EU Monitoring Report
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CONTENTS

EUROPEAN CHEMICALS AGENCY

REACH

- **Restriction and authorisation found to drive replacement of harmful chemicals**

  Source: European Chemicals Agency

While restrictions and authorisation directly encourage European industry to substitute harmful chemicals, ECHA's support for substitution has also played a role. ECHA's two published reports uncover both the direct and indirect effects of REACH in driving substitution.

Based on a survey of industry associations and more than 80 companies, many of which were affected by authorisation or restriction, around 19 % indicated that restriction is their main reason for replacing hazardous chemicals with safer alternatives.

Adding a substance to the Candidate List or Authorisation List were the next most significant triggers for companies, with authorisation selected by 15 % of the companies responding. Some companies have reportedly substituted when a regulatory management option analysis (RMOA) was still under development, and especially when the assessing Member State had, following the outcome of the RMOA, proposed a further regulatory risk management activity, such as identification of substances of very high concern.

Aside from regulation, companies also highlighted demands from their customers, enhancing their public image and adopting their own corporate sustainability policies as their main drivers to substitute hazardous substances with safer alternatives.

"It's clear that the most innovative companies are those that have adopted a green mindset, with substitution at the core of their business activities. While regulation pushes for harmful substances to be replaced, moving away from them is also increasingly becoming an essential part of their corporate policies and the way towards a sustainable and greener Europe in the future," says *Bjorn Hansen*, ECHA's Executive Director.

The report outlines a combination of technical, economic and market barriers that companies face when substituting – including difficulties in finding technically-feasible alternatives, a lack of financial incentive and a reduced

2

competitive advantage. Companies do, however, see decreases in worker exposure and emissions to the environment as the main benefits of substitution.

ECHA's report on substitution-supporting activities with a focus on 2020-21 describes how ECHA has helped and intends to help companies overcome these barriers by:

- promoting training on analyses of alternatives to build organisations' capacity for informed substitution;

- supporting Member States and industry stakeholders to organise supply chain workshops addressing substances on the Candidate and Authorisation lists, those proposed for restriction, and for biocidal products containing substances that are suitable candidates for substitution;

- maintaining substitution-related networks and promoting the concept of safe-by-design to enhance knowledge sharing, communication and coordination among stakeholders in the EU on these topics; and

- contributing to the OECD's work on a guidance on safer alternatives to further support the EU's work on substitution, including on the broader concept of sustainability.

More information
https://echa.europa.eu/fr/-/restriction-and-authorisation-found-to-drive-replacement-of-harmful-chemicals

EUROPEAN COMMISSION

ENERGY POLICY

- **Commission sets out plans for future energy system and clean hydrogen**

  Source: European Commission

To become climate-neutral by 2050, Europe needs to transform its energy system, which accounts for 75% of the EU's greenhouse gas emissions. The EU strategies for energy system integration and hydrogen, adopted today, will pave the way towards a more efficient and interconnected energy sector, driven by the twin goals of a cleaner planet and a stronger economy.

The two strategies present a new clean energy investment agenda, in line with the Commission's NextGenerationEU recovery package and the [European Green Deal](#). The planned investments have the potential to stimulate the economic recovery from the coronavirus crisis. They create European jobs and boost our leadership and competitiveness in strategic industries, which are crucial to Europe's resilience.

More information:
https://ec.europa.eu/newsroom/growth/item-detail.cfm?item_id=682535

WATER POLICY

- **Upcoming evaluation and consultation on EU bathing water quality rules**

  Source: European Commission

In the 1970s, the EU introduced rules to ensure clean coastal and inland bathing waters. The 2006 bathing water directive updated and simplified these rules. This evaluation will examine whether the updated rules:

- have helped protect public health and improve water quality

- have supplemented national efforts in this field.

The public consultation is expected to be launched in the **third quarter of 2020**.

AliénorEU will follow the file and inform of you of relevant developments and information presented by the European Commission during the evaluation.

More information:
https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12147-EU-bathing-water-quality-evaluation-of-rules

- **Upcoming evaluation on EU rules on wastewater treatment and water pollution**

  Source: European Commission

Making sure that urban wastewater is clean and safe is vital for protecting public health and the environment. This key part of EU water policy is covered by the Urban Wastewater Treatment Directive.

4

This initiative will revise the Directive after a recent evaluation of it identified certain shortcomings and new societal needs that must be addressed.

The public consultation is expected to be launched in the **third quarter of 2020**.

AliénorEU will follow the file and inform of you of relevant developments and information presented by the European Commission during the revision of the Urban Wastewater Treatment Directive.

