MATERIALS WEEK EUROPE

The next speaker is...

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Silicones Europe

Aligning with Sustainability Regulation and Brand Goals

Silicones Europe | a world of possibilities

Scan below for Conference Agenda

Silicones & the EU Policy Landscape

Mathias Müller
Public Affairs Manager

Cefic sector group

About Silicones Europe

Silicones Europe

A sector group of Cefic (European Chemical Industry Council) that represents the 8 major producers of silicone materials in Europe: CHT, Dupont, Dow, Elkem, Evonik, Momentive, Shin-Etsu and Wacker.

Global Silicone Council – GSC

The global forum for the regional associations in Europe (SiE – Silicones Europe), North America (SEHSC) and Japan (SIAJ).

Today we will walk you through

1. Current (political) landscape
2. How silicones contribute
3. How YOU can get involved

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EU (political) landscape

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Competitiveness of the chemical industry

European Chemical Closures and Investments Radar: 2022-2025

- Announced chemical plant closures in Europe have surged sixfold since 2022, reaching 37 million tonnes (Mt)
- This represents around 9% of European chemical production capacity

- Around 20,000 direct jobs have already been affected across Europe
- A further 89,000 indirect jobs are impacted through downstream value chains

- Annual announced investment capacity fell from 2.7 Mt in 2022 to just 0.3 Mt in 2025 (year to date). This represents a drop of more than 86%
- The rate of closures has doubled in a year, and annual investments are half and close to zero.

The Antwerp Declaration for a European Industrial Deal

"There is an urgent need for clarity, predictability, and confidence in Europe and its industrial policy."

The undersigned companies and organisations[2] express their full support for a **European Industrial Deal** to complement the Green Deal and keep high quality jobs for European workers in Europe. As very clearly stated by the Belgian PM Alexander De Croo: "We need our industry for their innovation capacity. To come up with tomorrow's climate solutions. That is why Europe should not only be a continent of industrial innovation but should remain a continent of industrial production"[2].

To meet climate neutrality by 2050 and the recently communicated 2040 target, Europe's electricity production will need to multiply, and industry investments will need to be a factor six higher than the previous decade. This enormous challenge comes just as both large companies and SMEs face the most severe economic downturn in a decade, demand is falling, production costs increase, and investments move to other regions. A US economy that benefits from the financial support from the Inflation Reduction Act (IRA) and its ease of accessibility, a Chinese overcapacity and increasing exports to Europe all increase the pressure for the European industry even more. Our companies face this challenge every day. Sites are being closed, production halted, people let go. Europe needs a business case, urgently.

An Open Strategic Autonomy for a competitive and resilient EU is crucial for the transition of Europe in an ever-changing geopolitical landscape. It can however only be achieved if also basic and energy intensive industries remain and invest in Europe. Without a targeted industrial policy, Europe risks becoming dependent even on basic goods and chemicals. Europe cannot afford this to happen.

Our Declaration calls to Member State Governments, the next European Commission and Parliament to:

1. **Put the Industrial Deal at the core of the new European Strategic Agenda for 2024-2029.** We call for a comprehensive action plan to elevate competitiveness as strategic priority and create the conditions for a stronger business case in Europe. The action plan needs to include actions to eliminate regulatory incoherence, conflicting objectives, unnecessary complexity in legislation and over reporting. We ask to develop an Omnibus proposal to take corrective measures on all relevant existing EU regulations as the first piece of legislation to be presented in the next EU institutional cycle.
2. **Include a strong public funding chapter with a Clean Tech Deployment Fund** for Energy Intensive Industries closely coordinated with a simplified State Aid framework, while respecting the Single Market rules. This should allow public de-risking of private investment into clean technologies through both CAPEX and OPEX support, with guarantees to ensure the retention and creation of quality jobs in Europe and propose a competitive and sustainable tax level across Europe.
3. **Make Europe a globally competitive provider of energy.** The costs of energy in Europe are simply too high to compete and are not only driven by commodity prices but also by regulatory charges. The next European Commission needs to prioritise new projects for abundant and affordable low carbon renewable and nuclear energy. We need a real EU Energy Strategy with concrete actions that enable cross-border electrical power, grid expansion for hydrogen and other renewable & low-carbon molecules, and partnerships with resource-rich countries.
4. **Focus on the infrastructure Europe needs.** Target the Recovery and Resilience Facility and Structural and Regional Funds to integrate and build a worldclass EU Energy, digital, CCUS and recycling infrastructures as soon as possible, make these Important Projects of Common European Interest. Debottleneck cross border transport and develop trans-European networks. Remove permitting obstacles for industrial transformation projects. This transformation will also require significant numbers of skilled workers that are currently in short supply. Targeted programmes will be necessary to make these available quickly.
5. **Increase the EU's raw materials security** through scaling up domestic mining, sustainable processing and recycling capacity for crucial raw materials, combined with new global partnerships. Scale up renewable carbon and circular carbon feedstocks, including the expansion and fast permitting of advanced chemical recycling technologies. Develop a Circular Carbon Strategy that incentivises Carbon Capture and Use (CCU), biobased feedstocks, base metals, minerals and advanced materials necessary to reach the aims of the Green Deal. Free trade agreements or other types of agreements should secure vital supplies for industry, enable access to new markets and increase exports. The EU should **look at all policy instruments against unfair competition** to ensure a real level playing field for EU industries both on the domestic and international markets, including carbon leakage protection.
6. **Boost demand for net zero, low carbon and circular products.** Empower consumers (businesses and private) to choose net-zero and circular products, based on transparent product and environmental carbon footprints. Lead the way through public procurement and private buyer initiatives endorsed by the EU. Expand the scope of the Net Zero Industry Act and the Critical Raw Materials Act. Grow sales potentials by improved market access in international markets.
7. **Leverage, enforce, revive, and improve the Single Market** for the transition of integrated value chains, including measures to address increased fragmentation caused by national implementation of European legislation. Create a single market for waste and recycled materials and also a true European energy market. Improve enforcement of existing measures focusing on imports.
8. **Make the innovation framework smarter**, including fostering high-quality science, technological innovation, and collaborative policies that prioritise openness and pragmatic outcomes while embracing innovative approaches like regulatory sandboxes. Promote digitalization as a prerequisite for groundbreaking research and to enhance efficiency. Protect IP rights to bring a competitive advantage to Europe. Focus on the transfer from demonstration to innovation and first of a kind commercial technologies.
9. **A new spirit of law-making.** Let entrepreneurship thrive to find the best solutions to overcome challenges. Legislation should create incentives for businesses to invest in clean technologies. Avoid that the Green Deal policy targets are followed by prescriptive and detailed implementing regulations. Prevent over reporting, ensure coherence, stay tuned with industrial reality and integrate legislative proposals through a stronger Secretariat General and Regulatory Scrutiny Board which systematically applies a Competitiveness Check and a European Innovation Stress Test against which each new legislation and policy initiative should be evaluated. Use robust data and scientific evidence for effective policymaking. Assess the cumulative impact of legislation.
10. **Ensure the structure allows to achieve results.** Install a First Vice-President responsible for the delivery of the European Industrial Deal and for ensuring the seamless integration of legislation and alignment with the agenda of the next European Commission, overseeing the key DGs for the Industrial Deal in one integrated approach.

In the 2023 State of the Union Address, President von der Leyen already said "As we enter the next phase of the European Green Deal, one thing will never change... We will keep supporting European industry throughout this transition." This needs to be a European approach, instead of twenty-seven different national incentives, by keeping and strengthening the integrity of the internal market while keeping global competition better into account.

We need to keep industry in Europe because the industry will deliver the climate solutions Europe needs. Solutions that citizens and governments can use, but that can only be invented and implemented with speed and scale by the industry, and the support from governments. Only with a strong industrial fabric and strengthened social dialogue in Europe, can we ensure that the green transition will be a Just Transition, as agreed in the Val Duchesse tripartite declaration. A competitive European industry, based on a European Industrial Deal, is the "conditio sine qua non" for the successful delivery of the EU Green Deal. It is also the only way to show to the rest of the world that the Green Deal works for all.

