

## A ‘Clean Industrial Deal’ that works for people and the planet

Brussels, 10/02/2025

### Context

The **Clean Industrial Deal (CID)** is expected within the first 100 days of the new Commission and foreseen to be published by 26 February 2025. This can be a major opportunity to accelerate the shift towards sustainability within Europe and globally, supporting industry, health, wellbeing and quality jobs, and addressing the triple crisis. Europe (and the world) is threatened by a triple climate, biodiversity and pollution crisis. Industry’s sustainability and competitiveness cannot be secured by degrading further our climate, environment, health and society or disregarding public acceptance. We must, therefore, harness climate, zero pollution and nature-positive frontrunner solutions and boost industrial innovation through regulation to make the Clean Industrial Deal an effective tool to underpin the European Green Deal (EGD).

The EEB has joined up with other CSOs and industry to present its ‘*Vision for a prosperous and sustainable industry: a positive blueprint for the future*’ (see [Industrial Blueprint](#) and [two pager policy brief](#)) building on the [European Pact for the Future](#), calling for a green and social deal for a one-planet economy – i.e. promote a clean, just and competitive future with its [detailed Action Plan for The European Pact for the Future](#) – together creating an agenda of hope that Europe needs, offering a comprehensive array of policy proposals for the 2024-2029 legislative cycle. *The horizontal key asks in relation to the CID are set out below. In the Annex to this paper, we highlight the main points in relation to 6 key thematic areas with more details.*

### Adopting a holistic, zero-pollution-aligned ambition. “Clean” is more than climate neutral

- The **Clean Industrial Deal** must drive a prosperous, sustainable future by transforming Europe’s industrial landscape to meet the twin goals of protecting health, climate and the environment and boosting EU competitiveness. The CID should therefore live up to its name only if it embeds the zero-pollution objective in its priorities, alongside climate goals and if it recognises the strategic value of pollution prevention and remediation. Policy actions must embrace the shift to zero pollution, toxic-free, socially just, health protective, resource-preserving and decarbonised industry. **The EU needs to become a global frontrunner for decarbonization, detoxification, depollution and restoration, by continuing with and strengthening the EU Green Deal**, and other relevant industrial policies – as they will emerge under the CID communication.
- In July 2022 the UN’s General Assembly recognised that **living in a clean, healthy and sustainable environment is a human right**. This confirmed the priority need to establish EU legislation which coherently protects it; being it through agreeing on clean air, clean water and nature protection objectives and by promoting the concrete actions to deliver on them. The CID is no exception.
- The **EU should strive for ‘Competitiveness’ as a tool for protecting the planet and its people, not at the expense of human health or the environment**. The global commons, which are life essential, should not be treated like a commodity and the ‘non-deterioration principle’ shall apply to planetary boundaries. Environmental standards and green innovation are key to EU competitiveness, the costs of inaction are immense in addressing the climate, pollution, and biodiversity crises’ costs that our economy and society cannot bear much longer (see [EEB letter of 27/11/2024 to COMPET Council](#))

