



Joint Position
of the Social Partners of the European Chemical Industry
the European Chemical Employers Group (ECEG),
also representing the European Chemical Industry Council (Cefic)
AND
the European Mine, Chemical and Energy Workers Federation (EMCEF)
on REACH

Preliminary remarks

The chemical industry is one of Europe's most international, competitive and successful industries, embracing a wide field of processing and manufacturing activities.

Chemical producers are at the beginning of a value chain supplying virtually every other manufacturing sector. Innovations in the chemical industry are a prerequisite for the success of its customers. As such, Europe's chemical industry is a key contributor to sustainable development, a vital source of new applications in other sectors of the economy and an essential success factor in the European Union's employment and growth agenda. A strong European industrial base is indeed essential in order to enhance and sustain economic and technological leadership.

All three main areas covered by the Lisbon Agenda are essential to create a business context allowing Europe to remain a leading chemical production base. The EU chemical industry is a highly globalised industry and will be able to maintain a leading role provided the right framework conditions prevail in Europe.

The social partners of the Chemical Industry, the European Mine, Chemical and Energy Workers Federation (EMCEF), the European Chemical Employers Group (ECEG) as well as the European Chemical Industry Council (Cefic) are convinced that a new style of industrial policy aimed at creating the right framework conditions for business is essential for future success. Such a policy should be based on a long-term vision that is jointly shared between industry, its employees and authorities and which contributes to Sustainable Development.

In the absence of an integrated approach, it will be very difficult to achieve the objective of growth and jobs in the chemical sector in Europe, which would undermine the other pillars of sustainable development as well. This implies that both social partners and authorities have responsibilities for achieving long-term success. If only the authorities take action and the social partners fail to play their part, the strategy will fail, and vice versa.

REACH in the view of the social partners in chemical industry

Since December 2004 the social partner dialogue between ECEG and EMCEF is recognised by the EU-Commission in the chemical industry. This is the first social dialogue in one of the big industrial sectors. The European chemical policy regulation REACH is one of the items of its working programme for 2005 and 2006 with the aim to further improve the workability of the REACH proposal.

Both Social Partners are convinced that only a successful REACH will enhance confidence of customers and consumers in chemical substances and related products and thus improve the trust in the chemical industry. Simplified but effective chemicals legislation will furthermore contribute to deliver environmental and health benefits in an efficient way without jeopardising businesses and quality jobs. The documentation of the REACH-regulation should be clear and user-friendly rather than lengthy and bureaucratic. Effective legislation to promote confidence in the safe management and use of chemicals requires that substitution of substances of high concern could be encouraged and accepted in market applications which reveal uncertainties and can make use of admittedly safer alternatives.

However, there are a lot of aspects to be solved before REACH could fulfil its ambitious goals. Based on the conditions already mentioned in the joint statement of ECEG, EMCEF and Cefic from 23 Nov. 2003 some further aspects have to be

highlighted with reference to the recently published impact studies, which have clearly underpinned areas of concern about the impact of REACH on the chemical industry but also on downstream users. All studies have contributed to a better understanding of mechanisms within typical supply chains of the European economy. They have demonstrated that major improvements to make REACH compatible with the needs for competitiveness and with the Lisbon goals still have to be taken into account:

➤ **Competitiveness**

- Disproportionate requirements for low volume substances will have considerable impact on profitability of companies and in particular on SMEs which will be seriously hit. Their limited resources and weaker position in the supply chains especially in those with global sourcing have to be borne in mind.
- The impact on the industry in the new member states, which have just recently had to comply to the Acquis Communautaire, will be particularly serious.
- Passing on of costs along the value chain to the end consumer will be difficult. This constitutes a competitive disadvantage compared to non-European competitors. Therefore a more cost effective registration process is needed. This process must help companies to prioritise and focus their efforts on substances of real concern.
- The role of the Central Agency and the national authorities have to be clearly defined and overall management responsibility shall be assigned to the Central Agency to ensure level playing field across Europe.

➤ **Confidentiality**

- Protection of confidential business information is essential for business success; especially for SMEs operating in highly specific business segments with special formulation know how. OSOR and the sharing of information will reduce the burden for industry and authorities. However, confidentiality of business information has to be guaranteed and participation to consortia must remain on a voluntary basis.
- Loss of intellectual property must be avoided to safeguard the innovation power of European companies. REACH has to keep the balance between information needs and the protection of business secrets.

➤ **Innovation**

- Substance withdrawal will potentially reduce the toolbox for R&D in Europe and will have an impact on “Time-To-Market” as such substances are no longer available as building blocks for new substances. Restriction and authorisation of substances should reflect these obstacles and should be timely synchronised with market needs to avoid unproductive re-engineering and reformulation efforts.
- Information requirements for low volume substances should be limited to an appropriate level which allows for adequate control of substances whilst ensuring flexible use in innovative applications

Apart from positive results REACH might have on the one or the other aspect, the negative impacts highlighted in the impact assessments clearly show that there is a need to improve the REACH proposal. The social partners therefore call upon the Council, the EU-Commission and the European Parliament to take these results into consideration in the ongoing discussions on REACH.

The engagement of the social partners in the chemical industry

The social partners in the chemical industry are convinced that high benefits in the area of health and safety and the reduction of occupational diseases would be difficult to be achieved by legislation on chemical substances like REACH alone. This could be better achieved if health and safety and environmental practices are further improved. To make REACH successful for Europe it therefore requires clarity in the scope of REACH in order to avoid duplication of legislation and a risk-based decision-making process. Further initiatives are required to transfer good practices already achieved in the chemical industry. The social partners are committed to contribute to a successful implementation of an improved and workable REACH but also to share their joint long lasting experience in chemicals management with other sectors.

The main areas of joint initiatives which ECEG and EMCEF, together with Cefic are committed to, are to:

- Evaluate and better understand the situation in the chemical industry on health and safety with its comparably low record of occupational diseases
- Share and diffuse best practices on health and safety protection in the chemical industry and the reduction of occupational diseases to other

sectors and down-stream-users together with the social partners in these industries,

- Joint activities to improve the knowledge on REACH in cooperation with the social partners in the new EU-countries and future EU-member-states through providing information and sharing of experience in risk management to improve health and safety
- Pay special attention to a high and adequate qualification, training and initiatives on life long learning as one of the important preconditions for a sustainable chemical industry
- Promote initiatives to safeguard high quality employment in an industry, which contributes to the success of the European economy as a whole
- Support further initiatives of social partners on national level in these areas as a part of the dialogue between ECEG and EMCEF.
- Continue to support Responsible Care programmes on national and European level as an important initiative to reinforce a sustainable chemical industry.

The social partners are convinced that these steps will help to add necessary social aspects to the regulation of chemical substances, to make REACH successful and to improve the competitiveness of the Chemical Industry in Europe.

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