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# Major blow for INEOS as court strikes down €3bn plastics project

In an historic win for people, nature and the climate, a Belgian court has ruled that INEOS's €3 billion plastics project in the Port of Antwerp, Belgium, is not legal. The project is now suspended.

The Court of the Council of Permit Disputes ruled that INEOS failed to tell authorities the full extent of the project's predicted impact on the surrounding environment. According to the court, these crucial omissions mean the Flemish authorities should not have granted the project's approval – and it now cannot go forward.

The ruling is a culmination of a long legal battle by authorities of Zeeland and Nord Brabant, two neighbouring provinces in the Netherlands. In parallel, ClientEarth and 13 partners had already been conducting assistanted legal effort to block the project. The latter culminated in an injunction, and INEOS deciding to come up with a new permit – one that was supposed to reflect the comprehensive environmental impacts of the project, but which the NGOs argued it still failed to do.

**ClientEarth lawyer Tatiana Luján** said: "Today's ruling is a watershed moment in the fight against unnecessary plastics. We are at saturation point with plastic pollution – it is now about stopping it at source.

"Plastics is an environmental issue, a people issue and a climate issue. The damage starts from the moment the fossil fuels that make it are extracted, continues through the refining and shipping of those fuels, and then through the tough process that turns them into the building blocks of plastic. Finally, there is the global epidemic of plastic waste and its impact on all of our health.

"Local communities and ecosystems are the ones that bear the brunt of toxic plastic pollution through these processes, and the climate impacts that fossil fuels bring to bear. These are plastics' hidden harms."

The new permit application did not satisfy the court. It ruled that the nitrogen pollution created by the plant would breach the EU Habitats Directive.

Today's ruling in the Dutch authorities' case renders ClientEarth and its partners' case concluded, as the permit is now void.

**Tycho Van Hauwaert, policy officer on industry from Bond Beter Leefmilieu** said: "This ruling brings the nitrogen debate in Flanders to the fore. The nature reserves in the ports of Flanders and the Netherlands are unique ecosystems that deserve protection by a scientifically-based Flemish nitrogen policy framework. To really restore nature, we need to permanently reduce nitrogen emissions from industrial installations."

Plastics are in the spotlight currently as investors and companies start to scrutinise their risk profile.

Maria Westerbos, founder and director of Plastic Soup Foundation said: "There is now a lot of evidence that plastics and the additives in them are harming our own health and that of the planet. This is shaking up more and more investors, who no longer want to participate in businesses that fuel these issues. A facility such as INEOS's is therefore out of date."

**ClientEarth's Luján** said: "It's 2023. You cannot use oil and gas to make the components for plastic on an industrial scale and expect to sail through unchallenged."

INEOS has 30 days from the official notification of the ruling to appeal it.

#### **ENDS**

### **Notes to editors:**

ClientEarth has been working with the following organisations to stop the expansion of the INEOS plastics complex:Bond Beter Leefmilieu (BBL), BOS+, Climaxi, Fairfin, Gallifrey Foundation, Greenpeace Belgium, Grootouders voor het Klimaat, Klimaatzaak, Natuurbeschermingsvereniging De Steltkluut, Plastic Soup Foundation, Recycling Netwerk Benelux, WWF Belgium, and Zero Waste Europe.

Plastics are coming up against increasing pressure as investors start to take stock of the financial and environmental risks they pose. A coalition of major investors wrote to businesses in May, and the EU institutions in July, to demand action to reduce dependency on plastic in business models – particularly in the FMCG sector.

INEOS has been in the spotlight in the past months, looking to acquire renowned UK football team Manchester United.

The petrochemical company was also in the headlines this week as climate justice protesters occupied the oil terminal for its Grangemouth plant in Scotland, UK.

#### Legal action - background

ClientEarth and its partners have consistently taken legal action against 'Project One', INEOS's €3 billion plastic project in Belgium. The NGOs have focused on the permitting procedure, arguing that the Flemish authorities failed to fully assess the environmental impacts of the expansion – a clear breach of EU and national laws. The groups' initial legal case delayed the project by over a year. In 2021, INEOS cancelled half of its initial project, citing plastics demand issues.

