



ADVOCACY REPORT

21
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The background of the cover is a teal-tinted aerial photograph of a city. A prominent feature is a tall, modern building with a grid-like facade of windows, situated in the middle ground. The surrounding area includes other buildings, streets, and greenery. The overall tone is professional and celebratory.

ADVOCACY REPORT **21** **22**

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CHAPTER

1



Foreword

This year marked CEI-Bois' 70th anniversary. Understandably this could have prompted a looking back over our long history but the Russian invasion of Ukraine and the ensuing energy crisis and disruption to trade, including loss of wood supply, has kept our focus very much on the present.

Even before war broke out in Ukraine the case for an increased use of wood and wood fibre in decarbonising the built environment was strong. The framework of the European Green Deal, with one of its priorities being 'building and renovating in an energy and resource efficient way', was helping to promoting the increased use of timber in new build and renovation.

Now the war has highlighted the importance of driving down European energy use as fast as possible and in turn this has encouraged a renewed emphasis on the Renovation Wave which, while widely supported, has had a slow start. Increasingly the realisation is that insulation is the low hanging fruit and here wood and wood fibre can play an increasingly significant role. Such materials not only substitute for more carbon intensive alternatives they can also safely store carbon.



Wood's ability to store carbon has been a growing theme over the last year. Politicians have increasingly recognised this benefit, in part due to our lobbying. At the same time the Commission has continued its work, initiated by the first round of Land Use, Land Use Change and Forestry (LULUCF) legislation, to seek ways of incentivising the increased use of Long-Life Harvested Wood Products. They have also begun to focus on wood's ability to safely

store carbon in the built environment as recognised by the President of the Commission, Ursula von der Leyen, “We know that the construction sector can even be turned from a carbon source into a sink, if organic building materials like wood ... are applied.”

By the end of 2022 the Commission will have published a legislative proposal on the ‘Certification of Carbon Removals’ which will include the suggestion that the Commission develops a methodology for measuring carbon stored in the built environment. This will be beneficial for wood products and we have already begun the process of engaging with the Commission on this issue and will, following the release of the proposal, engage with the Members of the European Parliament. In so doing we are actively looking for potential pilot developments and builds involving timber where we can measure and monetarise the stored carbon into credits for sale, to the benefit directly or indirectly of CEI-Bois members.

To increase the effectiveness of our advocacy we are always keen to work with others to increase our impact. To this end we have teamed up with CEPI and others from across the paper, card, packaging, wood panel and forestry value chain to prepare a joint advocacy strategy that will be ready in time for the appointment of the next European Commission in 2024. Meanwhile we will work to ensure that our own CEI-Bois advocacy strategy, shared with EOS, is prepared in such a way that it complements this wider value chain strategy.

In a similar vein we continue to work with our allies in the Wood4Bauhaus Alliance which has had another active year. Highlights have included a workshop in Berlin

with the renowned architect and New European Bauhaus advisor, Shigeru Ban. In June our Alliance was represented at a high-level summit held at the Vatican in Rome hosted by the Pontifical Academy of Science and focused on Reconstructing the Future for People and Planet. It was at this event we were delighted to hear the President of the Commission say, “Sustainably harvested timber can reduce a building’s carbon emissions by up to 60%. Pope Francis is so right when he says that ‘humans are not meant to be inundated by cement and steel’. Building more with natural elements, like wood, is both good for the planet, and good for the wellbeing of people.”

The primary advocacy difficulty we now face is in part the result of our success in arguing for more wood use in the built environment, as this success has resulted in us being asked more often, “But is there enough sustainable wood?” We believe there can be the case and increasingly we have academic support for this including from Professor Schellnhuber of the Potsdam Institute of Climate Impact Research and adviser to the President of the Commission on the New European Bauhaus. However, we must convince politicians, Commission staff and the media that this is indeed the case hence our advocacy will continue with increased vigour in the months ahead with the aim of ensuring wood plays its optimum role in helping decarbonise the built environment and addressing climate breakdown.



Sampsa AUVINEN
Chairman of CEI-Bois



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CHAPTER

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CEI-Bois celebrates 70 years

The European Wood Industry representatives gathered in Skellefteå - the city of wood - to celebrate the 70th Anniversary of the European Confederation of the Woodworking Industries (CEI-Bois) and the great achievements that our sector accomplished so far. Nowadays wood is finally recognised as the most environmentally friendly material by the scientific community and by the European policy makers.

The Summer General Assembly meeting and 70th Anniversary celebration was a two-days event under the slogan **“The Future is Bright - the Future is Wooden”** which included guided tour visiting several

of the unique wood projects in Skellefteå. The city of Skellefteå has become a symbol of forward thinking and sustainable urban development. During the 1st day, the CEI-Bois’ team and members visited the Sara Kulturhus. The agenda included a guided tour with one half of the architectural duo behind Sara Kulturhus, Robert Schmitz, White Architects.

During this guided tour CEI-Bois’ Secretary General Mrs Melegari stated that: *“The city of Skellefteå is a living example of the European Bauhaus concept where the growth strategy of the city is based on sustainability, innovation, inclusiveness and culture.*



Engineered timber centre stage as the European Confederation of the Woodworking Industries celebrates its 70th Anniversary at the prize-winning, engineered timber culture house in Skellefteå, Sweden

And in the middle of this city, its outstanding symbol is a wooden building made of locally sourced timber and built for the local community to enjoy the theatre, great food, reading a book in the building's library, having a chat or going to the spa. It has been inspiring being in Skellefteå and truly witnessing how green growth is not just possible, but a responsibility for the future. Sara Cultural Centre has probably attributed to the positive attention Skellefteå has received lately, and to the general increase in population and flourishing of the city"

The 70th Anniversary celebration also included a visit to the HOLMEN sawmill in Bygdsiljum and a panel discussion bringing together key people involved in the prize-winning Culture House construction, including the Mayor of Skellefteå Mrs Evelina Fahlesson who emphasized how the rise of a building can help a whole region rise.

Therese Kriesel, Head of planning at Skellefteå was another very special guest to the CEI-Bois 70th Anniversary celebration. She accompanied the Wood Industry representatives during the two days and explained how Skellefteå's wooden construction strategy has had a profound impact on this Swedish city.

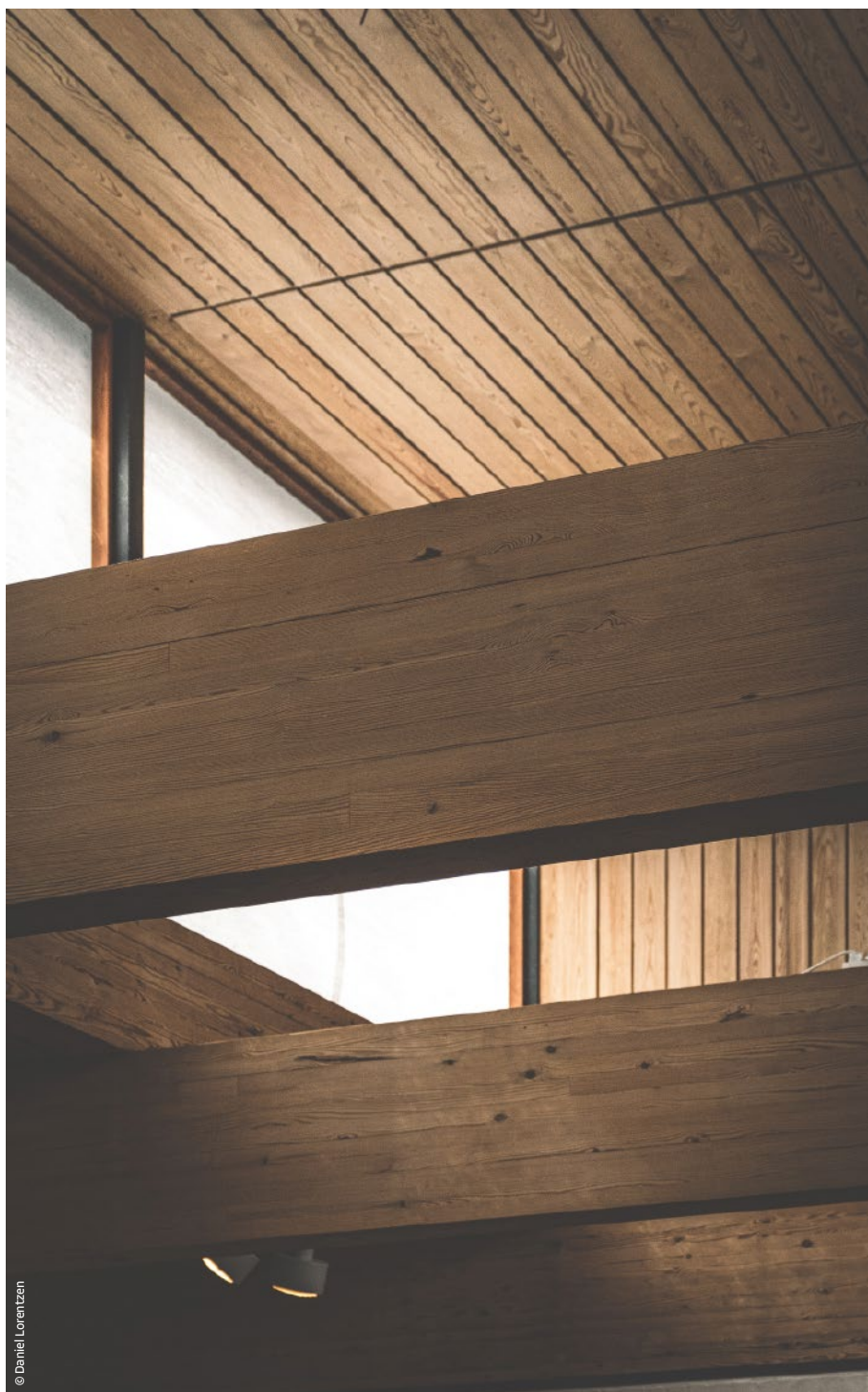
She explained that the fact that the renowned and praised Sara Cultural Centre, one of the tallest wooden buildings in the world, is located precisely in Skellefteå, 80 miles north of Stockholm, is no coincidence. The forest is close by, the area has a historical tradition and is the future of wood research – and efforts to articulate the municipality's first wooden construction strategy began in 2004. Skellefteå has had a wooden construction strategy in place for almost 20 years. There are already many homes and other properties built of wood in Skellefteå. And, after having built one of the tallest wooden buildings in the world, Skellefteå is now in the process of building the longest wooden bridge in Sweden in the city centre.

"Wood is the natural way to meet our demands for sustainable construction, a sustainable society and sustainable energy. Building in wood is a quick process and increasing numbers of architects are realising its benefits. I think wood will become a crucial component of future construction projects.

The many wooden construction projects in the city attract visitors to Skellefteå who want to see and learn. This week, for example, the European Confederation of the Woodworking Industries, CEI-Bois, is visiting the city. The organisation gathers representatives from 21 European countries in the woodworking industry, and it is celebrating its 70th anniversary by visiting Skellefteå this year. This attention is vital for the city, and the international interest is great. Many people want to make use of the lessons we have learnt here in Sweden. I also see increasing numbers of young people realising that they have a future in the wood industry, which is very pleasing," Therese Kriesel says.



*Therese Kriesel,
Head of planning at
Skellefteå*



CHAPTER

3

About CEI-Bois:

General Information

Founded in 1952, CEI-Bois is the European Confederation of the Woodworking Industries; it is a non-profit-making Organisation, legally registered as an AISBL under the Belgian law.

The Confederation is based in Brussels and numbers 17 National Organisations and 4 European Sector Federations.

The primary goal of CEI-Bois is to promote the interests of the European wood sector and to this end to contribute to the EU policy-making process. It is the main body representing the European Woodworking Industries at European and International level.

CEI-Bois' mission is to:

- promote the Sector and the use of wood in its numerous forms and applications
- represent and safeguard the European Woodworking Industries interests
- highlight the natural sustainability of wood and wood-based products

The day-to-day management of CEI-Bois is performed by the secretariat in Brussels, supported by 5 working groups dealing with Sustainability, Social Affairs, Construction, Innovation and Trade issues.

Additional ad hoc task forces are established when needed; currently there are four Task Forces on the topics of Life-Cycle Assessment, Fire, Deforestation and Volatile Organic Compound (VOC).

INSIDE OUR WORKING GROUPS

1. CEI-Bois' Construction Working Group

Timber products and a large variety of wood-based materials are increasingly being used in carbon and energy efficient construction. The overall aim of the working group is to strengthen this position in European policies, regulatory affairs, standardization and Research & Innovation. The working group works on developing initiatives in accordance with the following guiding objectives.

Building with wood:

- Advocacy of the use of wood in construction and renovation, including prefabricated houses
- Advocacy of the environmental and energy efficiency performance of wood in a life cycle approach framework
- Active support for innovative wood-based materials and building concepts

Indoor air quality:

- Wood-based products as an attractive choice for indoor use
- Avoidance of restrictive emission limits for wood-based construction materials

Technical basis of wood construction:

- State of the art technical research & standardization work in support of timber structure design, sustainability of wood in construction works and the indoor air performance of wood-based materials
- The strategic Task Force Construction Research & Standardization creates a vision and collective understanding regarding long term research and standardization for timber construction/building with wood. The Task Force functions as Eurocode 5 coordination group that encourages and facilitates participation of wood industry experts in structural timber design standardization.

JOIN THE EUROPEAN CLT HUB!

The European CLT Hub was initiated at a meeting on April 1st 2019 in Vienna and unanimously supported in order to streamline the information and cooperate as well as interact on European level.

In 2020 the hub was started by a group of company experts to define the common approach and the issues that should/could be tackled. In July 2021, it was decided and requested to open up the hub to further interested companies and associations in order to broaden it. Interested companies and associations are requested to contact us.



LAUNCH OF THE CEI-BOIS VOLATILE ORGANIC COMPOUNDS TASK FORCE

CEI-Bois is happy to announce the establishment of the Task Force on Volatile Organic Compounds (VOC), which held its first meeting in July 2022. Although integrated into the Construction Working Group, the task force is open to all the CEI-Bois Members, who are invited to contact us if interested in taking part in the upcoming meetings. The VOC Task Force seeks to discuss issues related to emissions to indoor air and to coordinate on potential advocacy activities, particularly in the context of possible new momentum due to developments within the European Commission's DG Internal Market, Industry, Entrepreneurship and SMEs (DG GROW).

TIMBIM TASK FORCE

The TIMBIM TF hosted a webinar on the 16th of March 2022 for CEI-Bois Members to present the first results of the collaboration of the CEI-Bois digital Initiative TIMBIM and Cobuilder. Further information is also available online on [CEI-Bois' website](#). This project aims at helping manufacturers to

digitise their data and make it available in a machine-readable and standardised format. TIMBIM creates a common data dictionary and common data templates that are based on relevant harmonised product and test standards and are applied across all European countries.

“Product information is essential for smooth processes throughout all planning stages. Products are the variables in the gigantic interrelated systems that we call buildings. Products make up the different components, which in turn comprise the building. If we as an industry want to transform digitally, we need to start with the smallest elements of the system. We need to digitise product information in a way that allows algorithms to recognise and access those variables. We should also be able to provide and exchange this information across the entire industry. This is a prerequisite for the adoption of new digital technologies, processes and business models within the sector”, explains Dr Hansueli, Chair of the TIMBim Task force.

Many of the actors in the timber industry are small and medium businesses that are at different levels of digitalisation. This is why, being able to offer comprehensive generic products that can be representative of the products offered by the entire industry is a very important step to meet the information needs of all construction actors when incorporating woodwork in their projects. On the 31st of March 2022, the TIMBim was officially presented on occasion of the “High Level Construction Forum (HLCF)” of the European Commission.

Finally, it should be highlighted that the Construction Working Group is involved in crucial dossiers among which the revision of the Energy Performance of Buildings Directive (recast), the revision of the Construction Products Regulation, the High Level Construction Forum’s development of a transition pathway for a resilient, greener and more digital construction ecosystem, etc.



2. CEI-Bois Sustainability Working Group

The main aim of the Sustainability WG is to promote the inherent advantages of using wood. Wood is renewable, sustainable and can be used, re-used and re-cycled. It is a model product for Europe's transition towards a Circular Economy intended to boost global competitiveness, foster sustainable economic growth and generate new jobs.

The Woodworking Industries are committed to source wood from sustainable managed forests and comply with the EU Timber Regulation. They are also tackling climate change by storing carbon in Harvested Wood Products and substituting other materials. Not only is the production and processing of wood highly energy-efficient giving wood products an ultra-low carbon footprint but wood can often be used to substitute materials which require large amounts of energy to be produced and suffer higher carbon intensity.

For the monitoring of the LCA/standardisation-related issues, a task force within the Sustainability Working Group is in place. The task force provides the proper orientations to ensure the Woodworking Industries are duly represented within the competent standardization committees.

The Sustainability Working Group is involved in crucial dossiers among which the New EU Forest Strategy, the LULUCF Regulation on emissions and removals from the land sector, the Deforestation-free Products Regulation, Sustainable Carbon Cycles and the certification of carbon removals, the Nature Restoration Regulation, the Directive on corporate sustainability due diligence, the Sustainable Products Initiative, etc.

3. CEI-Bois Social Affairs Working Group

Within all companies, maintaining and improving the quality of the relations between employers and workers is a sine qua non condition to guarantee the company growth; both actors target the common objective of a sound company development. More largely but similarly, at European level, the Social Dialogue represents the way to improve the European governance through the involvement of the social partners in decision-making and in the implementation process.

The EU Wood Sector Social Dialogue brings together the Wood Industry workers and employers from the EU member States, respectively represented by the European Federation of Building & Woodworkers (EFBWW) and CEI-Bois.

In 2022, the European Commission granted the CEI-Bois led social dialogue project application **RESILIENTWOOD**. The project is co-funded by the European Union and is granted under the Social Prerogative and Specific Competencies Lines (SOCPL) funding. The CEI-Bois led project, together with EFBWW, Woodwise and FCBA will aim to offer recommendations to tackle specific challenges in the Woodworking Industries through strengthened social dialogue. The project focuses on the adaptation of the industry and its outlook after the Covid-19 crisis, including the adaptation needs linked to expected technological changes and the need to increase the attractiveness of the sector for skills attraction and retention, with special attention given to gender balance in the WI.

The Sector Trade Unions, the European Furniture Industries Confederation (EFIC) and CEI-Bois decided to organize common meetings under a Joint Sector Social Dialogue framework for debating common issues and addressing the EU Institutions common messages.

According to the above, the CEI-Bois Social Affairs WG aims to:

- Identify common areas of cooperation with the Trade Unions
- Promote and manage investigation and communication projects
- Contribute to the definition of the European Sector Social Dialogue Agenda
- Social Affairs WG is redoubling its efforts, to monitor relevant industrial relations-related issues and to focus on concrete initiatives to improve the Woodworking sector image in the eyes of the young generations.

4. CEI-Bois Trade Working Group

The main aim of the Trade WG is to ensure a level-playing field for the Woodworking Industries both for their wood raw material procurement and their sales of semi-finished and finished wood-based products. This means promoting the “*FREE AND FAIR*” Trade principle. Furthermore, both on the internal and the external EU market, the WG intends to maintain and improve standards while lowering operating costs and increasing efficiency.

Besides addressing any emerging trade issue, including Non-Tariff Barriers, this WG also tries to define a long-term trade strategy for CEI-Bois.



5. CEI-Bois Research, Development and Innovation Working Group

The working group contributes to strengthening the wood industry’s position in public funding programs for innovation research at European, transnational and national/regional level. It aims at defining the strategic research questions for the wood industry as an entire part of the forest-based bioeconomy and collect proposals to make them tangible.

Connection with all relevant partner organisations and with the Forest-based Technology Platform (FTP) is essential.

The working group is internally linked to the Task Force on Construction Research & Standardization (Construction WG).

The CEI-Bois members and network are engaged and integrated into the activities of the RD&I WG. The working group is communicating clearly about research for innovation and interacting with the competent EC interlocutors.

CHAPTER

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The European Woodworking Industries

Source: Eurostat, December 2021

The EU's wood-based industries cover a range of downstream activities, including Woodworking Industries, large parts of the furniture industry, pulp and paper manufacturing and converting industries, and the printing industry. Together, some 397 000 enterprises were active in wood-based industries across the EU in 2018; they represented one in five (19.6 %) manufacturing enterprises across the EU, highlighting that - apart from pulp and paper manufacturing that is characterized by economies of scale -

many wood-based industries had a relatively high number of small or medium-sized enterprises.

The economic importance of an industry can be measured by the share of its gross value added (GVA) in the economy. In 2018, the GVA of wood-based industries in the EU was €139 billion or 7.1 % of the total manufacturing industry. The distribution of GVA across each of the four wood-based activities in 2018 is presented in the Table below.

Main economic indicators for wood-based industries, EU, 2018

Activity (NACE Rev. 2)	Number of enterprises (1 000)	Gross value added at factor cost (billion EUR)	Number of persons employed (1 000)
	2018	2018	2018
Manufacturing (NACE C)	2 025	1 945	29 893
Wood-based industries (NACE C 16+17+18.1+31)	397	139	3 093
Manufacture of wood and wood products (16)	160 du	35 du	922
Manufacture of pulp, paper and paper products (17)	18	48	628
Printing and service activities related to printing (18.1)	99	25	593
Manufacture of furniture (31)	120 du	31 de	950 de

'd': definition differs, see metadata.

'e': estimated

'p': provisional

'u': low reliability.

Source: Eurostat (online data code: sbs_na_ind_r2)

eurostat 

Within the EU's wood-based industries, the largest GVA was recorded for pulp, paper and paper products manufacturing (35 % or €48 billion). With regard to the other three sectors, printing and service activities related to printing amounted to 18 % of the GVA of wood-based industries, while the manufacture of furniture and manufacturing of wood and wood products each made up between 22 % and 25 %.

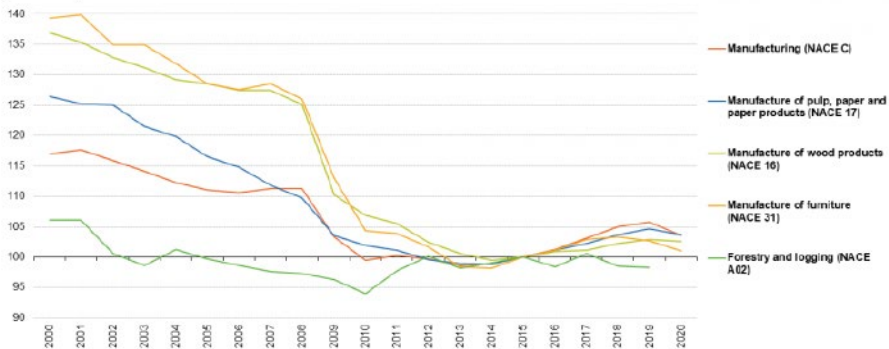
Employment:

The wood-based industries employed 3.1 million persons across the EU in 2018 or 10.3 % of the manufacturing total. There were more than 900 000 persons employed within both the manufacture of wood and wood products and the manufacture of furniture, whereas an employment of 590 000 persons was recorded for printing and service activities related to printing, representing the lowest employment of the four activities.

A longer time series and more recent data are available for employment for three of

the four wood-based industries. Across the EU, manufacturing employment fell by 11 % between 2000 and 2020, while the largest losses among the three wood-based industries shown in Figure 5 were recorded for furniture manufacturing (27 % fewer persons employed). Pulp, paper and paper products was less affected (18 % reduction in employment during the 2000–2020 period), while employment in manufacturing of wood products dropped by 25 % between 2000 and 2020. In comparison, the forestry and logging industry had a decrease in employment of about 7 % from 2000 to 2019.

Employment in wood-based industries compared with total manufacturing, EU, 2000–2020
(2015 = 100)



Source: Eurostat (online data codes: sts_inib_a and nama_10_a64_e)

eurostat

Primary wood products:

The total annual roundwood production in the EU decreased slightly for the first time since 2012. In 2020, it reached an estimated 488 million m³. This is 21 % more than at the beginning of the millennium. With the exception of five Member States where roundwood production decreased or remained stable and further two Member States where lack of latest data does not allow the trend to be evaluated

all EU countries recorded an increase in roundwood production in the period of 2000–2020. The largest relative increase in the amount of harvested wood took place in the Netherlands (185 %) and Czechia (126 %). In 2020, Germany was the largest producer of roundwood in EU (84 million m³), followed by Sweden, Finland and France (each producing between ca 50 and 75 million m³).

