

Position on the European Green Deal

Key messages

- BASF supports the objectives of the Green Deal and Europe's ambition to go climate neutral by 2050 and pursue a strong industrial policy.
- The Chemical Industry is a key strategic value chain for Europe and the cornerstone of a low-carbon future. Our materials and innovations such as insulation materials for energy efficient housing and battery for electromobility are essential for enhancing climate protection efforts.
- Industrial transformation of the chemical sector will require an innovation led approach. This means maintaining global competitiveness, scaling of low carbon process innovations based on climate friendly energy sources, and an integrated EU policy framework to enable this shift in a timely and orderly fashion.

About the topic

The **European Green Deal** is an action plan announced by the European Commission in December 2019 that aims to boost the efficient use of resources by moving to a clean, circular economy while restoring biodiversity and cutting pollution. The overarching goal is to make the European Union climate-neutral by 2050. The Green Deal defines nine policy areas – climate action, clean energy, biodiversity, farm to fork, sustainable agriculture, sustainable industry, building and renovating, sustainable mobility, eliminating pollution – with more than 200 policy measures that will require action from all sectors of the economy.

What does BASF offer?

The Chemical Industry is the cornerstone of low-carbon future. BASF delivers innovations that are essential for climate protection such as insulation materials for energy efficient housing and battery materials for electromobility. Our solutions for sustainable agriculture also contribute to the goals of the Green Deal. We are continuously assessing and improving the sustainability of our product portfolio through **Sustainable Solution Steering** and our **Carbon Management Program** seeks to reduce carbon emissions from chemical production by using renewable electricity and completely new processes. More details on how innovations from BASF contribute to the success of the Green Deal are available [here](#).

Our position

BASF supports the objectives of the Green Deal and Europe's ambition to go climate neutral and pursue a strong industrial policy. Around 35 actions under the Green Deal action plan directly affect BASF. To ensure that the chemical industry can play its role in achieving the Green Deal objectives, an enabling EU regulatory framework should:

1. Couple the higher ambition for the 2030 CO₂ target with appropriate carbon and investment leakage measures beyond carbon border adjustment. Encourage the use of renewable energy electricity for the industry transformation by removing surcharges/levies. Support the development of low-carbon process innovations and CO₂ abatement technologies.
2. Ensure that recycling approaches are complementary and technology-neutral to incentivize high-quality mechanical, organic and chemical recycling. Focus on life cycle thinking, taking existing portfolio sustainability assessment schemes into account.
3. Build on REACH as the world's most advanced chemical legislation and consider use conditions as an essential element of chemical safety management (risk principle). Consider impact of regulation on the entire value chain, including downstream industries.
4. Develop legislation based on scientific evidence and use of sustainability metrics that are applied in a consistent way across the various policy options, especially in the context of the farm-to-fork-strategy.
5. Enhance testing of new technologies or services in a controlled setting to help define the appropriate regulatory framework ("regulatory sandboxing").
6. Increase building renovation to ensure the contribution of the building stock to the EU climate ambition. Ensure that the Renovation Wave Initiative remains technology- and material-neutral and focusses on the building envelope.