Understanding and Preparing for the PFAS Public Consultation

What has happened so far?

- On 13 January 2023, the five European countries Denmark, Germany, the Netherlands, Norway, and Sweden submitted a regulatory proposal the Restriction Dossier on PFAS to limit the manufacture, placing on the market and use of all per- and polyfluorinated alkyl substances (PFAS), in the EU to the European Chemicals Agency (ECHA).
- On 7 February 2023, ECHA <u>published</u> a preliminary version of this Restriction Dossier, which outlines the scope and structure of the proposed restriction.
 - The Dossier provides for a comprehensive ban of the entire substance class of PFAS with an 18-month transition phase after the regulation's entry into force (EIF). This includes a ban of fluoropolymers such as PTFE.
 - It also proposes derogations for individual applications of six to 12 years in sectors essential for society and for which alternatives do not yet exist.



Next Steps

First, ECHA will carry out a conformity check whether the Dossier complies with all legal requirements of the REACH Regulation. After the conformity check and the final publication of the Dossier, **stakeholders are invited to participate in public consultations to comment on the Dossier**. At the same time, ECHA's Committee for Socio-Economic Analysis (SEAC) and Committee for Risk Assessment (RAC) start formulating their opinions, already taking into account comments made by stakeholders.

Interested stakeholders may submit comments on the Dossier within a **public consultation period** of six months, starting on 22 March 2023.

- 4. ECHA will hold an **online public information session on 5 April 2023**, explaining the restriction process and providing guidance on how to participate in the consultations.
- RAC will publish its opinion within nine months on whether the proposed restriction is appropriate to reduce risk to human health and the environment.
 SEAC will also draft an opinion on the socio-economic impact of the proposed restrictions. After the publication of SEAC's draft environment, interacted parties are invited to comment within 60 days.

the publication of SEAC's draft opinion, **interested parties are invited to comment within 60 days**. Considering these comments, SEAC will adopt its final opinion.

- 6 RAC and SEAC opinions are normally finalized within 12 months however, a delay is expected given the complexity and scope of the proposal.
- 6. Final RAC and SEAC opinions will be sent to the European Commission, which, together with EU Member States, will then decide on adoption of the restriction. **The final restriction is not expected before 2025.**

Why it's crucial to engage

Currently, fluoropolymers are covered by the comprehensive proposal to ban more than 10,000 PFAS substances, despite the fact that a substantial body of scientific data has already demonstrated that fluoropolymers do not pose a risk to human health or the environment:

- Fluoropolymers do not dissolve in or contaminate water and cannot enter or accumulate in a person's bloodstream
- Fluoropolymers have been demonstrated to meet the OECD's criteria for "polymers of low concern," as they do not present significant toxicity concerns and cannot degrade into other PFAS.

Therefore, in our view, a differentiated and science-based regulatory approach is needed instead of a comprehensive ban dealing with the entire substance class of PFAS, including fluoropolymers.

However, the recent publication of the Restriction Dossier is one step in a complex regulatory process and **not equivalent to the final restriction**. In due course, affected stakeholders have several opportunities to contribute their views during a **six-month public consultation phase starting on March 22** – and thus to **shape the scope of the final regulation**. These public consultations are highly relevant to adequately reflect and incorporate implications resulting from the Restriction Dossier in the further regulatory process. In particular, they will be used to **identify potential socio-economic impacts** on affected stakeholders, broader value chains, sectors, and the industry as a whole. Industry's contributions are taken into account to draft the final regulation.

We would therefore ask you to prepare to engage in this process.

How to participate in the consultations

As stakeholders affected by a potential restriction, we strongly recommend that you engage with your trade association and your value chain to raise awareness of the impact the restriction could have on your business and broader value chain. The consultation process offers you and your industry partners an important opportunity to provide direct feedback on and insights into the possible consequences for your business. Particularly SEAC relies on these insights to formulate an adequate opinion.

- To support you in this regulatory process, Chemours will host webinars the week of March 27 to provide guidance on how to effectively prepare for and participate in the consultations. Chemours will be sending out a separate invite with details on how to register to customers in the coming days.
- ECHA will also <u>host</u> an online information session for interested parties on 5 April to explain the regulatory process and detail the modalities for participating in the consultation.
- We will continue to inform you about the ongoing restriction process and opportunities for engagement. Our <u>website</u> will also provide you with further relevant information.
- If you need any help in preparing your participation in the consultation process or have any further questions, please do not hesitate to contact us.

Additional information: Key considerations on fluoropolymer applications and safety

We support a critical consideration of whether specific chemical substances can be used safely and create significant socioeconomic value. We believe substances that are essential for mission-critical sectors and are safe for their intended use should be out of scope of the regulation, as they are crucial for sustainable transformation in the EU's key industries.

Chemours remains committed to our focus on responsible manufacturing to achieve a 99% or greater reduction in fluorinated organic compounds emissions at our manufacturing sites globally by 2030.

A blanket ban of fluoropolymers would have far-reaching consequences, and it is key that critical uses are adequately addressed:

- A wider fluoropolymer ban would harm Europe's strong industry and manufacturing base, also risks putting Europe's security of supply, export ability, and job creation in critical sectors at risk.
- Fluoropolymers are vital across a wide spectrum of industries, often without viable alternatives, from hydrogen and clean energy to automotive and battery production to healthcare and semiconductor manufacturing.
- In its current form, the Dossier only excludes a small number of applications vital for innovation and future-oriented technologies. Ensuring that the final restriction will consider all critical uses, industry must participate in the public consultations and constructively engage with regulators to underline the respective essentiality of fluoropolymers; to provide a few examples:
 - There are no equivalent alternatives to PFA fluoropolymers in the manufacture of semiconductor chips, as potential alternatives don't meet the required chemical resistance and purity PFA has. Given the critical role of chips for economic devices, the electronic and technology sectors would be significantly impacted by such a ban. In addition, Europe's strategic plans to become more self-reliant in chip-production could be at risk.
 - For the automotive sector, fluoropolymers ensure high performance in extreme conditions and better efficiency and connectivity of automobile electrical systems.
 - Fluoropolymer-based Nafion[™] ion exchange materials play a critical role in the hydrogen economy as a key component in fuel cell technology and water electrolysis.

In sum, fluoropolymers are vital for achieving the European Green Deal, REPowerEU, the Sustainable and Smart Mobility Strategy, Fit-for-55, the European Industrial Strategy, the European Chips Act and other key European policy objectives and strategies – particularly those aiming for the sustainable transition of the EU economy.