APAG
Oleochemicals Europe

Position Paper

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APAG position on the Renewable Energy Legal Framework after 2030

APAG welcomes the revision of the Renewable Energy Directive (RED) in the context of the post-2030 framework. To ensure coherence with circular economy objectives and the European Green Deal, the revised framework must maintain a level playing field between competing uses of biomass, including biofuels and bio-based chemicals. APAG supports the EU's climate objectives and the need to ensure environmental integrity of renewable energy policies.

Status quo: Oleochemicals in the bioeconomy

APAG – Oleochemicals Europe is a sector group of Cefic that represents European oleochemical producers and is an established part of the region's bioeconomy. Since the early 19th century, the oleochemical industry has used rendered animal fats and vegetable oils to produce bio-based chemicals for various applications – e.g. candles, paints, detergents, cosmetics, pharmaceuticals, and more.

What are oleochemicals?

Oleochemicals are bio-based chemicals derived from fats and oils. They serve as alternatives to fossil-based chemicals contributing to a greener future. Oleochemicals are versatile building blocks found in various applications.

By upgrading rendered animal fats (Category 3), a by-product of the meat processing and rendering industry, into a broad range of bio-based products used across multiple sectors, the oleochemical industry supports the circular economy and exemplifies industrial symbiosis.

For the past years, the share of rendered animal fats Category 3 used for biofuels has consistently increased, and consequently, its share for oleochemicals and animal feed sectors has significantly decreased. This trend had been compromising a pilar of the EU bioeconomy sector.

Implementing a strong cascading use principle use to support the EU bioeconomy sector

APAG supports the development of renewable energy and advanced biofuels. However, this should be achieved by prioritising new and additional feedstocks, avoiding displacement of raw materials already used in high-value applications and ensuring consistency with the waste hierarchy and sustainability criteria. A balanced approach is essential to maximise resource efficiency and maintain industrial competitiveness in Europe.

In line with the recently published EU Bioeconomy Strategy[1], APAG strongly supports an "efficient use of biomass towards higher-value applications and reducing pressures in ecosystems" – i.e. implementing a cascading use principle. Such principle needs to reflect local conditions and market realities, where biomass should be used for higher-value products and materials that store carbon longer and substitute fossil-based materials. Residual and secondary streams can be used for energy, particularly where no alternative decarbonisation solutions exist, or where it ensures energy security and energy affordability.

APAG fully supports the EU's ambition to achieve climate neutrality and recognises the vital role of renewable energy in this transition. However, we warn that EU energy policy should not redirect raw

[1] COM (2025) 960 final, A Strategic Framework for a Competitive and Sustainable EU Bioeconomy

APAG - Oleochemicals Europe
Rue Belliard 40 b.15 B-1040 Brussels, Belgium
Tel. +32 496 26 65 09 sse@cefic.be www.apag.org
A sector group of Cefic
European Chemical Industry Council - Cefic aisbl
EU Transparency Register n°64879142323-90

materials from high-value uses, like animal feed, pet food or oleochemicals, to biofuels. Future legislation must respect the waste hierarchy (Directive 2008/98/EC) and EU sustainability criteria, and ensure that RED Annexes do not raise land demand or significantly distort by-product markets.

APAG recommends prioritising biomass material use over energy, in accordance with the Waste Hierarchy and the Union Sustainability Criteria. This approach increases the amount of biomass available within the system for every sector of the bioeconomy and helps prevent unnecessary distortion in the raw material markets. However, several provisions in the RED—such as multipliers for bioenergy in transport—are currently inconsistent with this principle.

Harmonised and supportive regulations for a thriving circular bioeconomy sector

We therefore call that any developments in biofuels regulations retain the key principles established under RED – including coherence of feedstocks used for sustainable biofuels, the cascading use principle, the waste hierarchy and the Union's sustainability criteria – ensuring that the European oleochemical sector, an essential part of the bioeconomy, is not jeopardised by promoting the use of biomass into bioenergy applications. The revision of the RED III should also done in alignment with ReFuelEU Aviation and FuelEU Maritime, as these frameworks compete for the same feedstocks and may amplify pressure on limited biomass resources.

A coherent post-2030 renewable energy framework must fully integrate circular economy principles and ensure fair access to limited biomass resources. APAG therefore urges policymakers to:

- Avoid incentivising the diversion of Category 3 animal fats to biofuels;
- Preserve existing safeguards against market distortions;
- Support a level playing field across biomass uses.

Maintaining access to sustainable raw materials is essential for the European oleochemical industry to continue contributing to innovation, circularity, and the EU's industrial and environmental objectives.

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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