

25 - 26.10.2023 | DAY 2
Chemical Regulations and
Sustainability Symposium 2023



Chemical
Business
Association

REACHLAW
COMPLIANCE. SUSTAINABILITY.

Intro for Panel Discussion
**The Future of
Chemical Regulations**
Utopia or Dystopia

The Background



United Nations

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

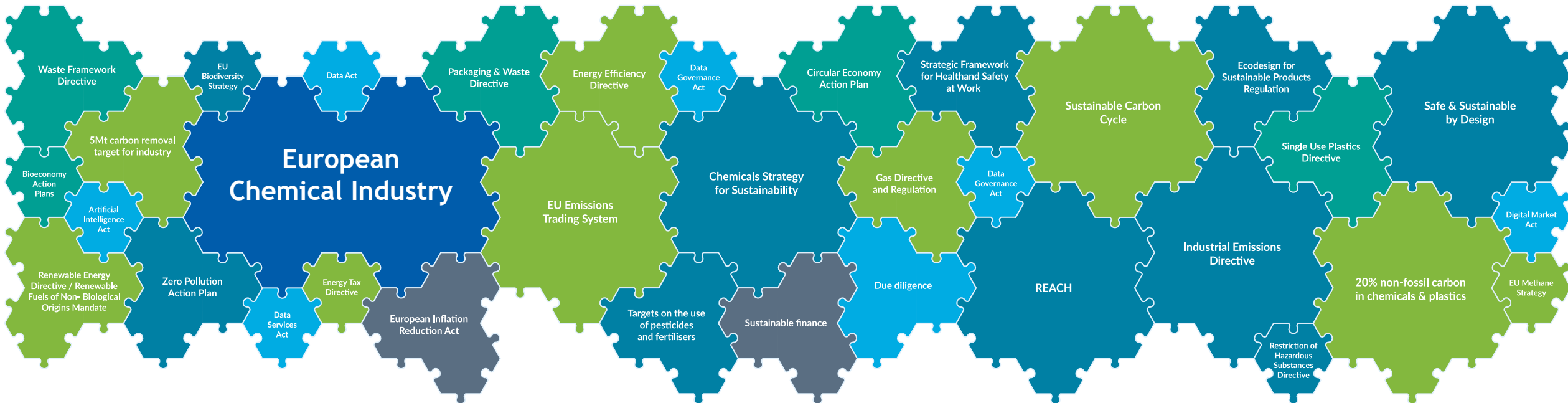
15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS



The EU Regulatory Agenda Affecting the Chemical Industry



- Going circular
- Going digital
- Going climate neutral
- Shifting to safer and more sustainable chemicals