Support the declaration: antwerp-declaration.eu

[1] Industries in the EII ecosystem which employs 7.8 million people in Europe and provides a value added of EUR 549bn (4.55% of the EU total). Source: European Commission, DG Grow, Fiche EIIs, July 2022
[2] Speech Alexander De Croo - UNGA78, New York, 20 September 2023

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Industry’s messages were heard

Clean Industrial Deal

1. Affordable Energy and Infrastructure
2. Financing and Investment Mobilisation
3. Boosting Demand for Clean Products
4. Circularity and Access to Materials
5. Regulatory Simplification
6. Skills, Jobs, and Global Trade

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EU Strategic Agenda 2024-2029

A free and democratic Europe	A strong and secure Europe	A prosperous and competitive Europe
Protecting democratic values, rule of law, and fundamental rights	Enhancing security, defense capabilities, managing migration, protecting borders, strengthening the EU's role on the global stage.	Strengthening the economy through the twin green and digital transitions, innovation, leadership, and sustainable growth.

How silicones contribute

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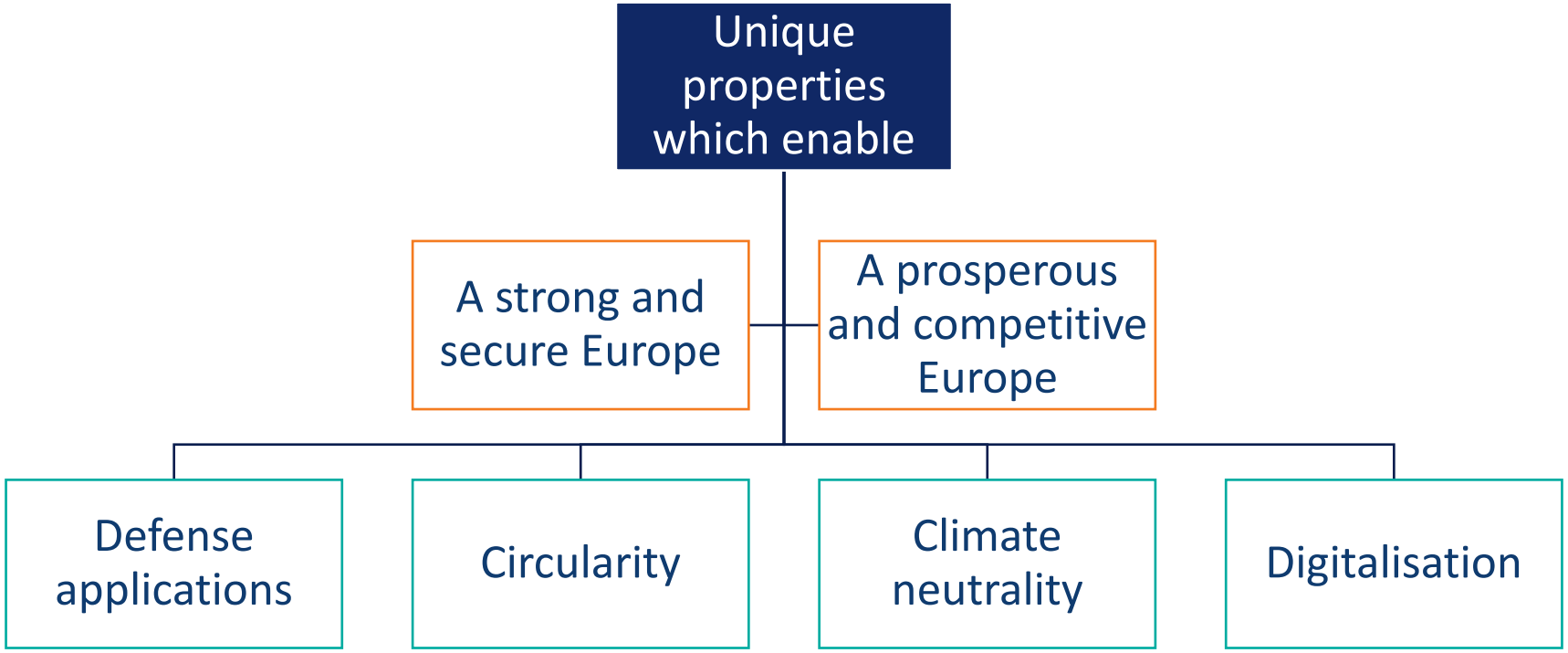
Why use silicones? The short answer is:



What are these unique properties?