More information:
https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12405-Revision-of-the-Urban-Wastewater-Treatment-Directive

SINGLE MARKET

- **Single Market Scoreboard 2020: EU countries need to do more to ensure the good functioning of the EU single market**

  Source: European Commission

Today, the Commission is publishing the Single Market Scoreboard 2020, which shows that despite improvements in certain areas, EU countries need to do more to ensure the proper functioning of the single market.

As experienced during the coronavirus crisis, a well-functioning single market is crucial for ensuring the free movement of supplies across the EU and vital for the swift recovery of the EU economy. The results of this year's scoreboard, which is available as an online tool, highlight the importance of the renewed focus on implementation and enforcement outlined by the Enforcement Action Plan adopted in March 2020.

Above all, a fully functioning single market needs a partnership between the Commission and EU countries. The newly created Single Market Task Force will be one of the key tools to foster such a collaborative approach between Commission and EU countries.

The Single Market Scoreboard provides a detailed overview of how EU single market rules were applied in the European Economic Area (EEA) in 2019. It evaluates how EU countries have performed as regards market openness, governance tools as well as in specific policy areas, based on a number of selected indicators. The findings are presented in the form of a 'traffic light' chart, by attributing red (below average), yellow (average) and green (above average) cards.

In comparison to the previous year, this year's scoreboard notes a steady situation in most EU countries, but observes a small decline in overall performance. In total, the scoreboard awarded 152 green cards (153 in 2018), 111 yellow cards (137 in 2018) and 61 red cards (59 in 2018). The best performing countries in 2019 were Latvia, Cyprus, Denmark, Estonia, Finland, and Slovakia, while least improvements were observed in Spain, Italy, France and Austria.

More information:
https://ec.europa.eu/newsroom/growth/item-detail.cfm?item_id=682260

EUROPEAN PARLIAMENT

SUSTAINABILITY

- **Motion for a resolution Chemicals strategy for sustainability**

    Source: European Parliament

We informed you last month of the ongoing public consultation launched by the European Commission prior to the publication of a proposal for a chemicals strategy for sustainability later this year. In view of this publication, the Parliament adopted a resolution (not binding) calling on the Commission to come up with a new chemicals strategy for sustainability that effectively ensures a high level of protection of health and the environment, minimising exposure to hazardous chemicals.

We informed you last week that the Environment Committee of the European Parliament adopted this resolution. This week, the text was debated and adopted during the plenary session of the Parliament.

More information:
https://www.europarl.europa.eu/doceo/document/B-9-2020-0222_EN.pdf

STAKEHOLDERS

PRODUCT SAFETY

- **Dangerous goods present on EU market call for improvements to product safety law**

    Source: The European Consumer Organisation

In 2019, more than 2,000 notifications of non-food products were made to the EU's rapid alert system (Safety Gate) as failing safety requirements. Each notification may represent thousands of faulty products. Toys, motor vehicles and electrical appliances were the product groups with most notifications. The figure could well be an undercount, as many dangerous products are possibly not identified.

An obstacle to tackling the problem of dangerous goods on the EU market is the current product safety law. This dates to 2001 and is not made for an era of online shopping and the Internet of Things. Consumers can now buy directly from producers who are established outside the EU, but who may be difficult to trace afterwards. And while more products can connect to the internet, these often lack basic security features.

The current product safety law is also weak on market checks and controls, meaning that authorities are hampered in their ability to scan the market for unsafe products.

Monique Goyens, Director General of The European Consumer Organisation (BEUC), commented: "Every unsafe product on the market is one too many. As long as legislation remains stuck in the early 2000s, authorities do not have the right tools to keep dangerous goods away from consumers. The EU must swiftly bring it in line with today's reality. For example, the law should consider that many unsafe products are sold online, such as teeth whitening products that are harmful to your gums. And it should take into account there are often issues with smart products that prove not to be quite so smart, such as connected dolls that spy on your kids."

Stephen Russell, Secretary-General of The European Consumer Voice in Standardisation (ANEC), said: "It is important Europe moves quickly to create state-of-the-art legislation on product safety. Even though Member States agreed last year to improve enforcement for some products, we still lack a coherent and pan-European approach to market surveillance. We need more controls and inspections, and an EU-wide accident and injury database should

be set up in order to underpin evidence-based legislation and technical standardisation."

