

## EU Biotech Act II: industrialising the biomass-derived chemical and material sectors

Europe has a unique opportunity to accelerate its industrial bioeconomy by establishing a robust and forward-looking Biotech Act II. Building on the foundations of the EU Bioeconomy Strategy and earlier biotechnology initiatives, the Act must provide a coherent, consistent framework that unlocks the full potential of biomass-derived products across sectors.

The Biotech Act II should become the central policy instrument guiding the EU's transition toward sustainable, circular and resilient value chains – enabling industrial scale-up while strengthening competitiveness and reducing strategic dependency on fossil carbon.

**For the Biotech Act II to unlock the potential of biomass-derived chemicals, BioChem Europe calls to:**

- Make the Biotech Act II the framework to enable the biomass-derived chemicals sector
- Ensure access to all types of sustainable raw materials
- Implement strong and effective market-pull measures, such as biomass-derived content targets
- Harmonise and add clear definitions

### Make the Biotech Act II the enabling framework for biomass-derived chemicals and materials

The Biotech Act II must complete the Biotech Act I and have a broader scope covering industrial manufacturing of biomass-derived chemicals and materials, ensuring coverage across all major downstream sectors. It must act as a harmonising instrument, ensuring consistency with existing relevant policies, including the EU Bioeconomy Strategy, Circular Economy Act, Industrial Accelerator Act, Packaging and Packaging Waste Regulation, Ecodesign for Sustainable Products Regulations, EU Taxonomy, etc.

Regulatory fragmentation across these instruments creates uncertainty for investors and industry. Therefore, the Biotech Act II needs to provide a unified direction for industrial bio-based manufacturing in Europe.

## Access to all types of sustainable biomass

A strong, diversified and predictable biomass supply is essential for scaling up Europe's bioeconomy. The Biotech Act II should therefore integrate the following principles:

- **Cascading Use Principle:** BioChem Europe supports the implementation of a strong cascading use principle where bio-based feedstocks are prioritised to produce high value-added products (e.g. food, feed and materials such as chemicals) and, lastly, for energy production.<sup>1</sup>
- **Sustainability Criteria:** All biomass used for manufacturing should be considered eligible provided it meets robust sustainability standards. BioChem Europe recommends aligning sustainability criteria (i.e. biomass harvesting) to the RED III definition (Art 29 (2-7)). However, RED III GHG emission saving criteria should not be used as a reference for biomanufacturing in general (i.e. adjustments are needed to translate the requirements for fuels into materials' requirements (e.g. chemicals, plastics, etc.), using a sector-by-sector approach.<sup>2</sup>

This approach ensures integrity with environmental protection goals while safeguarding feedstock availability for industrial uses.

## Stimulating market demand for biomass--derived products

Supply-side measures alone are insufficient. The Biotech Act II must create strong and credible demand signals. The EU should introduce dedicated, ambitious, and realistic product level targets to drive demand for biomass -derived content. These targets should be (1) based on existing bio-based content levels and market availability; (2) established at brand-owner- level for maximal impact and traceability; (3) apply to both domestic production and imported products.<sup>3</sup>

Initial focus should be placed on high-volume and high environmental impact product categories. Building on the five lead markets recognised in the EU Bioeconomy Strategy – plastics and polymers, textiles, chemicals, construction products and fertilisers and plant protection products – targets must also be implemented in other markets such as home and personal care, paints, adhesives, coatings and industrial lubricants.

Public procurement, for instance, should serve as a strategic driver for sustainable product uptake. The Biotech Act II should introduce harmonised Green Public Procurement (GPP) criteria giving significant weight to environmental performance – including sustainability, bio-based content, and carbon savings.<sup>4</sup> This would accelerate early markets, ensure demand certainty and de-risk private investment in production capacity.

<sup>1</sup> [BioChem Europe: Supporting a strong cascading use principle for biomass - Biochem Europe](#)

<sup>2</sup> [BioChem-Europe-position-on-Sustainability-Criteria-February-2025.pdf](#)

<sup>3</sup> [The role of biobased content targets to drive market demand of biomass-derived chemicals and materials - Biochem Europe](#)

<sup>4</sup> [BioChem Europe position paper on Public Procurement - Biochem Europe](#)

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To support the uptake of sustainable biomass-derived products, additional measures could include tax incentives or VAT reductions for certified sustainable biomass-derived products; EPR-schemes to favour bio-based content, strengthening verification of imports, relying on recognised third party certification, and clear rules enabling customs to enforce sustainability and traceability requirements.

## Harmonised Definitions

Regulatory clarity depends on shared terminology. The Biotech Act II should serve as the central instrument for harmonising relevant definitions across EU legislation, by recognising and consolidating existing ones (e.g. biobased, biomass, waste, residues, and byproducts); but also be the place to introduce clear definitions for:

- **Biomass-derived chemicals:** chemical products that are wholly or partly derived from feedstocks of biological origin (for example biomasses, feedstock, but also plants, algae, crops, trees, marine organisms and biological waste). This encompasses both bio-based and bio-attributed chemicals.
- **Bio-based product:** product wholly or partly derived from biomass. The methods to determine and communicate “bio-based” as a characteristic are detailed in specific standards of CEN/TC 411.
- **Bio-attributed product:** can be produced by co-feeding fossil-based route with biomass-derived feedstock. The fraction of biogenic carbon on the total carbon content is not measured but attributed to a specific product by using a mass balance method.
- **Biorefinery:** facility that integrates biomass conversion processes and equipment to produce fuels, power, chemicals or materials from biomass. The biorefinery concept is analogous to today’s petroleum refineries, which produce multiple fuels and products from petroleum. Industrial biorefineries have been identified as the most promising route to the creation of a new domestic bio-based industry.

The Biotech Act II represents a strategic opportunity to industrialise Europe’s bioeconomy, reduce dependency on fossil carbon, and strengthen resilience in critical value chains. Europe has the scientific excellence, industrial base, and sustainability ambition. The Biotech Act II must now provide the regulatory clarity and market certainty required to translate that potential into global leadership.

BioChem Europe is a sector group of the European Chemical Industry Council (Cefic) that envisions a future where:

- responsibly produced chemicals derived from sustainably sourced biomass respond to society’s growing appetite for circular products that have limited or even positive impacts on the environment and climate
- the related need to increase and support the efficient utilisation of biomass is recognised
- boosting research and innovation is seen as critical for these developments

The biomass-derived chemicals producers, members of BioChem Europe, intend to play their part and forge partnerships to achieve the European ambition to become climate-neutral by 2050.

For more information, visit our website: <https://www.biochem-europe.eu>

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