

The EU Biotech Act II: enabling bio-based chemicals

APAG – Oleochemicals Europe, a sector group of Cefic, is a longstanding pillar of the European bioeconomy. As other regions already have policies in place with ambitious targets, Europe must shift from enabling conditions to deployment. The Biotech Act II is a strategic opportunity to strengthen competitiveness, reduce external dependencies and support resilient bio-based value chains.

APAG aims for a strong and inclusive Biotech Act II by:

- 🔥 Recognising bio-based chemicals and materials
- 🔥 Introducing bio-based content targets in products as a key Market Pull measure
- 🔥 Enabling full and flexible access to sustainable feedstocks
- 🔥 Providing regulatory coherence and standardises terminology across EU legislation
- 🔥 Making the Biotech Act II the delivery instrument of the EU Bioeconomy Strategy

The importance of biorefinery for the oleochemical industry

The forthcoming Biotech Act II should explicitly include biorefinery, alongside biotechnology and biomanufacturing, to reflect its essential role in converting renewable feedstocks into value-added products at scale. Biorefinery is a core pillar of the oleochemical industry by enabling the efficient conversion of renewable feedstocks into a wide range of value-added products. By integrating biological, chemical and physical processes, biorefineries maximise resource use and support the production of functional chemicals for diverse downstream applications.

The European oleochemical sector already operates in established biorefinery models at industrial scale, demonstrating how renewable carbon can be efficiently transformed into market-ready solutions whilst improving resource efficiency and supporting the broader transition to a circular and bio-based economy.¹ Current policy frameworks often focus narrowly on substitution pathways, overlooking established industrial sectors that already deliver renewable carbon solutions at scale. Oleochemical products are inherently bio-based and fulfil specific functional roles for which not always direct fossil-based alternatives exist, as they are driven by their intrinsic properties and established in integrated value chains.

1. Recognising bio-based chemicals and materials

The Biotech Act II should explicitly recognise bio-based chemicals and materials as a strategic pillar of the European bioeconomy, encompassing the full range of biomanufacturing processes such as biochemical, microbial, enzymatic and chemical conversion of renewable feedstocks. Current policy frameworks often focus narrowly on biotechnology or substitution pathways, risking in overlooking established industrial sectors that already deliver renewable carbon solutions at scale. Recognising these value chains is essential to provide regulatory certainty, unlock investment, and support industrial scale-up.

2. Introducing bio-based content targets in products as a key market pull measure

¹ [240607-APAG-Oleochemicals-a-biobased-alternative-to-fossil-carbon-White-Paper .pdf](#)



To drive demand for bio-based products, the Biotech Act II should introduce mandatory bio-based content targets at end-user level. These targets can provide clear market signals and help bridge the gap between innovation and industrial deployment, while strengthening European competitiveness. For the oleochemical industry, this would ensure they are not disadvantaged in an increasingly competitive feedstock markets. To be effective, targets should be:

- ◆ **Technology-neutral and performance-based** to enable scalability across different production pathways.
- ◆ **Sector-specific, proportionate and aligned to bio-based standards**, to reflect technical feasibility, product characteristics and market readiness.
- ◆ **Coherent with existing EU legislation**, to ensure a harmonised approach to defossilisation rather than competition between carbon sources (e.g., recycled and circular carbon) and avoid the overlapping requirements already established in recently adopted legislations (e.g. EUDR).
- ◆ **Supported by robust and harmonised accounting methodologies** such as CEN/TC411 and Product Environmental Footprint (PEF) through the “-1/+1” approach, to ensure clear and consistent measurements of bio-based content and mass balance systems.
- ◆ **Equally applied to EU-produced and imported products**, to ensure a level playing field and avoid carbon leakage.
- ◆ **Based on comprehensive impact assessments**, considering feedstock availability, economic feasibility and sustainability considerations.

