

Stimulating ‘Green growth’ to secure competitiveness

The Expanded Polystyrene industry’s key recommendations to the future European Commission

Background

The European Expanded Polystyrene (EPS) industry is a supplier of high-quality and affordable insulation material for the building sector (new-build and renovation), the use of which is crucial to achieve the EU’s climate targets. Furthermore, through innovative transport packaging solutions our industry prevents food waste and loss by damage of white goods and electronics, avoiding waste of valuable resources.

Therefore, we fully support the objectives of the ‘European Green Deal’ and acknowledge its achievements on the pathway to the ‘net-zero’ goal for 2050. Being one of the key industries contributing to a major reduction in CO2 emissions of the building stock in EU, we acknowledge the enormous opportunities which this major policy package harbors. Investments along with various measures to improve environmental performance of buildings shall serve as a boost for the whole economy.

While ambition in sustainability is honorable, some regulations impacted European industry in an adverse way. Legal requirements for the production of materials and goods in Europe are often much more stringent than in other parts of the world. Companies facing global competition are thus in an economically disadvantageous position.

The situation of the European industry has been aggravated by additional factors such as high inflation, high NG costs, political insecurity and wars, high interest rates, high commodity prices and the American ‘Inflation Reduction Act’.

In this environment European industry will need a couple of years to implement and adapt to the additional regulatory requirements of the Green Deal. During this phase the European economy could be particularly vulnerable, and adjustments will be needed to reestablish a ‘level playing field’ with other areas of the world, in order to prevent deindustrialization and to guarantee future investment in European production.

EPS specific regulations distorting the market

The European EPS industry is subject to specific requirements which are not global standard. Raw-materials and final products need to comply with the following rules (exemplary non exhaustive list):

Application

- Indoor insulation applications with requirements on indoor room emissions
- Food-contact packaging with specific requirements on DoC (declaration of conformity) of the used raw-materials
- Fire regulations for products and systems including surveillance contracts in place (e.g. EN13163 Annex E: Class E certificate)

Chemical Regulations

- Compliance with European Regulation (EC) 1907 / 2006, commonly known as “REACH”



- Chemical regulations including the future outcome of ECHA strategy on flame retardancies.
- Compliance with EU Directives 2011/65/EU and 1907 / 2006 (REACH) (in particular, SVHC shall not be present above a limit of 0.1 % w/w according to the candidate list)

Voluntary commitment on

- e.g. Styrene monomer content in EPS raw-bead. This limit values are set to minimize the possible exposure e.g. to styrene and its release to air – Occupational exposure, Indoor air quality – to water and to soil.
- European EPS producers follow a [voluntary guideline as Plastics Europe commitment](#)

Future Regulation on Microplastics and Nano Materials

- The measures against the release of Microplastics and Nano Materials which are currently in the pipeline.

Safe packaging to prevent e-static charging respecting Transport Regulations for dangerous goods:

- European legislation foresees that the safe transport of EPS raw-beads shall be guaranteed by packaging which prevents e-static charging.
- Shipping of EPS in non-ventilated containers is thus dangerous and illegal. However, imports from Russia and Iran (mostly) do not respect this requirement and the port / customs authorities do not have the time to check the imports for those safety requirements.

Respect of EU sanctions and national requirements such as supply-chain acts:

- EU producer respect sanctions in force on e.g. Russian raw-materials and competing with EPS raw materials produced in regions sanctioned by NAFTA/NG
- German producers also have to respect the German supply-chain act

Key recommendations of the EPS industry to the future European Commission

Against this background creating a ‘level playing field’ on the global market for EPS requires a program which stimulates ‘green growth’, implements the ‘Green Deal’ and yet allows European manufacturers still to be competitive with imported material from countries where there is less ambitious regulation.

As a signatory of the [Antwerp declaration](#), and supporter of the [Plastics Recyclers Europe’s Manifesto](#), and the [Joint European Industry Manifesto of EUROOPEN](#), EUMEPS would like to reinforce and echo some of the concerns voiced in the aforementioned documents, and add some sector-specific recommendations for the future European Commission to consider:

- Making available funding from the cohesion funds to **renovate the insulation of building stock, revive the (currently contracting) building and construction sector** and mitigate the desperate need for additional housing in Europe. This measure would also lower the rents, freeing up financial means from the citizens, which would further stimulate the economy. (double stimulus effect)
- **Investments in education of skilled labor force** which is necessary to professionally build new housings and renovate the building stock.
- The principle of **‘material neutrality’ shall always be respected in legislation**, avoiding singling out materials or ‘ringfencing’ which can result in discrimination on the market.
- The principle of **‘technology neutrality’ shall always prevail in recycling policy** so that emerging technologies have room to grow and develop while the established once can

be used in the best possible way (least energy intensive for simple waste streams and more energy intensive for sophisticated waste streams, respecting the waste pyramid)

- **Ramp up the efforts to check that raw material imports to Europe match European legislative requirements** avoiding undercutting European standards and HSE obligations.
- **Closing loopholes in the European sanctions-regime:** Some third countries act as facilitator of imports (or their derivatives) from countries which are subject to restrictive measures due to violation of human rights or international law. The EU must act against such circumventions of the European sanction's regime.
- **Take necessary measures so that recycled plastics can economically compete with virgin material,** to guarantee the return of investments in recycling facilities in Europe. In this regard the future European Commission might consider extending the Carbon Border Adjustment Mechanism to imports of chemicals and plastics raw materials.

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About EUMEPS

EUMEPS, the unified European voice of the Expanded Polystyrene (EPS) industry, is the premier advocate for EPS solutions. Representing every link of the EPS value chain, from large companies to SMEs, we are committed to fulfilling European environmental objectives. Through our 23 national associations and numerous recycling initiatives, we strive to elevate the circularity of our industry.

As a contributor to making Europe climate-neutral and resource-efficient, we showcase EPS as the smart choice in packaging and insulation. Stand by us in building a more resilient and sustainable tomorrow. www.eumeps.eu