

Review of Annex I under the EU Deforestation Regulation (EUDR)

APAG (Oleochemicals Europe) and CESIO (European Committee of Organic Surfactants and their Intermediates), two sector groups of Cefic, support the objectives of the EU Deforestation Regulation (EUDR) and the EU's commitment to ensuring that products placed on the EU market are not contributing to deforestation or forest degradation.

The review of Annex I foreseen in the Regulation represents a key opportunity to address certain inconsistencies in the current scope. In its present form, Annex I primarily focuses on raw commodities and selected downstream products. However, several oleochemical and surfactant derivatives originating from regulated commodities, such as palm and palm kernel oil, are not currently included.

As a result, products derived from the same feedstock may be subject to different and sometimes contradicting regulatory treatment depending on their classification under Annex I. This creates inconsistencies in the application of the Regulation and may have unintended consequences for both EU based industry and the effectiveness of the policy framework.

The current scope may also lead to situations where EU operators processing regulated commodities into downstream derivatives face different more burdensome obligations compared with operators importing derivatives that are not covered by Annex I. If certain derivatives remain outside the scope, commodities contributing to deforestation risks could potentially enter the EU market through intermediate products not included in the Regulation. Addressing these gaps would improve the overall coherence and effectiveness of the EUDR while contributing to a level playing field for all commercial trade parties (EU-based EUDR operators and not in scope importers and exporters).

Moreover, considering import volumes alone as a criterion for adding selected CN codes to Annex I may not be sufficiently accurate, as existing loopholes can affect the data. Additionally, actual variations in import volumes will likely become apparent only after the EUDR enters into application.

In the context of the Annex I review, APAG and CESIO encourage the European Commission to include the relevant derivatives produced from regulated commodities to ensure more consistent coverage across value chains.

APAG and CESIO members remain committed to supporting the objectives of the EUDR and promoting sustainable and deforestation-free supply chains. The forthcoming review of Annex I provides a valuable opportunity to improve regulatory coherence by addressing current scope gaps affecting certain oleochemical and surfactant derivatives. A targeted and proportionate approach would help reinforce the environmental objectives of the Regulation while ensuring legal certainty and a level playing field for operators and above all ensuring EU competitiveness does not erode further.

APAG and CESIO stand ready to continue engaging constructively with the European Commission and other stakeholders during the Annex I review process.



APAG – Oleochemicals Europe represents 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 or visit our [LinkedIn](#)

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.