Figure: Cefic

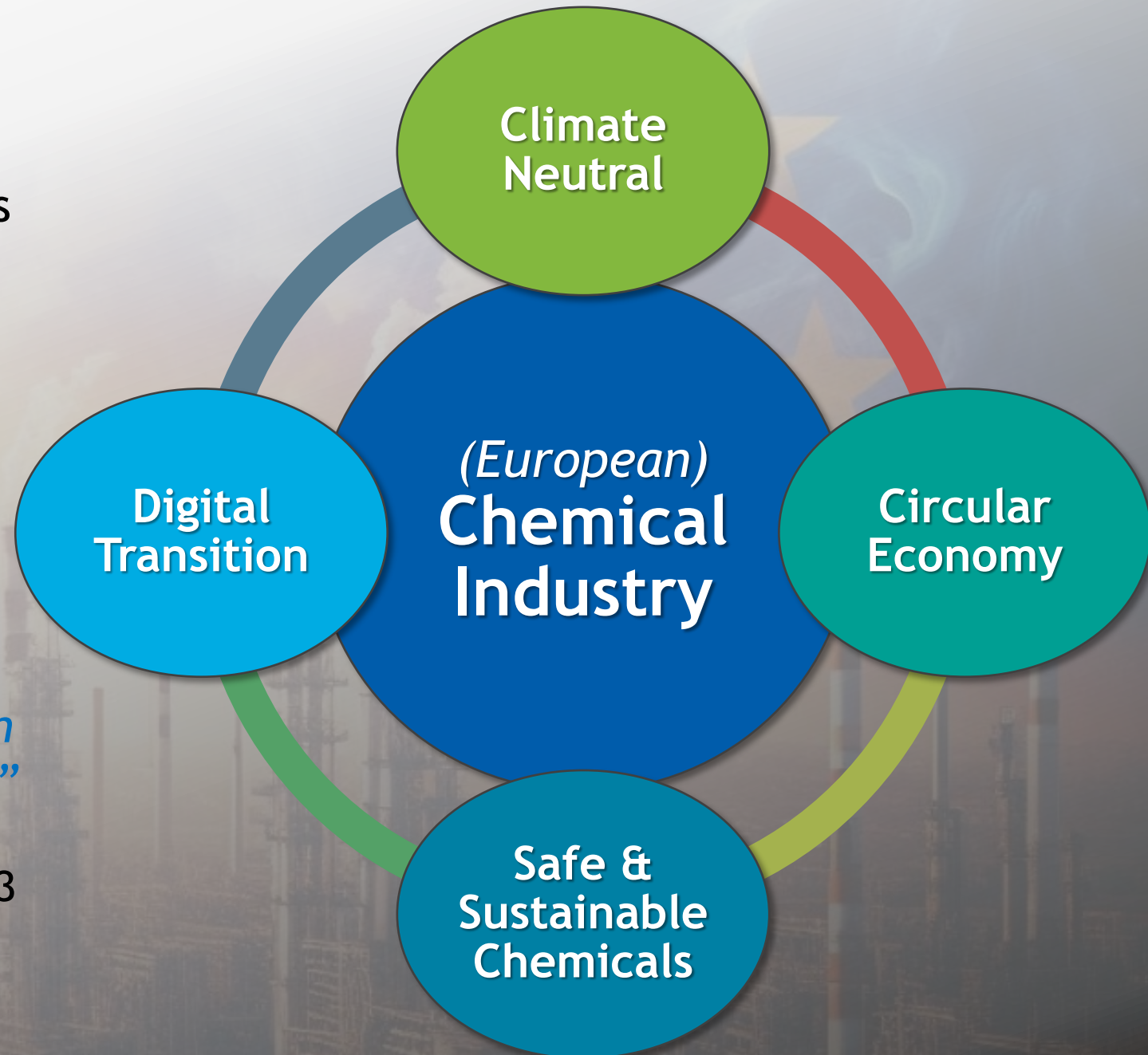
More details: <https://transition-pathway.cefic.org/>
Report: <https://ec.europa.eu/docsroom/documents/54595>

The Transition

The (*European*) chemical industry is facing a **significant transition** in the way it operates

“In just 30 years, our industry will have to change not only how we produce but also what we produce” - Cefic

“We will keep supporting European industry throughout this transition”
- 2023 State of the Union Address by President von der Leyen, Sept. 13, 2023



Where are we headed, and do we understand what that means?

What will be the **long-term implications** on the Chemical Industry? The 2nd and 3rd order effects..?

How should the Chemical Industry prepare for the long haul?



"Skate to where the puck is going,
not where it has been."