- Prioritising a **clean, circular economy strategy** aiming at **sufficiency and efficiency** will support Europe's resilience to resource use dependencies, foster strategic autonomy and should be at the core of policy focus. Toxic-free products and material cycles will significantly improve industry's access to sustainable and secure raw materials. It will foster consumer trust in EU products, especially those made of recycled materials, strengthening the market for sustainable EU-made products. Mandatory Green Public Procurement (GPP) policies will be contributing to increased demand for safer, environmentally responsible goods, and enabling public authorities to drive decarbonisation and detoxification by prioritising clean solutions across sectors.
- Accelerating the **phase out of fossil fuels/feedstocks and chemicals of concern** aligned to **ensure clean and resilient water services** – is a win-win for climate, people and nature. Ending the use of all the most harmful chemicals in products is a prerequisite to a toxic free circular economy as breaking free from dependencies of other economies, often not fully aligned to European values.
- The **Chemicals Industry Package** should support the transition needed for the chemical industry to achieve the Chemicals Strategy for Sustainability (CSS) objectives and position the EU as a global frontrunner in sustainability, safe chemicals, pollution prevention, detoxification, de-pollution, decarbonisation and restoration. For this it needs to:
  - advance both **regulatory clarity and the predictability that industry needs to foster innovation in safer, sustainable alternatives, while ensuring a level playing field for all companies**, especially downstream users and SMEs;
  - **simplify REACH** to accelerate regulatory action and ensure a high level of protection from harmful chemicals by, for example, implementing simplified fast-track group restrictions of all the most harmful chemicals in products, the essential-use concept and stronger and digitalised industry reporting. Additionally, clear phase-out timelines, reducing redundancies, and faster decision-making will promote innovation in alternatives assessment. See [EEB's Outlook for the Next Commission on Chemicals Policy paper](#).
  - **PFAS clarification** should ensure a swift restriction with clear timelines that give frontrunner companies predictability and investment security to innovate and develop alternatives. The Chemicals Strategy PFAS Action Plan shall be completed, health and financial support to affected communities provided (see related points on implementing the polluter pays principle below). [See joint civil society letter on PFAS](#) and [EEB's 'Let's Clarify PFAS' position paper](#).
- A **dynamic policy mix of regulation that drives innovation that serves the public interest**, including subsidies and incentives with conditionalities to help guide direction, **strengthen the application of the rule of law** to ensure a level playing field and avoid erosion by illegal practices or imports and unfair competition.
- A **'Toxic Free and Zero-Pollution Compatibility Check'** (also factoring in the cost of inaction) for new or revised pieces of relevant legislation, as well as state aids and subsidies should complement the "competitiveness" check.

### **Commit industry to deliver real transition "deep transformation" pathways, embracing the needs for system change in an integrated way.**

- **Reverse the burden of proof** on the manufacturer of substances of concern. Adopt the 'no evidence of absence of harm, no right to operate' principles and accelerate phase out and substitution of

chemicals of concern, incentivise and support responsible business and safe and sustainable chemicals, make toxic-free products the norm.

- To **boost safe and green innovation**, the Commission should develop and implement economic instruments that support the production and adoption of safe, sustainable, and climate-neutral chemicals, materials, and technologies. It will also proactively facilitate substitution efforts, with targeted support for downstream users, particularly small and medium-sized enterprises (SMEs), to ensure they can innovate and thrive in the shift towards a toxic-free and circular economy.
- **Promote data openness and tools to facilitate enforcement, forward-looking criteria for standards setting to ensure the EU becomes a front runner and innovation leader.** Commit to fast-track of innovation and substitution of toxic chemicals, in particular regarding PFAS.

### **Implement the pollution prevention and the toxic-free hierarchies alongside the polluter pays principle to encourage responsible behaviour and respect for industry's licence to operate.**

- Polluting companies should be held accountable for the costs of pollution prevention **at source and compensation and contribute to independently** managed funds dedicated to depollution. Ensure full accountability on environmental, climate and human rights impacts of value chains globally
- **Establish a long-term EU public investment fund to support a green and socially just industrial transformation** to boost confidence in the transition and strengthen economic and social cohesion, by ensuring that governments can make long-term investments. See [the letter by the Fiscal Matters Coalition on the need for an EU Transformation Fund](#).

### **Ramp up investments in skills and quality jobs creation in key sectors of the green and climate neutral economy, supported by essential infrastructure to support resilient and sustainable industries and prosperous societies.**

- **Research in innovative solutions for achieving the EU Green Deal goals should be supported**, particularly where important environmental trade-offs materialise.
- Funding should not enable a lock in of activities at the origin of pollution and conditional to clear social criteria, such as up/reskilling, decent work, respect for social and labour rights. **Strong social and environmental conditionalities on all support schemes are required.**

### **Avoid the people vs environment narrative.**

- **Keep workers and local communities at the centre of industrial transformation.** Respect the EU Pillars for Social Rights and just transition principles.
- **Transparency, public participation, civil and social dialogue are key to strengthen social acceptance and justice and the basis for buy-in of any industrial operation.** The call for simplification / reporting and acceleration of permitting shall not come at the expense of ambition, public participation, transparency and acceptability.
- **Public, user-friendly tools to enable tracking of progress to deliver on the toxic-free and zero-pollution ambitions by all actors are needed** (e.g. improved EEA Industrial Emissions Portal, the ECHA's SCIP database and product passports to be developed under the ESPR), including a water footprint index/tracking system.
- **Resist the weakening of protection status to protected areas and endangered species** for the sake of industrial development.