Roundwood production, 2020

	Roundwood production		
	Total	Fuelwood	Industrial roundwood
	(1 000 m ³ under bark)		
EU (*)	488 603	113 760	374 843
Belgium	5 351	1 237	4 115
Bulgaria	5 404	2 332	3 072
Czechia (*)	32 586	5 922	26 664
Denmark	:	:	:
Germany	84 051	22 261	61 790
Estonia	10 638	4 136	6 502
Ireland	:	:	:
Greece	:	:	:
Spain	15 496	1 615	13 881
France	47 703	23 444	24 259
Croatia	5 234	2 207	3 027
Italy	8 923	3 921	5 002
Cyprus	9	6	2
Latvia	15 347	2 620	12 727
Lithuania	6 366	1 994	4 372
Luxembourg	350	59	291
Hungary	4 972	2 516	2 457
Malta (*)	0	0	0
Netherlands	2 966	2 304	662
Austria	16 790	5 327	11 462
Poland	40 593	4 713	35 879
Portugal	13 422	1 618	11 803
Romania	18 049	6 420	11 629
Slovenia	3 891	1 074	2 817
Slovakia	7 448	524	6 924
Finland	60 233	8 937	51 296
Sweden	74 400	5 400	69 000
Liechtenstein	7	2	5
Norway	11 750	1 508	10 242
Switzerland	4 577	1 770	2 807
United Kingdom (*)	10 786	2 478	8 308

(:) not available

(*) EU estimate produced using latest available data if a country did not report for 2020

(*) Data for 2019 shown; data for 2020 not available

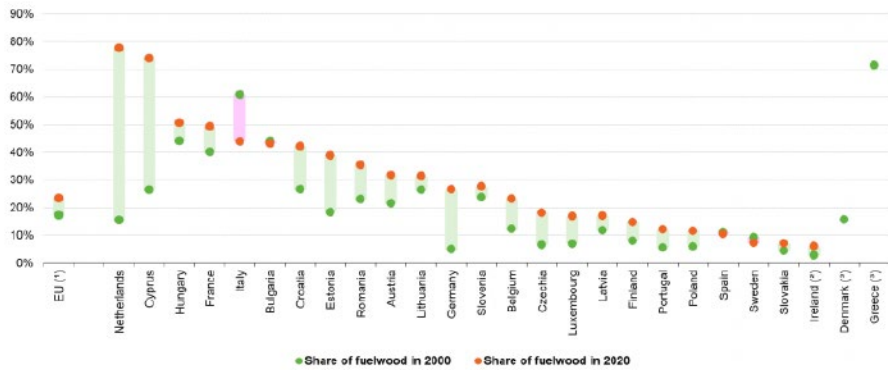
Source : Eurostat (online data codes: for_remov)

eurostat 

Wood has been increasingly used as a source of renewable energy. Almost a quarter (23 %) of the EU's roundwood production in 2020 was used as fuelwood, while the remainder was industrial roundwood used for sawnwood and veneers, or for pulp and paper production. This represents an increase of 6 percentage points compared to 2000, when fuelwood accounted for 17 % of the total roundwood production. In some Member States, specifically the Netherlands, Cyprus and Hungary,

fuelwood represented the majority of roundwood production (more than 50 %) in 2020. On the other hand, Slovakia and Sweden reported that over 90 % of their total roundwood production was industrial roundwood. While the share of fuelwood in roundwood production differs across EU countries, most Member States reported its increase since 2000. The largest increase was recorded for the Netherlands (62 percentage points) and Cyprus (47 percentage points) as shown in Figure on next page.

Change in the share of fuelwood in total roundwood production in the EU, 2000–2020
(%)



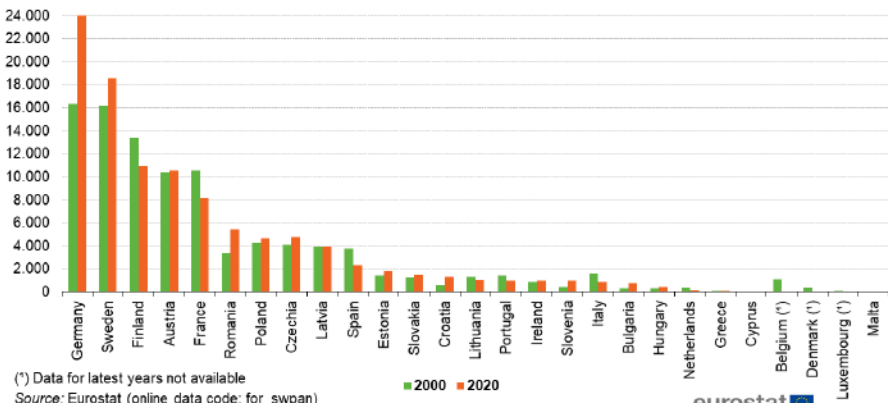
(*) Data for Czechia, Denmark, Greece and Ireland for the EU aggregate for 2020 were estimated
 (†) Shows comparison for 2000 - 2018; data for 2020 and 2019 not available
 (‡) Data for the latest years not available
 Data for Malta not available
 Source: Eurostat (online data code: for_remove)



Traditionally, the output of roundwood in the EU has been dominated by coniferous trees. In 2020, coniferous trees accounted for 69 % of all roundwood harvested in the forests and other wooded land of EU countries. Although the output of coniferous roundwood shows minor fluctuations, the output of non-coniferous roundwood has been steady over the past couple of decades, and overall, the share of coniferous roundwood has remained stable in 2000–2020.

The total output of sawnwood across the EU increased by approximately 11 % from 2000 to 2020, reaching 108 million m³ in 2020. Germany and Sweden were the EU’s leading sawnwood producers in 2020, accounting for approximately 24 % and 17 % of the EU total sawnwood output, respectively, see Figure below.

Sawnwood production, 2000 and 2020
(thousand m³)



(*) Data for latest years not available
 Source: Eurostat (online data code: for_swpan)

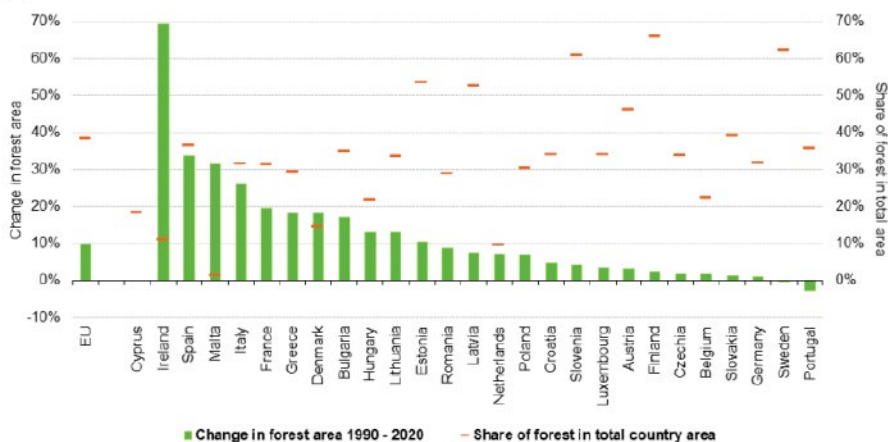


Forests, forestry and logging

The European Union (EU) accounts for approximately 5 % of the world's forests and, contrary to what is happening in many other parts of the world, the forested area of the EU is slowly increasing. European forests are an important factor in mitigating climate change. Socio-economically, forests vary from small family holdings to

state forests or to large estates owned by companies, but they also provide a wide range of ecosystem services, most of which are not recorded by economic accounts and statistics, such as carbon sequestration, protection of soil from erosion or providing opportunities for recreation.

Forest area in the EU, 1990–2020
(%)



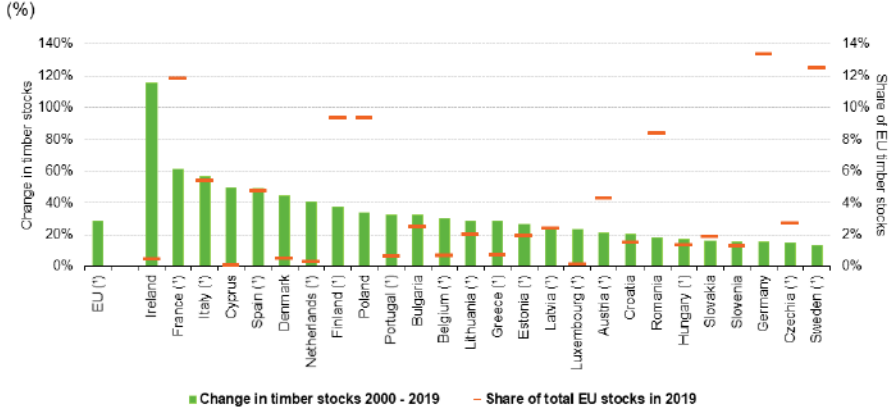
Note: Data for 2020 are estimates. Data for Cyprus for 1990 are not available. Data for France refer to metropolitan France.
Source: FAO, Eurostat (online data codes: for_area_efa and reg_area3)

eurostat

In 2020, the EU had an estimated 159 million hectares of forests (excluding other wooded land) and their area has increased by almost 10 % since 1990. Forest area increased in all EU countries with the exception of Sweden, where a small decrease by 0.3 % was estimated, and Portugal, where forest area decreased by 3 % in the period of 1990–2020. The largest increase took place in Ireland (69 %), Spain (34 %) and Malta (31%); however, in Ireland and Malta forest covers only a small share of land, 11 % and 1 %, respectively, as shown in Figure 1. Of countries where forests cover at least

half of the national territory, Estonia and Latvia reported the biggest increases in forest area (11 % and 7 %, respectively) in 1990–2020. In absolute terms, the largest increase of forest area is estimated to have taken place in Spain (4.7 million ha), France (2.8 million ha) and Italy (2.0 million ha).

Growing stocks of timber in EU forests, 2000–2019



(*) Data for 2019 are estimates.

Note: All data for 2000 are estimates. Data for France refer to metropolitan France. Malta: not available.

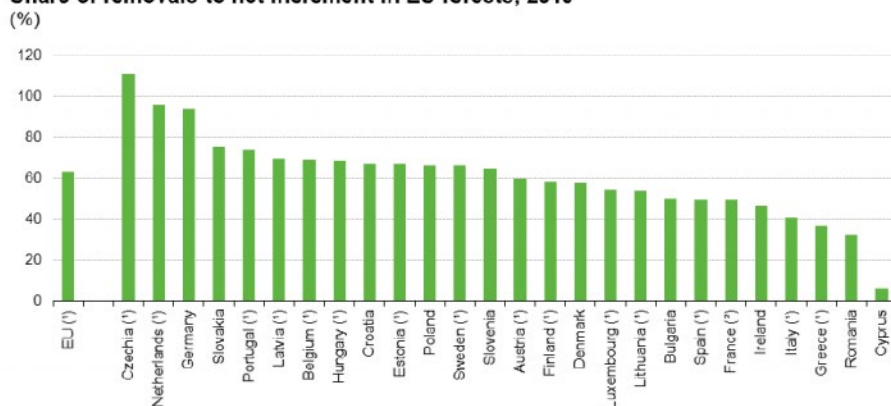
Source: Eurostat (online data code: for_vol_efa)

eurostat

The growing stocks of timber in the EU's forests totalled an estimated 28.4 billion m³ (over bark) in 2019. Germany accounted for the largest share of this (13.4%), followed by Sweden (12.5%), and France (11.8%). Growing stocks of timber in EU forests increased in every Member State giving a 29% growth at the EU level in the period of 2000–2019. The largest increase was estimated for Ireland (115%), France (61%) and Italy (57%), while, at the other end of the spectrum, a much more moderate increase was estimated for Sweden (13%) as well as Czechia and Germany (15% each).

In total, estimated 63% of the net annual increment in EU forests was removed by the logging industry in 2019, the net increment being defined as 'the average annual volume growth of timber less the average (recurring) annual mortality'. Removals in three countries exceeded 90% of the net increment in 2019: Czechia (111%), the Netherlands (96%) and Germany (94%) (data for the two first countries are estimates). By contrast, 6% of the net increment was logged in Cyprus in 2019.

Share of removals to net increment in EU forests, 2019



(*) Data are estimates.

(**) Data refer to metropolitan France and only forest available for wood supply.

Note: Increment refers to the volume of wood grown less average annual mortality. Removals are measured overbark. Malta: not available.

eurostat

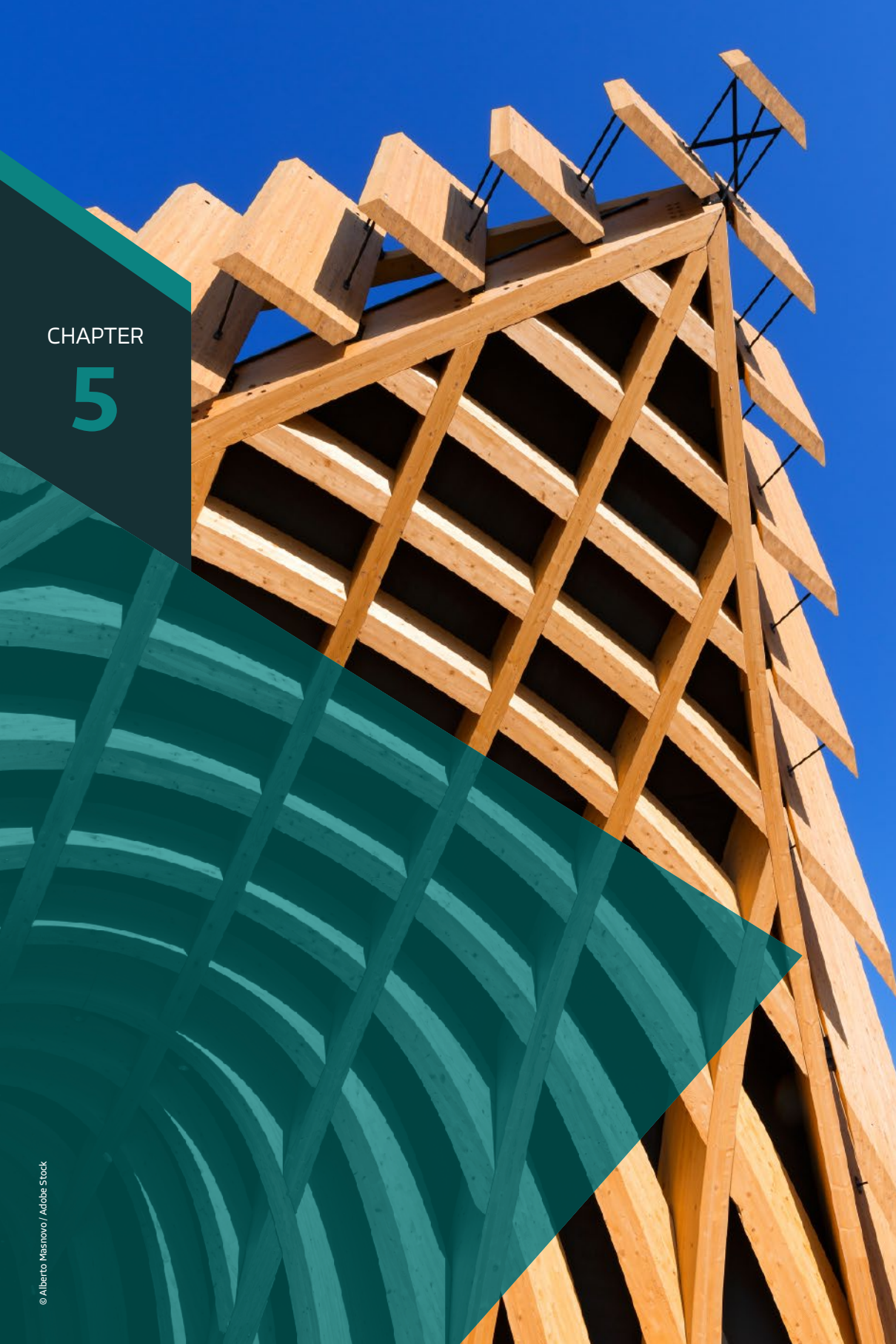
Global production and trade in forest products in 2020

Product	Unit	Production				Exports			
		2020	Change (%) compared to:			2020	Change (%) compared to:		
			2019	2000	1980		2019	2000	1980
Roundwood	million m ³	3 912	-1%	12%	25%	140	-2%	19%	50%
Wood fuel	million m ³	1 928	-1%	7%	15%	6	-15%	79%	
Industrial roundwood	million m ³	1 984	-2%	17%	37%	134	-1%	17%	43%
Wood pellets and other agglomerates	million tonnes	50	3%			31	6%		
Sawnwood	million m ³	473	-3%	23%	12%	153	-3%	34%	118%
Wood-based panels	million m ³	367	-1%	107%	280%	88	-2%	67%	490%
Plywood	million m ³	118	2%	103%	200%	28	-6%	60%	326%
Particle board, OSB and fibreboard	million m ³	250	-2%	109%	335%	60	0%	71%	622%
Wood pulp	million tonnes	186	-2%	9%	48%	69	1%	80%	226%
Pulp from fibres other than wood	million tonnes	11	-1%	-26%	55%	0.4	7%	15%	79%
Recovered paper	million tonnes	229	-1%	59%	352%	45	-8%	83%	716%
Paper and paperboard	million tonnes	401	-1%	24%	137%	111	-2%	13%	218%
Forest products value	US\$ billion					244	-10%	68%	331%

Source: FAOSTAT-Forestry database

CHAPTER

5



Overview of CEI-Bois' Main Advocacy Actions

5.1. Wood promotion



We are a responsible Industry

Brussels, 26 November 2021

PRESS RELEASE: Wood industry aims to double the amount of timber used annually in the European built environment by 2050

The European Confederation of the Woodworking Industry held its winter 2021 General Assembly on Friday 26th November 2021 in an online format.

During the meeting CEI-Bois presented its [Advocacy Report](#), a comprehensive overview of its activities undertaken in 2021.

Mr Sampsa Auvinen the Chair of CEI-Bois ended the Advocacy Report by looking to the future and noting:

"We see significant potential to increase the amount of wood used in both new build and renovation. Currently 0.5Gt of CO2 equivalent is taken out of the European forest each year in the form of sustainable timber, of which we believe approximately 15% ends up in Long Life Harvested Wood Products. CEI-Bois thinks we should be aiming to at least double this figure by 2050 so that wood can play its full role in tackling climate breakdown by making a significant contribution to decarbonising the built environment. There is a very simple way to respect the environment and to preserve it for future generations: simply by choosing wood products one reduces greenhouse gas concentrations in the atmosphere which has great benefits for the environment."

The Assembly was addressed by guest speaker architect Anthony Thistleton of Waugh Thistleton Associates an architectural practice based in London specialising in building in wood. Earlier this month, on the eve of the COP in Glasgow, his colleague, architect Andrew Waugh launched the [GLOBAL WOOD MANIFESTO](#), produced by a collaboration of European, North American, Australian and New Zealand wood and forestry organisations led by CEI-Bois. The manifesto makes the case for a significant increase in the use of wood in both construction and renovation as **the only sustainable structural material that grows worldwide which can enable a substantial decarbonisation of the built environment** - based on existing business models and proven technology; providing vast carbon sinks in our rural areas and carbon stores in our cities.

During the General Assembly, Anthony Thistleton challenged CEI-Bois members to:

"Accelerate the production of Cross Laminated Timber to have the capacity to drive the timber revolution. Timber is not only good for the environment timber is the way out of the climate crisis. The Woodworking Industry must work together more than ever to help deliver clear and simple messages that can correct existing misperceptions"

The Assembly also ratified the composition of the CEI-Bois Board Members for the year ahead (the full list is available [here](#)) and welcomes a new staff member Mr Sonda.

For any additional information please contact: info@cei-bois.org

The European Confederation of Woodworking Industries represents 22 European and National organisations from 16 countries and is the body backing the interests of the whole industrial European wood sector: more than 180.000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

5.1.1. Wood Manifesto – Growing our low-carbon future:

Last November 2021, UK hosted the UN Climate Change Conference, COP26, in partnership with Italy. The COP26 brought together world leaders to commit to urgent global climate action. On this occasion the global Woodworking Industry have highlighted the key role wood and wood-based products can play in achieving global Net Zero CO2 emissions by

2050. The focus of our global advocacy message at COP26 was that wood has a key role to play in decarbonising the built environment especially via the 'new' engineered timbers that enable wooden buildings to be constructed at height and on a large scale. These structures can both substitute for carbon intensive materials and store carbon.



On the occasion of the COP26, CEI-Bois launched its *timber manifesto* at the Royal Institute of British Architects, London.





29 October 2021

New manifesto calls for greater use of wood to help prevent climate breakdown

To avert the worst effects of climate change, the global forest and timber industries are calling on politicians to urgently support the scaling up of the use of wood in a new manifesto.

The manifesto, [‘Growing our low-carbon future: Time for Timber’](#), sets out the case for how we can make greater use of wood to transform our built environment, which currently is responsible for approximately 40% of global energy related CO₂ emissions.

Achieving net zero CO₂ emissions by 2050 requires construction to rapidly decarbonise whilst still meeting the needs of a growing urban population, the increasing demand for new buildings, and the urgent requirement to renovate existing buildings.

Wood is the only sustainable structural material which can enable a substantial decarbonisation of the built environment based on existing business models and proven technology; providing vast carbon sinks in our rural areas and carbon stores in our cities.

Wood is a naturally renewable material which:

1. **Sequesters** carbon in forests as trees grow.
2. **Stores** carbon in harvested wood products.
3. **Substitutes** for carbon intensive materials such as steel, concrete and plastics.
4. Drives **Sustainable** forest management leading to greater growth.
5. Contributes to a **Circular** economy as wood products can be reused, recycled and recovered for low-carbon energy at end-of-life.

The manifesto, which is available for download [now](#), was launched at 12:00 BST on 28 October 2021 during the Royal Institute of British Architect’s *Built Environment Summit* to a global audience.

Speaking at the launch of Time for Timber, Andrew Waugh of Waugh Thistleton Architects said:

“Wood and wood-based materials offer solutions based on existing business models and proven technology. This is ‘carbon capture and storage’ in action now – with no further research or technological breakthroughs needed.

“Sequestration in the forest and storage in the wood is a win-win, as at the same time as we capture and store, we are also substituting for fossil fuel-based materials. And with multiple trees planted for every one which is harvested, it is sustainable.”



Paul Brannen, director of public affairs for CEI-Bois and EOS added:

“The primary purpose of the Time for Timber manifesto is to convey to those attending the COP26 in Glasgow that wood is the key material that can decarbonise the built environment both quickly and at scale.”

“We will now be taking this manifesto to Glasgow with our international partners, which include the UK, Europe, Canada, the USA, New Zealand and Australia, to call on politicians to implement the recommendations and take action now.”

David Hopkins, chief executive of the Timber Trade Federation, said:

“As it stands the world is on track for catastrophic global heating. We need to rapidly decarbonise. Yet we find many of the promises from government reliant on unproven technologies to prop up existing, polluting industries – this cannot be acceptable.

“Going into COP26 the case for embracing the forest and timber industries has never been stronger or more urgent. Wood products can create better livelihoods for millions, and a built environment which works in harmony with nature.”

The five recommendations included in the report seek to rapidly scale up the global forestry and timber industries and enhance the ability of the supply chain to minimise CO₂ emissions across the lifecycle of any wood product:

1. Embed mandatory lifecycle assessments and embodied carbon thresholds within local and national building plans.
2. Increase the use of wood within new build and renovation.
3. Drive the growth of the bio-based circular economy through sustainable public procurement.
4. Facilitate resource efficient use of wood and wood recycling, especially collection and sorting in municipalities, and develop measures to gain access to post-consumer wood, an invaluable secondary raw material resource.
5. Increase training to upskill workers and create new jobs to boost the development of a sustainable and circular bioeconomy.

If you would like to learn more and get your hands on a physical copy of the manifesto, join the [World of Wood Festival](#), a six week celebration of global timber and global forests, which is taking place both physically in London, as well as digitally worldwide.

ENDS

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5.1.2 The Woodworking Industries and the New European Bauhaus

The New European Bauhaus is a creative and interdisciplinary initiative, convening a space of encounter to design future ways of living, situated at the crossroads between art, culture, social inclusion, science

and technology. It brings the Green Deal to our living places and calls for a collective effort to imagine and build a future that is sustainable, inclusive and beautiful for our minds and for our souls.

“I want NextGenerationEU to kickstart a European renovation wave and make our Union a leader in the circular economy. But this is not just an environmental or economic project: it needs to be a new cultural project for Europe.” - Ursula Von der Leyen



Europe's Woodworking Industries have warmly welcomed the launch of the design phase of The New European Bauhaus initiative and the accompanying website in a joint press release together with Forest-based Sector Technology Platform, European Parquet Federation and the European Sawmill Organisation. Aimed at bringing the European Green Deal to life in an attractive, innovative and human-centred way the New European Bauhaus will have an initial five projects, two of which are of particular interest to Europe's

Woodworking Industries, namely natural building materials and energy efficiency.

Commenting on the launch: **Silvia Melegari, Secretary General, CEI-Bois & EOS:**

“This is a welcome initiative from the European Commission and we will be encouraging our members from across Europe to join the conversation to ensure we have a sustainable but also a beautiful future, two key attributes of the New European Bauhaus that wood products can help deliver.”

The European wood-based sector launched the Wood Sector Alliance for the New European Bauhaus (www.wood4bauhaus.eu) to establish an open platform of stakeholders. The WOOD4BAUHAUS alliance was confirmed by the European Commission as an official partner of the New European Bauhaus on the 30 of March 2021.

This sectoral alliance is initiated by several umbrella organisations: the InnoVAWood EU network for wood research, innovation and education, the European Wood-Based Panel Federation (EPF), the European Confederation of Woodworking Industries (CEI-Bois), the European Federation of Building and Woodworkers (EFBWW) and the European Organisation of the Sawmill Industry (EOS). It has also the support of the Horizon 2020 project consortia BASAJAUN and WoodCircus.



Ursula von der Leyen, President of the European Commission mentioned the sustainability benefit of using timber while speaking about the European Bauhaus initiative, at the event “Building Green Copenhagen” on the 4 of November 2021.

In her speech the European Commission President spoke about the need to change the way we build and renovate and defining the new aesthetic of sustainability. More precisely she stated the following about timber:

“Today, the new challenge of construction is sustainability. And you know this better than anyone else. You are rediscovering natural materials such as timber and bamboo – using them to build entire hotels or even skyscrapers. You are turning buildings from one of the biggest sources of emissions into carbon sinks. You have come up

with modular construction systems that are cheaper than concrete, and which reduce a building’s carbon footprint by two thirds.”

In her speech she also insisted on the need to reconnect with nature, and it is part of who we are as human beings. And it is essential for our health – both physical and mental.

Festival of the New European Bauhaus



The European Commission invited organisations, art collectives, institutions, universities, architects, cities, regions, companies, artists, students, scientists, innovators and all interested people to be part of the first Festival of the New European Bauhaus that took place in Brussels from 9 to 12 June. This first edition of this festival was the occasion to showcase the values and principles of the New European Bauhaus.