More information:
http://www.beuc.eu/publications/dangerous-goods-eu-market-call-improved-product-safety-law/html

- **<u>Legacy chemicals can hinder women from getting pregnant</u>**

    International Chemical Secretariat

A recent study shows that the presence of persistent organic pollutants (POPs) in women's blood can lead to increased infertility. Especially affected are women over 29 years old.

As more and more women postpone child-bearing until they are in their thirties, the already declining fertility rate combined with the negative health effects of POPs create a double-whammy for women's chances of getting pregnant.

Although many POPs are strictly regulated in Europe and have been so for nearly 20 years under the Stockholm Convention, they still exist in the environment due to their high resistance to degradation.

The presence of these legacy chemicals is a global health concern as multiple studies of both human and wildlife populations link them to negative effects on hormone functions and the reproductive system.

The aforementioned research study investigated this link by comparing POP levels in the blood of 818 pregnant women with the number of months it took for them to get pregnant. Legacy chemicals were detected in a majority of the women tested, and the results show that higher levels of POPs in the blood lead to lower chances of getting pregnant and increased infertility in women over 29 years old.

"This shows just how urgent it is to regulate the highly persistent chemicals that are still allowed and, unfortunately, widely used in society. As long as 'forever chemicals' are used, levels will build up in both the environment and ourselves until, as this study shows, the negative effects become obvious", comments Dr. Anna Lennquist, Senior Toxicologist at ChemSec.

Persistent organic pollutants (POPs) such as organochlorine pesticides (OCPs), polychlorinated biphenyls (PCBs), polybrominated diphenyl ethers

(PBDEs) and fluorinated and perfluorinated compounds (PFAS) are organic substances that travel long distances in the atmosphere and take forever to break down in nature.

They are also bioaccumulative, meaning they build up in fatty tissues with increasing concentration towards the top of the food chain – where, for example, humans are found. These chemicals are widely used in agriculture, consumer products, and industrial products. They are also unintentionally released as by-products from industrial processes and incineration. Exposure occurs through ingestion, inhalation, and absorption.

More information:
https://chemsec.org/legacy-chemicals-can-hinder-women-from-getting-pregnant/

BREXIT

- **Transition to post-Brexit chemicals body suffering from 'fundamental issues'**

  Source: BusinessGreen.com

The Environmental Audit Committee (EAC) of MPs has today urged the government to consider associate membership of the EU chemicals frameworks if "fundamental issues" surrounding the transition to the UK's new independent chemicals body are not ironed out.

In an message sent yesterday to Environment Secretary George Eustice, committee chairman Philip Dunne warned that a number of UK businesses were concerned about the process of transferring registrations from the EU regime to the new UK one.

Many businesses lack the data package necessary for registering on the UK's new Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) system, Dunne warned, adding that for many chemicals, the required data set is owned by third parties in the EU.

If companies have to embark on fresh testing to gather the necessary data, he said, it is unlikely they will meet the two-year timetable for registration for UK REACH outlined in the government's plans.

As such, Dunne asked the government whether it would reconsider seeking associate membership of the European Chemicals Agency (ECHA) and EU REACH regime if it was unable to address the chemical industry's concerns.

Dunne said it was "imperative" that the chemicals industry, which supports half a million UK jobs, received further clarity on the government's plans. "The government's proposal to establish a standalone UK REACH is continuing to leave many fundamental issues unaddressed," he warned.

"How businesses will be able to continue operating as the Brexit transition draws to a close and the costs incurred for businesses must be addressed now, particularly as time is running out."

No country currently holds associate membership with ECHA, but the UK's regulatory overlap with the bloc had fuelled speculation that a new form of continued membership could be established once the country left the Customs Union. Those hopes were dashed, however, in May, when Environment Minister Rebecca Pow wrote in a letter to Dunne: "While the transition to UK REACH will take some adjustment, we believe that the benefits of having control of our own laws outweigh the costs," she wrote.

In an EAC hearing in late June, the Secretary of State reiterated that the government would not be seeking any form of associate membership. "This government were elected with a very clear mandate to leave the EU and to seek what we describe as a Canada-style free trade agreement - one that does not involve regulatory alignment and it does not involve a role for the European Court of Justice," Eustice said.

"This basically accepts that there would be, therefore, some friction in some areas, and friction at the border on some trade, because there would need to be some border checks and administrative paperwork such as export health certificates.

In the case of chemical regulation, it accepts that because it is a red line for us that we cannot accept the jurisdiction of the ECJ, having some sort of associate membership of ECHA does not really work."

The EAC has asked the government to clarify how UK businesses can continue to export chemicals into the EU once the transition period ends, and what the likely costs and regulatory impacts on UK manufacturers will be. It also flagged that it was expecting a response from the Secretary of State on the cost breakdown for different UK businesses for the new regime.