Property	Application 1	Application 2	Application 3	Application 4	Application 5
Flame retardancy *Silicones provide unrivalled fire safety.*	*Laptop batteries*	*Safety Cables for e. g. airports*	*High & medium voltage insulators*	*Baking moulds*	*Heat transfer fluids*
Long-lasting Performance *Superior aging behaviour for applications with long service life.*	*Wind turbine coatings*	*LEDs*	*Building sealants*	*Car airbag coatings*	*Airplane black box encapsulants*
Weatherability *Stability under highly oxidizing conditions.*	*Window sealants*	*Car paints*	*High & medium voltage insulators*	*Outdoor LED lighting lamps & luminaires*	*Microinverter attached to PV panels*
UV Stability *Properties retention at high UV / radiation exposure.*	*Solar cell connectors*	*Satellites*	*Textile coatings*	*Optical bonding*	*Building and arts protection*
Thermal Stability *Silicones perform at lower and higher temperatures compared to the limits of most organic materials.*	*EV battery packs*	*Semiconductors*	*CT & MRI machine parts*	*Avionic display units*	*Medical tubing*
Versatility *Silicones can come in about any form.*	*Printing inks*	*PU sealants*	*Cables*	*Glass-fibre cloths*	*Metal lubricant sprays*
Biological Compatibility *Biologically inert silicones are unrivalled materials in healthcare.*	*Medical prostheses*	*3-D printed medical devices*	*Wound care*	*Catheter and breathing masks*	*Menstrual cups*
Anti-adhesion *Minimising the interaction forces between surfaces.*	*Labels*	*Anti-vandalism sprays*	*Paper coating*	*Lubricants*	*Baking paper*
Hydrophobicity *Silicones ensure high level of insulation from water particles.*	*Building protection*	*High & medium voltage insulators*	*Car care*	*Building insulation*	*Automotive electronic insulation/protection*

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What silicones do for industrial competitiveness

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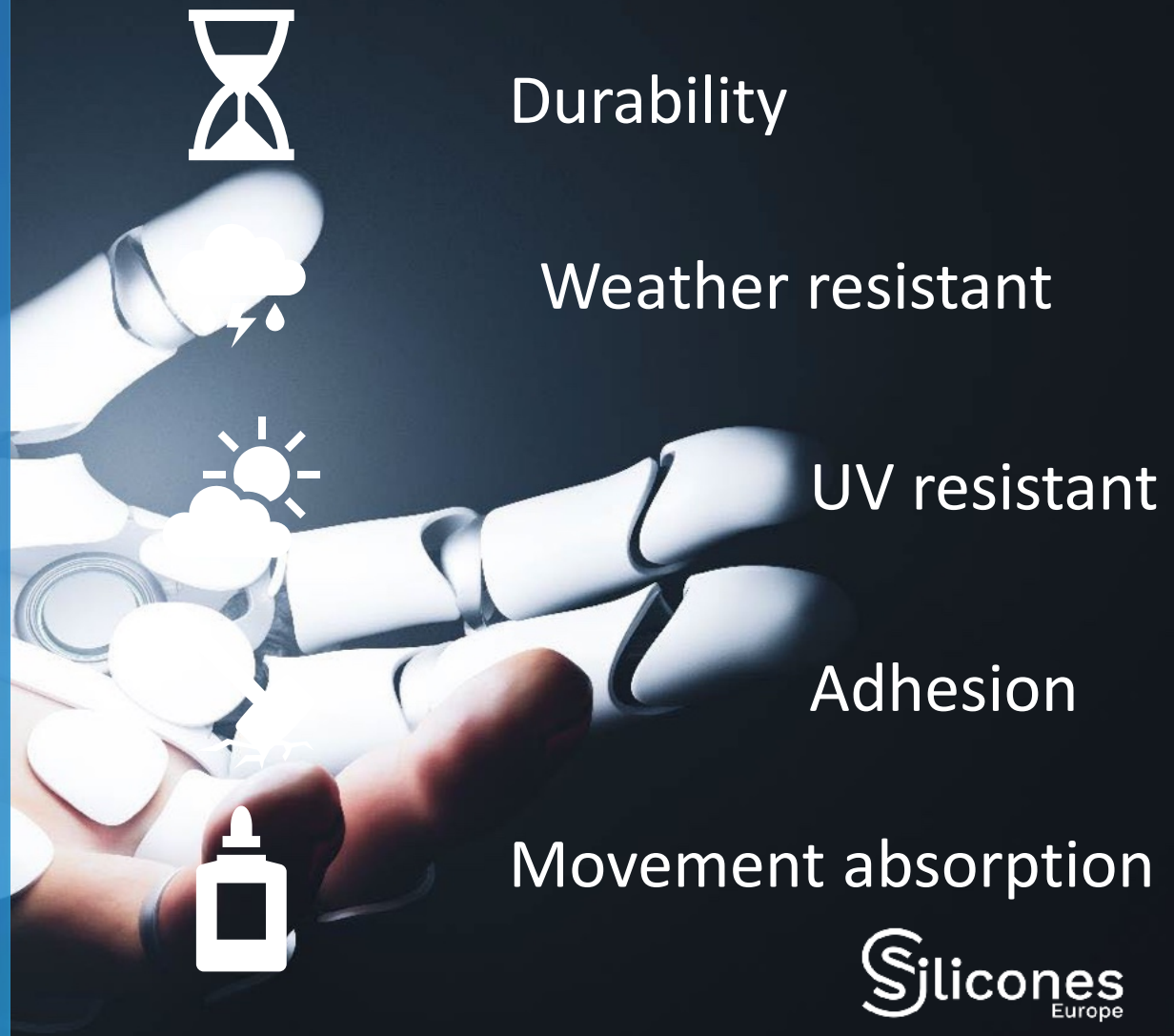
What silicones do for circularity

