



The European Oleochemicals & Allied  
Products Group



European Committee of Organic Surfactants and their  
intermediates

Press Release

## APAG & Cesio reactions to the EU Regulation on deforestation-free supply chains voted in the European Parliament Plenary

Brussels, 20 April 2023 – Following the vote in the European Parliament Plenary on the EU Regulation on deforestation-free supply chains, APAG and Cesio, two sector groups of Cefic, would like to express their views.

APAG and Cesio acknowledge the efforts put into setting an ambitious EU framework that aims to tackle climate change, deforestation and forest degradation. We believe that regulatory intervention at EU level is appropriate to address these issues and we would like to see how the regulation sets the scene for the future.

**The provision to supply geolocation coordinates back to plot of land creates a barrier in including smallholders in the EU palm oil supply chain.** Smallholders represent ca. 40% of the palm oil production in South-East Asia and are therefore a crucial player in the palm oil value chain. Furthermore, the palm oil industry plays a key role in providing employment and building up social development in the producing countries for smallholders; excluding them from the EU supply chain would shift palm oil and other commodities to countries with weaker environmental regulations, resulting in shifting deforestation to other regions. The European Commission, together with the sectors impacted by the regulation, must engage with producing countries to find a solution to keep smallholders part of the EU supply chain.

Together with other sectors we have also been strongly supporting the **development of guidelines to ensure a proper traceability of the supply chain** and we are keen on working with the Commission to develop the documents. One size does not fit all. Palm and palm kernel oils are liquid goods unlike wood, coffee and cocoa beans, making traceability requirements more complex. We stand to believe that traceability to palm oil mills, complemented by relevant due diligence, is currently the most effective tool in place to secure a sustainable supply-chain, inclusive of all players.

APAG and Cesio will continue to engage in the upcoming steps and remain willing to work with the authorities on the implementation of the Regulation to make it work in practice and minimise the negative impacts.

APAG – the European Oleochemical Industry is a long-established sector of the European bioeconomy. Since the early 19th century, the oleochemical industry has been using rendered animal fats to manufacture bio-based products used for candles, paints, detergents, cosmetics, pharmaceuticals and many other applications.

Our industry continues to invest in sustainable technologies enabling the development of a circular bioeconomy: for instance, oleochemical products are used to de-ink used paper to enable recycling and to de-ice airplanes as an alternative to fossil-based materials.

For more information visit our website [www.apag.eu](http://www.apag.eu) or visit our [LinkedIn](#) page

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CESIO (the European Committee of Organic Surfactants and their Intermediates) is an industry association that represents manufacturers and marketers in the European surfactants industry. CESIO contributes to better understanding of surfactants and the many ways in which they contribute to economic development and quality of life; and addresses specific issues relating to human health and the environment in order to sustain their beneficial contribution to society. Surfactants have a wide range of end-uses including in household detergents, personal care formulations, industrial and institutional washing and cleaning, as well as technical applications in textiles, leather and paper treatment, agrochemicals, the metal, mining and oil industries, and in plastics, lubricants, paints and coatings.

For more information visit our website [www.cesio.eu](http://www.cesio.eu)

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