The groups' legal action was communicated to the Environmental Ministry of Flanders, with a hearing eventually taking place before the Council of Permit Disputes in 2023, known as the Raad Voor Vergunningsbetwistingen in Dutch.

Prior to today's decision, the environmental groups had challenged and successfully blocked INEOS' first permit for the €3 billion project. INEOS then had to come up with a new, comprehensive permit application.

While ClientEarth and its partners' case was ongoing, the Dutch provinces of Zeeland and Nord Brabant in the Netherlands launched a parallel case in 2022, focusing on Habitats Directive arguments also used in the ClientEarth case. The Netherlands has been struggling with nitrogen over-pollution and the transboundary effects of Project One would have posed an additional burden to their efforts to clean up.

The Council of Permit Disputes ruled in the Dutch authorities' favour today – meaning INEOS's permit was null and void, and ClientEarth and its partners' case no longer needed to be heard.

#### **Project One – profiling the harm**

Up to 167,000 tonnes of pre-production plastic pellets – the raw materials for manufacturing plastics, known as 'nurdles' – are estimated to leak into the environment in Europe every year. This makes pellets the second largest source of primary microplastic pollution.

The Port of Antwerp is immediately beside a Natura 2000 site, assigned by the EU to protect habitats and wildlife. Existing plastics plants in the port are already leaking nurdles, which build up in the soil and can be carried downstream. These gravely compromise habitats and threaten endangered bird species as they frequently eat the plastic pellets, which are mistaken for fish eggs.

The problem is also not restricted to Belgium. Due to its location on the national border, the environmental effects of Project One will likely impact the Netherlands. Earlier this year, Plastic Soup Foundation published a report by a whistleblower which showed that the Western Scheldt is already heavily polluted with plastic nurdles, many of which come from producers in Antwerp.

According to the World Health Organization (WHO) in 2020 and the Flemish Environment Agency (Vlaamse Milieumaatschappij), Flanders' levels of nitrogen far exceed the recommended safe levels, which can have severe impacts on the environment and people's health. Project One would further exacerbate the region's nitrogen pollution problem as one of the byproducts of burning fossil fuels is nitrogen.

#### **Plastics and climate**

Plastic production is the largest driver of the petrochemicals industry, as petrochemicals are derived from oil and gas. Petrochemical companies are therefore key drivers of global fossil fuel demand.

A recent report by FairFin revealed that several of the world's biggest international banks have collectively invested almost €22 billion in just two petrochemical companies – INEOS and Borealis – over the past five years, exposing themselves to significant financial risk.

According to INEOS' Environmental Impact Assessment for Project One, about 90% of the ethylene production worldwide is for plastic applications. According to the Institute for Energy Economics and Financial Analysis (IEEFA), approximately 63% of the global production of ethylene can be linked to the production of plastic that aligns very closely with the definition of single-use plastics.

A report by Material Economics observed that plastics operate like a slow-burn combustion system as they release carbon emissions at every stage of their life cycle. According to the report, even with a high recycling rate of 70% (against the reality of less than 10% today), some two-thirds of the carbon would be released as CO2 to the atmosphere within 15 years.

A recent analysis by IEEFA also shows the existential risks facing Project One. The briefing questions the viability of the project by identifying a series of weak financial conditions that it faces were it to go ahead.

Tatiana Luján is a Colombian-qualified lawyer.

# **About ClientEarth**

ClientEarth is a non-profit organisation that uses the law to create systemic change that protects the Earth for – and with – its inhabitants. We are tackling climate change, protecting nature and stopping pollution, with partners and citizens around the globe. We hold industry and governments to account, and defend everyone's right to a healthy world. From our offices in Europe, Asia and the USA we shape, implement and enforce the law, to build a future for our planet in which people and nature can thrive together.

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