- Enhance durability
- Prolong lifetime
- Reduce repairs and replacement
- Minimise waste
- Reduce demand for primary material



Durability

Weather resistant

UV resistant

Adhesion

Movement absorption

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What silicones do for climate neutrality

Study on 'Silicones' role in supporting the EU Green Deal's decarbonization goals'

96.4 Mt

of annual GHG emissions savings

in 2030

=

Electricity consumption of 36 million people

Roughly equal to the population of Poland

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What silicones do for digitalisation

- Protection of components from environmental contaminants
- Adhesives to connect parts
- LED arrays
- Cable conductors
- Battery protection (from overheating)
- Bare die and wire bonds protection

- Microprocessor bonds
- Semiconductors
- PCB coatings
- PCB seal and bond substrates

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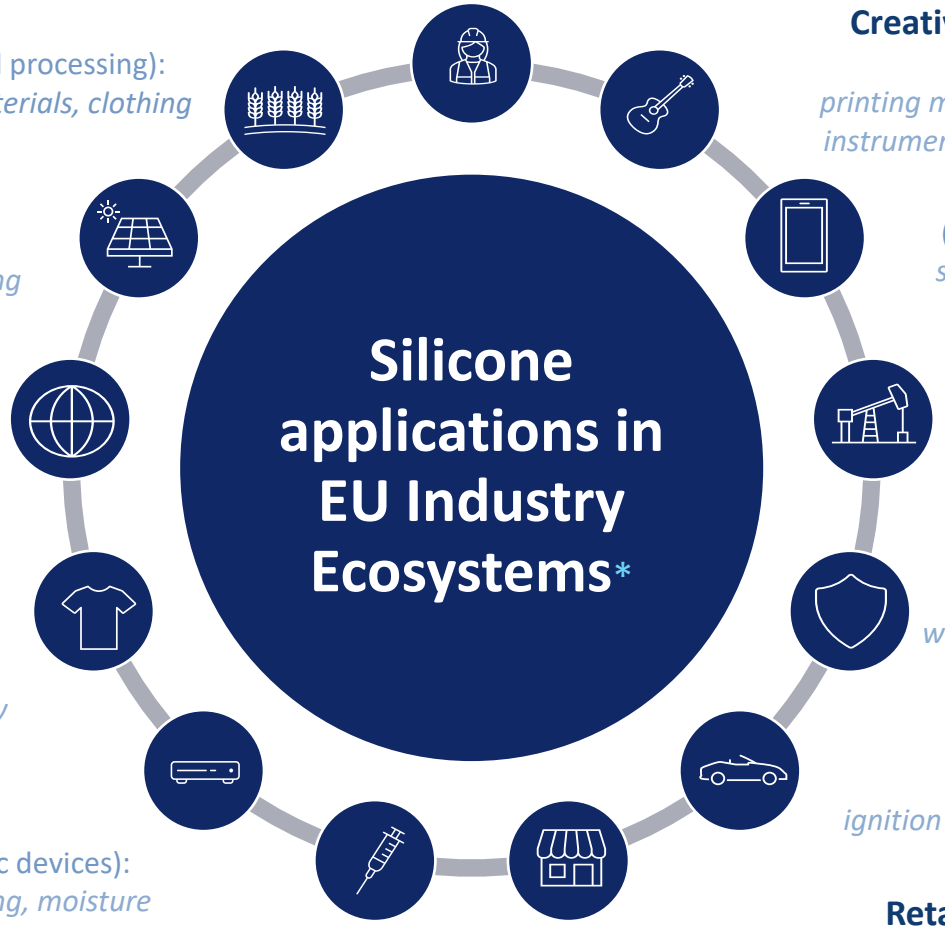
All this, means silicones are key to multiple sectors



