

## ECEG Position Paper on the Commission’s proposal establishing a Framework to Facilitate Sustainable Investment (the “Taxonomy Proposal”)



The European Chemical Employers Group (ECEG) as the European social partner, mainly dealing with the social and economic policy aspects, is deeply concerned with a number of ECON/ENVI Committee amendments to the Taxonomy proposal.

The European chemical industry contributes fundamentally to sustainable development by providing quality jobs<sup>1</sup>, investing both in reskilling and upskilling of our workforce as well as in R&D. Thus, our industry finds the technological solutions needed to achieve the objectives of the Taxonomy proposal.

ECEG supports the Taxonomy Proposal as a potential instrument to mobilise finance and foster environmentally beneficial investments. However, in order to ensure a competitive advantage for the EU chemical industry in innovative and sustainable technologies, ECEG considers that the Taxonomy Proposal under sustainable investments should also take a full account of two other aspects of sustainability such as social and economic aspects. This would include not only identifying as “environmentally sustainable” all environmentally beneficial investments, but also **avert excluding whole sectors** on the basis of arbitrary and indefinite criteria.

As social partners we advocate to take into consideration short and long term economic and social consequences that such exclusionary approach will have on the whole sector as such. Not only we touch upon potential low investments in our sector and, as a consequence, investments in R&D<sup>2</sup>, which is the corner stone for reaching the European strategic long term vision on climate neutral economy<sup>3</sup> but also upon closure of companies, especially SMEs.

Avoid the definition of “environmentally harmful economic activities” would also be important since this definition would exclude entire economic sectors and activities representing the backbone of the European economy. This would negatively impact the EU industrial competitiveness, creating additional uncertainty, also in terms of jobs, and increasing the risk of relocation of these activities outside the Union. This, in itself will potentially translate into restructuring activities with layoffs in the second biggest sector in the EU, where currently serious measures are taken to retain the work force and the production within the EU.

The EU is the biggest exporter of manufacturing goods and services, where in downstream sectors like chemicals the Union is the leading global exporter.<sup>4</sup> Exclusionary approach would not only undermine the above-mentioned trend but also prevent the development of much needed and promising sustainable technologies to meet 2050 zero-carbon goals.

**ECEG supports amendments 148, 195, 219, 661, 662**

<sup>1</sup>“Personnel costs amounted €1 140 billion in the EU manufacturing sector in 2018. Chemicals is the fifth largest sector (€66 billion). Chemicals accounts for 6% of EU manufacturing personnel costs. Concerning the personnel costs per employee, chemicals is the third leading sector. Refined petroleum, pharmaceuticals and chemicals generated the three highest costs per employee (CEFIC Facts and Figures 2018).

<sup>2</sup> “Spending on research and development in the EU chemical industry was valued at an average annual level of €8.1 billion during the period from 2000 to 2017”. *ibid*

<sup>3</sup> [https://ec.europa.eu/clima/sites/clima/files/docs/pages/com\\_2018\\_733\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_en.pdf)

<sup>4</sup> [https://ec.europa.eu/clima/sites/clima/files/docs/pages/com\\_2018\\_733\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_en.pdf)

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**ECEG opposes** amendments 34, 47, 50, 54, 55, 56, 92, 149, 193, 194, 202, 228, 252, 267, 287, 332, 337, 338, 339, 340, 348, 351, 353, 375, 382, 505, 516, 554, 555

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**About ECEG**

ECEG, the European Chemical Employers Group, founded in 2002, is a recognised European Sectoral Social Partner, representing the chemicals, pharmaceuticals, rubber and plastics industries in Europe. Our sector provides approximately 3.3 million direct jobs in more than 94.000 enterprises.