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Negative effects of SUPD on the European Green Deal

Dear Mr. Breton,

I am contacting you in my role as , a €2.2 billion world leader in wood-based cellulosic fibers (viscose, modal and lyocell). Our sustainability strategy is based on three principles:

- Greening the value chain: by integrating our fibers in fashion, home textile, wipes and personal care products, we enhance performance and improve the environmental impact.
- Advancing circularity: the biological cycle starts from the renewable resource wood. After use in consumer products the cycle is closed when the fibers biodegrade or are composted.
- Partnering for change: complex global challenges call for a collaborative approach with a broad range
 of stakeholders, from NGO's to research institutes, from consumers to governments.

At Lenzing, we are closely following the comitology procedure on Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 (SUPD directive) on the reduction of the impact of certain single use plastic products on the environment.

We are aware of the Commission's current drafting of guidelines, providing further details regarding the implementation of the SUPD directive and defining certain important terms, including "plastics" or "chemically modified". In our view, if not backed by substantial scientific evidence, these definitions might unintentionally lead to significant adverse effects on many different European industries beyond single use wipes. Other industries, such as textiles, might potentially be impacted by a lack of sustainable raw materials from the European Union and will need to fully rely on imports from outside the EU.

Therefore, I invite you to consider the attached statement during the finalization of the guidelines on Directive (EU) 2019/904.

Should you have any questions or require further clarifications or documentation, I remain at your disposal. UniCredit Bank Austria AG, Wien, BLZ 12000 Kto. Nr. 102.100999/00, SWIFT: BKAUATWW, IBAN: AT05 1200 0102 1009 9900



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EU Green Deal's success requires science based SUPD

The objectives of the Directive (EU) 2019/904 (on the reduction of the impact of certain plastic products on the environment) are to "prevent and reduce the impact of certain plastic products on the environment, in particular the aquatic environment, and on human health, as well as to promote the transition to a circular economy with innovative and sustainable business models, products and materials, thus also contributing to the efficient functioning of the internal market

Industry is very concerned with the current technical discussions on the definition of "plastic" (under the SUPD-related guidelines and implementing acts) and on the definition of natural polymers that have not been chemically modified (viscose and lyocell fibers) - and with the lack of scientific-based discussions.

What are the risks with the current "Plastic" definition in the SUPD?

- Using inaccurate definitions (based on unsubstantiated scientific evidence), risks having much broader
 effects beyond SUPD, and into other sectors such as textiles and industrial applications. In such a
 scenario, cotton used in textiles would consequently be defined as a 'plastic', as well as multiple pulp
 paper products, and even toilet paper.
- Defining viscose and lyocell as plastic would restrict the nonwoven industry from having access to sustainable and biodegradable solutions in applications especially targeted at health, hygiene and medical segments.
- It would penalise environmental-friendly companies which are developing and investing in sustainable alternatives to fossil-based products in Europe and deter them from innovating further in this direction.

Our recommendations to the European Commission:

- The implementation of the SUP Directive should ensure that it accurately targets plastic products that are harmful to the environment.
- It should establish clear definitions and guidance to avoid any legal uncertainty and should focus on the scope of the Directive, namely on the single use of plastics.
- A successful SUPD Legislation should be consistent with other policy initiatives such as the Green Deal
 and more particularly the Circular Economy Action plan, which aim to promote sustainable industrial
 practices.
- Make a distinction among the fiber categories in the marketplace they have different sustainability attributes. Viscose and lyocell cellulose fibers are used in various consumer applications. They are produced from the renewable raw material wood, and are natural polymers that have not been chemically modified, hence they are "NOT PLASTIC". Scientific data confirm their biodegradability within approx. ten weeks in fresh and marine water and hence do not contribute to the plastic and microplastic pollution in the environment.
- Impose labelling which accurately addresses the problem of sewage blockages and marine litter. A Water
 UK study 2017 shows that sewage blockages are predominately caused by flushing wet wipes which are
 not flushable which mainly consist of polyester fibers (plastic).
- Focus efforts on correct labelling of wet wipes and sanitary towels containing plastic for informing consumers about the materials and how to dispose them it (e.g. DO NOT FLUSH and Tidy Man Logos).
- A successful Green Deal in Europe will require a collaborative effort between all value-chain actors as well
 as with other industrial sectors which will be impacted by Legislation. We are ready to engage.