The significant role for sustainable wood was discussed within both the New European Bauhaus and the wider strategy to tackle climate change at a high-level meeting held 9 June 2022 in the Vatican. Hosted by the Pontifical Academy of Science and Bauhaus Earth, the event also featured the Wood4Bauhaus Alliance.



“Sustainably harvested timber can reduce a building’s carbon emissions by up to 60%. Pope Francis is so right when he says that ‘humans are not meant to be inundated by cement and steel’. Building more with natural elements, like wood, is both good for the planet, and good for the wellbeing of people.”

***– Ursula von der Leyen,
President of the European Commission***



In July 2022 the European Parliament published a report on the New European Bauhaus welcoming the NEB initiative, which aspires to create a pan-European cultural movement that will contribute to a smarter, more sustainable, inclusive and enjoyable living environment and foster local and global knowledge. The report emphasises that it must primarily focus on improving the quality of people's lives by creating healthy and affordable living spaces, rethinking the status quo and transforming the spaces, buildings, cities and territories in which they live, including in less developed, suburban, rural, remote or cross-border areas and regions, in line with the Urban Agenda for the EU and building on the successful work

carried out by URBACT, while improving coexistence and public space for social and territorial cohesion and democratic life, addressing the spatial segregation and historical exclusion of social groups and protecting the environment during the planning and construction of buildings and surrounding spaces. The report also acknowledges that during the first years of its existence, the NEB has not been able to reach all EU countries and interested parties within them and urges the Commission and the Member States to raise awareness about this initiative and to improve the coordination between all levels of governance, which should have timely and equitable access to information, opportunities and funding.



Brussels 14 September 2022

Press release

Wood4Bauhaus Alliance welcomes the European Parliament’s Report on the New European Bauhaus

Today’s adoption by the European Parliament of their Report on the New European Bauhaus is a welcome move. The Report is the work of the ITRE and CULT committees via the rapporteurs Christian Ehler MEP and Marcos Ros Sempere MEP.

The Wood4Bauhaus Alliance is especially pleased with paragraph 22 on page 12 which reads: *“Stresses the importance of transforming, upgrading and retrofitting the existing building stock, including poorly planned and constructed buildings erected by totalitarian regimes, of **applying nature-based solutions such as wood and of reducing waste and increasing durability, re-usability and circularity in the built environment**; insists that this should include favouring renovation and adaptive re-use over demolition and new builds, as appropriate, removing barriers related to the handling and transport of waste **as well as raising people’s awareness about embodied and stored carbon in materials to enable them to make informed choices**”.*

In addition, the Wood4Bauhaus Alliance is pleased to see that the Members of the European Parliament recognise once again the climate benefits of building and renovating with wood. The choices that we make when we choose a material have a direct impact on the climate as their production is an important source of greenhouse gases (GHGs).

Construction accounts for 40 per cent of the GHG emissions from global materials production in terms of material use with a climate impact. Changes in the design, construction, maintenance and demolition of buildings can reduce the amount or carbon intensity of construction materials required, decrease the energy used during a building’s operation, extend a building’s lifetime and make materials and components available for reuse or recycling. There is significant potential to reduce emissions through substitution of materials with wood and wood fibre. Plant-based materials tend to cause less CO2 in their production and store carbon during their use.

In line with the European Parliament, the Wood4Bauhaus Alliance supports the call of the Parliament to the Commission and the Member States to connect the New European Bauhaus to the Renovation Wave. Renovations that substantially reduce energy use and GHG emissions in buildings while improving comfort for their occupants must be prioritised.





To this end research should be encouraged into green buildings and green materials and techniques that contribute towards sustainable construction and that also bring other benefits to building owners and users. The Wood4Bauhaus Alliance wants to contribute towards lower development costs, lower operating costs, healthier indoor environment quality, improved comfort and enhanced durability.

Finally, the Wood4Bauhaus Alliance is also pleased to see that the Members of the European Parliament recognise the importance of investing in skills and education of employees, apprentices and students (Point 24, page 12). The New European Bauhaus Initiative can only grow and expand when employees have up to date and modern skills and qualifications – starting from quality education in vocational and company-based training as well as higher education.

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The EU Commission invited the Wood4Bauhaus Alliance to organise a side event on occasion of the European Bioeconomy conference that took place on 6 and 7 October both in Brussels & online.

This event was also the perfect occasion to further disseminate the booklet **“Timber: Building the bioeconomy”**.

On the 7th of October, the Wood4Bauhaus Alliance, an official partner of the New European Bauhaus, hosted its side event at the High-Level EU Bioeconomy Conference. The event addresses the immense climate benefits of using more nature-based ma-

terials, such as wood and other biomaterials, in the built environment. Long-life, circular products can drastically diminish the carbon emissions of the building stock in Europe.

Four success stories of nature-based solutions contributing to a more resilient, self-sufficient European bioeconomy were presented, and their role for the New European Bauhaus discussed. Keynotes included speakers from built by nature, Stora Enso, the New European Bauhaus and the European Panel federation.



Brussels 10 October 2022

Press release

Building the bioeconomy with nature-based materials and solutions within the New European Bauhaus

Report from the Wood4Bauhaus Alliance side event held Friday 7th October at the High-Level EU Bioeconomy Conference, 'Bioeconomy - Enabling the European Green Deal in Challenging Times' 6-7th October, Brussels

This side event was held at the request of the European Commission to highlight the potential climate benefits of using more nature-based materials, such as wood and other biomaterials, in the built environment within the context of the New European Bauhaus. Long-life, low-carbon, circular products can drastically diminish the carbon emissions of Europe's building stock. Nature-based solutions will thus be key to achieving a more resilient, self-sufficient European bioeconomy.

The event was hosted by the [Wood Sector Alliance for the New European Bauhaus - wood4bauhaus](#) an official partner of the New European Bauhaus, which drives change in the building sector, supports the co-creation of innovative solutions and helps to make the transition to sustainable living a widespread, powerful movement.

Four speakers explained how the bioeconomy can be built with nature-based materials and solutions within the setting of the New European Bauhaus (NEB):

Borut Cink, European Commission's Joint Research Centre, explained that the NEB was keen to foster and co-create nature-based solutions and "*that the President of the Commission, Ursula von der Leyen, sees the New European Bauhaus as the soul of the Green Deal.*" Cink pointed out that they are undertaking regulatory analysis to identify obstacles to the NEB, including with regards the use of new materials, and the first report will be available in the autumn.



© Wood Sector Alliance for the New European Bauhaus | Wood4Bauhaus.eu

Basajaun has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement no. 862942.



2 | 3

Olivier Vuylsteke, Chief Investment Officer at Nextensa, spoke about the paradigm shift that is now underway in the construction sector as it rediscovers wood as a building material. Using the example of his own company he explained how they were “*working to decarbonise the buildings in their portfolio*”, an approach “*in line with the values of the New European Bauhaus*.” He explained it had been necessary “*to do some convincing to move away from the traditional build approach*.” Vuylsteke highlighted their new build timber office block close to EU Parliament on Rue Montoyer, the first of its kind in Brussels, which had been erected quicker than a normal build and with considerably lower climate emissions [Monteco \(nextensa.eu\)](https://www.nextensa.eu)

Clive Pinnington, Managing Director of the European Panel Federation, highlighted the potential of wood insulation materials both within the Renovation Wave and the NEB. “*With energy prices rocketing the number one recommendation is 'insulate your loft'. Yet, only 1% of insulation materials are currently nature-based, the other 99% are all fossil fuel based. This needs to change and, as European Commission Vice-President Frans Timmermans highlighted when addressing the Bioeconomy Conference earlier today, wood-fibre is the sustainable material that can do this and additionally it will safely store carbon.*”

Lauri Linkosalmi of StoraEnso spoke about building solutions with wood being a leading driver for the bioeconomy. “*Wood is an existing solution. It is lightweight and can be fabricated and deployed quickly and has many applications. Everything that's made from fossil-based materials today can be made from a tree tomorrow.*” By way of example he referenced wooden wind turbine towers made with laminated veneer lumber (LVL), which proportionate to their weight are stronger than steel.

Uwe Kies, Secretary General of InnovaWood, chaired the event.

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5.1.3 CEI-Bois joins the WOODRISE Alliance



The WOODRISE Alliance is a collection of organizations whose objective is to form a global network on innovation and research and development to improve and promote mid-rise and high-rise wood buildings.

CEI-Bois is a long-time advocate for the use of **wood in construction and renovation** and supporter of **innovative wood-based materials and building concepts**. Timber products and a large variety of

wood-based materials are increasingly being used in carbon and energy efficient construction.

In becoming part of the WOODRISE Alliance CEI-Bois looks forward to partnering with other important actors across Europe in order to strengthen this important network on innovation and development and contribute to the promotion and development of low-carbon construction and timber buildings.



InnoRenew CoE and University of Primorska were awarded “WOODRISE 2022” and therefore hosted one of the most influential world conferences in the field of contemporary sustainable construction, in Portoroz (Slovenia). The event took place from 6th to 9th of September 2022 and gathered renowned speakers from across the world who showcased the best global practices in timber engineering and architecture with the aim to promote sustainable transformation and development of the construction

sector. The congress focused on the topics of renovation, rehabilitation, and restoration of existing urban buildings with the use of wood-based technologies and reflected all that the European Green Deal and the New European Bauhaus stand for.

SAVE-THE-DATE: 17-20 October 2023!

The WOODRISE will meet in Bordeaux, France for an outstanding conference on wooden buildings.

5.1.4 Speaking about wood!

A. Unlocking the Green Growth Endorsed by the European Woodworking Industries – WoodCircus Key Messages and Policy recommendations:

The transition towards the circular bioeconomy requires dedicated engagement from all stakeholders on European, national and regional levels. With its six Maxims, WoodCircus calls on European leaders in industry, policy, and the community to make transformative change by developing, supporting, and implementing strong policies and practices that underpin the vital role of the Woodworking Industries in green growth and carbon neutrality.

Among the speakers **CEI-Bois' President Mr Sampsa Auvinen** highlighted the key role of wood in decarbonising the economy, which requires a major shift towards circular and carbon neutral production processes, products, construction, and material use. European Woodworking Industries are pioneers of circularity and carbon neutrality. Circular practices are applied throughout entire wood-based value chains via processing and material efficiency, circular



The WoodCircus Policy event was organised on the 1st of December 2021 in a hybrid form and was moderated by Mr Paul Branen, CEI-Bois/EOS Public Affairs Director.

design, and well-implemented reuse and recycling strategies.

B. Unlocking the future: EU industrial ecosystems on the path to the green and digital transition

The EU Industry Days is Europe's flagship annual event, highlighting industrial frontrunners and ongoing industrial policy discussions whilst improving the knowledge base of European industry. It is the main platform to discuss industry challenges and co-develop opportunities and policy responses in an inclusive dialogue with a wide range of stakeholders.



The 2022 edition took place in hybrid format in Brussels between 8 - 11 February 2022, with stimulating discussions across industrial ecosystems on their green and digital transition, in support of strengthening the resilience of EU companies.

On the 11 of February, the Woodworking industries endorsed the green growth for a climate positive economy and society in Europe! Taking part at the EU Industrial Days, the European Wood industries explained how it is possible to achieve a green and sustainable lifestyle while reducing environmental footprint, simply using wood. Supporting long-lived wood products goes hand in hand with supporting active forest management, including the production and consumption of other sustainable wood-based products such as hygiene products, paper and packaging, which are equally necessary to achieve EU carbon neutrality objectives.

C. CEI-Bois attended the 2nd Public Hearing on the New European Bauhaus that took place on the 20 of April 2022

During the hearing, the two co-rapporteurs, Christian Ehler (ITRE) and Marcos Ros Sempere (CULT), presented the draft own-initiative report on the New European Bauhaus Initiative. The initiative takes up the objectives of the European Green Deal to find tangible, sustainable, beautiful and inclusive solutions to improve our daily lives. The hearing was opened by a video message from Commission President Ursula von der Leyen.

Further, the debate was enriched by the participation of four experts from the energy, educational, private sectors and local government. In addition to ITRE and CULT Members, those from REGI and EMPL were also invited to the event.

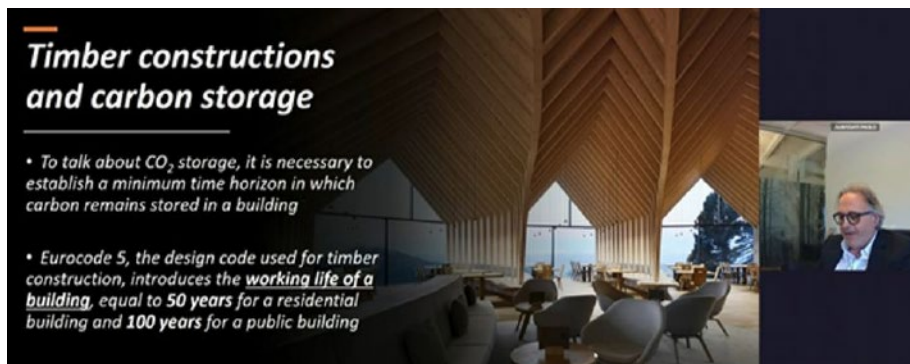
A presentation was made by Paolo Subissati, Chief Executive Officer and Chairman, SUBISSATI SRL on Timber construction, evoking the carbon storage benefit of using wood in construction.

D. Paul Brannen: Is the Swedish forest industry ready for the future? by Fredrik Reute (extract)

Former MEP and Director of Public Affairs at CEI-Bois, Paul Brannen was a guest at the Forest Industries' "Forum for bioeconomy". His presentation stood out among the "usual" talk about the role of forests for welfare, instead he spoke on how the forest can be involved and contribute to reaching the 2050 net-zero climate goal.

Building in wood is an open goal (Win-Win-Win)

Although Brannen said early in his talk that the most climate-smart building is the one that already exists, (meaning that it is not good for the climate to demolish old



Timber constructions and carbon storage

- To talk about CO₂ storage, it is necessary to establish a minimum time horizon in which carbon remains stored in a building
- Eurocode 5, the design code used for timber construction, introduces the **working life of a building**, equal to **50 years** for a residential building and **100 years** for a public building

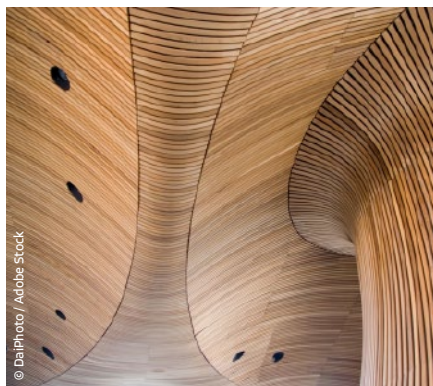
buildings to make way for new ones), he pointed out that running buildings and their construction contribute 40 % of the earth's global emissions of fossil greenhouse gases. Concrete alone accounts for 8%.

Converting and building more in wood is a double win (perhaps triple because the industry antagonists can join in on this) as you reduce emissions during construction and at the same time as you build you store carbon into planks and boards. Furthermore, he said that building in wood today is not a problem either with height or fire risks. The more we do it the more we help save the climate and that there are business opportunities for us here.

Paul Brannen: wooden construction can boom

CEI-Bois, led by Brannen, is now lobbying hard the EU institutions for an increased use of wood in construction., The UN predicts that there will be 2 billion more people in 2050 and they will all need somewhere to live. If we don't start building more in wood, there is a risk, according to Brannen, that we will build our own graves (in concrete).

Estimates within the EU state that 190 million houses must be renovated before 2050. Here, too, it would be a clear advantage to renovate for instance with climate-neutral insulation materials, preferably wood insulation from the forest.



Using more wood also becomes like a natural and constantly functioning Carbon Capture and Storage (CCS). Brannen believes in the long term that technical CCS as an industry can work, but it will take time.

The facilities that are in operation today do not work well and are very expensive. Meanwhile we already have the tried and proven CCS of the forest via photosynthesis. It delivers every day (not night) during the growing season.

A war economy is needed to tackle climate change

According to Brannen, quickly changing every single new building from concrete and steel to wood is not realistic. Something that is reasonable, however, is that longer term wood can take 50% of the construction pie and thereby contribute to reducing greenhouse gas emissions in the construction sector. Brannen used the word war economy as the example that if you really want and need something, you can succeed.

An example is that if Sweden today has 4 factories for engineered wood, 40 will soon be needed. He then asks the audience if they are ready for the changeover. Considering the response, the answer can be: no!



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5.2 Sustainability and Forests-Related Issues

5.2.1 CEI-Bois' involvement in the developments surrounding the revision of the LULUCF Regulation

On the 14th of July 2021, the European Commission adopted the proposal for a Regulation amending Regulations (EU) 2018/841 as regards the scope, simplifying the compliance rules, setting out the targets of the Member States for 2030 and committing to the collective achievement of climate neutrality by 2035 in the land use, forestry and agriculture sector, and (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review (“LULUCF Regulation”).

Among the main changes envisaged are to merge, as of 2030, the LULUCF sector with the non-CO₂ agricultural sector in a new climate pillar, which would have to achieve climate neutrality by 2035. Moreover, by 2030, LULUCF carbon removals would have to increase to 310 million tonnes of CO₂ equivalent (CO₂eq). For the post-2025 period, the Commission would set individual targets for each Member State. Also important is the provision proposing to introduce new categories of carbon storage products in addition to the harvested wood products.

Following a lengthy legislative process, **the European Parliament voted during its plenary meeting in June 2022 in favour** of the Report on the Commission's proposal, put forward by the Rapporteur, MEP Ville Niinistö (Greens), on behalf of the European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI), which was the responsi-



ble committee on this dossier. Given that the Environment Council also adopted its General Orientation on the proposal in June 2022, the piece of legislation moved to the subsequent stage of the interinstitutional trilogue between the EU institutions, which is currently ongoing.

In view of the European Parliament's workings on this dossier, **CEI-Bois together with EOS held a virtual meeting with the ENVI Rapporteur, MEP Niinistö**, on the 10th of January 2022. Moreover, in February 2022, **CEI-Bois prepared and submitted to the Members of the European Parliament several amendments** to the Commission's proposal.

Additionally, on the 25th of January 2022, **CEI-Bois and the other members**

of the Forest-based Industries and Forestry Sector partners issued their Considerations on MEP Niinistö's Draft Report on the LULUCF Regulation. While supporting the Rapporteur's proposal not to bring emissions from agriculture into the LULUCF sector, concerns were expressed regarding the overall approach of over-prioritising carbon sinks over cutting fossil emissions, the increased EU wide carbon removal target of 490 Mt of CO₂eq, the suggestion not to extend the harvested wood products category to other carbon storage products, or the attempt to encompass other policy areas such as biodiversity within a Regulation meant to limit itself at setting an accounting framework for carbon emissions and removals. Copy of the Considerations is here reported.



Considerations of the EU forest-based sector on the report of the amended LULUCF regulation

European forests and the forest-based sector play a key role in achieving the EU climate neutrality target by contributing to fossil-free bioeconomy while keeping forests healthy due to active, sustainable forest management. This is why the forest-based sector in Europe is closely following the discussion on the proposal for a new Regulation on the accounting of greenhouse gas emissions and removals from Land Use, Land Use Change and Forestry (LULUCF).

Forest owners, managers and the forest-based industries in Europe have analysed the draft report proposed by MEP Ville Niinistö (FI/Greens) and would like to share some considerations.

The European forest-based sector supports the idea of not bringing emissions from agriculture into LULUCF (Amendment 26). Since the LULUCF and agriculture sectors are very different in terms of greenhouse gas emissions and removals, the merge of agriculture, forestry and land use could lead to the forest sector offsetting emissions from other sectors. To reach ambitious climate targets, all sectors need to do their share and forests' role should not be compensating emissions from other sectors.

At the same time, the European forest-based sector wants to raise several concerns regarding the draft report:

- The general approach of overprioritizing carbon sinks over cutting fossil emissions would not only undermine the ongoing climate change mitigation and adaptation efforts in the long term, but could also turn forests into a source of emissions as unmanaged forests are at higher risk in terms of natural disturbances. Discouraging forest owners and managers from managing their forests would also have negative impacts on the supply of wood products, wood availability and job creation in rural areas. The European forest-based sector is therefore calling for a comprehensive impact assessment where the economic and social aspects of the new LULUCF regulation are also assessed.
- Amendments (8, 10, 28, 30, 57, 74): The proposed level of an EU wide carbon removal target of 490 Mt of CO₂e_q would mean leaving substantial part of the forests unmanaged and postponing necessary, well-planned forest management operations as well as reducing renewable materials needed to meet the challenge of decarbonising the European economy

by substituting fossil-based materials. Already to keep the current level (-268Mt) of EU carbon removals by 2030, some Member States may have to decrease their harvesting levels which could have severe consequences on the economic viability of the entire sector, including on land tenure and local forest owners' and managers' engagement to manage their forests. In addition, it brings uncertainty for investors in the view of developing and growing wood-based bioeconomy. To acknowledge the fact that forests and forest-based industries help to adapt to and mitigate climate change, the EU wide carbon removal target should be set out in a more realistic way and thus recognise the true climate potential of forests also after 2030.

- Amendments (36, 37): The European forest-based sector regrets that the draft report would discourage the storage of carbon in wood products and hamper the replacement of fossil-based materials by not extending the Harvested Wood Products category to other Carbon Storage Products. This approach would not support the bioeconomy nor the objective of incentivising the use of wood products over fossil materials which is a key factor in moving from high-carbon products to low-carbon forest-based products. Representatives of the sector do not understand the rationale behind this proposal and are calling to at a minimum maintain the extension proposed by the Commission. Ideally the Commission should ensure that all relevant bio-based product categories are included in a robust and coherent framework for carbon storage and removals and develop a methodology to account for the positive substitution effects of bio-based products.
- Amendments (13, 34, 35): The LULUCF regulation should not be extended to encompass other policy areas such as biodiversity, but focus on its main objective to set an accounting framework for carbon emissions and removals. The forest-based sector in Europe would like to remind about the ongoing work on biodiversity-related topics, in particular the implementation of the EU Biodiversity Strategy for 2030 and the Taxonomy regulation, and the challenges related to the vague definitions mentioned in the draft report by MEP Niinistö, including "closer-to-nature forestry" and "do no significant harm". Also the work on defining "primary" and "old-growth forests" is ongoing. As a general rule, concepts should not be included in EU legislation before a clear definition for them is provided and agreed upon.
- Amendment (35): The representatives of the European forest-based sector are cautious towards the proposal where Member States need to commit to using at least 5% of the public revenues generated from the auctioning of EU ETS allowances to support land managers. Such initiative to encourage carbon removals and storage should not be seen as the only way to further incentivize and remunerate forests' contribution to the EU climate objectives. It needs to be accompanied by measures which recognize and support the sustainable use of wood in a view of reduction of fossil emissions.

The undersigned organisations remain available to provide more detailed explanations:

CEPF – The Confederation of European Forest Owners
 EUSTAFOR – European State Forest Association
 CEI-Bois – The European Confederation of Woodworking Industries
 CEPI – Confederation of European Paper Industries
 EOS – The European Organisation of Sawmill Industry
 UEF – Union of European Foresters
 ELO – European Landowners' Organization
 Ceettar – European Organisation of Agricultural, Rural and Forestry Contractors
 FECOF – European Federation of Municipal and Local Community Forests
 USSE – The Union of Foresters of Southern Europe
 EPF – European Panel Federation
 FEP – European Federation of the Parquet industry
 Bioenergy Europe

In anticipation of the June 2022 plenary vote on the ENVI report on the LULUCF Regulation, CEI-Bois and other Forest-based Industries and Forestry Sector actors submitted further Considerations, in which Members of the European Parliament were encouraged to support maintaining the EU sink target for 2030

at an ambitious but realistic level and to reject any additional targets, to support the separation between LULUCF emissions and non-CO₂ emissions from agriculture, to keep the focus of the Regulation on climate goals, and to recognise all relevant bio-based product categories.



Joint Forest-based sector's considerations on the LULUCF Plenary vote

Brussels, 3 June 2022

European forests and the forest-based sector play a key role in achieving the EU climate neutrality target by contributing to a fossil-free bioeconomy while keeping forests healthy due to active and sustainable forest management.

This is why the European forest owners, managers and industries would like to share some considerations ahead of the vote on the revised Regulation on the accounting of greenhouse gas emissions and removals from Land Use, Land Use Change and Forestry (LULUCF), which will take place on Wednesday 8 June.

- **Keep the EU sink target for 2030 at an ambitious but realistic level and reject any additional targets**

The Commission's proposal to achieve net removals of 310 Mt CO₂ equivalent at EU level by 2030 is already an ambitious target which would require the LULUCF sector to increase the sink by an additional 42 Mt CO₂ equivalent compared to current levels in less than 10 years. Already to reach this target Member States may have to decrease their harvesting levels, with possible severe consequences on the economic viability of the entire sector and on forest-based climate solutions which are needed in the long-term. LULUCF must not be a tool to regulate Member States' harvest levels which is determined by national legislation in a much broader context. Also, voluntary carbon farming practices – including certification for carbons removals – are in a key role to reach the 310 Mt CO₂ target, which would require member states to develop their carbon farming practices.

- **Support the separation between LULUCF and non-CO₂ emissions from agriculture**

The forest-based sector supports the outcome of the vote in the ENVI Committee on the separation between the accounting of non-CO₂ emissions in the agricultural sector and the emissions and removals in the LULUCF sector. An integration of the two sectors would likely shift on forest land most of the burden to reach climate-neutrality in the sector.

- **Keep the focus of the Regulation on climate goals**

The introduction of the “do no significant harm” principle and detailed biodiversity-related objectives such as the “minimum criterion for the inclusion of biodiversity monitoring in



land monitoring system” risks diverting the focus of the Regulation from its main goal, which should be to achieve climate change mitigation by land management practices. Biodiversity conservation objectives are enshrined in other areas of current and upcoming EU policies and legislation.

- **Recognise all relevant bio-based product categories**

European forests and the forest-based sector provide wood, a renewable raw material and a strategic resource that can be used for creating reusable and recyclable materials. This sector can help transforming strategic sectors, such as construction, textiles or packaging industries towards a more circular system with a reduced environmental footprint.

