

## ENVIRONMENTAL INVESTMENT AND EXPENDITURE BY COMPANIES

INDUS 5

The application of the "polluter pays" principle implies the development of regulatory and economic instruments, particularly for companies. Companies are therefore obliged to incur various types of expenditure relating to pollution prevention and control, and in some cases even to the integration of environmental protection into production methods. Monitoring this expenditure is subject to an environmental economic account at the European level<sup>1</sup>.

The data come from the results of the Integrated Environmental Survey<sup>2</sup> covering a sample of 295 establishments (potentially the most polluting) from the extractive, manufacturing, and energy generation industries in Wallonia.

### Various motivations

According to the results of the survey, environmental investments and expenditure are mainly aimed at complying with environmental regulations and improving health and safety at work. Making savings, applying a proactive approach and improving relations with residents are also cited as sources of motivation, but to a lesser extent.

### High expenditure

The environmental management practised by companies entails both investments (new processes, new equipment reducing nuisance, etc.) and expenditure (maintenance of equipment, waste management, taxes, etc.). In 2014, the environmental expenditure of the sampled companies was more than three times higher than their environmental investments. The waste management costs (purification, treatment or disposal) included in the operating costs category accounted for a large part of the expenditure. In terms of investments, the establishments made more integrated investments modifying all or part of the production process (thermal recovery, change

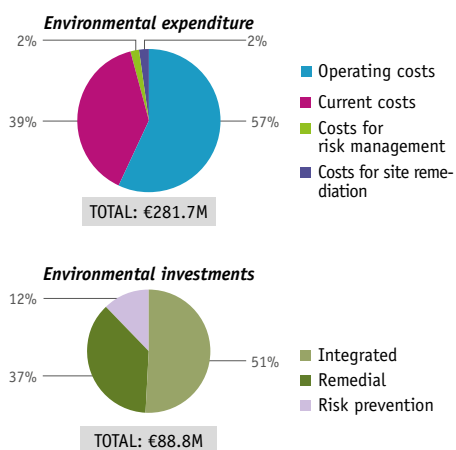
of fuel, closed water circuit, etc.) than remedial investments at the end of the chain (air filters, waste water treatment plants, etc.), in particular following the application of current standards and voluntary agreements. Integrated investments generally have a positive impact on multiple environmental areas, in particular energy (change of fuel, cogeneration, gas valorisation, etc.).

### Remedial investments in the air and water sector

On the basis of a constant and therefore smaller sample of the same survey<sup>2</sup> (158 establishments), the evolution of remedial environmental investments was assessed. Between 2010 and 2014, they averaged €34.6 million per year. Their distribution according to the receiving environment and the type of nuisance reveals the high proportion of amounts spent on waste water and flue gas treatment (on average, almost 80% of the amounts for which an environmental component could be determined).

<sup>[1]</sup> Regulation (EU) No 691/2011 as amended by Regulation (EU) No 538/2014, first report due in 2017 | <sup>[2]</sup> ICEDD, 2016d

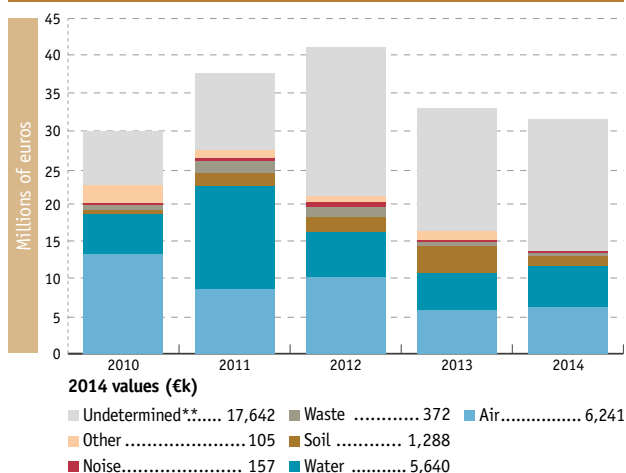
Fig. INDUS 5-1 Environmental expenditure and investments by companies\* in Wallonia (2014)



\* Amounts reported by 295 industrial establishments (potentially the most polluting)

SOERW 2017 – Source: SPW - DG03 - DEE (Integrated Environmental Survey)

Fig. INDUS 5-2 Remedial environmental investments made by companies\* in Wallonia according to the receiving environment and the type of nuisance



\* Amounts reported by 158 industrial establishments (constant sample)

\*\* Amounts that could not be allocated to a particular environmental area.

SOERW 2017 – Source: SPW - DG03 - DEE (Integrated Environmental Survey)