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## ANNEX

### 6 Thematic area “quick wins” focus points

#### 1. Energy security and energy prices

- Strive for **100% renewable energy supply and electrification** of domestic uses and industrial processes, this is a win-win for industry and households. Focus on proven and effective options (nature- and community-inclusive renewables deployment, combined with strong energy demand reduction) instead of cost-ineffective nuclear energy, chemical recycling or CCS.
- **Accelerate the transformation of energy intensive industries** through integrated policy approaches (meaningful product standards, procurement rules and ambitious command and control type instruments like ambitious BAT-conclusions).
- **Extend/strengthen the Carbon Border Adjustment Mechanism** to other services and products as well as zero pollution ambition co-benefits, fixing loopholes to ensure reciprocity with imports.
- **Accelerate the phase out of fossil fuels/feedstocks** through full phase out of free allowances, provide for a meaningful carbon damage cost price level aligned to a Paris Agreement Compatible pathway (see [World Bank](#), suggesting a range of 226-385USD/tCO<sub>2</sub>eq).

#### 2. Finance (scaling up and conditionalities)

- All support schemes (incl. funding) should be scrutinised against a ‘**Toxic Free and Zero-Pollution Compatibility Check**’. This is to ensure the best ratio of return of investment made for public interests served, this also requires a prioritisation as to which products/services are actually “strategic” and “clean” enough that they deserve specific support (see *point 5 of this Annex*). This requires a full internalisation of external costs (incl. cost of inaction) and the consideration of social benefits when conducting competitiveness checks or impact assessments of options considered.
- **Polluting companies should be held accountable** not only for the costs of pollution prevention at source but also for compensation and restoration (of damage done). Finance generated by polluter pays type of instruments need to be exhausted first. The level playing field can be secured through strict enforcement of EU standards, prioritising pollution prevention, guided by a restoration mindset rewarding frontrunner economic actors.
- **Economic incentives** through circular taxation, extended producer responsibility and modular fees schemes need to be fully deployed for products policy.
- A **long-term EU public investment fund** should be established through a larger EU budget or joined borrowing to support a green and socially just industrial transformation to boost confidence in the transition and strengthen economic and social cohesion, by ensuring that governments can make long-term investments. As Enrico Letta argues, investing in foundational elements like education, healthcare, and sustainable transport is an essential building block for long-term economic resilience. If public funds are used to incentivise private investment, they should be tied to clear environmental and social conditionalities.

#### 3. Resource management and circularity

- To **avoid channelling competitiveness into resource use exceeding planetary boundaries**, the CID and Circular Economy act should be centred around a sustainable resource management framework with resource use reduction targets supplemented by ambitious enforcement.
- **The resources most likely to suffer from shortages or vulnerabilities should be identified.** Clear cascades should be defined for their different potential uses, to make sure they are used where they are most needed.
- **Phase out all chemicals of concern** - ending the use of all the most harmful chemicals in products is a prerequisite to a functioning and toxic free circular economy.
- **Sufficiency measures and rigorous implementation of the EU's Waste and Toxic-Free Hierarchies** are the win-win answer to a more resilient EU economy. The global impacts of the European way of life need to be addressed, the circular economy needs to benefit equally and fairly at the global level.
- We need to **close the implementation gaps at product level**, through creating a level playing field for online marketplaces and effective enforcement of complementary sectoral legislation (Ecodesign for Sustainable Products Regulation, Packaging/Waste Directive, Waste Framework Directive, Textiles, End of Life Vehicles etc).