The European forest-based sector supports the Commission's proposal to extend the category of Harvested Wood Products (currently paper, wood-based panels and sawn wood) to further categories of “carbon storage products”. To enable the best possible climate mitigation and adaptation potential from wood-based products, the forest-based sector supports the provision voted in the ITRE committee on including “*all sustainably sourced carbon storage products of all relevant bio-based product categories, including innovative bio-based products, by-products and residues substituting fossil fuel based raw materials that have a carbon sequestration effect*”. This formulation and the corresponding plenary amendment 95 should be supported instead of the ENVI amendment on Art. 9, which takes a too narrow view on the role of the forest sector in the transition to a green and resource-efficient economic system.

The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

CEPF – The Confederation of European Forest Owners

CEPI – Confederation of European Paper Industries

EOS – The European Organisation of Sawmill Industry

EUSTAFOR – European State Forest Association

Most recently, CEI-Bois and the European Federation of Building and Woodworkers (EFBWW), which is CEI-Bois' trade union counterpart at the European Social Dialogue Committee, have issued a joint Statement addressed to the Member States ahead of the above-mentioned interinstitutional trilogue discussions on the LULUCF Regulation between the EU institutions,

following the positive vote in the European Parliament. The joint Statement, issued on the 5th of September 2022, strongly reflects the Considerations of the Forest-based Industries and Forestry Sector shared with the Members of the European Parliament, prior to the plenary vote. Copy of the joint Statement is reported under chapter 5.4.1 on Social Affairs.

5.2.2 Advocacy activity regarding the proposed Deforestation-free Products Regulation

On the 17th of November 2021, the European Commission issued its proposal for a regulation on deforestation-free products (“Deforestation-free Products Regulation”). The proposal aims to reduce deforestation by setting targets for commodities linked to a high risk of deforestation, such as soy, beef, palm oil, coffee, and wood. Before placing these products on the EU market or exporting them from the EU, operators and large traders would face certain requirements. The proposed regulation makes them responsible for carrying out comprehensive, effective, and continuous due diligence to prove that their products are not linked to deforestation or forest degradation. Furthermore, it asks operators to disclose information about their supply chains and report on their measures to avoid deforestation.



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Most recently, during its September 2022 plenary, **the European Parliament voted in favour** of the Report on the Commission’s proposal, put forward by the Rapporteur, MEP Christophe Hansen (EPP), on behalf of the ENVI committee, which was the responsible committee on this dossier. Given the adoption of the Environment Council’s General Orientation on the proposal back in July 2022, **the piece of legislation is now undergoing the interinstitutional trilogue between the EU institutions**. According to preliminary information, the negotiations are expected to be completed during December 2022, in time for the UN Biodiversity Conference (COP 15), taking place between the 7th and the 19th of December 2022 in Montreal, Canada.

Since the publication of the proposal in November 2021, **CEI-Bois has been incessantly involved in advocacy activities on this dossier**, both individually and in cooperation with other members of the Forest-based Industries. **In addition to proposing in January 2022 several amendments** to the European Parliament and the Council, **on the 14th of February 2022, CEI-Bois and other Woodworking and Furniture Industries actors submitted their Comments on the proposed Deforestation-free Products Regulation to the Council and to the Rapporteur**. In the letter, the strong condemnation of any form of illegal logging was reiterated, alongside with the industry’s commitment to the implementation of the existing EU Timber Regulation. CEI-Bois also expressed more specific concerns regarding provisions in the proposal pertaining to definitions (i.e., forest degradation), certifications, due diligence and geo-localisation requirements, access to justice, etc.



Brussels, 14 February 2022

To the EU Permanent Representation – Attaché for the environment

To the members of the “Ad hoc working group on the risk of deforestation and forest degradation associated with products placed on the EU market”

Comments to the Proposal for a regulation of the European Parliament and of the Council on making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

Herewith, on behalf of the European Woodworking and Furniture Industries here represented by CEI-Bois – The European Confederation of Woodworking Industries, EFIC – European Furniture Industries Confederation, EPF – European Panel Federation, EOS – European Organisation of the Sawmill Industry and FEP – European Federation of the Parquet industry, we would like to share with you our considerations in relation to the European Commission’s Proposal for a regulation on deforestation.

As awareness of climate and environment issues increases and consumption habits change, new opportunities are opening up for the overall forest industry and wood construction to develop functional green solutions to meet consumers’ needs. For this reason, it is of utmost importance that subjecting wood to the requirements of the cited Regulation be done in a careful manner, considering several aspects, as outlined below.

For forest-based products, Chain-of-Custody (CoC) certifications are a way to support responsible forestry in the supply chain; FSC, SFI and PEFC CoC standards are rooted in demonstrating traceability of the product back to the forest. CoC certification is a way for our Companies (wood processors, manufacturers, brands, and others) to take a no-deforestation position by procuring only responsibly sourced wood products that are independently certified to these standards.

It goes without saying that, **the European Timber Industry strongly condemns any form of illegal logging**, and this is why it has made great investments to ensure that forest laws, rules and regulations are complied with during the harvesting, transport, processing and trade of forest products. Our wood comes only from sustainably managed forest. It should also be recalled that wood and wood-based products are already covered by the EU Timber Regulation, which ensures that products entering the EU market have been harvested and traded in compliance with the laws of the producing country.

Specific comments:

1. The European Woodworking and Furniture Industries would like to **raise its concern associated with the definition used in the proposal and measurement of ‘forest degradation’ or ‘degraded forest’**, which are not supported by any international scientific consensus. There has been considerable debate about it in the context of the United Nations Framework Convention on Climate Change (UNFCCC) policy on Reduced Emissions from Deforestation and forest Degradation (REDD+) and many contrasting views have been presented on this subject. *“There are a number of reasons for the difficulties in adopting clear and consistent definitions, including the differences in perspectives and management goals amongst actors, the challenge of defining the counter-factual (what would the biomass density be if the forest were not degraded) when the natural condition and dynamics of forest ecosystems are so variable, and human disturbance impacts on forest vary so much in their intensity, spatial extent and*



frequency. An underlying challenge is the fact that ecosystems vary greatly in their capacity to recover to a pre-disturbance state, and complex transitions occur throughout the disturbance phases”¹

The adoption of an unestablished definition poses a risk to ongoing and planned sustainable harvesting activities in Europe, potentially resulting in a blockage of the European timber industry and in halting the timber harvesting activities in Europe. We believe that until a solid agreement is established internationally and on a scientific basis, the definition of ‘forest degradation’ and sustainable harvesting operation should be removed from this proposal for a Regulation.

2. The European Woodworking and Furniture Industries strongly support voluntary forest certification schemes, such as PEFC or FSC, which give additional assurance on the wood producer’s commitment and capacity to safeguard environmental and social values in forestry. A certificate demonstrates that wood produced by a forest manager is sustainable. It is therefore our view that, **if a product is certified under a certification or verification scheme, it shall fall under the category of negligible risk.**
3. In close relation to this, we would also note that, under the EU Timber Regulation and the FLEGT Regulation, which are currently in force, timber and timber products covered by the provisions of CITES are considered to be legally harvested and compliant. Therefore, wood and **wood-based products covered by a valid FLEGT and CITES license should continue to be declared as fulfilling the requirements under the new Regulation.**
4. As a representative of both operators and traders in the European Woodworking and Furniture Industries, the undersigned organisations underline that it is imperative to avoid administrative burdens for companies, which could also increase the risk of creating involuntary human errors. **We do not support the expansion of the due diligence requirements of operators to traders** because it will certainly create confusions and errors. On the one hand, operators are the business actors who first place timber or timber products on the EU market. Operators include importers of timber products and EU-based foresters. Already based on existing regulations, they must implement a due diligence system to assess any risk that their product contains illegally sourced timber. On the other hand, traders are business actors trading in timber or timber products that had been already placed on the EU market by the operators. Traders must receive the appropriate information from the operators.
5. We express **great concern also on the new requirement related to the provision of geo-localisation coordinates** of all the plots of land where the relevant commodities and products originate from. The European Woodworking and Furniture Industries stress that due diligence requirements should should not create conditions that may breach competition law and respect a confidential contract between the seller and the buyer. The collection of geodata information may lead to numerous errors. Especially when, for example, small forest enterprises are cooperatively linked in marketing, and therefore it is difficult or even **impossible** to collect precise coordinates over a wide area. Many companies in the wood processing industry buy wood from forests in different regions/areas with different structural sizes. In addition, the level of digitalization in the forestry and timber industry is not yet sufficient in some cases to collect the required amount of digital data and pass it on in the supply chain. Additionally, although chipboard, fibreboard, and other composite wood products are covered by the present draft Regulation, there are no explanations on how due diligence - especially the intended geo-localisation - can be implemented operationally for these products. For these reasons the requirement to provide detailed information on raw material origin should be deleted.

¹ (Baker, T.R.; Jones, J.P.G.; Rendón Thompson, O.R.; Cuesta, R.M.R.; del Castillo, D.; Aguilar, I.C.; Torres, J.; Healey, J.R. How can ecologists help realise the potential of payments for carbon in tropical forest countries? J. Appl. Ecol. 2010, 47, 1159–1165).



6. The European Woodworking and Furniture Industries advocate for lessening the administrative burden associated with sourcing from low-risk countries, which would further incentivize operators to procure timber from these countries, thus advancing this Regulation's intent to minimize deforestation and forest degradation worldwide. Unless identified as presenting a high risk, **countries should be assigned a level of low risk that would only result in the information requirements of Article 9 (excluding geo-localisation, as stated above) for operators.** The requirements of Article 10 on "Risk assessment and risk mitigation" shall apply only to high-risk countries.
7. As regards access to justice, we stress that, **for the purpose of investigating a crime, criminal evidence (physical or verbal) needs to be presented.** Evidence must be logically relevant, material, and competent. **'Substantiated concerns' is not a sufficient element:** being falsely accused of a possible crime such as illegal logging is a 'brand damage' of unimaginable proportions for wood companies. Putting any company at risk of public scrutiny and legal actions without any evidence base is prejudicial and could lead to unhealthy competitors' actions.
8. Finally, given the complexity of the proposed Regulation, it can be challenging for companies to understand all the nuances of how legislative changes will impact their business. It's imperative that companies receive enough time and support to adapt to changes. **Two years is therefore not a sufficient time frame to evaluate the implementation of the new Regulation companies, which why we propose a period of five years** until the first review is conducted.
9. WTO commitments prohibit discrimination among WTO members. This poses hurdles to the EU's intended identification of countries as presenting a low, standard or high deforestation risk. Trade rules focus on products and are limited when it comes to considering processes and production methods. The EU needs to be careful in seeing that international trade agreements are respected when legislating. Exceptions may justify breaches of trade commitments, but the requirements of exceptions are not easily met, and call for serious dialogue and cooperation with third countries.

Hoping you may take into account our suggestions, I remain for any questions that you may have.

The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

EFIC – European Furniture Industries Confederation

EPF – European Panel Federation

EOS – European Organisation of the Sawmill Industry

FEP – European Federation of the Parquet industry

Also worth pointing out is **the participation of Mr Emanuele Pitto of the European Commission’s Directorate-General for Environment (DG ENV) to CEI-Bois’ Sustainability Working Group on the 15th of February 2022**. During his presentation

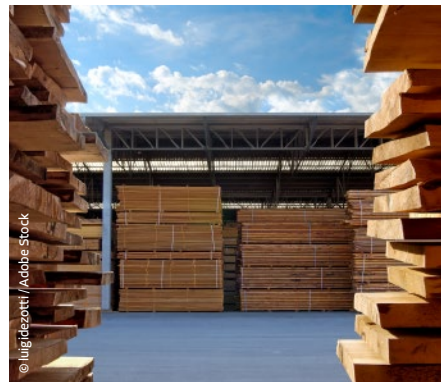
and the subsequent Q&A session, Mr Pitto could offer further clarifications to the CEI-Bois Members on the proposed Deforestation-free Regulation and listen to the industry’s concerns regarding this file.



Additionally, throughout the different stages of the legislative process, CEI-Bois and the other members of the Forest-based Industries have sought to influence the decision-making process by **engaging both directly and in writing with Members of the European Parliament, in particular with the ENVI Rapporteur, MEP Hansen, and the members of the ENVI committee**.

of clarity of definitions and simplification of procedures. At the same time, it pointed out that several amendments proposed in the Draft Report had to be reconsidered, in particular those relating to the definition of “deforestation” and “forest degradation”, the geo-localisation requirement, third-party certification, etc.

For example, following the publication of the ENVI Draft Report and following a meeting with the Rapporteur’s staff, CEI-Bois and several other Forest-based Industries representatives issued on the 14th of April 2022 a series of Considerations, which were subsequently submitted to Members of the European Parliament. The letter underlined the fact that Draft Report had brought significant improvements to the Commission’s proposal, both in terms





Considerations of the European forest-based industries on the draft ENVI report on the proposal for a regulation on minimising the risk of deforestation and forest degradation associated with products placed on the EU market

The European forest-based industries would like to share some considerations on the draft report of MEP Hansen on the Regulation on deforestation-free value chains.

The signatories of this statement represent the European forest-based industries: these include the woodworking industries, the industries manufacturing pulp, paper and paper products, the furniture industry and the printing industry. Together they amount to around 420.000 enterprises with a total turnover of over 520 billion euros, supporting 3,5 million direct and indirect jobs in communities across Europe, while providing everyday products such as paper, furniture, construction, packaging and more.

The forest-based industries are supplied essentially from European forests¹ which are managed sustainably for multiple purposes. This enables a strengthening of the European economy's resilience, while developing a sustainable bioeconomy replacing fossil-based and carbon-intensive materials, in line with the Green Deal objectives. European forest-based industries strongly rely on voluntary market-based certification schemes demonstrating the sourcing of wood from sustainably managed forests according to internationally set criteria and indicators. Certification programs - like FSC or PEFC - work by ensuring that all steps of the production process are transparent and accounted for, allowing companies and consumers alike to make informed decisions about where their timber is sourced. Certification programs also guarantee compliance with international laws and standards on the rights of indigenous people and local communities.

Building on the strong involvement in sustainable forest management and certification, forest-based industries have gained additional experience since the adoption of the EU Timber Regulation in 2010. The Regulation requires them to implement additional due diligence to ensure that wood products placed on the EU market come from legal harvesting. This is why we would like to share some considerations on the draft ENVI report.

The draft report brings significant improvements to the Commission proposal, both in terms of clarity of definitions (e.g. on the definition of operators and related obligations, as in **amendments 35, 40, 41, 47**) and simplification of procedures (e.g. on country

¹ Over 56% of wood supply to the EU comes from domestic removals, around 19% from wood by-products of the wood industries, and 4% from post-consumer wood. Source: European Commission, EIP on Raw materials, Raw Materials Scoreboard 2021.



benchmarking, as in **amendments 81-83**), nevertheless the following points deserve closer attention:

- **Amendment 29** should not be supported; instead it is recommended to use the definition of deforestation proposed by the European Commission (“*Deforestation means the conversion of forest to agricultural use, whether human induced or not*”), as that is closer to the internationally agreed definition of the Food and Agriculture Organization of the United Nations. Using internationally agreed definitions would facilitate the implementation and enforcement of the regulation. In addition, all kinds of forests, not only the ones that naturally regenerate, should be protected from deforestation.
- **Amendment 33** improves the way forest degradation is defined, as it addresses the concern that although the area in question remains forest, its ecosystem services do not continue to be delivered. However, in the interest of focusing the legislation on the main problem to be addressed, we believe that the regulation should focus on deforestation.
- **Amendment 34 should be supported**, as the definition of “sustainable harvesting operations” proposed by the Commission unduly oversteps the competence of Member States on forest management and ignores the need for silvicultural practices adapted to different local conditions, forest types, structures and habitats. If forest degradation is addressed (see comment on amendment 33), there should be a reference to the national legislation of the country of harvest. This would reduce the legal uncertainty for the operator and would be in line with the FAO reporting framework, which only refers to country-level definitions of forest degradation.
- On the requirement to collect geolocation coordinates of plots of land where a commodity is harvested, the report improves the Commission proposal by expanding the area to be considered for traceability purposes from plot level to “production areas” (**amendments 37, 51**), however, the requirement to provide geolocation coordinates presents a challenge to the industry for technical reasons and may entail potential breaches of EU competition rules. Furthermore, the collection of geodata information may lead to errors. For example, when small forest enterprises are cooperatively linked in marketing, it is difficult to collect precise coordinates over a wide area. It is therefore suggested to either come back to the requirements of the EU Timber Regulation or lift such obligations for operators that source commodities in countries that are classified as low-risk.
- Third-party verified forest management certification helps demonstrate that forests are managed in line with environmental, social and economic requirements, and it is



complemented by chain of custody certification. The signatories of this statement propose an amendment to ensure that the role of third-party certification in risk assessment and mitigation is aligned with the current requirements of the EU TR.

- The signatories recommend that the scope of the regulation is as complete as possible, covers all relevant wood and paper products, including wood charcoal and printed products, in order to avoid the risk of creating environmental loopholes and circumvention that would result in an uneven playing field for manufacturing industries located within or outside the EU.
- Finally, under the EU Timber Regulation and the FLEGT Regulation, which are currently in force, timber and timber products covered by the provisions of CITES are considered to be legally harvested and compliant. Therefore, wood and wood-based products covered by a valid CITES license should continue to be considered compliant to the legality under the new Regulation.

The proposals for amendments can be found in the annex to this document. The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

CEPI – Confederation of European Paper Industries

CITPA – The International Confederation of Paper and Board Converters in Europe

EFIC – European Furniture Industries Confederation

EOS – European Organisation of the Sawmill Industry

EPF – European Panel Federation

FEFCO – The European Federation of Corrugated Board Manufacturers

FEP – The European Federation of the Parquet Industry

INTERGRAF – European Federation for Print and Digital Communication

Furthermore, ahead of the Environment Council meeting on the 28th of June 2022, which sought to adopt a General Orientation on the proposed Deforestation-free Products Regulation, CEI-Bois and other Forest-based Industries partners issued a Call in which it shared considerations with the Member States. Like in the

case of other advocacy actions on this dossier, the recommendations focused on the definition of “deforestation”, on the subject of forest degradation, on the geo-localisation requirement, on the role of third-party certification, the liability of traders, and the general scope of the proposed Regulation.



Call of the European forest-based industries on the proposal for a regulation on minimising the risk of deforestation and forest degradation associated with products placed on the EU market

Brussels, 27 June 2022

The European forest-based industries would like to share some considerations on the proposal for a regulation on deforestation-free value chains ahead of the Environmental Council meeting of 28 June 2022.

The signatories of this statement represent the European forest-based industries: these include the woodworking industries, the industries manufacturing pulp, paper and paper products, the panel industry, the furniture industry and the printing industry. Together they amount to around 420.000 enterprises with a total turnover of over 520 billion euros, supporting 3,5 million direct and indirect jobs in communities across Europe, while providing everyday products such as paper, furniture, construction, packaging, and more.

The forest-based industries are supplied essentially from European forests¹, which are managed sustainably for multiple purposes, while also making efficient use of secondary sources such as residues and waste materials. This allows to strengthen the resilience of the European economy, while developing a sustainable bioeconomy replacing fossil-based and carbon-intensive materials. European forest-based industries are strongly relying on market-based certification schemes demonstrating the sourcing of wood from sustainably managed forests according to internationally set criteria and indicators.

We would like to share some considerations ahead of the adoption of the Council General approach on the draft regulation:

- 1) We recommend that the definition of **deforestation** is not changed compared to the European Commission's proposal (*"Deforestation means the conversion of forest to agricultural use, whether human induced or not"*). The proposed definition is closer to the internationally agreed definition of the Food and Agriculture Organization of the United Nations. Using internationally agreed definitions would facilitate the implementation and enforcement of the regulation.

¹ Over 56% of wood supply to the EU comes from domestic removals, around 19% from wood by-products of the wood industries, and 4% from post-consumer wood. Source: European Commission, EIP on Raw materials, Raw Materials Scoreboard 2021.

- 2) In the interest of focusing the legislation on the main problem to be addressed, we believe that the regulation should focus on deforestation. The problem of **forest degradation** should be tackled via the support to enhanced adoption of sustainable forest management at pan-European and international level, rather than via a commodity-focused regulation. However, if forest degradation is to be included in the regulation, the definition should be as clear and operational as possible. We therefore support the definition of forest degradation as “*structural changes to forest cover, taking the form of conversion of primary forests into plantation forests or into other wooded land*” as well as the deletion of the definition of “*sustainable harvesting operations*”. The proposed definition of forest degradation would leave little room for uncertainty and would target the most severe problems of forest degradation.
- 3) The requirement to provide **geolocation coordinates** presents a challenge to the industry for technical reasons and may entail potential breaches of EU competition rules. Currently, it is sometimes not possible to pin down the specific plot of land of origin, but operators would be able give information about the potential areas of origin. The regulation should adopt a risk-based approach to the information requirements. An obligation for operators to provide plot-level/production area level geo-localisation data should only apply as part of risk mitigation mechanism for commodities that are sourced from countries classified as high-risk.
- 4) We ask to recognize the value of high-standard, international voluntary certifications. **Third-party certification** provides an added credible source of due diligence and verification which can supplement the operator’s own efforts without reducing liability. As a practical way forward, legislators could vet market based third-party certification systems against legally binding essential requirements. This would result in companies having the option to employ a market based third party certification scheme to prove compliance with the essential requirements based on ground realities. At a future date, areas certified against such vetted schemes may be considered “low-risk”.
- 5) We recommend to avoid duplication of due diligence efforts along the value chain. **Liability of traders** should be limited to their access to information on the implementation of requirements (including traceability, risk assessment, risk mitigation etc.) by their operators in the supply chain. This will avoid duplication of effort and costs for undertaking due diligence requirements by both operators and traders, without any additional benefit.
- 6) The **scope of the regulation** should be as complete as possible and cover all relevant wood and paper products. We thereby ask to extend the scope of the regulation to wood charcoal and printed products, in order to avoid the risk of creating environmental loopholes and circumvention that would result in an uneven playing field for manufacturing industries located within or outside the EU.

Noteworthy is also **the successful attempt by CEI-Bois, the European Timber Trade Federation (ETTF), and United Kingdom's Timber Trade Federation (UK TTF) to gain the support of tropical timber producing countries** in view of the Environment Council's General Orientation on the proposed Deforestation-Free Regulation. To this purpose, on the 23rd of June 2022, a request for assistance was submitted to the International Tropical Timber Technical Association (ATIBT) and the International Tropical Timber Organization (ITTO), emphasizing the serious impact that the proposed regulation could have on tropical timber producing

countries. Both organisations were highly receptive to the call and confirmed their support going forward.

Additionally, in anticipation of the ENVI committee vote on the Rapporteur's Draft Report, CEI-Bois and its Forest-based Industries partners submitted on the 8th of July 2022 a list of joint Voting Recommendations to the committee's members. The voting recommendations consistently reflected the previous recommendations and concerns regarding the proposed Deforestation-free Products Regulation. Copy of the joint Voting Recommendations is here reported.



Joint voting recommendations of the forest-based industries on the proposal for a regulation on minimising the risk of deforestation and forest degradation associated with products placed on the EU market

Brussels, 8 July 2022

The European forest-based industries would like to share some voting recommendations on the proposal for a regulation on deforestation-free value chains ahead of the vote in the ENVI Committee of 12 July 2022.

The signatories of this statement represent the European forest-based industries: these include the woodworking industries, the industries manufacturing pulp, paper and paper products, the panel industry, the furniture industry and the printing industry. Together they amount to around 420.000 enterprises with a total turnover of over 520 billion euros, supporting 3,5 million direct and indirect jobs in communities across Europe, while providing everyday products such as paper, furniture, construction, packaging, and more.

The forest-based industries are supplied essentially from European forests, which are managed sustainably for multiple purposes, while also making efficient use of secondary sources such as residues and waste materials.

- **We recommend the adoption of Compromise Amendment 1** as that would **enlarge the scope of the regulation** to additional categories of products such as printed products and other wood-based products. This is crucial to ensure a level playing field for manufacturing industries located within or outside the EU and to avoid environmental loopholes.
- **We recommend to reject Compromise Amendment 2** as the proposed definition of **“forest and other ecosystem degradation”** is difficult to measure in an objective way and would create unnecessary legal uncertainty for the EU forest-based sector, who already abides by national legislation on sustainable forest management. If “forest degradation” remains in the regulation, a definition focusing on the degradation of primary forests and other wooded land to plantation forests would be more operational and target the most severe problems of forest degradation. The reference to **“harvesting operations”** should be deleted, as proposed, since these are not the only factors that impact forest degradation.

Moreover, the definition of **“deforestation”** should be rejected as it is not aligned with internationally agreed definitions such as the one of the Commission’s proposal, which incorporates the definition of FAO.

- **We recommend to approve Compromise Amendment 5**, as it is important that the product components that have already undergone due diligence compliance in accordance with Article 4(1) should not be required an additional due diligence procedure.
- **We recommend to reject Compromise Amendment 6**. The requirement to provide **geolocation coordinates** presents a challenge to the industry for technical reasons and may entail potential breaches of EU competition rules. Currently it is sometimes not possible to pin down the specific plot of land of origin, but operators would be able give information about the potential areas of origin. The regulation should adopt a risk-based approach to the information requirements. An obligation for operators to provide plot-level/production area level geo-localisation data should only apply as part of risk mitigation mechanism for commodities that are sourced from countries classified as high-risk.

