

# Position on the EU chemicals strategy

## Key messages

- The Chemicals Strategy for Sustainability (CSS) is a key element of the EU Green Deal, the European pathway to become the first climate neutral continent by 2050. The CSS will lead to a fundamental overhaul of the current chemicals legislation and will have major implications for the chemical industry and downstream users of chemicals.
- BASF supports the objectives of the Green Deal and CSS's target to protect human health and the environment. Already today we develop our product portfolio based on sustainability. We advocate for a science-based and innovation-driven development of the regulatory framework to maintain the competitiveness of the European industry.
- We contribute with our associations on specific, constructive suggestions how the CSS can be implemented. We invite all our stakeholders to engage with us on this process.

## About the topic

**A pillar of the Green Deal:** With the Green Deal the European Union strives to make Europe the first climate neutral continent by 2050 and overhaul its environmental laws. One pillar of the Green Deal is a zero pollution ambition for a toxic-free environment. In this spirit, the EU Commission wants to further strengthen Europe's already sophisticated chemicals legislation and in 2020 published its Chemicals Strategy for Sustainability (CSS).

**Global industry context:** Chemicals production worldwide is on the rise – output will double within the next 30 years. Europe is the second biggest producer of chemicals as of 2018; chemical manufacturing is the **fourth largest industry** in the EU, directly employing approximately 1.2 million highly-skilled people (2015) and supporting around 19 million jobs across all value supply-chains.

**EU paradigm shift in dealing with chemicals:** For the next three years, more than 50 regulatory measures are proposed, including a revision of REACH and CLP and developments of concepts on essential uses, mixture assessment and “safe and sustainable by design” as a guideline for future chemical innovation. The most impactful change is the shift in risk evaluation. The currently well functioning approach of considering both hazard and exposure will be replaced with a generic or hazard based approach to risk management. This will lead to banning a number of hazardous substances from consumer applications by default, unless their use is proven essential.

Overall, the chemicals strategy is intended to enable better protection of human health and the environment from hazardous chemicals. The EU promises an innovation boost, new business models and industry policies to make this transformation work.

## What does BASF offer?

BASF is fully committed to protect human health and the environment. We want to contribute to a world with higher quality of life for everyone, and we have a track record to prove it: For the past 30 years, BASF has been working under the principles of **Responsible Care®**, an initiative of the chemical industry to maintain and continuously improve its high standards of environmental, health and safety protection in its operations. Since 2012, we steer the BASF product portfolio based on sustainability criteria using our **Sustainable Solution Steering** method.

BASF is also contributing to other areas of the Green Deal ambition, with our dedicated programs to **become climate neutral** and enable circular business models. We measure our success against targets we have set for ourselves:

- we are striving worldwide to achieve net zero CO<sub>2</sub> emissions by 2050
- we are implementing projects to use 250 kt recycled raw materials per year as of 2025 and
- we're aiming at doubling our sales with products contributing specifically to circular economy to € 17 bn by 2030.

Together with our suppliers and customers we share the responsibility to provide innovative, efficient and sustainable solutions.

## Our position

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1. **Yes to protection of health and environment:** BASF fully supports the objectives of the Green Deal and the intention of the CSS to protect human health and the environment. We do so by
  - a. constantly reviewing our portfolio towards stronger sustainability contributions (**Sustainable Solution Steering**);
  - b. making safety a priority in our own production;
  - c. taking a proactive approach to **product stewardship** and applying the highest regulatory standards globally: only products are placed on the market that can be safely handled in their specific applications.
2. **A stable regulatory environment is needed:** The chemicals legislation in Europe is one of the most protective and comprehensive regulatory frameworks worldwide. The CSS in its current form massively tightens the chemicals legislation and will have far reaching direct consequences for the chemical industry and the users of chemical products. To ensure legal certainty for the industry and related stakeholders, the existing law should be fully utilized and carefully adjusted. Rather than creating new rules, existing ones should be properly enforced first for example on imported products to ensure the protection of human health and the environment and increase consumer protection in the EU.
3. **Risk evaluation:** One major change is the way how chemicals will be regulated under the CSS. The generic approach to risk management foresees bans of an increased number of substances from consumer and potentially professional applications based on hazard criteria alone. This approach ignores the benefits of substances with hazard properties and the means of using them safely. Examples include:
  - a. battery materials,
  - b. UV filters which protect our skin in sunscreen,
  - c. disinfectants and a range of household cleaning products.

We advocate that substance evaluation continues to be risk-based.
4. **Occupational safety:** Occupational exposures to hazardous substances can be well controlled through Risk Management Measures, which are established in industrial and professional settings. The CSS should therefore maintain the clear distinction between industrial, professional and consumer uses and should provide differentiated risk management options.
5. **Innovation roadmap needed:** We ask the Commission to weigh efforts against benefits for the chemical industry and its downstream users when translating the CSS into action. Potential competitive disadvantages which may impact a significant number of enterprises including SMEs need to be clearly assessed. The transformation of the chemical industry in Europe will require adequate transition time for the implementation in the respective value chains, financial support and an innovation agenda. All three are needed to stay competitive and lead the race for future chemical innovations.