



## APAG views on Sustainable Carbon Cycles Communication

APAG, a sector group of Cefic, welcomes the Commission's Communication on "Sustainable Carbon Cycles" (SCC), aiming at developing a long-term vision for sustainable carbon value chain in a climate neutral European economy. As an essential sector of the European bioeconomy, APAG calls upon the European Commission to recognise the role of biogenic carbon and implement a strong cascading principle use.

### THE OLEOCHEMICAL INDUSTRY AND CARBON

The European Oleochemical Industry converts vegetable oils and rendered animal fats cat 3<sup>1</sup> into a large variety of bio-based products vital for other industrial sectors (e.g. paints, detergents, cosmetics, pharmaceuticals and candles). As a bio-based sector, we keep renewable raw materials in the loop and contribute to reducing Greenhouse Gas emissions. We strive for sustainable sourcing of renewable biological resources.

Carbon is an essential atom in our society and economy – part of our daily life, in products we use, food we eat, energy we consume. "Biogenic carbon" is the carbon that is stored in biological materials (e.g. plants, soil) – renewable carbon. Therefore, APAG believes that referring to the word 'decarbonisation' is not accurate and should be replaced by 'defossilisation'.

Moving away from fossil sources can only be achieved by further supporting the bioeconomy sector and guarantee access to renewable raw materials; and oleochemistry is a pivotal sector to move towards a non-fossil economy.

### THE INDUSTRIAL SUSTAINABLE CARBON CHALLENGE

The Communication on SCC proposes a target that "at least 20% of the carbon used in the chemical and plastic products should be from sustainable non-fossil sources by 2030, in full consideration of the EU's biodiversity and circular economy objectives and of the upcoming policy framework for bio-based, biodegradable and compostable plastics". Being a sector dependent on renewable resources, moving towards any target can only be achieved if access to renewable feedstocks is secured – this is vital to ensure the future of our industry, which depends highly on availability of its sustainable bio-based materials.

For long, the European Oleochemical Industry has suffered the unintended consequences of the EU energy-related policies (e.g. Renewable Energy Directive) and valuable and scarce raw materials have been

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<sup>1</sup> Rendered animal fats results from the rendering of animal by-products (e.g. tissues and fats), by using heat and pressure to sterilise and stabilise animal by-products to make them suitable for nutritional and industrial applications. There are 4 categories of rendered animal fats: cat 1&2 may represent a risk for human health and, for this reason, are used for bioenergy/biofuels and not by the oleochemical industry; cat 3 are high quality fats widely used animal nutrition and oleochemical production; edible fats are used for human nutrition.



diverted to produce biofuels. Whilst we support climate neutrality and renewable energy, this should not endanger a key sector of the European bioeconomy which contributes to the objectives of the European Green Deal and is a great enabler of the circular economy. Oleochemicals are bio-based building-blocks for many other key industries: detergents, lubricants, food additives, pharmaceuticals, wire insulation in electronics, paper coatings and many more applications.

Therefore, we would like to see the role of bio-based products recognised and promoted as part of Sustainable Carbon Cycles. Whilst the Communication focuses essentially on construction products, oleochemicals can also be found in products with a long life cycle, providing bio-based and non-toxic alternatives for fossil-based products.

#### OUR POLICY ASKS

For a sustained contribution of the European oleochemical industry to a sustainable, circular and competitive Europe, APAG calls for **(1) strong cascading use principle; (2) recognition of the potential of bio-based products; and (3) consistency with other policies and sustainability criteria.**

### **1. Strong cascading principle and sustainability criteria**

APAG calls for the European Commission to adopt measures in line with the principle of sustainable use of natural resources, circular economy and sustainable criteria by enforcing the concept of cascading use. Having access to raw materials is key to this industry, therefore, all measures taken at EU level should be based on the principle of cascading use and waste hierarchy.

### **2. Recognition of bio-based products potential**

To support the European Bioeconomy, we call upon the EU to prioritise and invest in innovative solutions to help deploy sustainable industries, and move towards a climate neutral economy. Oleochemicals provide bio-based and toxic-free alternatives for fossil carbon products. We also support a revision of the carbon accounting in the Product Environmental Footprint (PEF) methodology to give proper credit to the biogenic carbon uptake in biomass.

### **3. Consistency with other policies**

A clear, coherent and reliable regulatory framework is required to keep and attract investments in the bioeconomy in Europe and to create the growth in this sector which is needed to reach the ambitious targets.

**About 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 and vegetable oils to manufacture bio-based products used for candles, paints, detergents, cosmetics, pharmaceuticals and many other applications. Our industry continues to invest in sustainable technologies: for instance, oleochemical products are used to de-ink used paper to **enable recycling**; they are also used to **de-ice airplanes** as an alternative to fossil-based materials.

To discover more on the oleochemical industry, go to our [website](#) or [LinkedIn page](#).

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