The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

CEPI – Confederation of European Paper Industries

CITPA – The International Confederation of Paper and Board Converters in Europe

EFIC – European Furniture Industries Confederation

EOS – European Organisation of the Sawmill Industry

EPF – European Panel Federation

ETS – European Tissue Symposium

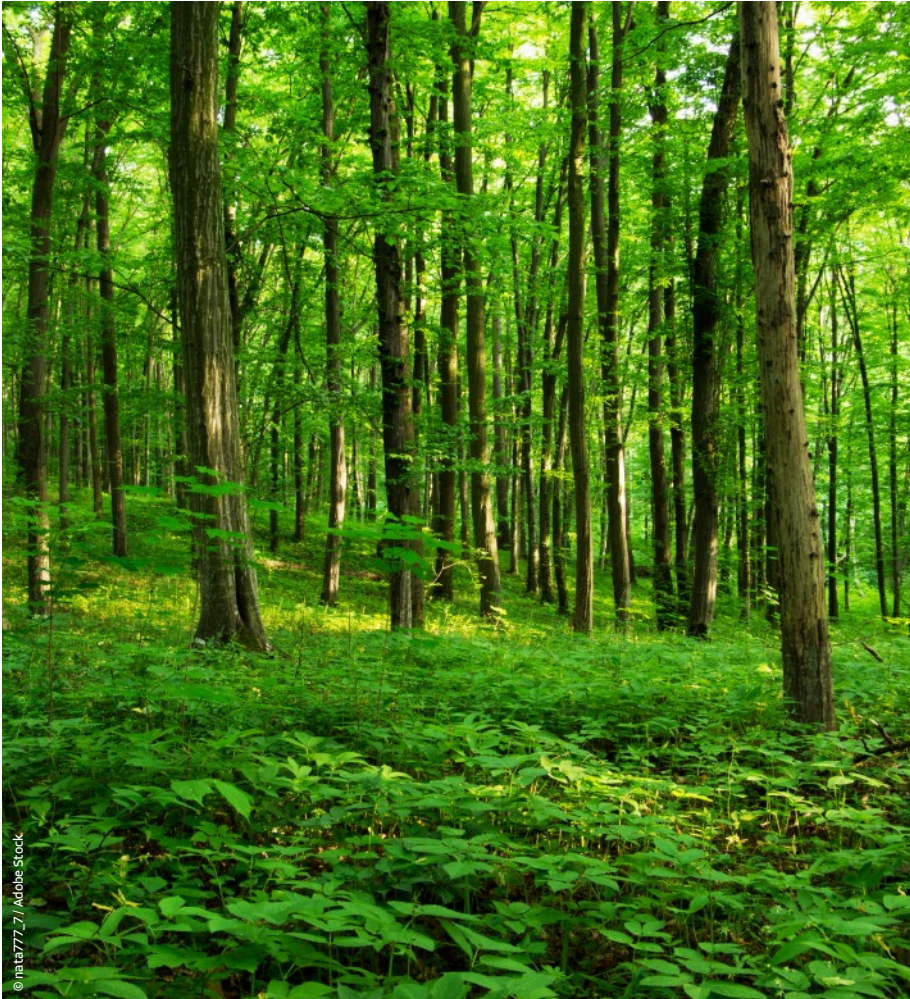
FEFCO – The European Federation of Corrugated Board Manufacturers

FEP – The European Federation of the Parquet Industry

INTERGRAF – European Federation for Print and Digital Communication

Ahead of the European Parliament's plenary vote on the Deforestation-free Products Regulation, CEI-Bois engaged in multiple advocacy activities, seeking to positively influence the outcome. On the 7th of September 2022, **together with EOS, ETTF, and ATIBT, CEI-Bois submitted as European and international timber industries an Open Letter (and specific Comments as an attachment to the Open Letter) to the MEPs.** The same day, **CEI-Bois also submitted a Proposal for Amendments**

to the MEPs, together with the forest owners' associations and the representatives of the Pulp and Paper Sector. Also on the 7th of September, **CEI-Bois hosted a meeting with the Malaysian Timber Council to exchange views on this dossier.** On the 8th of September, joint **Voting Recommendations were co-signed and submitted to MEPS by CEI-Bois and the other Forest-based Sector partners.** Copy of the Open Letter is reported here.





European & International timber industries: Open Letter ahead of the Plenary vote on the Proposal for a Regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation

Brussels, 07.09.2022

The European woodworking industries and the trade association representing the private tropical forest sector (ATIBT) recognise illegal logging and forest crimes as a serious global problem. As a global problem, illegal logging and forest degradation cannot be tackled without a full involvement and commitment of non-EU countries. It is overall a complex issue that involves not only an environmental dimension, but also economic and societal ones. In addition to the loss of revenue to governments and inefficiency of resource use, illegal logging directly threatens ecosystems and biodiversity across the world.

The European wood working industries and ATIBT are key partners in realising the objectives of the Green Deal and they are fully committed to comply with the EU legislation aimed at effectively tackling illegal logging.

At the same time, in light of the possible adoption of the new “*Regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation*” by the EU Parliament, the European woodworking industries ask policy makers to refrain from introducing new legal or technological requirements that have not been adequately assessed from an economic, scientific and feasibility perspective.

In particular, the introduction of a mandatory geolocation requirement has been put forward without any proper impact assessment and consultation with forestry experts as regards the elaboration on the methodology and its feasibility. Collecting geolocation data of small forest holders implies important technical, logistical, legal, and governance challenges which go beyond the capacity of the responsible stakeholders. If such challenges are not solved under a multi-stakeholder approach involving local governments, local industry actors, EU operators, the Commission and NGOs, operators will not be able to collect reliable geolocation information to plot land information for the majority of smallholders currently part of their supply chains. Low risk countries should be excluded from **the requirement of geolocation** to avoid unnecessarily complicating the simplified due diligence process. **It shall also not be introduced as a mandatory requirement for high/standard risk countries prior to having established appropriate Partnerships in these countries and prior to having put in place a reliable system.**

Similarly, as it is of utmost importance to **remove any duplication of the due diligence efforts, that duty shall remain on operators only**, as already underlined by the EU Council in its general approach. The due diligence procedure required by this Regulation **should be based on three elements as in the original Commission proposal: information requirements, risk assessment and risk mitigation measures** without introducing an additional unclear reporting obligation as it is already ensured via the Register Information System. In this respect, **prior to the entering into force of the new Regulation, the European Commission should issue clear, easy to understand, and commodity-specific guidelines to help operators**, in particular SMEs, to comply with the requirements of this Regulation with the aim of minimising the administrative and financial burdens. The guidelines should

also support operators to fulfil their due diligence requirements. **The information system (“Register”) should also be set up by the Commission before this Regulation enters into force.**

The European wood working industries and ATIBT also express concern that the European Parliament **did not recognise the importance of the international agreement CITES an effective tool** that regulates international trade in threatened and endangered species before any permit for trade can be issued.

While the European wood working industries and ATIBT recognise the rights of natural and legal persons to submit substantiated concerns, a balance must be struck to also protect operators against unjustified claims with potentially far-reaching legal consequences. **The Deforestation-free Products Regulation should at least make clear that unsubstantiated concern shall be rejected by authorities and the identity of the natural or legal persons shall be publicly known.** It is important to emphasise that, **overall, the measures aimed at increasing transparency are welcome as long as they cannot be instrumentalised by market competitors and other organisations with the goal of damaging operators via unfounded allegations.**

Finally, the European wood working industries and ATIBT are concerned about **brodening the scope of this Regulation to include financial institutions because it would be very burdensome and consequentially it may indirectly restrict forestry and timber industry/trade companies’ access to banking, insurance, and investment services,** as many financial institutions may not wish to deal with the burden of servicing such companies under this Regulation. Furthermore, it should be also noted that some aspects proposed in the ENVI Report – such as requiring financial institutions to collect deforestation policies from forest owners - are not feasible for forestry: indeed, many forest owners are small private landowners that do not have in place a formal deforestation policy.

Finally, it should be recalled that the current geopolitical situation and the skyrocketing costs for electricity and gas make it prohibitive for our companies to put in place new investments. For this reason, policy-driven cost increases should be carefully examined and evaluated and only introduced where absolutely necessary.

Signatories:



The [European Confederation of Woodworking Industries \(CEI-Bois\)](#) is an umbrella organisation representing 21 European and National organisations from 15 countries. CEI-Bois is the body backing the interests of the whole industrial European wood sector: more than 180,000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.



[ATIBT](#) promotes the development of a sustainable, ethical and legal industry of tropical timber as a natural and renewable resource, essential for the socio-economic development of producing countries. It acts in favour of the sustainable management of tropical forests and a healthy economy that promotes social development.



The [European Timber Trade Federation](#) promotes the interests of the timber trade across Europe, representing key national federations for importers, merchants and distributors. The ETFE engages with environmental and other NGOs and provides a discussion and networking forum for the EU timber trade on key issues, from legislation and the environment, to sustainable timber promotion and best practice.



The [European Organisation of the Sawmill Industry \(EOS\)](#) is a non-profit association representing the interests of the European sawmilling sector on European and International level. Through its member federations and associated members, EOS represents some 35,000 sawmills across Europe, around 80% of the total European sawn wood output in a sector that has a turnover of around 35 billion EUR and employs about 250,000 people in the EU.

Following the adoption of the European Parliament's position and in view of the ensuing interinstitutional trilogue, on the 20th of September 22, **CEI-Bois and the other Forest-based Industries representatives submitted to the EU Member**

State permanent representatives its Considerations in attempt to influence the EU Council (under the presidency of the government of the Czech Republic).

Copy of the Considerations is also reported here.



Considerations of the European forest-based industries on the proposal for a regulation on deforestation and forest degradation adopted by the European Parliament

Brussels, 20 September 2022

The European forest-based industries would like to share their considerations on the proposal for a regulation on deforestation-free value chains adopted by the the Plenary of the European Parliament on the 13 September 2022.

The forest-based industries, which include the woodworking industries, the industries manufacturing pulp, paper and paper products, the furniture industry and the printing industry are supplied essentially from European forests¹, which are managed sustainably for multiple purposes, while also making efficient use of secondary sources such as residues and waste materials. The forests and forest-based products have a great role in tackling climate change and for this reason, we call for a Regulation that puts in place feasible obligations for operators and involves third Countries in eradicating illegal timber from the market and fighting against deforestation.

We call on legislators to introduce an extended transition period to allow smallholders, companies and other actors to adjust their operations to the numerous new requirements introduced by the new framework, in dialogue with producing countries. In this sense, country benchmarking should be done before the legislation enters into force and should contain relevant elements to assess the compliance with international standards on human rights and the rights of indigenous people, if the final Regulation includes such requirement. This assessment should not be done by operators.

Our considerations on the European Parliament Report:

- 1) The key priority is to have a definition of **forest degradation** that is as clear and operational as possible. This is necessary to avoid that operators who source wood from sustainably managed forests are put in a situation of legal uncertainty. The definition proposed by the European Parliament is too open to interpretation and may even hinder sustainable management practices and/or forest restoration activities, as those often require to bring changes in species composition to adapt forests to changing climate. The definition put forward in the Council orientation is much more realist and implementable.

¹ Over 56% of wood supply to the EU comes from domestic removals, around 19% from wood by-products of the wood industries, and 4% from post-consumer wood. Source: European Commission, EIP on Raw materials, Raw Materials Scoreboard 2021.

- 2) The term '**forest conversion**' in the context of this proposal is not justified and should be removed. Namely, conversion of forests to other land-uses is covered by the definition of deforestation, and therefore there is no need for duplication. More alarming, introducing this new term of 'forest conversion' in sense of changes in composition, structure, and function of forest ecosystem will hinder necessary forest management practices, including those for climate adaptation. Therefore, the regulation will become also a tool to regulate and limit forest management, undermining Member States' legal provisions and going against the principles of subsidiarity and proportionality.
- 3) The requirement to provide **geolocation coordinates** presents a challenge to the industry for technical reasons. The Regulation should reflect the realities and complex dynamics of each targeted supply chain. Delineation of plots of land by polygons is not common practice among forest owners. Moreover, for certain products it is not possible to always pin down the specific location of origin and/or date & time of the harvesting, but operators would be able to give information about the potential areas of origin. In such scenarios, the information requirements should permit operators the flexibility to list potential sources of origin, provided each of those locations can be proven to be 'deforestation-free'. The obligation for operators to provide plot-level/production area level geolocalisation data should also not apply for commodities that are sourced from countries classified as low-risk.

The co-signatories of these recommendations support the Council approach presented in its general approach that simplified and clarified the due diligence system, while preserving a strong level of environmental ambition. We call on the Council to confirm its approach in avoiding duplication of obligations and reduces administrative burden for operators and member states' authorities.

- 4) We ask to recognize the value of high-standard, international voluntary certifications. **Third-party certification** provides an added credible source of due diligence and verification which can supplement the operator's own efforts without reducing liability.
- 5) We express concern regarding the EU Parliament amendment on "**limit liability of traders**". Liability of traders should be limited to their access to information on the implementation of requirements (including traceability, risk assessment, risk mitigation etc.) by their operators in the supply chain. This will avoid duplication

of effort and costs for undertaking due diligence requirements by both operators and traders, without any additional benefit.

- 6) We call for opposing to **additional mandatory annual checks requirement**. This requirement on operators and commodities (minimum 5%, going up to 15% for high-risk countries) brings direct operational costs for companies and creates logistical bottlenecks without adding value. Checks should be risk based and evidence driven, not arbitrarily uniform without accounting for the nature of commodities or the risk profile.
- 7) We welcome the inclusion of **printed products and wood charcoal** in the scope of the Regulation. This allows to create an even playing field for manufacturing industries located within or outside the EU and avoids the risk of circumvention.
- 8) Several articles empower the Commission to adopt **Delegated Acts** to change crucial parts of the regulation, such as the scope of the regulation or the due diligence requirements which operators would have to fulfil. The impact that these changes could have is too high, to simply be extended by a delegated act. Therefore, new requirements for operators should only to be decided in co-legislation, i.e. together with the European Parliament and Council.

Finally, we would like to point out that the newly introduced obligation to make available to the competent authorities a due diligence statement via the information system referred to in Article 31 entails an additional administrative burden and may force operators and large traders to disclose confidential information along the value chain.

The undersigned organisations remain available to provide more detailed explanations:

CEI-Bois – The European Confederation of Woodworking Industries

CEPI – Confederation of European Paper Industries

CITPA – The International Confederation of Paper and Board Converters in Europe

EFIC – European Furniture Industries Confederation

EOS – European Organisation of the Sawmill Industry

EPF – European Wood-based Panels Federation

FEFCO – The European Federation of Corrugated Board Manufacturers

FEP – The European Federation of the Parquet Industry

IKEA of Sweden AB

INTERGRAF – European Federation for Print and Digital Communication

It is also worth noting that, in pursuing its goals on this dossier, CEI-Bois has engaged in a larger network of relevant stakeholders by regularly exchanging views and information with the Forestry Sector, certification bodies such as FSC International and PEFC, and with environmental non-governmental organisation such as Fern. This has enabled CEI-Bois to gather valuable information, to better understand the positions and interests of other actors, and to further convey its message.

5.2.3 The New EU Forest Strategy: overview of advocacy actions

On the 16th of July 2021, the European Commission adopted the New EU Forest Strategy for 2030 (“New EU Forest Strategy”), a flagship, non-legislative initiative of the European Green Deal that builds on the EU Biodiversity Strategy for 2030, itself adopted in May 2020. The New EU Forest Strategy seeks to contribute to the package of measures proposed to achieve greenhouse gas emission (GHG) reductions of at least 55% by 2030 and climate neutrality in 2050 in the EU (the so-called “Fit for 55” package). It also helps the EU deliver on its commitment to enhance carbon removals by natural sinks as per the Climate Law.

Following the adoption of the proposal by the Commission, **workings in the European Parliament on the dossier have culminated in September 2022 with a favourable plenary vote** on the Report on the Commission’s proposal, put forward by the Rapporteur, MEP Ulrike Müller, on behalf of the Committee on Agriculture and Rural Development (AGRI). As such, The Rapporteur’s Report has become the European Parliament’s position on the New EU Forest Strategy.

Building up on advocacy activities initiated already in November 2020 during the Commission’s preparatory works of the post-2020 Forest Strategy, CEI-Bois has been strongly involved throughout 2021 and 2022 in promoting the interests of the Woodworking Industries on this dossier. On the 1st of December 2021, **CEI-Bois attended an open stakeholder meeting on the European Forest Strategy organised by the Rapporteur, MEP Ulrike Müller**, who informally invited participants to share their views before the submission of the Draft Report. Due to the ongoing pandemic situation, the meeting was hosted online. During the meeting, **the main message was that the New Forest Strategy comes at a crucial time for European forests and the forestry sector**. Forests have increasingly come under pressure from the effects of climate change. At the same time, due to the Green Deal and the increasing ambition of EU climate and environmental policy, the political environment for forests and the forestry sector is getting evermore complex. More than ever, the New EU Forest Strategy must ensure coherence with the different relevant policies and goals.

CEI-Bois’ Secretary General Mrs Melegari explained in the meeting that *“At the present, wood is a carbon neutral material right now while other energy intensive materials will be able to reach carbon neutrality in 2050 only off setting their emissions”*. She insisted that our forests should continue to provide raw material to the European forestry industry. The role of wood product and carbon storage should be recognized as being positive for the environment and bringing Europe closer to its climate goals. Sustainable forest management is essential to achieving the Green Deal goals.

On 14th February 2022, following the release by the European Parliament's ENVI committee of the Draft Opinion on the New EU Forest Strategy, **CEI-Bois and EOS have issued several Comments to the document, which were subsequently shared with the ENVI Rapporteur, MEP Luisa Regimenti (EPP)**. While welcoming the Draft Opinion, CEI-Bois supplemented it by reiterating the multifunctionality of forests,

pointing out the need to make proper use of data about forests, recalling the absence of a regulatory framework capable of recognising the relatively lower carbon footprint of forest products, emphasizing the reliance of the forest-based bioeconomy on an integrated value chain, promoting the use of wood in construction, and recognising the added-value of existing voluntary forest certification schemes.



Brussels, 14 February 2022

Comments to the Draft Opinion of the Committee on the Environment, Public Health and Food Safety for the Committee on Agriculture and Rural Development on the new EU forest strategy for 2030 – sustainable forest management in Europe (2022/0000(INI))

Dear Member of the EU Parliament,

Herewith, on behalf of the European Confederation of the Woodworking Industries (CEI-Bois) and the European Organisation of the Sawmill Industries (EOS), we would like to welcome the Draft Opinion¹ of the Committee on the Environment, Public Health and Food Safety (ENVI) for the Committee on Agriculture and Rural Development (AGRI) on the new EU forest strategy for 2030 – sustainable forest management in Europe (2022/0000(INI)).

Climate change is revealing itself with historic high temperatures, wildfires, and flooding being experienced in many regions of the world. Forests and forest-based products are a critical part of a wider strategy in addressing the challenge of climate change.

CEI-Bois and EOS consider that the ENVI Draft Opinion offers a substantial contribution to improving the new EU forest strategy, and would supplement ENVI's list of suggestions, as outlined below.

1. **Taking a holistic approach that considers the multifunctionality of forests, including carbon storage in forest biomass and wood products, substitution effects, as well as potential leakage effects. Sustainable and climate friendly forest management must ensure the current and future supply of raw materials, protect and improve biodiversity, and preserve soil and water quality, for a balanced contribution to all ecological, economic, and social functions.**

- CEI-Bois and EOS recall that there is no "one-size-fits-all" way to manage forests, which is why the forest management practices are embedded in national and regional legislations, according to the competence distribution and subsidiarity principle that are in line with Forest Europe criteria and indicators.

2. **Data about the state of forests should be complete and properly utilised.**

While various sources of data are available, the new EU forest strategy and its objectives should build on a thorough assessment of the status and trends of forests, taking advantage of the fact that forest resources are subject to global, pan-European, EU-based and national assessments. Avoiding otherwise misleading information requires that any collected data must be corroborated with the national forest monitoring and forest management statistics of the competent Member State authorities. It goes without saying that data sources should also always be mentioned. Data analysis can also help in preventing natural disturbances, such

¹ Dated 20 January 2022



as storms, wildfires, and pests (*expected to increase under climate change conditions*) causing immediate economic losses and eventually leading to carbon release into the atmosphere.

3. **Create a regulatory framework that recognises the lower carbon footprint of forest products compared with alternative materials.** To tackle the climate crisis, construction will have to change radically. The production of cement alone accounts for about 7 percent of all global CO₂ emissions. One possible solution is surprisingly simple: reducing environmental impact of scarce, fossil-based and energy-intensive materials by using wood. The supply chain for timber is very resilient and unique compared to most other non-renewable materials. All other construction materials requires the rocks, limestone (gypsum), metal ores or soils to be mechanically removed from the earth, which creates irreversible changes in our landscape. In contrast, the sustainable production of timber protects forest areas and fertile soils to ensure production of this renewable material. The use of timber stores carbon which increases our national carbon sinks.

4. **The forest-based bioeconomy relies on an integrated value chain.**

The EU forest and forest-based sector is an essential ingredient in the recipe for achieving the 2050 carbon neutrality goal since it contributes to climate change mitigation in three essential way:

1. sequestration of carbon in forest soils;
2. storage of carbon in trees and finally in wood products;
3. substitution of carbon by replacing scarce and non-renewable materials with negative environmental impact with sustainable and renewable materials like wood and other plant-based materials.

The optimized production and sustainable use of the renewable material in our forests (biosphere) goes hand in hand with optimised and sustainable use in our built environment (technosphere). This includes several management operations like the sustainable forest management. For this reason we need:

- a) The use of all harvested wood including lesser-known species, hardwood, smaller diameters, and lower qualities;
- b) Encouraging, when economically and regionally possible, the cascade usage of wood, which optimises the positive impacts of wood over the whole life cycle of wood;
- c) Improve the design of products in order to favour replaceability and recycling possibilities.

Supporting long-lived wood products goes hand in hand with supporting active forest management, including the production and consumption of other sustainable wood-based products such as hygiene products, paper and packaging, which are equally necessary to achieve EU carbon neutrality objectives. Artificially prioritising long-lived wood products over other wood products would mean overlooking the forest management cycle as well as the high level of resource efficiency the entire forestry value chain already applies. Given that the new EU forest strategy genuinely seeks to promote and boost a sustainable bioeconomy in the EU, all uses of wood must be embraced, to be consistent with the already adopted and agreed objectives.

The Wood Industry looks back to decades of research and innovation activities and is now able to fulfil technically and economically all basic requirements in building according the Construction Products Regulation (CPR). As far as future research and innovation are



concerned, the European forest-based sector's existing Research and Innovation Agenda², which covers the whole value chain, is an ideal starting point when proposing any future research and innovation activities.

5. **Enhance sustainable construction using wood.** Green public procurement plays an important leading role and must be supported by guidelines on all public procurement levels, which helps through the paradigm shift from the single criterion "price" towards a multi-criterion life cycle view. The determination for a construction system in wood in early planning stages is key for a successful project in wood.
6. **Prior to developing any new forest certification scheme, we should further enhance what already exist.**

Forest certification in the EU-27 already entails approx. 121 million ha of the total EU forest cover (37% of the total area). Robust voluntary forest certification schemes, such as FSC and PEFC, have long-standing expertise in promoting sustainable forest management practices which also encompass biodiversity objectives on the ground and have rigorous procedures in place to ensure that all requirements are applied diligently. To be noted that protecting old-growth forests is also an integral part of FSC certification and represents a significant conservation achievement in forest management. Hence, existing forest certification schemes can complement and support the implementation of EU forest-related policies. This work has been made possible by the voluntary engagement of countless stakeholders at local and national level around Europe, who engage in healthy and resilient forests. The new EU forest strategy should not risk duplicating efforts and associated costs and should not create complexity among market players, undermining the efforts they have made so far as well as the trust and confidence they have received through existing certification. Neither should consumers face confusion or be misled.

Hoping you may take into account our suggestions, I remain for any questions that you may have.

CEI-Bois – The European Confederation of Woodworking Industries

EOS – European Organisation of the Sawmill Industry

² <https://www.forestplatform.org/strategic-research-innovation/>

Following the adoption of the European Parliament’s position on the New EU Forest Strategy, on the 13th of September 2022,

CEI-Bois and EOS issued a Press Release welcoming the adoption of the document and its content.



Brussels, 13 September 2022

NEW EU FOREST STRATEGY WELCOMED BY EUROPEAN WOOD INDUSTRIES

The European woodworking industries find much to welcome in the new EU forest strategy passed today by the European Parliament.

‘A new EU Forest Strategy for 2030 – Sustainable Forest Management in Europe’ is clear in its recognition of the ability of wood products to both store carbon and substitute for more carbon intensive materials. At the same time these wood products are both renewable and recyclable.

CEI-Bois & EOS particularly welcome the recognition that “wood is the only significant natural renewable resource that has the potential to replace some very energy-intensive materials, such as cement and plastics, and will be in greater demand in the future”.

Like the Parliament, the European woodworking industries are keen for wood to be used as efficiently as possible given its value and importance in helping to deliver the Green Deal and the EU’s 2050 carbon neutrality objective.

The new strategy is right to acknowledge there are concerns around a reliable and sustainable wood supply, a situation exacerbated by Russia’s war on Ukraine, hence - like the Parliament - the woodworking industries believe that locally and sustainably produced wood will be needed to meet this demand. Our industries echo the EU Parliament in underlining the importance of a reliable and sustainable supply of wood and forest-based biomass along with the need to quantify any effects on the availability of wood following the implementation of measures under the new forest strategy.

In addition the new forest strategy rightly acknowledges wood’s important role in helping deliver the wider bioeconomy. However wood can only make its “optimal contribution to the circular economy and climate-neutrality” if there are “strong incentives to innovate in the fields of bio-based materials and fuels that replace fossil-based ones”. As co-creator and co-funder of the Forest-based Sector Technology Platform, the European wood working industries join the EU Parliament in “inviting the Commission to develop comprehensive forest-focused programmes involving different functions and parts of the forest-sector value chain and including living labs to test and demonstrate solutions to key challenges, building on existing and proven platforms such as the Forest-based Sector Technology Platform”.

