



## Top 5 European Environmental Aspects

As part of a blog series helping American companies enter the European market more effectively, we recently shared the Top 5 Mistakes To Avoid. Now, we are continuing with a more in-depth STEER analysis of Europe. In this blog: The Top 5 European Environmental Aspects to consider.

### 1. [European policy](#)

The European Union has set a clear target for environmental policy up to year 2020, and a vision for 2050 which focuses on 3 main pillars:

- Protect, conserve and enhance the EU's natural capital
- Turn the EU into a resource-efficient, green, and competitive low-carbon economy
- Safeguard EU citizens from environment-related pressures and risks to health and wellbeing

Environmental [legislation](#) is governed on a European level and covers many aspects of pollution: climate change, waste management, air pollution, sustainable development, water protection and management, protection of natural diversity, soil protection, civil protection, noise pollution and cooperation with third countries. The general provisions contain the definition of an [EU eco-label](#).

### 2. **Climate change**

Europe is a strong proponent of the Paris Agreement (2016) in fighting climate change and will likely develop more severe regulations as the situation escalates. Although U.S. President Trump has indicated he wants to withdraw from the accord, the earliest this could happen is on November 4<sup>th</sup> 2020, one day after the next American presidential election.

Regardless of the position taken by the U.S. government, American companies will need to refine their processes and enhance their offering to be carbon neutral, in order to compete in the European market. Moreover, European climate change leaders might become strong competition in the U.S. home market, speaking to a growing American customer base. Hence, participating will no longer be a desirable, but soon it will be a **requirement**.

### 3. **Air, Water and Soil [Pollution](#)**

Although air pollution is still the most mediatized, air and soil pollution are also on the European radar. Environmental regulation and improved pollutant abatement technology, among other factors, have led to decreasing pollutant releases to air and water in Europe.

Any technology that can actively reduce pollution will be highly competitive in the European market. The main air pollutants are still Carbon, Nitrogen, Sulfur and Non-Methane volatile organic compounds. Water pollution is mainly caused by Nitrogen, Carbon and Phosphor. Heavy metals and mineral oils are the main causes for soil pollution.

## ROHS compliance

RoHS stands for Restriction of Hazardous Substances, hazardous to the environment, pollute landfills and dangerous in terms of occupational exposure during manufacturing and recycling. RoHS, also known as Directive 2002/95/EC, restricts the use of specific hazardous materials found in electrical and electronic products (known as EEE). All applicable products in the EU market after July 1, 2006 must pass RoHS compliance. The substances banned under RoHS are lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (CrVI), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), and four different phthalates (DEHP, BBP, BBP, DIBP).

## **4. Healthcare**

One of the main benefits of the healthcare system in Europe, is the lower cost and higher availability. Together with the public education system, it also provides a better quality. Although the U.S. is a wealthier nation, the [cost of healthcare](#) the [mortality rate amenable to healthcare is higher](#).

Contrary to the U.S. and beneficial for the companies, is that healthcare is less about advertising and more about providing the right solution at the right price. The size of the European market, and the coverage by health insurance, can provide a significant ROI based on volume. The proof is in the size of the [top European pharmaceutical companies](#) on a global scale: Bayer, Roche, Novartis, Sanofi, GSK, etc.

The healthcare innovations in Europe are focusing on BioTech, gene therapy, eHealth and robotics in healthcare. Some of the main [digital health incubators](#) in Europe are to be found in Germany, UK, Spain, Finland and Italy.

## **5. Sustainability**

Sustainability is an integral part of the 2030 vision of Europe's environmental policy. It is proposing a more circular economy with shorter logistic streams. This requires American companies to deliver more unique services and products to warrant the import into Europe. Higher energy efficiency requirements offer an opportunity for innovative solutions and further reduce the burden on society. Finally, the promotion of social rights and well-being improves the overall fairness of the society.

The enablers of such sustainable economy are driven by science, technology and innovation. Financing and taxation legislation will further fuel the transition while the governance should ensure coherence across the region.

## **CONCLUSION**

The stricter environmental policies in Europe do not make it an easy region to enter. For American companies in the fields of waste management/reduction, carbon reduction, energy efficiency and healthcare, this brings great opportunity. For those that do not take these guidelines seriously, the barrier to entry into the European market may be too high on the short term, but it may even be a threat on their home market, over the long term.

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