



Global Chemical Industry Offers Principles for Post-2012 Greenhouse Gas Talks

Effective Legislation Within Global Framework Can Help Realize Emissions Savings Enabled By Chemistry

Brussels, Tokyo, Washington, DC, 30 November 2009 - With the approach of the United Nations Climate Change Conference (COP-15) in Copenhagen in December, the International Council of Chemical Associations (ICCA), the worldwide voice of the chemical industry, today announced eight policy principles to guide post-2012 discussions.

Given that chemical products and technologies are used in a wide array of energy-saving and renewable energy applications, the chemical industry offers significant potential to help society achieve greenhouse gas (GHG) emissions reductions. A sound global framework is needed to ensure that this net emissions savings potential is realized. Meanwhile, the chemical industry continues to improve energy efficiency and accelerate technology dissemination for its own production processes on a world-wide basis.

ICCA President Christian Jourquin, CEO of Solvay, said, "Many countries are developing low carbon transition plans, while the United Nations is developing a framework to guide long-term global GHG reductions. Such efforts will require greater use of innovative, energy-saving chemical products and technologies. We are working to inform delegates to the Copenhagen talks about the crucial role of chemistry in worldwide emissions reduction and eight principles that can help guide policy development."

"Climate change is a global problem whose solutions require an integrated approach, including the participation of every major economy," added Hubert Mandery, ICCA Council Secretary. To develop effective climate solutions, the chemical industry aims to focus on innovation as well as its continued operational improvement.

ICCA's Eight Principles for Reducing Worldwide GHG Emissions

1. <u>Develop a global carbon framework to accelerate GHG reductions, avoid market distortions</u> <u>and minimize carbon leakage</u>.

A global framework is needed to reduce the risk of market distortions and the movement of industrial production and GHG emissions from one nation to another – known as 'carbon leakage.

2. Focus on the largest, most effective and lowest-cost abatement opportunities.

To reduce GHG emissions as quickly and substantially as possible while ensuring the competitiveness of the industry, policies should encourage widespread use of measures with the greatest emission reduction impact for the least cost. Policies should include incentives for use of GHG-saving products and materials; focus on scale, cost and implementation speed; and support research and development in innovation.

3. Push for energy efficiency.

Improving energy efficiency is a highly effective way to reduce GHG emissions. Policies should focus on major efficiency improvement opportunities, support research and development, and provide incentives for consumer and industry adoption of new energy efficiency measures. National, regional and global energy efficiency standards, including the use of the chemical industry's innovative products, should be considered.

As demonstrated in a recent study, titled "Innovations for Greenhouse Gas Emissions Reductions" and published in July 2009, the industry offers significant additional mitigation potential through the right use of the chemical products and technologies by 2030. For the full report, see <u>ICCA website</u>.

4. Support the development and implementation of new technologies.

New technology is essential to help the world economy slow, stop, and reverse the growth of greenhouse gas emissions. Policies should support significant funding for research and development and encourage the use of performance targets to help ensure that effective solutions are implemented, rather than stipulating specific technologies. The important role of the chemical products should be reflected in these programs.

5. <u>Support the development of the most efficient and sustainable use of available feedstocks</u> <u>and energy.</u>

Policies should promote improved energy and GHG efficiency rather than restrict the use of a specific energy raw material, or "feedstock." Policies should recognize the vital role of fossil fuel feedstocks for the chemical industry, including their use in the manufacture of energy-saving materials; support research, development and infrastructure for renewable feedstocks; and consider energy security and energy diversity needs.

6. <u>Provide incentives for faster action by rewarding "early movers" that proactively reduce</u> <u>their carbon footprint.</u>

Policies should reward those who have invested in technology to implement GHG emission reduction measures and provide measures to accelerate action by those that have fallen behind, while not jeopardizing investments made by "early movers". These policies should use cost performance-based measures when identifying technologies to support.

7. Push for the most efficient and sustainable disposal, recovery and recycling options.

Disposal methods for chemistry-based products (e.g., landfill, incineration with or without heat recovery and recycling) are unequal across regions, which has a significant impact on total emissions over the life cycle of a product. Policies should support the development of new technologies and practices that ensure that the most efficient and sustainable disposal, recovery or recycling options are implemented.

8. Develop technology cooperation to support abatement in developing countries.

GHG emissions reduction efforts can affect production costs, leading to concerns about the impact of technology cooperation on competitiveness. To realize the GHG emissions savings potential globally, policies should ensure a level playing field for industry by introducing comparable or complementary efforts for GHG reductions in all regions of the world, recognizing regional differences and priorities, and offering incentives for capital-intensive measures to accelerate emissions reduction.

A technology cooperation mechanism between the developed and developing world could benefit both technology owners and receivers.

For more details: see <u>flyer</u>

About the cLCA Study

The carbon life cycle analysis (cLCA) released in July 2009 examined the global chemical industry's impact on greenhouse gas emissions through the life cycle of chemical products and the difference they make in the applications they enable. The full report and other materials are available online at ICCA website.

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The International Council of Chemical Associations (ICCA) is the worldwide voice of the chemical Industry. ICCA members come from countries that account for more than 70 per cent of global chemical manufacturing operations. Chemicals management, international climate negotiations, government and business partnerships, regulatory affairs, stakeholder outreach, advocacy and communications are key areas of focus for the Council which also promotes and co-ordinates Responsible Care® and other voluntary initiatives, advancing best practices within the industry.