Construction
(building estates & transport routes, civil engineering):
insulation, coatings, lights

Agri-food
(plant and animal production, food processing):
farming machinery, food contact materials, clothing

Renewable Energy
(electric power generation):
solar panel cell, wind turbine blades, shielding

Tourism
(passenger transport, accommodation, events):
waterproof material, aviation safety, postcards

Textiles
(production of clothing and jewellery):
elastomers, seam sealers, lace coating, artificial leather, water and dirt repellency

Electronics
(production of electronic devices):
battery shields, LED coating, moisture insulation

Health
(medical equipment, pharma products):
masks, prostheses, tubing

Retail
(retail sales, wholesale connected to customers):
personal care, supply chain tools, electronic devices, labelling

Mobility & Automotive
(production, maintenance, transport):
ignition cables, engine lubricants, EV batteries, PU foams

Aerospace & Defence
(aircraft, satellite, military production):
weight reduction, emission reduction, fuel efficiency

Low carbon energy-intensive
(fossil fuels, high environmental impact products):
refinery equipment, machinery coating, green hydrogen

Digital
(ICT equipment, telecommunications):
semiconductors, mobile phones, wiring

Creative & Cultural Institutions
(media, TV, music):
printing machines, television sets, musical instruments, conservation and protection

*Selected examples of silicone applications.

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Building a constructive case for silicones

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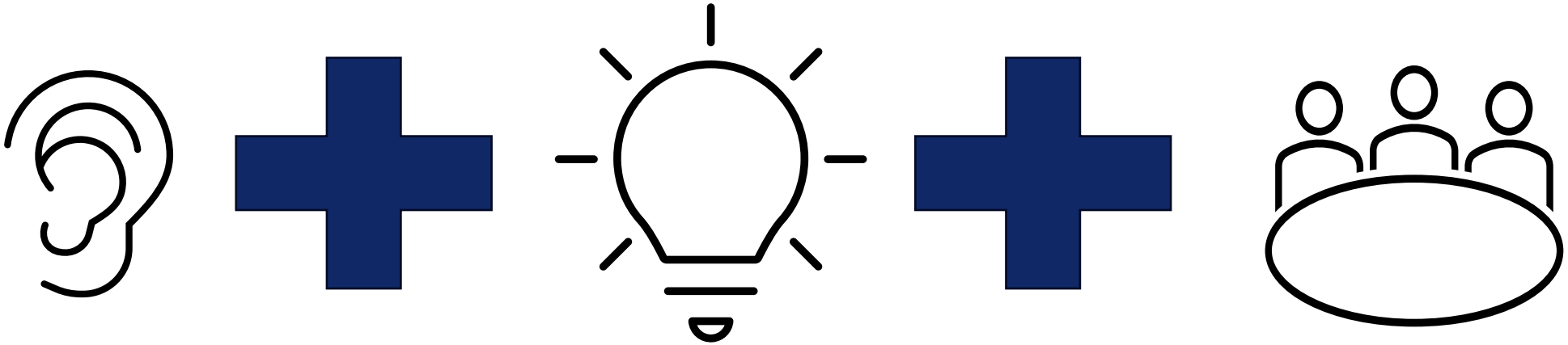
What do we do?