Additional measures could include:

- ◆ Complementary market-based instruments, **such as carbon pricing on fossil-based**, could further support the demand of bio-based products. While bio-based content targets are essential, they may entail complex verification systems across the value chains. Instead of tracking bio-based content, this mechanism emits a simple upstream economic signal across the value chain.
- ◆ **Fast-track authorisation and permitting procedures** for biomanufacturing facilities and industrial biotech processes.
- ◆ **Simplified regulatory pathways** for bio-based chemicals and materials through administrative burden reduction.
- ◆ Complementary national measures, such as **tax incentives**, may further support market uptake but should remain outside the core scope of the Biotech Act II.

3. Ensuring full and flexible access to sustainable feedstocks

To ensure a proper market demand, access to feedstocks is indispensable. The forthcoming Biotech Act II should avoid a one-size-fits-all approach that ignores the realities of different sectors. Oleochemicals rely on a diverse range of renewable and sustainable feedstocks, hence policy frameworks should enable its wide access, including waste and residues, without unnecessary restriction.

- ◆ APAG supports the **cascading use principle**² which is grounded on feedstock supply, regional conditions as well as current legislations that prioritise the use of waste-based feedstocks to prevent the displacement of valuable raw materials. Aiming to optimise biomass utilisation, the cascading use prioritises applications that deliver the highest-value and longest functional use before considering lower value options such as energy recovery.

² [A Strong Cascading Use Principle for the EU Oleochemical Industry](#)



- Coherent and **robust sustainability criteria** are needed to define the boundaries. While APAG considers Article 29 (2-7) of Directive (EU) 2018/2001 (RED III) a relevant reference, these **should not be automatically transposed** from fuel specific frameworks to materials and chemical applications. Criteria should be proportionate and purpose-fit.
- APAG supports deforestation-free supply chains, however, the **EU Deforestation Regulation (EUDR)** due diligence and traceability requirements³, together with remaining scope inconsistencies presented under Annex I⁴, restrict the access to sustainable feedstocks. The Biotech Act II should promote **coherent, risk-based and proportionate requirements**, ensuring alignment with existing certification systems and safeguarding supply flexibility.

4. Providing regulatory coherence and standardised terminology across EU legislation

Without improved coordination the Biotech Act II can risk in adding further complexity rather than clarity. A consistent and aligned regulatory framework is essential to provide legal certainty and avoid fragmentation. This includes harmonised definitions (e.g. bio-based, bio-attributed) and consistent methodologies for assessing sustainability and carbon content across EU legislation. For instance:

- Bio-based products:** Applies to products for which the share of bio-based content can be measured via established radiocarbon methods (¹⁴C tracing). These can be fully or partially bio-based.
- Biorefinery:** The sustainable processing of biomass into a spectrum of marketable products (food, feed, materials, chemicals) and energy (fuels, power, heat)⁵.
- Biomanufacturing:** The commercial-scale industrial production of goods using biomass as a feedstock, including biological, biotechnological, chemical and physical conversion processes.
- Biotechnology:** Applies to science and technology to living organisms, as well as parts, products, and models of them, to alter living or non-living materials to produce knowledge, goods, and services.

5. Making the Biotech Act II a delivery instrument of the EU Bioeconomy Strategy

The EU Bioeconomy Strategy provides a comprehensive vision for a sustainable, circular and competitive bio-based economy. However, as it was simply a communication, the Biotech Act II should act as a horizontal instrument of the EU Bioeconomy Strategy by translating its objectives into actionable regulatory instruments. Rather than creating parallel governance structures, the Act should focus on simplification, consistency and predictability to embed bioeconomy priorities across relevant EU policies.

The forthcoming Biotech Act II represents a unique opportunity to anchor the potential of bio-based chemicals. To deliver tangible impact it must focus on deployment, regulatory coherence, realistic operating conditions and build industrial strengths. APAG stands ready to contribute to the development of an ambitious and inclusive Biotech Act II.

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 (category 3) 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](#).

³ [Addressing geolocation data barriers](#)

⁴ [Review of Annex I under the EU Deforestation Regulation \(EUDR\)](#)

⁵ [Biorefinery | Knowledge for policy](#)

