



To: [REDACTED] (ENV)

Cc: SADAUSKAS Kestutis (ENV); [REDACTED]
(ENV); [REDACTED] RIBOKAS Arunas (CAB-SINKEVICIUS); [REDACTED]
[REDACTED] (ENV)

Subject: Meeting of Commissioner Sinkevicius with Business Europe - 23rd March 2022

Participants:

- Markus J. BEYRER, Director General and CEO, Business Europe
- [REDACTED] Business Europe
- Commissioner Virginijus SINKEVICIUS
- Arunas RIBOKAS (Cab Sinkevicius)
- [REDACTED] DG Environment)

Objectives of the meeting:

At the request of the visitors, to discuss the Sustainable Products Initiative, the review of the Industrial Emissions Directive, and the REACH review.

Key points of discussion:

1. On the impact of the **Russian invasion of Ukraine**.

Mr. Beyrer noted that:

- Business Europe's (BE) one Russian member company had been suspended.
- BE members have mostly pulled out quickly from Russia, often for reputational reasons. BE cannot instruct its members on this. Many are still paying employees. Some face RU counter-sanctions. They have difficulty in getting local legal advice.
- Disruption of value chains will be difficult.
- Energy will be a difficult debate. Revision of the ambition level of Fit for 55 will be necessary; German coal plants will need to run for longer.
- Politically EU must not risk unity. EU has economic strength. It will take time to build up defence capacity. In the meantime we need to preserve our economic strength.

The Commissioner responded that

- We need to ensure acceptable prices for consumers for energy, but there is no way back and we have to abandon Russian energy.

2. On the draft Sustainable Products Initiative

Mr. Beyrer noted that:

- BE is overall positive. They support the product group approach. They want the possibility of self-regulatory measures. But they are sceptical of mandatory 3rd party conformity assessment as this will drive up costs and lead times. SPI should be based on self-assessment and market surveillance authorities.
- BE regards mandatory public procurement criteria as necessary, but they are not convinced of the need for targets.
- They emphasize the need to limit administrative costs.
- The Digital Product Passport is welcome, but needs targeting to what is needed for circular economy. IP and trade secrets need protection

The Commissioner responded that:

- Ecodesign has proven highly effective.
- Product group impact assessments will take cost/benefits and admin costs into account
- The approach will reward those that make an effort.
- It is hard to change the habits of public procurers, so a mandatory approach is needed. The approach taken still needs to be clarified. MS should follow latest practices. Some have it in their national legislation, some don't.

3. On the Industrial Emissions Directive

Mr. Beyrer noted that:

- IED has been effective in the past, but BE is sceptical about the need for revision. They understand the objective to give incentives on GHG, but are opposed to mandatory requirements. IED's value is the integrated approach.
- There is a risk of double regulation and legal uncertainty, plants would be pushed to do trade-offs (eg: between NOX/SOX & CO₂).
- Transformation plans should not be at plant level, but at group level.
- Emerging techniques should be dealt with through regulatory sandboxes etc. We shouldn't force them into new permits. You cannot request companies to do this for technologies that only exist on paper.
- BE understands that NGOs would be given a bigger role in permitting. They are concerned that this will make permitting procedures more burdensome.

The Commissioner responded that:

- The proposal will include effectiveness measures to reduce pollution and improve public information in the permitting process. This should be harmonised, and burdens reduced through IT solutions. Digitalisation should streamline the processes. There should be an EU wide level playing field for operators.

- IED should become forward-looking to promote innovation and industrial transformation. An Innovation Centre for Industrial Transformation & Emissions is considered to develop BAT and BREFs.
- The revision will ensure consistency with climate, energy and CE policies, and to reduce pollution and hazardous substances. We want to avoid this being done through several directives. The intention is to include gigafactories and other developments.
- MS still go far sometimes, and even blame the Commission (although they have some flexibilities under the directives).

On the REACH Revision

- BE will prepare a submission to the public consultation. Essential uses should only regulate harmful substances without putting a brake on innovation; therefore it should be targeted, and focus on proven risk.



23rd March 2022

Contacts:



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