We believe that a data-based approach is vital to all regulations.



Listen

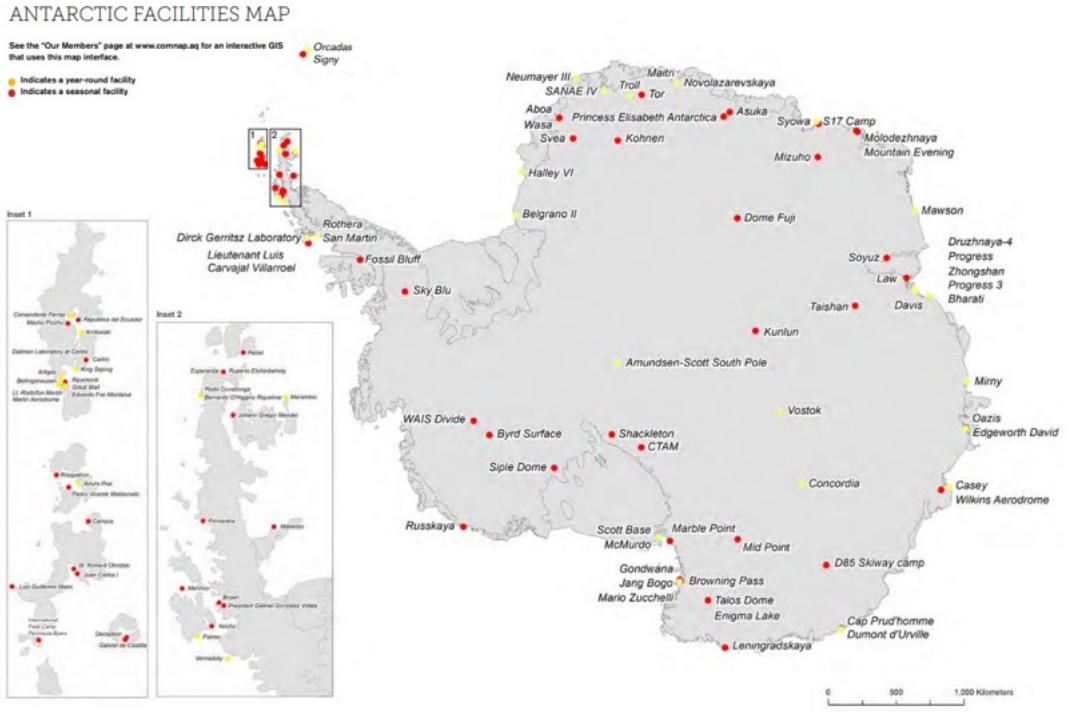
Learn

Collaborate

If complete data does not exist, we commission the research

Example: Surface Monitoring Study in Antarctica

- **Objectives:**
  - Accurately characterise the presence of siloxanes in Antarctica,
  - Identify potential sources, and
  - Investigate the validity of the snow scavenging mechanism of airborne siloxanes in this region.
- **Deliverable:**
  - Peer-reviewed publication outlining a robust scientific basis and giving a holistic view to authorities, expected by Q3 2026



Notes and references

Silicones Highlights

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SIGN UP FOR

OUR Forum

Hosted online and/or in person:

Get Updates

On the latest regulatory developments and studies

Ask questions

To a wide network of stakeholders

Communication toolkit

- Presentations
- Briefings
- Infographics and more

OUR Newsletter

Quarterly updates on silicones covering:

- Industry News
- Regulatory Developments
- Innovation Stories
- Social Media Mentions

Interested? Contact Mathias Muller - mmu@cefic.be

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By signing up to the downstream user forum, you agree to receive:

- The downstream user newsletter
- Invitations to downstream user events

It is also possible to sign up for our newsletter without signing up for the forum.

Unsubscribing from the forum or newsletter is possible at any time

Thank you.

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To learn more about Silicones Europe and its activities visit our website: www.silicones.eu

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