#### 4. (Labour) skills

- **Quality jobs** are essential to deliver on Europe's sustainable prosperity. A coherent industrial policy across European member states must rebalance economic disparities by providing good local jobs in direct consultation with workers and communities as well as the right to paid retraining/upskilling opportunities during working time.
- To **effectively anticipate and manage changes in the labour market from the climate and digital transitions**, a Directive for Just Transition must be adopted at the EU level so that it sets a legal framework within which to operate and to ensure coherence with other pieces of EU legislation. Social dialogue with the democratic involvement of unions, collective bargaining and workers' participation at the company level should be the foundation of the transition.
- To **ensure a fair deal for workers and the planet**, strong environmental and social conditionalities must be integrated into all public funds and procurement rules such as the respect of workers and trade union rights, the promotion of collective bargaining, quality job creation, upskilling & reskilling together with circular economy strategies and sufficiency measures.

#### 5. Lead markets (for 'innovative clean products') and digitalisation

- The **definition of "strategic sectors" or "clean tech" should always be aligned with planetary boundaries**, meet sustainable production and consumption objectives and respect EU Pillars for Social and just transition principles.
- An **ambitious implementation of the Ecodesign for Sustainable Products Regulation (ESPR)** is needed to set requirements on producers of goods and services that are used, produced or exported in/from the EU.
- **Green Public Procurement should be made mandatory** within the EU as it is a powerful tool to channel public money into clean and strategic objectives.
- **'Innovation'** is useful if it has a **clear outcome-oriented** relevance for the objectives to be pursued.
- As Mario Draghi rightly put it, **"the EU is more than a market"**. Europe needs to boost its enabler zero pollution, toxic-free and net-zero carbon manufacturing capacity and invest in sectors critical for the green transition – including education and health and social care – but productivity growth

should not be the end goal of being “innovative”, the wellbeing of people and the planet should remain the priority.

- **The EU industry should become a solutions provider** to safe and sustainable water services, food systems or other life essential services (e.g. soil-fertility restoration, decontamination of polluted habitats) and other sectors of critical importance for the transition.
- **Digitalisation through user-friendly pollution prevention tracking tools** will enhance industry IT capacities, allowing seamless compliance, transparency, and traceability across the supply chain. An improved regulatory framework will reinforce the “*report only once*” principle, harmonising systems to streamline compliance. Accessible, public tools to track progress toward toxic-free and zero-pollution goals will promote a level playing field, while digital safety information, permitting, and reporting will reduce administrative burdens for all economic actors involved. Information on potential hazards and substances of concern should be harmonised with enhanced coherence and readily available to value chains via platforms like the Industrial Emissions Portal, the European Chemicals Agency’s SCIP database, and ESPR’s Digital Product Passports.

## 6. Global action / trade

- **Reciprocity in driving the protection ambition** regarding EU policy acquis towards a global top-runner approach is strongly supported. This can be safeguarded through mirror clauses in trade deals as well as EU policy instruments that set strong due diligence conditionalities for market access or other production standards where the EU can lead by example e.g. ESPR, CSDDD, Deforestation Regulation, EU BREF standard.
- **The CBAM mechanism needs to be extended** (beyond carbon and covering other products and services downstream) and consolidated so that it is fit for purpose for levelling the playing field on the wider zero pollution ambition enshrined within the EU Green Deal. Europe needs more than an adjustment by other players, rather a genuine reciprocity to the top in achieving wellbeing economy goals and safe planetary targets.
- **EU trade should serve as a tool to improve the lives of workers in third countries**, including via ensuring increased compliance with international labour and environmental protection standards, providing support to these countries in achieving these.
- **Strategic partnerships** should be reality checked and re-calibrated around a workers’ centred trade policy that contributes to quality jobs in both the EU and third countries, with non-negotiable expectations relating to fairness, human rights and sustainability and upholding the role of public services. The EU must uphold ambition in deal-making as well as other initiatives such as the Global Gateway.