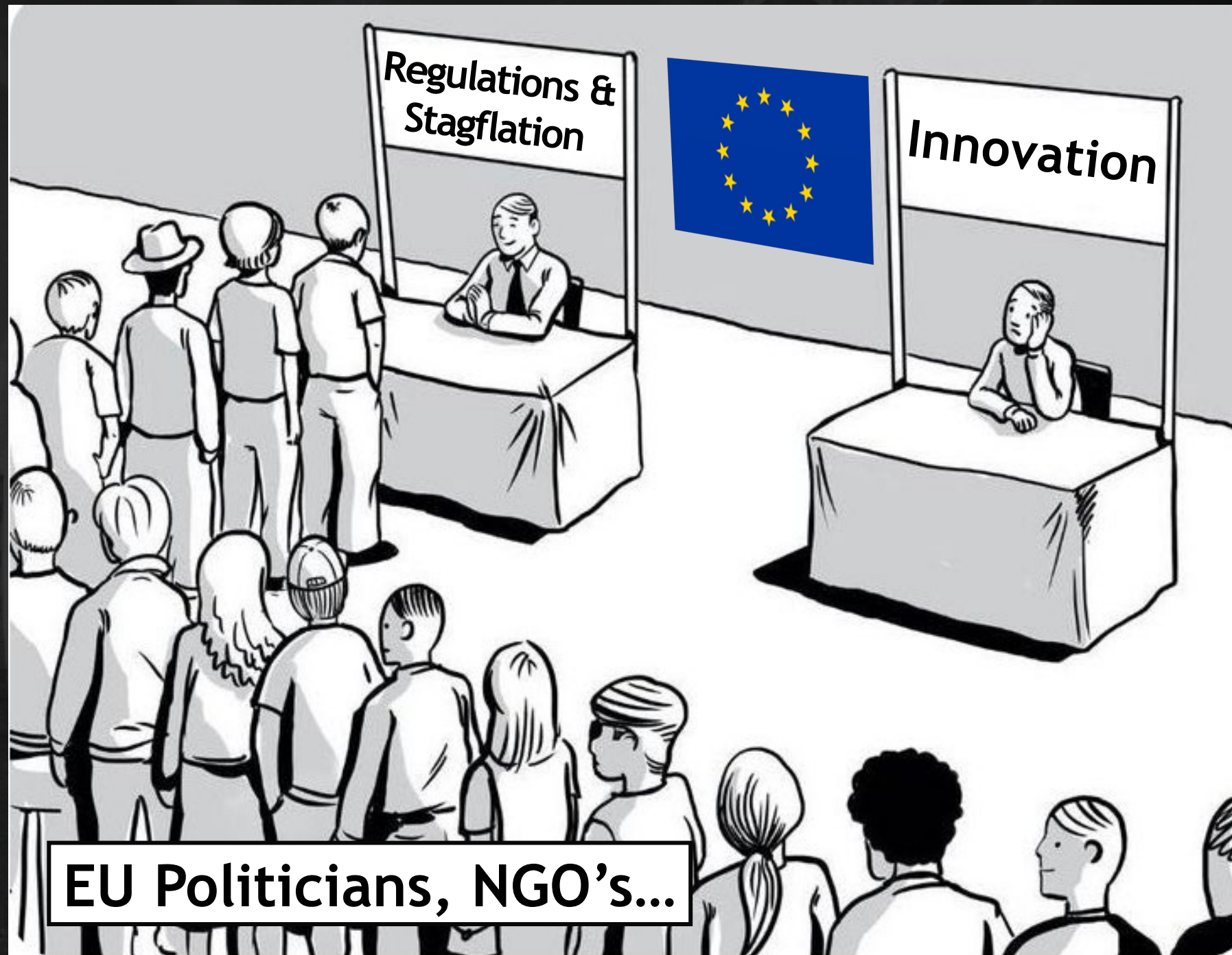
– Wayne Gretzky

How do we ensure that SME's also can comply, typically with limited recourses?

...or will they be devoured by the giants or left for dead?



How will innovation be affected?



Stagflation is a situation of high or increasing inflation rate, slowing economic growth rate, and high unemployment.

Innovation in Europe...



Paul Graham ✓

@paulg

America: Let's have a party. I'll bring the software!

China: I'll bring the hardware!

