioning of society and if there are no acceptable alternatives.

In addition to protecting health and the environment, the strategy aims to boost innovation, promote competitiveness and increase the EU's strategic autonomy. It will promote chemicals, materials and products that are safe and sustainable by design, by developing safety and sustainability criteria, ensuring financial support for their commercialisation and uptake and initiating an EU-wide safe and sustainable-by-design Support Network. It will also promote and support the development of green and smart technologies and innovative business models to enable the transition towards low-carbon and low environmental impact manufacturing processes in the chemicals sector.

The strategy will promote the EU's resilience of supply of chemicals used in essential applications for society through EU funding and investment mechanisms. It will establish and update a research and innovation agenda for chemicals, to fill knowledge gaps on the impacts of chemicals, and foster multidisciplinary research and digital innovations for advanced tools, methods and models, also to reduce animal testing.

The EU regulatory framework for hazard and risk assessment and management of chemicals is comprehensive and complex. A 'one substance, one assessment' process will be introduced to reduce the burden for all actors, enable more consistent and faster decision-making, and support the gradual move away from assessing and regulating chemicals substance-by-substance to **regulating them by groups**. The enforcement of chemicals legislation will be stepped up by strengthening the principles of **'no data, no market'**, carrying out audits in Member States, and setting up uniform conditions and frequency of checks for certain products.

EU chemical industry

Chemicals will be a key enabler for the European Green Deal (as demonstrated by the following examples:

- Safer, more durable, energy efficient, lighter and easier to reuse and to recycle **construction materials and products** (Construction ecosystem)
- Clean and resource-efficient production technologies of essential chemicals, active **pharmaceutical ingredients and medicines** in Europe (Health ecosystem)
- **Lightweight materials** reducing the fuel consumption and CO2 emissions, innovative battery materials (Mobility-Transport-Automotive ecosystem)

- Circular economy for nutrients in **fertilising products**, biodegradable materials for slow release fertilisers, innovative **food packaging materials** allowing to reduce food waste (Agrifood ecosystem)
- Materials and resins for **photovoltaic panels and wind turbines** (Renewable energy ecosystem)
- Materials for **electronic devices** and connected objects that are lighter, more durable, with increased lifespan of batteries, optimised power, enhanced mechanical strength and electrical conductivity (Electronics & Digital ecosystem)
- **Inks** that will permit printed electronics on substrates such as fabric, paper and flexible plastics instead of silicon-circuit-based components for many everyday objects including smart labels and clothing. Such inks can also be used for **connected packaging and medical monitoring devices** and will act as **sensors** (temperature, impact, moisture and more) and real-time information relays (Electronics & Digital ecosystem).
- Using advanced digital technologies such as artificial intelligence combining big data with machine learning will enable the generation of **new information on chemical toxicity.** This would also contribute to reducing the use of **animal testing** while ensuring the safety of chemicals used (Electronics & Digital ecosystem).

Concerns regarding chemicals

Most chemicals have hazardous properties that can harm the environment and human health for life, including future generations. They can interfere with ecosystems and weaken human resilience and capacity to respond to vaccines. Chemical pollution in the environment is one of the key drivers putting the Earth at risk.

The EU has sophisticated chemicals legislation, has generated the most advanced knowledge base on chemicals in the world and set up scientific bodies on chemicals. The EU has also managed to reduce the risks to people and the environment for certain hazardous chemicals like carcinogens. However, global chemicals production is expected to double by 2030, and the already widespread use of chemicals will also increase, including in consumer products.

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