



REPLY TO THE CONSULTATION ON THE CLIMATE LAW

ACE supports an ambitious EU Climate Law aimed at reaching climate neutrality by 2050. To achieve this goal, it is crucial to address the climate impact of materials and to link climate, circular economy and the bioeconomy. The substitution of high carbon materials with low carbon materials, such as **sustainably-sourced renewables**, is an important and effective element to reach climate neutrality and reduce the need for fossil-based resources. Both the [EU Bioeconomy Strategy](#) and the [EU 2050 long-term Strategy](#) echo this finding by acknowledging that sustainable renewable raw materials are key to achieve climate neutrality.

The EU Climate Law policy should, therefore, include:

- Regulatory incentives for the use of products made from responsibly sourced renewable materials that contribute to climate neutrality, preserve biodiversity and have positive social impacts. In this context, we support the EU Commission's ambition to reinforce sustainable sourcing of all raw materials as part of the future EU Circular Economy Action Plan: all raw materials should comply with globally recognised standards, such as FSC® for forest-based products.
- Recognise the potential of material substitution in achieving climate neutrality under the EU climate regulatory framework (see a recent [report](#) published by initiative of the Swedish Forest Industries on the contribution of material substitution to climate neutrality). As a way to encourage the substitution of high carbon materials with low carbon materials, GHG accounting rules should take into full account the climate benefits of material substitution.