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In welcoming this report Sampsa Auvinen, chair of CEI-Bois, noted: *“It is very good to see that the EU Parliament has recognised the central role that the European wood working industries can play in helping deliver the Green Deal, in particular wood’s notable ability to both store carbon in the built environment and to substitute for other construction materials that have a very high carbon footprint.”*

Herbert Joebstl, President of EOS, added, *“Members States should now create the right conditions to boost the entire sustainable forest bioeconomy and fully recognise the positive EU climate-change mitigation effects of increased carbon storage in harvested wood products and material substitution from increased wood construction”.*

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5.2.4 Other CEI-Bois actions on forest related issues

In addition to specific advocacy actions undertaken in the context of the development of the legislative and non-legislative dossiers mentioned above, CEI-Bois has also been strongly engaged in the policy-making process surrounding topics of interests by participating in various sustainability-focused and Commission-led virtual meetings. As a significant member of the Expert Group on Forest-based Industries and of the Forestry and Cork Civil Dialogue Group, CEI-Bois has been in the position to gain access to specialised information, connect to various stakeholders, and influence policy in a number of policy areas and pieces of legislation, including the Biodiversity Strategy, the LULUCF Regulation, wood in construction, the Deforestation-free Products Regulation, the New EU Forest Strategy, the Taxonomy Regulation, the Bioeconomy Strategy, the Nature Restoration Regulation, the payments for ecosystem services, supply chain disruptions, raw material availability etc.

Meetings on these topics were held throughout 2022 and they are envisioned to gather pace in the coming months and years, albeit in potentially changing group configurations. For example, the Forestry and Cork Civil Dialogue Group will terminate at the end of 2022, but the topic is expected to be taken over by a new Expert Group on Forestry, to be established in 2023, and where CEI-Bois would participate as a Member.



On occasion of the Forest-based and related industries Expert Group organised by the EU Commission on 12 January 2022, the Thünen Institute presented their new Study on EU Biodiversity Strategy effects on industry. On this occasion, it was clarified that while creating the study they realised

that there is a high degree of leeway between interpretations so that two scenarios are necessary to consider, both a low and a high impact scenario.

The modelling was based on the Germany and extrapolated to the EU27 for the periods to 2030 and 2050. As conclusions, the study showed that until 2030 the low impact scenario would see 50 million m³ the high impact scenario a 258 million m³ reduction in wood harvesting in EU countries. However, around half of this would be offset by production in non-EU countries, and while consumption would decline, which would be to a lesser extent than production, therefore the EU economy would experience higher net import. The model showed that this would mean a EUR 0.3 billion (low scenario), or a EUR 2.5 billion (high scenario) loss for the EU industry. As a conclusion, the study stated that the relocation of timber production to outside of the EU counteracts the positive effects on biodiversity in the EU.

5.3 Wood in construction

5.3.1 CEI-Bois Feedback to the proposed revision of the Energy Performance of Buildings Directive

On the 15th of December 2021, the European Commission published its proposal for the revision of the Energy Performance of Buildings Directive (recast) (EPBD). The proposal is part of the “Fit for 55” package, setting the vision for achieving a zero-emission building stock by 2050. It aims to accelerate building renovation rates, reduce GHG emissions and energy consumption, and promote the uptake of renewable

energy in buildings. It also follows up on key components of the three focus areas of the Renovation Wave Strategy, specifically tackling energy poverty and worst-performing buildings, making sure public buildings and social infrastructure lead the way, and decarbonising heating and cooling, while including the intention to propose mandatory minimum energy performance standards.

The proposal immediately kicked off the public consultation process, to which CEI-Bois participated by submitting its Feedback on the 31st of March 2022. In preparation of its Feedback, **CEI-Bois also hosted an internal dedicated exchange session on the dossier during its first Construction Working Group meeting of 2022, held on the 1st of March.** During the session, a brief presentation of the proposal’s main points was provided by the Secretariat, with Members sharing crucial input about the main issues of concern that would need to be highlighted during the public consultation.

The final CEI-Bois Feedback to the Commission on the proposed revision of the EPBD overall welcomed that the draft took the first major EU steps toward regulating embodied emissions (emissions produced during the production and assembly of building materials). It also supported the establishment of Zero-Emission Buildings (ZEB) as the new standard for new buildings from 2027 and for renovated buildings from 2030, the call for addressing building-level carbon storage, the rescaling of the Energy Performance Certificate system in order to make it more comparable across the EU, as well as the promotion of renewable energy. At the same time, it addressed several opportunities for



improvement, such as a better definition of ZEBs in terms of operational emissions and its earlier application, the introduction of mandatory dynamic LCA requirements to quantify the benefit of carbon storage, the requirement for Member States to ensure that the Global Warming Potential (GWP) of new buildings is calculated earlier than 2030 (and that it applies also to renovations), the need to better promote the use of bio-based materials for the structure and envelope of buildings (as well for thermal insulation), the need to financial and technical assistance for reaching Minimum Energy Performance Standards (MEPS) by vulnerable households, etc.

Workings on this dossier are currently taking place in the European Parliament, under the responsibility of the Rapporteur, MEP Ciaran Cuffe (Greens), on behalf of the Committee on Industry, Research and Energy (ITRE). Following of the release of the Rapporteur's Draft Report in June 2022, CEI-Bois and its partner, the European Panel Federation (EPF), had suggested amendments reflecting its Feedback to the Commission-led public consultation. The vote in committee is set to take place at the end of November 2022, while the Rapporteur's final Report is expected to be scrutinised by the European Parliament plenary during its January 2023 session.



We are a responsible Industry

CEI-Bois draft reply to the European Commission's proposal for a Directive on the energy performance of buildings (recast)

The European Confederation for Woodworking Industries (CEI-Bois) welcomes the revision of the Energy Performance of Buildings Directive (EPBD). The European Woodworking Industry is a strong advocate of the role of sustainable construction for a climate-neutral European economy and supports the use of timber construction as an immediate way to cut the industry's carbon footprint and achieve long term carbon storage in products, as recognised in several other EU policy documents.

CEI-Bois welcomes, therefore, that the proposed EPBD takes the first major EU steps toward regulating embodied emissions, referring to emissions produced during the production and assembly of building materials. However, we offer several suggestions that would help strengthen this directive's contribution toward achieving a net-zero EU.

Whole-life cycle approach

The goal of a zero-emission building stock by 2050 can only be achieved through significant mitigation measures. Mitigation through changes from non-renewable to renewable construction materials or through efficiently enhancing our existing building structures, instead of demolishing and replacing, can help achieve this. But this mitigation by optimising the quantity and type of construction materials needed to build, as well as by supporting the replacement of fossil-based energy sources with renewable alternatives, needs to be proven with whole building and whole life carbon assessments, especially where dynamic LCA is incorporated to account for the large carbon storage potential in bio-based materials (see section on carbon storage below).

Although CEI-Bois welcomes the recast directive's introduction of the "zero-emission building" (ZEB) as the new standard, a ZEB is currently defined only in terms of operational emissions. Instead, **ZEB's definition should include a whole life cycle view with reference to embodied emissions originating in the life cycle stages of production and disposal**. Furthermore, CEI-Bois strongly supports the recast directive's correct calls for addressing building-level carbon storage. At the same time, it should **introduce mandatory dynamic LCA requirements capable of quantifying the carbon storage benefit of increased biogenic material usage over their lifecycle**.

Also laudable is the requirement that Member States (MS) shall ensure that the life-cycle Global Warming Potential (GWP) is calculated in accordance with the Level(s) framework and disclosed through the Energy Performance Certificates (EPC) of buildings. Reaching the climate targets requires, however, that the **GWP calculation and the adoption of this whole-life cycle approach must become mandatory sooner than envisioned by the timeline set in the recast EPBD. It should also apply to renovated buildings and should incorporate a measure of the benefit of stored carbon using dynamic LCA**.

Carbon storage

CEI-Bois welcomes the mention that MS shall also address carbon removals associated with carbon storage in or on buildings. However, we consider that **this needs to be translated into a meaningful assessment of the benefit associated with this storage**.

As trees grow, they absorb carbon dioxide from the atmosphere and when they are harvested, the carbon remains stored in the wood for the lifespan of the product whilst the same land is left to absorb yet more carbon dioxide as the next rotation grows. For every 1m³ of wood the equivalent of 1 ton of CO₂ is stored. As such the potential for a long-term carbon sink is huge, given that the available forest increment that can be sustainably harvested in Europe alone equates to almost 1Gt of CO₂ per year.



However, this removal only becomes a meaningfully carbon sink if the length of time the carbon is stored for is also considered. **Dynamic LCA (or a simplified weighted average) provides an assessment of this benefit and should be included in whole building life carbon assessments.** This would show the benefit, and thus promote, the use of wood and other bio-based materials in long life products, as well as reveal the benefit of designing for reuse and increasing circularity.

Renovation and bio-based insulation

Given the immediacy of embodied emissions and that they cannot be minimised later in the building's life (unlike operational emissions), **a more ambitious timeline (such as 2025) for the application of the ZEB standard should be proposed for both new buildings and renovations.** Embodied emissions average 60-90% of the total emissions of a highly energy-efficient building¹.

Such deep renovations would help wean the EU off fossil fuels. Renovation and retrofitting of existing buildings can also play a major role in the recovery from the economic crisis induced by the Covid-19 pandemic, in part because the tasks necessary can be labour intensive with widespread overall cost benefits and a reduction in fuel poverty. Renovation will also have a major role in the construction market because **it is often more ecological to build with the existing structure than to demolish and reconstruct, which can also be assessed using a whole life cycle approach.**

Such tools should serve to reorientate the construction ecosystem towards **increasingly using innovative materials for the structure and envelope of buildings, whose manufacturing and transport require as little energy as possible, thereby reducing the final embodied carbon in the building.** Thermal insulation also plays a key role by reducing the operational energy of the building, reducing the need for heating in winter and air conditioning in summer. Organic fibre materials (including wood) play an important role here as they are not only renewable but have also important moisture-regulating properties, which provide a more comfortable environment for the occupants.

Minimum energy performance standards

Another positive step is the establishment of minimum energy performance standards (MEPS) with the goal of boosting the renovation rate. Tightly linked is the proposed rescaling of the Energy Performance Certificate (EPC) system, which sets the right course towards comparable energy performance levels across the EU. Increasing the renovation rate by dealing first and foremost with the least performing buildings will primarily impact vulnerable households and people affected by energy poverty. As building renovation can be costly and because regulatory compliance is not straight-forward, it is crucial that the recast directive provides clear financial and technical solutions. Financial support provided under the recast EPBD should also be **linked to an assessment of whole life-cycle emissions savings and issuing carbon credits for carbon stored in long-lived construction products and materials should be part of the financial solution.**

Renewable energy use

CEI-Bois welcomes the recast directive's promotion of renewable energy in the energy mix. However, while disincentivising the installation of fossil fuel boilers as of 2027 is a positive step, the technical limitations of alternative solutions such as solar panels, heat pumps, and geothermal solutions should be carefully considered and reflected in the proposal. **By also employing the cascading principle when economically, environmentally, and regionally possible, bioenergy can be an effective, lower-emission, and renewable alternative to fossil-based energy. This is particularly important given the EU's energy self-sufficiency ambitions.** In sawmill plants, the whole log is utilised for products,

¹ Sturgis S and Roberts G 2010, Rics Research Report: Redefining zero: carbon profiling as a solution to whole life carbon emission measurement in buildings. RICS May 2010, ISBN: 978-1-84219-591-8



particularly for making construction materials. From the logs an average of 35-40% becomes residues in the form of chips, sawdust, and bark. These residues or by-products can also be used to process energy, heat and power, pellets production or transport fuels for the substitution of fossil fuels. Moreover, the use of woody biomass in heat production is helping dramatically reduce dependency on fossil fuels. Pellet stoves are a widespread heating system and make an important contribution to the CO2 neutrality of Europe's heating infrastructure. Due to a relatively high transport cost compared to the value, the sawmill residues are sold on the market depending on the regional market conditions, including the presence of downstream users.

5.3.2 The revision of the Construction Products Regulation

On the 30th of March 2022, the European Commission (EC) released a package of European Green Deal proposals to make sustainable products the norm in the EU, to boost circular business models, and to empower consumers for the green transition (so-called “Circular Economy Spring Package”). As previously announced in the Circular Economy Action Plan (itself adopted in March 2020), the Commission proposed new rules to make almost all physical goods on the EU market more friendly to the environment, circular, and energy efficient throughout their whole lifecycle from the design phase through to daily use, repurposing, and end-of-life.

Circular Economy Spring Package

Package providing the necessary tools to address environmental challenges

CPR to implement ESPR measures to construction products

ESPR also as safety net in case sectoral legislation does not sufficiently address environmental sustainability goals



A very important part of the package was the proposal to revise the Construction

Products Regulation, which aimed to boost the internal market for construction products and to ensure that the regulatory framework in place was fit for making the built environment deliver on sustainability and climate objectives.

The proposal was shortly followed by a public consultation, to which CEI-Bois participated by submitting its Feedback on the 12th of July 2022.

In preparation of the Feedback, CEI-Bois hosted two brainstorming meeting with the Members of its Construction Working Group on the 6th of May and on the 21st of June, respectively. The goal of the meetings was to put together a list of concerns that the Secretariat would subsequently address during its reply to the Commission-led consultation on the file.

Additionally, **on the 14th of June 2022, CEI-Bois participated to the first online meeting in a series information and exchange sessions hosted by the Commission on the proposal for a new CPR.** Prior to the online Q&A, a number of crucial questions pertaining to the dossier could be submitted to the Commission in advance. They touched on fundamental

topics such essential characteristics, product requirements, the Commission’s role in the development and adoption of technical specifications, market surveillance, relation of the revised CPR and existing CPR,

circularity and other sustainability requirements, etc. The clarifications provided by the Commission fed into the above-mentioned second brainstorming meeting on the CPR revision.

Vision of the new CPR

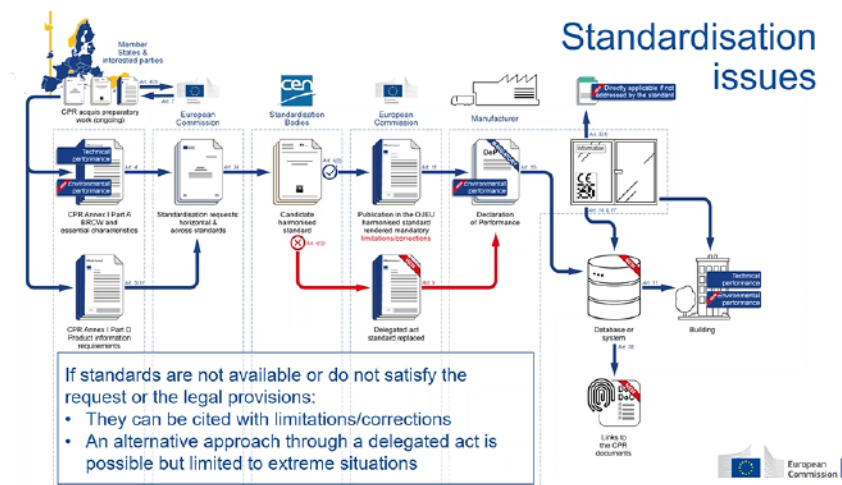
Functioning of Single Market

- unlock the construction sector’s growth and jobs potential
- improve the competitiveness of the sector
- digital transition of the construction ecosystem



Environmental Sustainability

- green transition of the manufacturing processes
- overall sustainability of the built environment
- efficient use of natural resources by facilitating reuse and recycling



As a result of these preparatory actions, **the CEI-Bois Feedback to the public consultation on the proposal for a revised CPR was informed and comprehensive.**

On the one hand, it welcomed the Commission’s proposal to revise the Regulation as a legal framework whose overarching goal

is to remove any remaining obstacles to trade in construction products across the European Union by harmonising the conditions for the marketing of such products. It also supported the Commission’s introduction at the top of the agenda of sustainability considerations in the manufacturing



of construction products, while pointing out that the Woodworking Industries have always been pioneers in providing solutions for climate change mitigation.

On the other hand, it drew the Commission's attention to multiple issues of concern attached to the proposed CPR, while putting forward several suggestions for improving the revision process. These addressed topics such as the harmonised zone and CE marking, the proposed Regulation's widened scope, the essential characteristics and the product requirements, standardisation and widened Commission powers, sustainability considerations (including circularity), harmonisation with the proposed Ecodesign Requirements for Sustainable Products Regulation (ESPR), etc.

Currently, the dossier is undergoing workings in the European Parliament, specifically under the responsibility of the Committee on the Internal Market and Consumer Protection (IMCO), represented by the Rapporteur, MEP Christian Doleschal (EPP), as well as of ENVI (associated committee with exclusive and shared competences, alongside IMCO), represented by its Rapporteur, MEP Sara Matthieu (Greens).

A preliminary exchange within IMCO was held on the 15th of June 2022, a public hearing took place on the 10th of October 2022, while the consideration of the Rapporteur Doleschal's soon to be published Draft Report is expected to take place at the end of November 2022; the vote in committee is expected in March 2023.

In view of contributing to IMCO's work on the dossier, CEI-Bois has conducted advocacy activities both independently and via its membership in Construction Products Europe (CPE), one of the most significant industry stakeholders in the construction sector. In an independent capacity, on the 30th of September, **CEI-Bois has been able to offer woodworking sector-specific input to Rapporteur Doleschal and the various IMCO Shadow Rapporteurs through a document of preliminary Comments.** The topics addressed included the carbon storage of construction products and various circularity aspects.

Furthermore, ENVI issued its draft Opinion on the 29th of September 2022, with plans to hold the exchange on the 24th of October 2022.

Following the publication of the ENVI draft Opinion on the CPR revision, and in view of the subsequent committee workings, **CEI-Bois prepared a number of Comments to ENVI and shared them with Rapporteur Matthieu and the various ENVI Shadow Rapporteurs** on the 19th of October 2022. The document addressed topics such as the standardisation process, various circularity aspects, the carbon storage of construction products, the methodology for assessing and reporting environmental sustainability, the need to remove packaging from the revised CPR's scope.



We are a responsible Industry

CEI-Bois feedback to the European Commission's consultation on the proposed revision of the Construction Products Regulation

As the representative of the European Woodworking Industries, CEI-Bois welcomes the European Commission's proposal to revise the Construction Products Regulation (CPR) as a legal framework whose overarching goal is to remove any remaining obstacles to trade in construction products across the European Union by harmonising the conditions for the marketing of such products.

Furthermore, CEI-Bois supports the Commission's introduction at the top of the agenda of sustainability considerations in the manufacturing of construction products, while pointing out that the Woodworking Industries have always been pioneers in providing solutions for climate change mitigation.

To guarantee the effective implementation of this Regulation with optimal results for all the actors involved, we would like to draw the Commission's attention to the following issues of concern attached to the proposed CPR, while putting forward several suggestions for improving the revision process.

Harmonised zone and CE marking

Among others, the revised CPR proposes to reach its overarching goal by **creating the so-called harmonised zone** consisting of the totality of harmonised technical standards with EU-wide applicability and by proposing that the **CE marking will be the only acceptable marking** covering harmonised technical specifications, essential characteristics or assessment methods. CEI-Bois supports this approach as it would discourage the proliferation of additional national requirements and marks, thereby mitigating the fragmentation of the EU construction products market and facilitating intra-EU trade.

At the same time, however, it is concerning that European assessment documents (EADs) are no longer part of the harmonised technical specification, which means they are de facto excluded from the harmonised area. **This poses the risk that Member States could impose further regulatory requirements on products covered by EADs.** If not retracted, their exclusion from the harmonised zone needs to be at least further in the context of the whole EAD system and in the context of the applicable obligations and derogations.

Widened scope

While excluding some products covered by the current CPR, the proposed revision aims to extend the scope of the Regulation to product families that are not considered as construction products under the current CPR (3D datasets, services, shapes, parts of products, prefabricated houses, etc.). While the ambition of the EC to reflect technical innovation and recent developments in the construction products sector via the revised CPR is laudable, it is important to point out that the **proposed scope may be too comprehensive and wide, therefore posing practical applicability challenges.**

The effects that these changes may have on products and product families already covered still need to be comprehensively examined and evaluated in order to appropriately draw a borderline in the application of this Regulation. CEI-Bois suggests, therefore, that the term "construction product" continues to correspond only to the definition of Art. 2. 1 of the current CPR and is not extended. To give some examples, custom-made products and prefabricated one-family-houses must continue to be excluded from the scope of application of the revised CPR. The inclusion of prefabricated one-family-houses under the scope of construction products raises significant questions as such houses can also be seen as construction works and because even such houses are themselves composed of many different construction products, thereby confusing the overall scope of the proposed Regulation. Similarly, the



inclusion of small building products and buildings (small sheds, cottages, etc.) in the scope could have a negative financial impact on private persons as consumers (do-it-yourself) and on SMEs (financially and administratively burdened by the declarations of performance and conformity).

Also, packaging products are not building products per-se and should therefore be left outside the scope of the revised CPR. Its inclusion leads to an excessive administrative burden for all market participants without any discernible benefit for anyone in the production and supply chain, nor even for the end consumer. On the contrary, unnecessary and avoidable conflicts with existing European and national legislation such as the EU Packaging Directive 94/62/EC are provoked. Packaging products, in particular wooden packaging such as pallets, export packaging, crates or cable drums, are neither installed in buildings with the construction products for whose transportability they ensure, nor do they have any influence on the safety, health, performance or environmentally relevant properties, essential characteristics or impacts of the construction products. CEI-Bois therefore sees an excessive administrative burden that is unmanageable for SMEs, SMIs, and for almost all of the smallest, small and medium-sized family-run companies in the wood packaging industry. On the contrary, both the direct and indirect effects by customers of the industry from the building products sector, that incidentally will also be completely overwhelmed and confused by the draft presented and will try to pass on as much as possible to their suppliers and thus also to the wood packaging industry, would lead to massive market destabilisation. The valuable asset of the free EU market will be massively interfered with.

Closely linked to the undesired introduction of packaging in the scope of the revised CPR is the role of fulfilment service providers, which exceeds its inherent limits, thereby making it impossible in the future for manufacturers of wooden packaging and pallets to offer services such as warehousing, packaging, addressing, and dispatching, which they provide for the actual manufacturer of construction products in the narrower sense, at all. This results in particular from the requirements according to Article 27, 2. that in consequence transfers all obligations of the manufacturer to the producer or retailer of wooden pallets and packaging.

The inclusion of re-used construction products is in general a positive step. However, harmonised technical specifications and standards are at present only dealing with new products. For re-used products, the development of factory production control (FPC) and similar quality control schemes should precede standardisation. We, therefore, propose to leave the standardisation of re-used products to the Member States domain at present, with possible coverage by the CPR at a later stage. Moreover, it is also important to clarify who bears the responsibility for re-used construction products, such as the original producer, the dismantling company or the construction company. This clarification should, however, take into account the long life of wood-based construction products and the ensuing disproportionate burden this could have on the original producer as potential responsible entity.

Noteworthy of further consideration are the potential consequences of the provision allowing Member States to exempt from the application of the revised CPR those **construction products placed on the market or directly installed in the outermost regions of the European Union.**

Essential characteristics and product requirements

According to the revised CPR, its overarching goal is also to be achieved by setting up rules on how to express the environmental and safety performance of construction products in relation to their essential characteristics, as well as by introducing environmental and safety product requirements for construction products.

CEI-Bois welcomes the Commission's proposal to maintain the wide majority of the essential characteristics (as set out in Annex 1, Part A) as set out in the current CPR. Moreover, while **acknowledging the benefit of introducing climate change effects** (by declaring the Global Warming



Potential - GWP - of construction products) as the **only mandatory essential characteristic, it highlights the high costs that will be incurred by the SMEs when complying with this provision** (for example, due to costly LCA assessments). An effective solution in pre-empting this issue could be the **establishment of a generic EU wood sector database**, as well as an environmental product declaration (EPDs) tool which could facilitate SMEs to produce a basic EPD report (that can be peer-reviewed and subsequently used for CE marking and declarations of performance). Additionally, in the short-term, **national generic values** would work as a fallback solution for SMEs.

Furthermore, the declaration of the GWP of construction products would be more effective if **accompanied by the declaration of the Primary Energy (PE)** in all its sub-values, namely renewable and non-renewable. Leaving the declaration of PE out of the scope allows manufacturers of construction materials with otherwise low GWP to conceal the high energy consumption in their production. CEI-Bois is also in favour of the proposal that harmonised technical specifications shall cover **to the extent possible** the essential characteristic of capability to temporarily store and remove **biogenic carbon**.

While the determination and specification of environmental, functional, and safety product requirements by the Commission (as set out in Annex 1, Part B, C, and D) is necessary for avoiding the proliferation of diverging national requirements across the EU, the large number of parameters make compliance complex and costly (for example, due measurement and documentation costs). Furthermore, concepts such as “product installation”, “safety in use”, “repair”, “maintenance schemes”, “inspections”, etc., are rather vague, making their uniform application throughout the EU challenging, if not impossible (especially due to the heterogenous building culture in Europe). **A clear description and specification of the product requirements, as well as a drastic reduction of the number of the parameters covered would, therefore, be highly appreciated by economic operators.** It should also be taken into account that most of the product requirements covered by a harmonised technical specification can only be properly assessed within the final construction works, as opposed to isolated products.

The introduction of a declaration of conformity (DoC) in addition to the already existing declaration of performance (DoP) is presented in the present draft as a direct consequence of the establishment of product requirements and the need to report on conformity with the latter. Although manufacturers rightly have the option of supplying a DoC and a DoP in a single document and electronically, there are major concerns about the high administrative burden and costs for manufacturers, in particular SMEs. Additional costs for entrepreneurs are subsequently passed on to consumers in the form of increased prices in order to be able to guarantee economic survival, thereby hampering the development of an innovative construction products market. **A simplification of reporting obligations and a reduction in the number of ways to declare product performance and conformity would be welcomed by a wide majority of construction product manufacturers**, for whom the obligation to issue a DoP under the current CPR is already a challenge. There have been estimates that the cost of implementing the revised CPR would reach 8% of the companies' turn-over. Especially for SMEs, funding should be made available to cover such costs during the regulation's implementation.¹ Also, patent protection provisions and trade secrets are crucial for manufacturers; the prescription of the numerous content-related requirements for a DoP according to Annex II should appropriately reflect that.