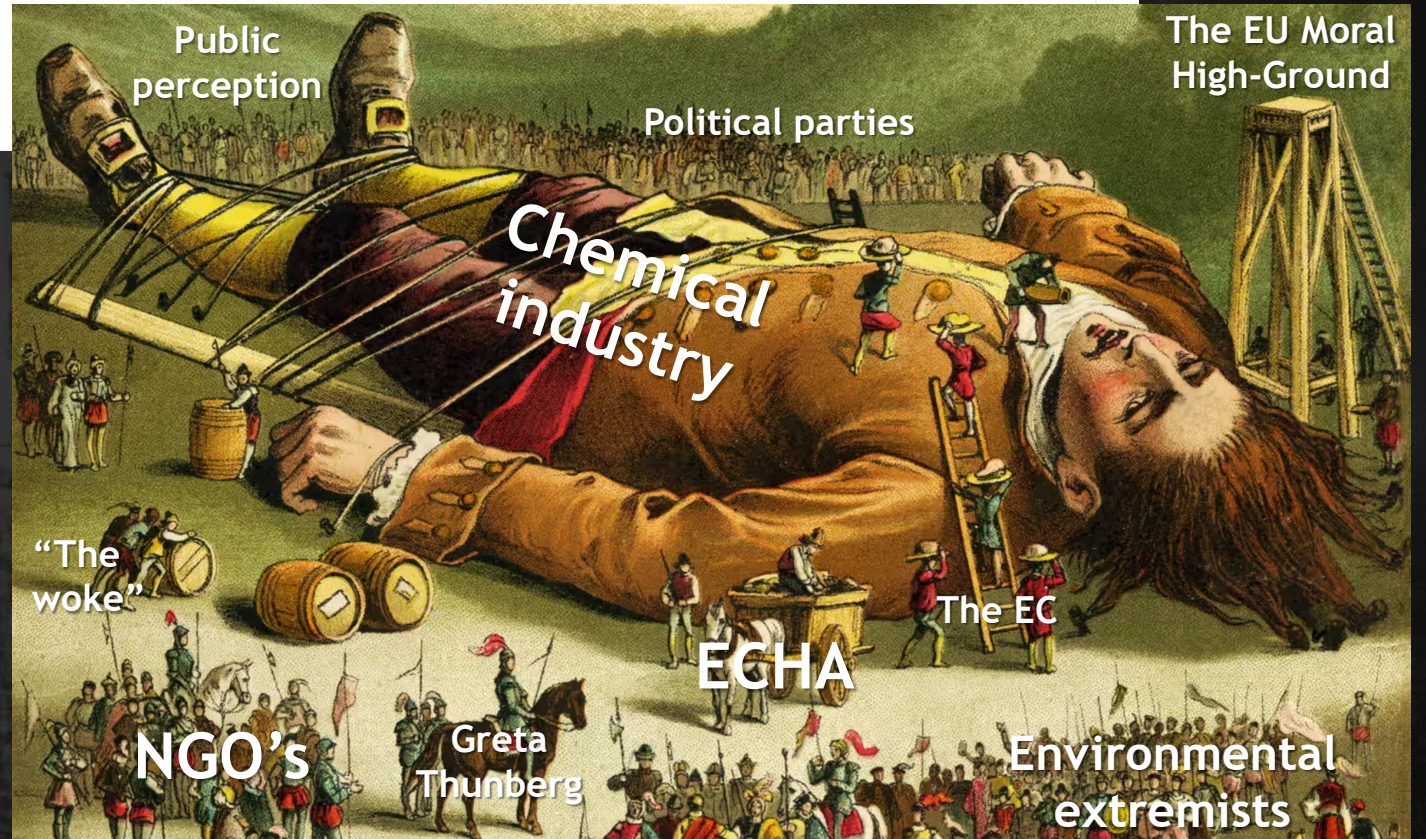
EU: I'll bring the regulation!



Elon Musk  
@elonmusk

Like Gulliver, tied down by thousands of of little strings, we lose our freedom one regulation at a time

1:46 AM · Sep 26, 2023 · **13.3M** Views



Are we headed towards a **utopian future** of impeccable environmental protection or a **dystopian reality** of over-regulation and lack of innovation?

Protection of Human Health: Limiting exposure to hazardous chemicals can mitigate the risk of diseases, and other health issues.

Environmental Preservation: With stricter controls on chemical releases and exposure, ecosystems and wildlife benefit.

Promotion of Green Chemistry: Companies are incentivized to innovate and develop safer, more sustainable chemical alternatives.

Economic Savings: Although initial compliance is likely to be costly, the long-term benefits in terms of reduced healthcare costs and environmental remediation can outweigh the initial investment.

Stifling Innovation: An overly complex regulatory environment deterring companies from developing new products or entering / remaining on the EU market.

Economic Impacts: Compliance is expensive. SMEs, which may not have the resources of larger corporations, could find themselves at a disadvantage → Consolidation of the industry → Concentration of production, less choices, higher prices

Global Inconsistency: If the EU's regulations significantly diverge from global standards, it might create trade barriers or issues of reciprocity with non-EU nations.

Surveillance: Realtime surveillance of regulatory and ESG compliance by authorities aided by the digitalization of the industry. In a diminishing (tax) returns economy, the temptation to increase fines for (minor) non-compliances is irresistible...

What Awaits the Chemical Industry?

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1984



GEORGE ORWELL

“The road to hell is paved with good intentions”

- Origin of this proverb is unknown, but it's old

“Gradually and then suddenly”

- Ernest Hemingway

Solution?

*More facts-based and data driven dialogue
between the industry and regulators!*

Less hyperbole and biases...

Make a difference!

Thank You for Your Attention!

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*We Specialize in Chemical
Regulatory Compliance and Sustainability*