In a report published in June, the Greener UK coalition of environmental groups warned that "serious questions" remained over the UK's efforts to establish its own independent body, flagging staffing, budgets, and access to safety data as areas of concern.

The REACH regime is widely regarded as critical to the safe management of chemicals that can pose environmental and health threats, and provides a framework for the phasing out of certain hazardous chemicals.

More information:
https://www.businessgreen.com/news/4017426/eac-transition-independent-post-brexit-chemicals-body-suffering-fundamental-issues

ENERGY POLICY

- **Chemical Industry position on EU hydrogen and energy sector Integration**

  Source: European Chemical Industry Council

Commenting on the publication of EU Hydrogen and Energy Sector Integration Strategies Cefic Director General Marco Mensink said: "As one of the largest producers and consumers of hydrogen in Europe, it is a vital first step to see that these new strategies place our sector at the heart of Europe's future hydrogen economy. We support the envisaged energy sector integration and are ready to share our decades-long knowledge of hydrogen production and consumption to help the European Commission and the Member States to implement these strategies.

Climate-friendly hydrogen is one of the proven pathways to help achieve the 2050 climate neutrality objective. Next to being an alternative fuel and energy carrier, hydrogen can become an important low-carbon building block for the chemical industry's production processes; using hydrogen as a feedstock is a viable option for our industry to reduce CO_2 emissions further.

We agree that building up a hydrogen economy in Europe requires a full supply chain approach. The success of a climate-neutral Europe by 2050 and that of renewable hydrogen will depend on the availability of reliable and affordable low-carbon electricity. Therefore supporting investments into both hydrogen infrastructure and renewable electricity should become an integral part of the Recovery Plan for Europe."

More information:
https://cefic.org/media-corner/newsroom/marco-mensink-the-eu-hydrogen-and-energy-sector-integration-strategies-place-our-sector-at-the-heart-of-europes-future-hydrogen-economy/

- **Chemical Industry views on EU Green Deal and industrial strategy interface**

  Source: European Chemical Industry Council

This was the topic of a panel discussion at POLITICO's digital Competitive Europe Summit between Marco Mensink, Cefic Director General, Mauro Petriccione, Director General in European Commission's DG Climate Action and Pete Harrison, Executive Director for EU Policy in the European Climate Foundation.

The discussion held online and moderated by POLITICO's industry reporter Paola Tamma, immediately jumped to the most pertinent question – will the COVID19 economic recession slow down the roll-out of EU's ambitious green deal policies?

Speaking on behalf of the chemical industry, Marco Mensink emphasised that the recovery should be an opportunity to accelerate industrial transformation towards carbon neutrality. Yet the time pressure and international competition are ramping up – while other regions are also restarting their economies and increasingly supporting local industries, Europe has no time to waste.

If you missed this panel discussion at POLITICO's summit, you can watch the recording here.

More information:
https://cefic.org/media-corner/newsroom/how-can-the-eu-industrial-strategy-and-the-eu-green-deal-go-hand-in-hand/

EVENTS

- **Webinar: Impact of the Covid-19 pandemic on the biocides industry**

  Source: Chemical Watch

This webinar is free of charge. Biocidal products are highly regulated in most parts of the world. This is because of the potential harm they present to human health and the environment, if manufactured, stored or used incorrectly. Yet the

12

Covid-19 crisis has dramatically increased global demand for biocides. Over the course of an hour, we look at industry's efforts to ensure a continuing supply of disinfectants to help combat the coronavirus:

Speciality and intermediate chemical manufacturer Stepan produces active substances for biocides for many applications, including surface disinfectants. Speakers from the company will share issues facing the manufacturing industry at a global level, and discuss the impact of the current crisis on meeting the aims of the biocides regulations, fair competition and supply chains.

And Darren Abrahams, a partner at law firm Steptoe, will discuss the legal issues surrounding fast-tracking EU market access, including the future of current derogations and data rights issues.

Speakers:

- Darren Abrahams, partner, Steptoe & Johnson, Belgium

- Ken Littel, global regulatory affairs fellow, Stepan US, US

- Christophe Sene, global advisor for regulatory affairs, trade compliance and sustainability, Stepan Europe, France

If you can't attend the live broadcast, register for the webinar and you'll receive a link to the slides and recording once the webinar has finished.

More information:
https://events.chemicalwatch.com/130313/the-impact-of-the-covid-19-pandemic-on-the-biocides-industry