Standardisation and widened EC powers

As one of the most forward-looking and innovative sectors, the Woodworking Industry supports the objective to remedy the underperformance of the current framework, particularly as regards the standstill in the citation of harmonised product standards (hEN) in the Official Journal of the EU (OJEU).

¹ Estimates by the Swedish Ministry of Finances:

<https://www.regeringen.se/4993b1/contentassets/61caa0149b0e4eb9ae801eee0853fe7f/revidering-av-byggproduktforordningen-202122fpm82.pdf>



CEI-Bois agrees that the underperformance of the standardisation process is a crucial obstacle to the smooth functioning of the single market and therefore understands the proposed CPR's intention to widen the powers of the EC to adopt technical specifications for cases where the standardisation system is not delivering on time and of sufficient quality.

The resilience of the overall standardisation, however, relies on limiting the use of the solution above only to exceptional cases. To this end, well-defined and reliable guidelines for the drafters of standards, as well as consultation and involvement of Member States and industry stakeholders in the evaluation and adoption process of standardisation deliverables are of utmost importance. There is also a need for a clarification on the division of competences and responsibility between the Commission and standardisation bodies.

Given that the current CPR is repealed with effect from 1 January 2045, thereby de-facto putting in place a parallel system and transition period, there is a need to **better clarify how the process will work in practice, as well as the role and outcome of the currently pending standardisation requests.** It should also be borne in mind that the current situation of pending harmonised standards will remain unchanged until the new Regulation will be applicable to standardisation products.

Aside from the standardisation process, the Commission is authorised in the proposed draft to adopt delegated acts in a large number of situations. In principle, it is questionable whether these authorisations are necessary to this extent and whether the envisaged authorisations may not lead to conflicts of competence with the Member States. Any risk of overstepping could be mitigated through the **establishment of clear and predictable criteria for the Commission's adoption of the delegated acts**, as well as through a constant and transparent engagement with Member States and industry stakeholders. In any case, an effective and early stakeholder engagement should be a sine non qua in any other further EC regulatory activity linked to the CPR revision.

Overall, we believe that the delegation of powers to the Commission is most effective when limited to exceptional cases, such as when a specific problem is not addressed in the legislation. **When placing their products on the market, construction products manufacturers need a reliable and predictable legislation, absent of legal uncertainties.**

Sustainability considerations, circularity, and assessment/reporting

Considering the ongoing climate crisis and the beneficial role that a greener construction sector could play in climate mitigation by reducing operational and embodied greenhouse gas (GHG) emissions, the revised CPR is stepping in the right direction by introducing sustainability considerations at the top of the agenda. The Woodworking Industries are ready to provide both a material and construction products that have inherent climate and environmental advantages.

In the proposed CPR revision, the sustainability considerations are covered in several places, for example by the already mentioned essential characteristic of climate change effects, but also by the additional environmental requirements of manufacturers (as set out in Art. 22) and the inherent product environmental requirements (as set out in Annex I, Part C). These environmental requirements refer to circularity, product packaging, premature obsolescence, repairability, upgradability, etc.

While the Commission's introduction of environmental obligations for manufacturers is overall welcome, there are **serious concerns that the currently proposed sustainability parameters are too numerous and their meaning still unclear**, thus raising questions about the ability of companies to practically comply. Concerns pertain mainly to expected financial burdens and to still rather vague concepts which risk creating legal uncertainties. **A significantly reduced list of better defined and**



specified sustainability parameters would enable operators to better comply with the valuable requirements.

For example, complying with the obligations under Art. 22 (2) would result in overwhelming testing, certification, documentation, and storage efforts. SMEs in particular cannot absorb these additional burdens and costs. Moreover, examples of concepts in need of reconsideration include “repairability”, “upgradability”, “state-of-the-art level”, etc., while concepts such as “mixed, blended or intricate materials” are best left out of the Regulation. **This latter phrasing is exceptionally broad and can easily encompass mass timber plus many other current and future building materials, thus likely depriving the building sector of the needed flexibility to develop the innovative materials necessary to reach the sector’s stringent climate and circularity targets.**

With regard to the obligation that manufacturers should use reliable parts and design products in such a way that their durability does not fall beyond the average durability of products of the respective category, it should be borne in mind that there are products within the same category of different quality that are optimised for specific application requirements and places of use. They are manufactured accordingly and have therefore also deliberately different life cycles. For re-used products, compliance with this requirement is even more difficult as the disassembly method will also have an impact on their service life. Furthermore, with regard to “state of the art”, it should be noted that this phrasing can only be interpreted statically, i.e., at the time of the placing on the market of a product. Any dynamic reference is therefore to be avoided.

In terms of circularity, the inclusion of recyclability requirements in the revised CPR can have a positive effect when it does not preclude the performance and safety standards of the final products. At the same time, however, **the renewability of timber construction materials as the bioeconomy’s equivalent to recyclability shall therefore be recognised in the proposed CPR revision.** The recognition of renewable materials as inherent recycled materials on the basis of biogenic carbon would recognise and promote the sustainability benefits of wood-based construction materials better. Moreover, it should be taken into account that not all materials can be produced using recycled content, thus **prescribing mandatory percentages of recycled content in construction products is not always a possible solution and also not automatically providing environmental benefits.**

The circular use of renewable materials is one of the main solutions that the bioeconomy can provide to mitigate the climate and environmental crises. In this area, the Woodworking Industries excel as they offer a renewable construction material harvested from sustainably managed forests, which store vast amounts of carbon for very long periods of time. At the same time, wood-based construction products are a readily available substitute to fossil-intensive alternatives due to their low embodied carbon, with applications both in new build and renovation. Solid wood products are less energy intensive to manufacture than steel or concrete, and most of the energy used in the production phase comes from renewable biomass (e.g., bark and other residual fibre) instead of fossil fuels. Furthermore, post-consumer wood can be easily repurposed and recycled in many ways. If it is still intact, it can be cut down to a smaller board or plank that can be reused. If it is not intact, it can be chipped into smaller pieces and even sawdust and be made into OSB (oriented strand board) or press board and/or others wood fibre products. If it cannot be utilised as feed stock, it can be pressed into wood pellets to produce heat.

Also crucial for manufacturers’ ability to comply with the environmental obligations is predictability about the system that will be used for assessing and reporting sustainability, which should be done uniformly throughout the EU. The use of the standard EN 15804 should be mandatory, especially considering that the building industry has been widely using it in the drafting of EPDs. Moreover, **showcasing sustainability performance via third-party labelling at product-level, including “traffic-light-labelling”, is very complex and costly in practice, placing the wide majority of operators at a**



financial disadvantage. Additionally, its effectiveness is questionable as it may hinder the sustainability ambition of the proposed Regulation.

Harmonisation with the proposed Ecodesign Requirements for Sustainable Products Regulation

The environmental obligations proposed in the revised CPR are understood to be the result of a close alignment between this proposed Regulation and the "Proposal for establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC" (ESPR). While CEI-Bois welcomes the development of a cohesive and comprehensive legislative package in support of promoting sustainability within the EU's industrial base, it also points out that **a solid clarification of the scope of the two pieces of legislation is still highly necessary**. Of particular importance for the Woodworking Industries is the clarification about which of the two proposed regulations would cover wood as construction material and wood-based construction products. A clarification is still also necessary for the scope of the two proposed regulations with regard to products falling under the scope of the proposed ESPR, which can, however, also be considered construction products (thus falling under the scope of the proposed CPR).

Linked to the alignment between the revised CPR and the proposed ESPR, the Commission's intention to introduce a Digital Product Passport is a good step forward that would enable the construction products sector to contribute to the overall digitalisation of the entire construction ecosystem. At the same time, however, **digitalisation with the multiple characteristics to be provided adds an unbearable administrative and financial burden for manufacturers and even more so for small businesses**. Another major critical point is the communication of the data. Aside from intellectual property considerations, which are very important, **data security** is currently a serious issue in light of successive cyberattacks. The centralisation of information is therefore undesirable, while information disclosure can take place when and where absolutely necessary.

Other considerations

The proposed CPR revision introduces a new assessment and verification system (AVS), specifically AVS "System 3+ - Control of the environmental risk assessment by the notified body". The obligations pertaining to this AVS and described in Annex V make this envisaged rigorous system of random checks to be carried out by the notified bodies very costly and difficult, if not impossible, to implement for certain products or manufacturers. The verification of environmental sustainability raises questions regarding practical implementation and the zero tolerance for incorrectness is neither practical nor appropriate. The designed AVS system is too complex and does not seem feasible under the current framework conditions. At the very least, the AVS system should be downgraded to System 4 – Manufacturer's self-verification and self-certification, and random checks should be avoided.

Finally, under Art. 22, manufacturers must *"accept to regain, directly or through their importers and distributors, ownership of surplus and unsold products that are in a state equivalent to the one in which they were placed on the market."* It is CEI-Bois' view that this requirement could affect contractual business relations between market actors. The regulation of such matters via the revised CPR is, therefore, not the most appropriate solution.



5.3.3 Sustainable Carbon Cycles and Certification of Carbon Removals

On the 15th of December 2022, the European Commission adopted the Communication on Sustainable Carbon Cycles, which sets out an action plan on how to develop sustainable solutions to increase carbon removals. The Communication also points out several challenges while proposing possible solutions:

Carbon farming: by 2028, every land manager should have access to verified emission and removal data, and carbon farming should support the achievement of the proposed 2030 net removal target of 310 Mt CO₂eq in the land sector.

Possible solution: the creation of an expert group on best practices and monitoring, verification and reporting methodologies mainstreaming funds for carbon farming in relevant EU policies and programmes, a digital carbon navigator template, a study on applying the polluter-pays principle to the agriculture sector,

the creation of a carbon farming group within the Climate Pact, and blue carbon farming practices.

Industrial sustainable carbon: by 2028, any ton of CO₂ captured, transported, used, and stored by industries should be reported and accounted from its origin; by 2030, at least 20% of the carbon used in products should come from sustainable non-fossil sources; and by 2030, 5Mt of CO₂ should be annually removed from the atmosphere and permanently stored through technological solutions.

Possible solution: the creation of a standard for carbon removal in wood construction products, the publication of an integrated bio-economy land-use assessment, financial support for industrial carbon removals, a study on the CO₂ transport network, updated guidance documents for the CCS Directive, and an annual CCUS forum.

Significantly, **the Communication on Sustainable Carbon Cycles acknowledges the crucial role played by the**



sustainable bioeconomy in achieving climate neutrality by reducing fossil emissions through the replacement of GHG-intensive materials and fossil fuels with bio-based materials and bioenergy, respectively. To incentivise the development of more innovative and long-lasting bioproducts, it further proposes to enlarge the category of Harvested Wood Products. In the construction sector, it highlights the opportunity to improve the climate performance of buildings by taking advantage of the bioeconomy's ability to reduce overall emissions of the construction sector while storing substantial amounts of carbon.

This non-legislative dossier will remain relevant throughout the remaining months of 2022 and at least throughout 2023. **It is currently undergoing workings in the European Parliament**, under the responsibility of the ENVI committee, represented by Rapporteur, MEP Alexander Bernhuber (EPP) – who released the Draft Report on the Commission's proposal in June 2022. In

July 2022, ENVI issued its amendments to Rapporteur Bernhuber's draft Report, and the vote in the ENVI committee is expected to take place in November 2022; the date of the European Parliament's plenary vote on the Rapporteur Bernhuber's final Report is currently unknown.

In view of the publication of amendments by ENVI and the other opinion committees, on the 12th of July 2022, **CEI-Bois and EOS submitted to MEPs their Position on the Commission's Communication**. The document recommended Members of the European Parliament to continue recognising the crucial role played by the sustainable bioeconomy in achieving climate neutrality and support the development of a regulatory framework for the certification of carbon removals via bio-based long-term storage solutions based on a robust and transparent methodology. Additionally, CEI-Bois offered amendment suggestions to the Draft Report, to reflect the general recommendations above.



The Woodworking Industries' position on the Commission's communication on Sustainable Carbon Cycles in view of the upcoming workings in the European Parliament

Brussels, 12 July 2022

The European Confederation of the Woodworking Industries (CEI-Bois) and the European Organisation of the Sawmill Industries are fully behind the objectives of the European Green Deal, and are committed to its objectives of climate neutrality, a circular bioeconomy, resource efficiency, economic growth, and employment creation. Creating a green economy is not just about encouraging environmental protection but establishing climate friendly alternatives that substantively contribute to a competitive green economy. The Woodworking Industries offer sustainable and environmentally friendly alternative solutions in the built sector as in everyday life while maintaining employment and contributing to the wealth and development in rural areas.

An effective and reliable carbon credit system should drive a major shift toward net-zero products while substantially contributing to reducing the environmental impacts of businesses and activities. It should be emphasised that technology-based carbon removal solutions and nature-based carbon removal solutions play an important role for decarbonisation.

The climate benefit of wood products consists of carbon storage thanks to the capture during tree growth, as well as avoided emissions by replacing non-wood products and the associated fossil CO₂ emissions. In many cases the carbon emission impact of long-lived wood-based construction products is calculated and documented on the basis of LCA, which shows a lower net carbon emission from wood products compared to the non-wood counterparts. For example, where 18 comparisons were made by Himes and Busby (2020)¹ they found that substituting conventional building materials for mass timber reduces construction phase emissions by 69% (not including the benefit of stored carbon in wood).

It should be also taken into account that the principle of "additionality" in forest management is an arbitrary concept and shall not apply, as carbon removals cannot easily be separated from removals resulting from other management goals. In line with this, carbon removal solutions for forests should focus on incentives for investments in active sustainable forest management, promoting regeneration and increased growth, **as well as more wood-based products**, while maintaining a stable and increasing forest carbon stock, with co-benefits to other ecosystem services. This way, incentives will be directed both to enhancing forest carbon stock and to the number one priority – reducing fossil emissions. Additionally, forestry related incentives shall help Member States to reach the targets set out in the LULUCF Regulation. Further advantages include that monitoring, reporting and verification will be greatly facilitated if payments are tied to delivery of wood.

¹ Himes and Busby (2020) Wood buildings as a climate solution. Developments in the Built Environment, 4, 100030.



To ensure that the political ambition of the Sustainable Carbon Cycles communication is delivered successfully, and in view of the upcoming workings on this dossier in the European Parliament, we recommend the Honourable Members of the European Parliament to:

- **Continue recognising the crucial role played by the sustainable bioeconomy in achieving climate neutrality.**

The Commission is correct when stating in the Sustainable Carbon Cycles communication that climate change neutrality can be achieved by reducing fossil emissions through the substitution of GHG-intensive materials and fossil fuels with bio-based materials and bioenergy, respectively. As a key actor of the bioeconomy, the Woodworking Industries can deliver on these two objectives by providing a material and products that store vast amounts of carbon for very long periods of time. At the same time, they are a readily available substitute to fossil-intensive alternatives due to their low embodied carbon. Indeed, solid wood products are less energy intensive to manufacture than other traditional alternatives (steel or concrete), and most of the energy used in the production phase comes from renewable biomass (e.g., bark and other residual fibre) instead of fossil fuels.

Furthermore, post-consumer wood can be easily repurposed and recycled in many ways. If it is still intact, it can be cut down to a smaller board or plank that can be reused. If it is not intact, it can be chipped into smaller pieces and even sawdust and be made into OSB (oriented strand board) or press board and/or others wood fibre products. If it cannot be utilised as feed stock, it can be pressed into wood pellets to produce heat. Reuse is also utilized in the packaging sector, for example through pallet repair and the use of recycled paper in cellulose insulation, which greatly extends the life of the wood product.

- **Support the development of a regulatory framework for the certification of carbon removals via bio-based long-term storage solutions based on a robust and transparent methodology**

In its communication on Sustainable Carbon Cycles, the Commission proposes the establishment of a regulatory framework centred on a legislative proposal for the certification of carbon removals. CEI-Bois fully supports this general proposal and points out the particularly relevant role that bio-based long-term storage solutions should play. Additionally, through its expertise and experience, CEI-Bois is actively contributing to the development of methodologies fit for purpose. It is crucial that the ensuing system will deliver on the goal of climate neutrality by 2050 and negative emissions thereafter, instead of simply becoming a greenwashing tool.

To expedite carbon removal certification, priority should be given at first to effective, ready-to-use, long-term solutions, such as using wood and other long-lived bio-based products in the construction and renovation of buildings, which can store carbon for decades or centuries. The IPCC's April 2022 Mitigation of Climate Change report notes the "effective" nature of *"enhancing carbon uptake and storage in the urban environment, for example, through bio-based building materials"*.

Additionally, as the building sector becomes more circular, wood products will likely have multiple applications during their lifecycles, thus prolonging their carbon storage. Then, at the eventual end of life of those wood products, they could be processed into biochar or through the use of BECCS to further extend the carbon storage to near permanence.



The Woodworking Industries have the technology and materials available now, thus enabling the certification of carbon removals to be effective from day 1 of its operation. Therefore, CEI-Bois encourages the inclusion among certified carbon removal solutions of both bio-based products with long lifetimes and other renewable fibre-based products with lifecycles that can also be extended several times. The slow pace of global emissions reduction makes it even more critical that the EU drives the use of wood and other wood fibre-based materials as a ready-to-go and immediate means of cost-effective carbon removal/storage.

At the same time, CEI-Bois would point out that the certification scheme must be well regulated as the risk of missing climate targets by excusing “business as usual” emissions is of considerable concern.

Therefore, the following points should be considered:

- ❖ A sound and reliable definition of “carbon removal”, which is a necessary precondition to any future policy choice to allow carbon removals in EU compliance frameworks.
- ❖ A regulatory framework for the accounting and certification of carbon removals that establishes an EU standard in accounting, monitoring, reporting and verifying GHG emissions and carbon removals at different levels, considering the medium and long-term storage of carbon in bio-based components such as wood-based products. Also, this regulatory framework should reward the amount of CO₂ saved and stored by using bio-based materials compared to emissions-intensive counterparts.
- ❖ Dynamic life cycle analysis or the linear PAS 2050 approach allows to take into account the temporality of emissions and carbon storage throughout the life of the product. This allows to improve the results on the efforts to reduce CO₂ emissions from today to be linked to certification but also to incentivise further biogenic carbon storage when displayed in a meaningful way in product and building assessments.
- ❖ The EU certification framework should allow different types or sub-categories of certificates to better reflect the diversity of carbon removal solutions and their characteristics.
- ❖ To widen the categories of products capable of storing carbon, it is further suggested to consider not only the wood-based structural elements used in building but to extend the consideration to other types of bio-based products, such as insulation materials and panels, which can be recycled, scaling up their life and prolonging their carbon storage

CEI-Bois – The European Confederation of Woodworking Industries - Transparency register n° 470333818389-37

EOS – European Organisation of the Sawmill Industry - Transparency register n° 024776016336-52

While the ENVI AMs were overall positive, of particular significance and value was amendment 364, which recognised that *“via the construction sector (both new build and renovation) carbon can be stored in the built environment through nature-based materials, such as wood and wood fibre, and that such materials also substitute for more carbon intensive conventional materials.”* Therefore, on the 29th

of August 2022, **CEI-Bois and EOS issued a Joint Letter on the ENVI amendments**, welcoming the overall constructive stance expressed by the ENVI MEPs on the dossier and specifically calling for the adoption of amendment of amendment 364 during the November 2022 vote in committee. Copy of the CEI-Bois and EOS Joint Letter is reported here.



CEI-Bois and EOS Joint Letter on the ENVI amendments to the Rapporteur’s draft Report on the Commission’s Communication on Sustainable Carbon Cycles

Brussels, 29.08.2022

Dear Honourable Member of the European Parliament,

As the main voices of the European woodworking and sawmill industries, CEI-Bois and EOS are strongly committed to the European Green Deal’s objectives of climate neutrality, a circular bioeconomy, resource efficiency, economic growth, and employment creation. CEI-Bois and EOS therefore welcome and support the ambition espoused by the European Commission in its Communication on Sustainable Carbon Cycles to achieve these goals.

Both CEI-Bois and EOS applaud the overall constructive stance of most Members of the European Parliament’s Committee on the Environment, Public Health and Food Safety (ENVI), as expressed via their several amendments (AMs) to the draft Report on the Commission’s Communication on Sustainable Carbon Cycles, put forward by the Rapporteur, MEP Alexander Bernhuber.

In particular, CEI-Bois and EOS are of the view that **AM 364** - proposed by the MEPs Alexander Bernhuber, Christine Schneider, Peter Jahr, and Norbert Lins - incorporates the fundamental elements that are vital for the ability of the Commission’s Communication to deliver on its ambition:

“14 a. Recognises that via the construction sector (both new build and renovation) carbon can be stored in the built environment through nature-based materials, such as wood and wood fibre, and that such materials also substitute for more carbon intensive conventional materials.”

By proposing the new paragraph 14a, **AM 364** offers in one swift action one of the most effective and efficient climate change mitigation solutions, namely **carbon storage** in the construction sector through the use of bio-based materials. Currently, the wood that is already in the European built environment safely stores as much carbon as is stored in half of the total Swedish forest. We could significantly increase the amount of carbon stored in the built environment via the use of more wood in both new build and renovation.

Additionally, **AM 364** notes that wood products can **substitute** for alternative materials that have a much higher level of embodied carbon, thereby not only further reducing overall greenhouse gas (GHG) emissions but also contributing to the circular European bioeconomy.

In several position papers and other public statements, CEI-Bois and EOS have consistently underlined that **the timber and bio-based product industry has the technology and materials available now** to store very large quantities of carbon, with direct application (e.g., wood fibre-based insulation) to a construction sector in need of urgent emission-reduction results. The construction sector accounts for



40% of energy consumption and for 36% of energy-related direct and indirect GHG emissions¹, and, as seen in other legislative initiatives (e.g., the Renovation Wave or the recast Energy Performance of Buildings Directive), the European Commission correctly focuses on the urgency to renovate the standing building stock.

Due to its inherent thermally insulating abilities, wood is the ideal material for high energy performance renovations and new build. At the same time, wood is not just a climate friendly material. It is both strong and light, making it easy to transport and erect. It can also be machined to very high tolerances, making it ideal for prefabrication. Prefabricated timber structures can additionally be designed for demountability, which makes them ideal for dismantling at the end of life. Timber building modules can be recovered, reused, and recycled into other materials such as wood-based panels, and ultimately rendered into renewable wood fuels for heat and power generation.

The woodworking and sawmill industries are highly reliable and solution-oriented partners in the EU's essential transition to a greener economy, which is both a prerequisite for climate change mitigation and the path to sustainable competitiveness. **By recognising the sustainable carbon cycle that lies at the heart of the wood-based construction sector, AM 364** would enable one of the essential industrial ecosystems in Europe to successfully implement the Green Deal.

Against this backdrop, **CEI-Bois and EOS strongly encourage Members of the ENVI committee to preserve AM 364 in view of the November 2022 vote, as well as to adopt it.**

CEI-Bois and EOS are also **inviting interested Members of the ENVI committee** to a (virtual) meeting, **to exchange views** on the role that the woodworking and sawmill industries could play in securing the delivery of the goals set out in the Communication on Sustainable Carbon Cycles, but also in the Green Deal more generally.

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¹ Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast)

Another crucial proposal in the Communication of Sustainable Carbon Cycles is the set-up of a regulatory framework centred on **a legislative proposal for the certification of carbon removals** (Certification of Carbon Removals) by November 2022. In the Commission's view, the certification mechanism should first focus on solutions taking place in the European Union that remove CO₂ from the atmosphere with sufficient guarantees on the storage duration, on measurement quality, the management of risk of reversal or risk of “carbon leakage” inducing GHG emissions elsewhere.



To this end, the Commission launched a call for evidence and a public consultation, to which CEI-Bois participated alongside EOS by submitting their joint Feedback and joint Reply on the 2nd of May 2022, by focusing on the certification of carbon removals by the use of wood in construction.

In preparation of its contribution, **CEI-Bois hosted on the 18th of March 2022 an internal brainstorming meeting** with a relatively large number of interested Members; the group is expected to semi-formalise over time in a smaller ad-hoc task force of core Members that would deal with this dossier throughout the rest of 2022 and 2023. Additionally, **CEI-Bois exchanged views with two existing providers of carbon credits for the storage of carbon by means of wood-based construction products** (Puro.earth from Finland and Aureus Earth, USA) on the methodologies behind their certification systems.

Although still in a preliminary form, the two contributions promoted timber and bio-based products as solutions that are available now for storing very large quantities of carbon and for greatly reducing other emissions associated with the construction sector by substituting traditional building materials. With regard to the methodology behind the Certification of Carbon Removals, CEI-Bois highlighted the importance of a sound and reliable definition of what is a “carbon removal”, the need to establish an EU standard in accounting, monitoring, reporting and verifying GHG emissions and carbon removals at different levels, the usefulness of widening the categories of products capable of storing carbon to include not only wood-based structural elements but also insulation materials.



Brussels, 2 May 2022

CEI-Bois and EOS feedback as part of the call for evidence on the certification of carbon removals

CEI-Bois and EOS support the efforts of the European Commission to produce a 'Proposal for a regulation' in the context of the certification of carbon removals.

The timber and bio-based product industry has the technology and materials available now to store very large quantities of carbon and in addition could greatly reduce other emissions associated with the construction sector by substituting traditional building materials. As explored in the Trinomic study¹ a meaningful carbon credit scheme based on a solid display of the benefit of storing carbon could greatly increase this opportunity to mitigate climate change. This will require a certification scheme that must be well regulated as the risk of missing climate targets by excusing "business as usual" emissions is of considerable concern. It is imperative to avoid that carbon removals are simply used as a greenwashing tool.

