



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)

REACH: Safety and Workability

The Partners of the Social Dialogue within the Chemical Industry, the European Mine, Chemicals and Energy Workers Federation (EMCEF) and the European Chemical Employers Group (ECEG) – member of the Cefic family (the European Council of the Chemical industry) – have jointly monitored the public discussion about REACH and developed already several common positions about REACH (see appendix) in the earlier stage of this process. The Council has worked out a compromise at the end of the first reading that not only has taken the earlier inputs of the Commission and the European Parliament into consideration but could also pave the way for a safe and workable risk management and authorisation system. All European institutions, especially the European Parliament, the EU Commission and the EU Presidencies of the past years have made enormous efforts to finally agree on a workable regulation and the Social Partners of the Chemical Industry would very much like to honour this work.

Having already made substantial achievements in its Social Dialogue about safe handling and use of hazardous substances with specific emphasis on occupational health and safety in its chemical manufacturing processes, the partners emphasize the fair balance between regulatory and institutional framework conditions of existing workers safety legislation and the engagement of the involved parties to

constantly improve the safe handling of chemicals. The excellent results of this joint process encourages the Social Dialogue partners to propose an active exchange of experiences with education, information, training and prevention methods to downstream industries working with chemicals. They will therefore invite the representatives of these industries to meet with them and work out the best ways to share good practices in production and use of chemicals.

The REACH regulation addresses manufacturing and use of chemical substances themselves and will provide a system for the registration of all and the authorisation of chemicals of high concern in Europe. The Social Partners reiterate their postulation for the system to remain balanced, efficient in delivering safety to all workers and users and workable, avoiding bureaucracy that would put at risk the future of the Chemical Industry in Europe.

Especially the authorisation procedure should use processes employed within the Chemical Industry, which analyse the relevant use and exposure patterns of substances and lead to substitution if the substance cannot be handled safely. A workable authorisation process should propose substitution when risk cannot be adequately controlled by proper management, where an alternative substance exists and social and economic conditions allow. Substitution being the overarching scheme to ban substances of high concern without considering all solutions is delivering any benefits to neither society nor business. Substitution is part of the history of chemicals but it is a complex process that involves all actors in the supply chain and cannot succeed without numerous conditions. REACH could in this way contribute to promote research and development and new activities that would create sustainable jobs in the chemical sector.

The social partners call therefore legislators to give priority in the second reading to the main objectives of REACH, health and environment, by combining safety and workability and to confirm the results achieved so far in the Council's political agreement in order to make REACH a success.

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the European Sector Social Dialogue Committee "Chemical Industry";
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ECEG – being an independent federation within the Cefic family of organisations representing the European Chemical Industry in many areas – was founded in 2002 and groups at present 21 national Chemical Industry employers federation from as many European countries. ECEG represents the interests of the Chemical Industry on EU level in social and employment affairs and within the European Sector Social Dialogue Committee.

EMCEF – the European Mine, Chemical and Energy Workers' Federation comprises 2.5 Million blue and white collar workers in 35 European countries and 131 national trade unions. It is a member of the ETUC and was founded in 1996.

In 2004 the EU Commission, DG Employment, Social Affairs and Equal Opportunities founded on request of ECEG and EMCEF the Sector Dialogue Committee of the Chemical Industry and confirmed the status of ECEG and EMCEF as the representative Social Partners for the European Chemical Industry.

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Annex to the joint position paper

- (1) Joint position of ECEG and EMCEF on REACH of June 2005
- (2) Joint position of ECEG, Cefic and EMCEF on REACH of November 2003



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

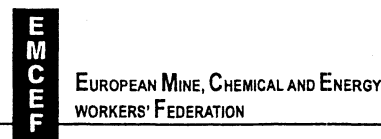
sectors and down-stream-users together with the social partners in these industries,

- 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.

Text approved by:

**the European Sector Social Dialogue Committee “Chemical Industry”;
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Joint statement of ECEG, CEFIC and EMCEF on the New European Chemicals Policy (REACH)

Preliminary remarks

The European Chemical Employers' Group (ECEG) and the European Mine, Chemical and Energy Workers Federation (EMCEF) in joint consideration of

- the important role of the Chemical Industry for the whole European economy and its employment, as one of Europe's most international, competitive, innovative and successful sectors, which
 - accounts for about 30% of global production of the chemical industry,
 - employs directly over 1.7 million people in Europe and
 - makes a wide range of products that are essential to other industry sectors and society.
- the necessity to promote continuous improvement of the performance of the European Chemical industry regarding health, safety and environment.
- the continuing efforts made both by the chemical industry and employees to improve safety at work which has resulted in a safety performance well above the industry average.
- the beneficial role of the European chemical industry's voluntary commitments, in particular the Responsible Care programme.
- the importance to develop qualifications through initial and continuous training in order to enable the employees to cope with the development of technology, products and production processes.
- the need to attract highly qualified staff by offering attractive employment opportunities in the field of Research & Development, which drives the innovative capacity and technical progress of the industry.
- the open approach by the chemical industry to have constructive permanent dialogue with the social partners at all levels, European and national. This has been highlighted by the common ECEG-EMCEF declaration signed at the ECEG-EMCEF European Conference in Paris in 2002 and further illustrated by the signing by ECEG, CEFIC and EMCEF of the Memorandum of Understanding on Responsible Care on May 21st 2003.

ECEG and EMCEF together with Cefic, the European Chemical Industry Council, are very concerned by

- the reactions created among the chemical industry and its employees by the results of the impact analysis of the Chemical Policy Review of the EU (REACH) on the performance and the employment of the chemical industry which have resulted in a range of official common positions of national social partners on the Chemical Policy Review in several European countries.
- the reactions of many national governments concerned as they are by the potential negative impact of the Chemical Policy Review on the national economy and the employment not only of the chemical industry as such but also of downstream users in other sectors.
- the risk due to the impact of the Chemical Policy Review of stopping innovation at a crucial time for the European economies, since its future with regard to competitiveness and employment as required by the Lisbon objectives depends on the growth of investment leading to new products and new and more efficient production technologies.

Common position

ECEG, CEFIC and EMCEF, recalling that sustainable development is based on the three pillars of environmental, social and economic needs, share the opinion that it is possible to make the proposed Chemical Policy Review compatible with the need for competitiveness and with the Lisbon goals, if the following conditions are met:

- As the European Council also recently required, priority has to be given to the competitiveness of the European industry in order to be able to foster the economy as a whole, employment and the environment; as a consequence of this, the future European Legislation should be the subject of an extended impact assessment;
- More particularly, attention must be paid to the protection of confidential business information against unfair competition;
- The new system should not create unnecessary bureaucratic burdens and disproportionate obstacles affecting the products ranges and the supply chain of chemicals;
- The limited resources of SMEs to face additional administrative requirements have to be taken into account;
- The additional burden for the industry and the authorities of the new Members States, to adapt to the new system so soon after complying recently with the former one, must also be considered and reduced to a minimum;
- The system must prioritise the required tasks and chemicals of lesser risk and concern (intermediates, polymers among others) should be exempted.
- Therefore, the future European agency for chemicals should have a central and leading role to implement efficiently the legislation, which requires a real decision making power at all steps of REACH and capacity to hear and examine appeals on all decisions.

In this regard ECEG, CEFIC and EMCEF are supporting European chemical product legislation proposals promoting coherence, workability and effectiveness in line with the principle of sustainable development.

Moreover ECEG, CEFIC and EMCEF consider that the Chemical Policy Review is unlikely to further reduce chemically induced occupational diseases within the chemical manufacturing industry as it is already well regulated in this area and employees in the sector are adequately protected as the results demonstrate due to the good practices developed between authorities, industry and employees.

Therefore they insist on the specificity of these matter and demand to maintain the integrity of the existing legal and operational framework. By doing so, the good practices developed and the experience acquired could be extended further to downstream activities.

Engagement of Social partners

In order to contribute to an adequate and balanced Chemical product policy ECEG and EMCEF, as social partners, together with CEFIC will join their efforts to:

- promote information and training of the employees inside the chemical industry and downstream industries on the safe use of chemical products;
- diffuse best practices in the chemical and downstream industries;
- participate in and contribute to the evaluation of the efficiency of regulations by the authorities in this area;
- fully involve the new EU-member states taking into consideration the additional burden for their industry in this area.

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