Carbon removals should be a tool for physically taking greenhouse gasses (GHG) out of the atmosphere and storing them for a long time thereby reducing the amount of CO₂ in the atmosphere.

If well regulated, providing certification for carbon removals could:

- Provide a carbon store in the built environment through the use of timber and other bio-derived materials;
- Reduce atmospheric CO₂ mitigating climate change and increase national carbon stocks due to the use of long-life products.

CEI-Bois and EOS invite the European Commission to consider the following topics when elaborating the proposal for a European framework for the certification of carbon removals:

- A sound and reliable definition of what is a "carbon removal", which is a necessary precondition to any future policy choice to allow carbon removals in EU compliance frameworks.
- A regulatory framework for the accounting and certification of carbon removals that establishes an EU standard in accounting, monitoring, reporting and verifying GHG emissions and carbon removals at different levels considering the medium and long-term storage of carbon in bio-based components such as wood-based products and also rewarding the amount of CO₂ saved by using these materials compared to others. Indeed, the use of timber instead of traditional building materials such as bricks or cement with intensive emission of

¹ European Commission, Directorate-General for Climate Action, Bolscher, H., Schelhaas, M., Garcia Chavez, L., et al., *Evaluation of the climate benefits of the use of harvested wood products in the construction sector and assessment of remuneration schemes : final report*, 2021, <https://data.europa.eu/doi/10.2834/421958>



CO2 might improve the climate performance of a building and it is an opportunity for the bioeconomy to reduce overall emissions of the construction sector while storing substantial amounts of carbon.

- To widen the categories of products capable of storing carbon, it is further suggested to consider not only the wood-based structural elements used in building but to extend the consideration to other types of bio-based products such as insulation materials and panels, which can be recycled scaling up their life and prolonging their carbon storage

To upscale the success of carbon removal certificates and to achieve long-term business perspectives, it is essential to standardise the methodologies and rules for monitoring, reporting, and verifying (MRV) such certificates/credits. On the other hand, it is also necessary to identify robust certification criteria, to define clearly who owns the rights of the carbon removals, the period of validity of such certificates (dependant on the type of product and on its expected life), and to prevent any double counting.

The promotion of storing large amounts of carbon in the built environment has been supported by many researchers including Professor John Schellnhuber of the Potsdam Institute of Climate Impact Research and adviser to the New European Bauhaus - the Initiative launched by the President of the European Commission, Ursula von der Leyen. Professor Schellnhuber's argument was set out succinctly in 'Buildings as a global carbon sink' in Nature Sustainability January 2020: <https://www.houtnatuurlijkvannu.nl/wp-content/uploads/2020/01/churkina-et-al-Nature-wood-buidlings.-2020.pdf>

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In addition to the call for evidence and the public consultation, **the Commission launched in July 2022 a call for applications for the Expert Group on carbon removals**, as announced in the Communication of Sustainable Carbon Cycles. The selected experts (around 70) will meet at least twice a year, either remotely or in person, and will start working in December 2022. The Expert Group will assist the Commission in the preparation of policy initiatives and legislative proposals on the voluntary certification of carbon removals. In private talks, the Commission clarified that the Expert Group will require a commitment of several years by the experts. **CEI-Bois has applied to this call by proposing its Technical Advisor, Dr Andrew Norton.**

Also, **on the 14th of July 2022, CEI-Bois and EOS met with senior representatives of the Commission's Directorate-General for Climate Action (DG CIMA), who oversee the development of the Certification of Carbon Removals.** During the meeting, CEI-Bois could obtain clarifications and additional information on the Commission's thinking and expectations regarding the upcoming legislative proposal, as well as express its own concerns and suggestions for the development of a certification system able to deliver on its ambitions. Timber in construction was a focal point of the discussion, with DG CLIMA recognising its strong role in carbon removal and long-term storage, while highlighting remaining challenges pertaining to perception, that could be best overcome via illustrative pilot projects. CEI-Bois is currently engaging with members of its wide network to evaluate the possibility of showcasing such pilot projects.

5.3.4 Involvement in the development of the transition pathway for a resilient, greener and more digital construction ecosystem

In September 2021, the European Commission's Directorate for the Internal Market, Industry, Entrepreneurship & SMEs (DG GROW) launched the first High-Level Construction Forum (HLCF) meeting to initiate the co-creation process of a transition pathway towards a green, digital, and resilient construction ecosystem. About 220 representatives from industry, EU countries, European Commission, social partners, and other stakeholders joined to exchange on the main priorities and themes of the HLCF. Three follow-up meetings of the Digital, Resilience, and Green Cluster Groups took place subsequently during November 2021, resulting in the Commission services preparing a **Staff Working Document (SWD) to outline possible Scenarios for a transition pathway for a resilient, greener and more digital construction ecosystem.**

CEI-Bois has accepted DG CLIMA's invitation to participate in the public consultation by replying to the Commission's in-depth questionnaire on the 28th of February 2022. A Press Release has also been issued by CEI-Bois on the occasion, pointing out that buildings materials should have a low overall impact on the environment and should help with reducing emissions across the whole life cycle, and that this should be properly accounted for through an appropriate life cycle assessment (LCA), such as the dynamic LCA methodology. Similarly important for the transition to a green construction ecosystem is its resilience, which is not at its highest point due to issues related to

accessibility to raw materials necessary to produce construction products. Not less important for strengthening the resilience of the construction ecosystems is the ageing of the workforce and the reduction of the

skills gap, two major challenges recognised in many sectors, including in the renovation and construction of buildings. Copy of the Press Release is reported here.



We are a responsible industry

PRESS RELEASE: THE WOOD INDUSTRIES ENGAGED FOR A TRANSITION PATHWAY FOR A RESILIENT, GREENER AND MORE DIGITAL CONSTRUCTION ECOSYSTEM

Brussels, 28 February 2022

“If we want to keep the effects of man-made climate change to within tolerable limits, we need to choose materials and products with a strong benefit, when looking at the complete environmental impact and performance.” said Dr Andrew Norton, Technical Advisor of the European Wood Industries (CEI-Bois and EOS). Buildings generate approximately 40% of global emissions therefore we must make substantial changes to the way we design, build, and manage our built environment. The potential climate benefits of wood products are numerous: they offer solutions based on existing business models and proven technology which simultaneously store carbon and substitute fossil resources, thus diminishing the CO₂ emissions caused by the global building stock. Wood is a versatile and aesthetic building material that can store large quantities of atmospheric CO₂ above the earth's surface easily and without risk. The beams in medieval timbered houses in many European cities bear witness to the resource efficiency of these “CO₂ sinks”.

The manufacturing and construction process is responsible for embodied greenhouse gas emissions before buildings are occupied, and when they reach the end of their service life. A corresponding possible action for the construction ecosystem is to reduce embodied emissions in design and construction practices, including at the stage of manufacturing of construction products.

It is therefore crucial that building materials have a low overall impact on the environment, which can also result in significantly lower production costs. Materials should also help with reducing across the whole life cycle, and this should be properly accounted for through an appropriate life cycle assessment (LCA), such as the dynamic LCA methodology. In addition to measuring the amount of CO₂ stored in construction materials and products, this methodology also provides essential information about the duration of CO₂ storage. Furthermore, wastewater production should also be as low as possible in the manufacturing of construction materials and products.

Similarly important for the transition to a green construction ecosystem is its resilience, which is not at its highest point due to issues related to accessibility to raw materials necessary to produce construction products. Overall, COVID-19 has shown disruptions in the global supply chain and led to shortages of certain critical products in Europe. Specifically in construction, after the lifting of the COVID-19 restrictions, a rising demand and important supply challenges were observed. At the same time, export restrictions are being implemented by Ukraine and Russia, with detrimental impacts on the competitiveness of the EU industry.

European Confederation of Woodworking Industries aisbl

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The challenges associated with accessibility to raw materials to produce construction products are amplified by barriers to trade, WTO infringements, and a lengthy legislative framework for intervention in the WTO. This creates an uneven level playing field, negatively affecting the competitiveness of the sector. In turn, this results in delays in delivering construction products down the supply chain, as well as significant price fluctuations.

To ensure the resilience of the construction ecosystem, a level playing field on raw material supply, within and outside of the European Union, must be guaranteed and accompanied by relentless vigilance against all kinds of trade distortions.

Not less important for strengthening the resilience of the construction ecosystems is the ageing of the workforce and the reduction of the skills gap, two major challenges recognised in many sectors, including in the renovation and construction of buildings. Developing and supporting the acquisition of adequate skills, digital and green competences is the prerequisite for the construction ecosystem to “bounce forward” in the twin green and digital transition, while at the same time meeting Europe’s climate ambition.

In addition to the attraction and retention of new, younger, and more skilled workforce, efforts will also be needed to promote a better gender balance distribution, making the construction industry more appealing to women and minorities and thus reinforcing its inclusiveness. Managing those processes of image improvement, skills development and increased inclusiveness successfully will increase the resilience of the construction ecosystem.

Notes to editor:

About CEI-Bois www.cei-bois.org

The European Confederation of Woodworking Industries represents 20 European and National organisations from 14 countries and is the body backing the interests of the whole industrial European wood sector: more than 180.000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

On the 6th of April 2022, CEI-Bois took part in the second meeting of the HLCF.

The aim of the event, which brought together 191 stakeholders, was to share the results of the public consultation. Overall, results showed that there was great enthusiasm from the construction ecosystem to participate in the co-creation of a transition pathway. Also, there were generalised concerns about overlap between different EU initiatives and legislation, raising concerns about a lack of an overarching framework. Moreover, respondents pointed out challenges relating to supply chain vulnerability, the lack of an enabling framework and a lack of skills. Notably, increasing the use of nature-based solutions, bio-based, and

low carbon materials were identified as an untapped potential for the green transition.

During May and June 2022, further dedicated meetings took place on the following topics:

- Expanding and reinforcing accessible digital tools to serve the green transition on the 18th of May 2022
- Addressing whole life cycle greenhouse gas emissions in construction on the 23rd of May 2022
- Enabling collection, interoperability and sharing of data on the 31st of May 2022
- Developing solutions to stabilise the supply of materials and increase resilience, including through stronger secondary

markets for construction on the 13th of June 2022

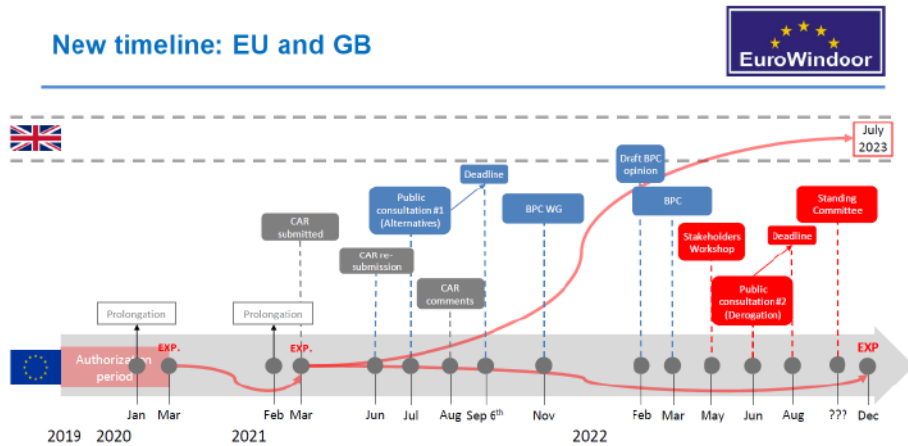
Following the dedicated meetings, DG GROW would finalise the resulting document on **the Transition Pathway for a Resilient Greener and More Digital Construction Ecosystem**, which is **expected to be presented by the end of 2022**.

5.3.5 Advocacy actions supporting the renewal of the approval of Propiconazole

Propiconazole is an approved Active Substance heavily used by the Woodworking Industries for wood preservation, thereby extending lifespan and increasing the durability of wood-based products. While Propiconazole is approved as Active Sub-

stance in Film Preservatives (Product Type 7) at least until the 30th of November 2026, its approval period for Wood Preservatives (Product Type 8) is up for renewal on the 31st of December 2022.

Due to its classification, it is eligible to be re-approved only under the derogation criteria under Article 5.2 of the Biocidal Products Regulation (BPR), but needs a positive opinion from the European Chemicals Agency (ECHA) Biocides Product Committee (BPC), following a first positive assessment of the national evaluating competent authority (eCA) Finland, in charge of the preliminary assessment which concluded that the criteria for an approval of Propiconazole under Article 5.2 are fulfilled.



As part of the evaluation process, ECHA launched a first public consultation between August and September 2021, during which stakeholders were invited to provide relevant information on the availability of alternatives to Propiconazole. This public consultation, which attracted numerous high-quality, technically accurate contributions, demonstrated that Propiconazole

is considered as a key active substance in wood preservation and an appropriate substitution is not feasible for the time being. **CEI-Bois also participated to the first consultation by submitting a joint Position on the use of Propiconazole in wood preservatives for timber windows and doors** alongside EuroWindowor (representing the interests of the Europe-

an window, door, and facade sector) and Small Business Standards (SBS, representing small and medium-sized enterprises' interests in the standardisation process at European and international levels). Copy of the 10-page joint Position can be accessed [here](#)¹.

During the BPC's preparation of its scientific opinion on the risk assessment of Propiconazole, **CEI-Bois, EuroWindowor, and SBS co-organised on the 24th of May 2022 a workshop** with the aim to hear the views of technical institutes, universities, institutional experts, and end-users to gain knowledge around the value chain of Propiconazole, within the broader context of a holistic and sustainable approach to European wood protection. Crucial for the success of the event was participation of relevant parties such as the BPC Member State experts, Competent Authorities, the ECHA, and the Commission.

The workshop was opened by an introduction to the topic and a keynote speech on the importance of the European wood preservation segment towards reaching the goals set within the EU sustainability goals. Experts provided an overview of the value chain and insights on different segments - forestry, sawmill, woodwork, windows and doors, treated wood suppliers, wood preservative suppliers, etc. The main section of the workshop was the presentation of key studies undertaken by four organisations responsible for the studies on alternatives to Propiconazole conducted for nine different countries². The meeting concluded with the endorsement of an output paper by all stakeholders involved in the event and a joint call on an increased collaboration with the Commission in regard to wood preservatives, where public authorities and industry share a common interest in finding sustainable alternatives to biocidal

LIVE

Sustainable Wood Protection & Availability of Essential Tools:

Perspective of end-users on the EU renewal of Propiconazole

24 May 2022
15.00 - 17.00 CEST

Authorities & end-users dialogue with the presence of:

HFA (Austria)	EU Commission – Joint Research Centre
FCBA (France)	DHI Group (Denmark)
	Georg-August-Universität Göttingen

Logos: CEI-Bois, EuroWindowor, tmi, VELUX, tmf, tmi

09:15

1 https://www.cei-bois.org/_files/ugd/5b1bdc_f60d3b661b3748a28119556dfd5eeb6b.pdf

2 HFA (Holzforschung Austria) covering Austria and Germany; FCBA (France) covering France; DHI Group (Denmark) covering Norway, Sweden, Finland and Denmark; SHR (Netherlands) covering Belgium and the Netherlands

The European Confederation of the Woodworking Industries (CEI-Bois)

Brief presentation

Claudiu-Nicolae Sonda
Policy Officer for Sustainability
and Construction

24th of May 2022



products containing the Active Substances Propiconazole, Tebuconazole, and IPBC.

Moreover, **CEI-Bois participated in the second public consultation on derogation to the exclusion criteria for Propiconazole** launched by the ECHA in the summer of 2022, **by submitting its Feedback on the 10th of August 2022**. In the document, CEI-Bois showed its strong support and encouragement for the renewal of

the approval of Propiconazole, pointing out that its non-renewal would not only weaken the wood preservation industry but will threaten the entire value chain in the wood sector. CEI-Bois also highlighted that the renewal of Propiconazole is essential both to the European Union's ability to deliver on its Green Deal ambitions and to the Woodworking Industries' capacity to play a vital role in the pursuit of its objectives. Copy of the Feedback is reported here.



We are a responsible Industry

CEI-Bois feedback to the public consultation on derogation to the exclusion criteria for Propiconazole

Brussels, 10 August 2022

The European Confederation of Woodworking Industries (CEI-Bois) represents 21 European and National organisations from 15 countries and is the body backing the interests of the whole industrial European wood sector: more than 180,000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

CEI-Bois is fully committed to the objectives of the European Green Deal, namely climate neutrality, circular bioeconomy, resource efficiency, economic growth, and employment creation. In line with these objectives, the European Woodworking Industries offer the potential to decarbonise key economic sectors such as construction. Timber buildings are globally recognised as key allies in climate change mitigation strategies: they represent an immediate way to achieve long-term carbon storage in products and they allow to reduce the use of energy-intensive materials.

By extending the lifespan and increasing the durability of wood-based products, wood preservation is crucial for maximising the sustainable use of wood in construction and thus for long-term carbon storage. The European Woodworking Industries rely heavily on the use of Propiconazole for this purpose, particularly because there is currently no alternative biocidal product approved in most Member States. Furthermore, Propiconazole poses no danger to the health of industry workers, end-users or to the environment, rendering this Active Substance the perfect biocidal solution. Further evidence of the important role that Propiconazole plays for the European Woodworking Industries can be found in the CEI-Bois - EuroWindoor - SBS joint position¹.

Against this backdrop, CEI-Bois strongly supports and encourages the renewal of the approval of Propiconazole. Its non-renewal would not only weaken the wood preservation industry but will threaten the entire value chain in the wood sector. We believe that Propiconazole meets the 3 derogation criteria simultaneously, as detailed below.

1. Risk from human, animal and environmental exposure to the active substance

CEI-Bois is confident that industry workers are well protected from exposure to Propiconazole, and that its leach into the environment is minimal, if not absent. Also, professional workers are informed, equipped, and trained to use impregnation products with appropriate protection measures. Additionally, all the products approved under the Biocidal Products Regulation (BPR) are supplemented with relevant material safety data sheet on how to mitigate human risk.

Risk for human exposure

The risk for human health can be further broken up into the risk for industrial workers (at impregnation plant level), the risk for professional workers and craftsmen (at workshops and construction site level), and the risk for end-users (during the lifetime of the treated product). The industry has implemented risk management measures covering all the three stages above. Firstly, the industry is limiting the exposure for **industrial workers** by ensuring that industrial impregnation processes are performed in closed loop systems or dipping tanks, thereby also allowing the recycling of excess liquid. Furthermore, the industry is complying with the Classification, Labelling and Packaging (CLP) Regulation, which requires workers in charge of handling and maintenance operations to use Personal Protective

¹ https://www.cei-bois.org/files/ugd/5b1bdc_e02a4b94d1e04dec9f72377cb8a6838a.pdf



Equipment (PPEs), specifically hand and skin protection. Secondly, the exposure for **professional workers and craftsmen** is limited by ensuring that the use of PPEs is mandatory for wood treatment applications in accordance with relevant material safety data sheet. Thirdly, the exposure for **end-users** is limited by ensuring that manufacturers using Propiconazole-based biocidal products apply a coating to the finished product to prevent direct skin contact for end users.

It is also worth considering that the Biocidal Product Committee (BPC) is of the opinion that, when it comes to the use of Propiconazole, the exposure risk is considered acceptable for industrial and professional use².

Risks for animal and environmental exposure

The risks for animal and environmental exposure are mitigated by the appropriate handling of the leaching risk and by adequate waste management. Risk management measures established by the industry in this area include limiting the risk associated with the industrial process, the accident risk, the risk associated with by-product waste, and the risk of final product leaching.

The industry is limiting the **risk associated with the industrial process** by ensuring that most of the wood impregnation/coating processes are carried out in a controlled environment, whereby no leaching can occur, specifically by making use of closed-loop systems which contain the biocidal product, and which recover the excess liquid for further re-use or safe disposal. The industry is also limiting the **accident risk** by designing plants in a way that prevents any spill over into ground water, rainwater or the surrounding environment. The **risk associated with by-product waste** is limited by ensuring that most impregnation processes are conducted on finished articles, thereby generating very little or no waste of treated wood. It is, however, worth pointing out that very few impregnated products still require a post-processing of the treated wood like sanding. Finally, the **risk of final product leaching** is limited by encapsulating the exterior of treated products in topcoat and by covering the painted wood surface with cladding, thereby making the leaching of impregnation from wood-based products very unlikely.

2. Propiconazole is essential to prevent or control a serious danger to human health, animal health or the environment

CEI-Bois is convinced that Propiconazole is essential for the use of wood in construction because it allows a longer lifespan and increased durability for wood-based products, in turn enabling the Woodworking Industries to be a valuable actor in the tackling of climate change. The European Commission has acknowledged on multiple occasions that wood is both an environmentally friendly solution to climate change and an enabler of the sustainable bioeconomy.

The carbon that a tree absorbs in sustainably managed forests is locked into the harvested wood products for their entire lifetime. Furthermore, the recycling of wood-based products in numerous forms makes timber an even higher-capacity, longer-term carbon store, with a consequently increased potential for limiting global warming. Additionally, sustainably managed forests are constantly replenished by new trees. This means that increasing amounts of CO₂ are removed from the atmosphere, absorbed, and stored via the use of timber in a variety of sectors. Moreover, timber serves a substitution function, by replacing traditional materials that involve higher CO₂ emissions, thereby further contributing to the reduction of the carbon footprint.

The ability of trees and wood as a material to sequester and store carbon, as well as to substitute fossil-based materials is particularly relevant for the construction sector, which accounts for 40% of energy

² <https://echa.europa.eu/documents/10162/2b615a3d-38d2-0087-31b6-dda6cfea6902>



consumption and for 36% of energy-related direct and indirect greenhouse gas (GHG) emissions³. Due to its inherent thermally insulating abilities, wood is the ideal material for high energy performance renovations and new built. At the same time, wood is not just a climate friendly material. It is both strong and light, making it easy to transport and erect. It can also be machined to very high tolerances, making it ideal for prefabrication. Prefabricated timber structures can additionally be designed for demountability, which makes them ideal for dismantling at the end of life. Timber building modules can be recovered, reused, and recycled into other materials such as wood-based panels, and ultimately rendered into renewable wood fuels for heat and power generation.

In order to take full advantage of all the benefits offered by wood-based products and to maximise their use, it is crucial to extend their lifespan and increase their durability via wood preservation, particularly in the humid European climate. This is the reason for using Propiconazole. If Propiconazole was to be unavailable for this use in the future, the risk for society and the environment would be significant, and it could lead among others to:

- An increase in CO₂ emissions of construction materials due to a dramatic shortening of the lifespan of wooden products or due to a substitution with more CO₂-intensive materials;
- Possible shortages in the supply of wood harvested from forests with specific slow-growing durable species due to the slow-growing nature of these forests coupled with a significant increase in the demand for harvested timber products;
- A use of higher concentrations of other Active Substances (to keep similar levels of protection), thereby increasing the potential risk of exposure for workers and end-users.

3. Not approving the active substance would have a disproportionate negative impact on society

A major part of the Woodworking Industries is strongly dependent on the preservation of wood from humid conditions. Several studies conducted at national level⁴ have shown that there is currently no Propiconazole-free alternative approved in most Member States, despite the need for wood impregnation/protection for all Use Class 3⁵ such as window frames, doors or facade elements. All wood protection products suitable for timber windows and doors are using Propiconazole, Tebuconazole, IPBC or combinations of these. Therefore, a non-renewal of Propiconazole will not only weaken the wood preservation industry, but, most importantly, it will threaten the entire value chain in the wood sector.

For example, industries such as the window and door industry would be forced to switch to either significantly more expensive wood species which are not available in sufficient quantities and rarely certified, to niche modified wood which is available in even fewer quantities or to switch to more CO₂-intensive materials. Moreover, a change towards non-sustainable wood production would also bring the risk of outsourcing local jobs, most of these alternative species being grown outside the European Union. Notably, a global switch to alternative species or modified wood could result in an immediate global shortage due to an abrupt increase in the demand.

³ Proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast)

⁴ https://www.eurowindow.eu/fileadmin/redaktion_eurowindow/Position_Papers/Study_HFA_AT_DE.pdf; https://www.eurowindow.eu/fileadmin/redaktion_eurowindow/Position_Papers/Study_SHR_BE_NL.pdf; https://www.eurowindow.eu/fileadmin/redaktion_eurowindow/Position_Papers/Study_DHI_Group_DK_NO_S_E_FI.pdf; https://www.eurowindow.eu/fileadmin/redaktion_eurowindow/Position_Papers/Study_FCBA_FR.pdf

⁵ The Use Class represents the service situation to which wood and wood-based products can be exposed. The Use Classes are defined in EN 335. Use Class 3 corresponds to “Situations in which the wood or wood-based product is above ground and exposed to the weather (particularly rain). Attack by disfiguring fungi and wood-destroying fungi is possible”. EN 599-1 defines the required efficacy criteria in biological test for Use Class 3.



In conclusion, overall, the non-renewal of Propiconazole would have a disproportionate negative impact on society when compared with the risk to human health, animal health or the environment arising from its use. For all the reasons above, the renewal of Propiconazole is essential both to the European Union's ability to deliver on its Green Deal ambitions and to the Woodworking Industries' capacity to play a vital role in the pursuit of its objectives.

CEI-Bois – The European Confederation of Woodworking Industries - Transparency register n° 470333818389-37

5.3.6 CEI-Bois' Position on the proposal for a REACH Restriction on Formaldehyde

REACH (which stands for Registration, Evaluation, Authorisation and Restriction of Chemicals) is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. In principle, REACH applies to all chemical substances, which is why it has an impact on most companies across the EU. REACH places the burden of proof on companies. To comply with the regulation, companies must identify and manage the risks linked to the substances they manufacture and market in the EU. They have to demonstrate to ECHA how the substance can be safely used, and they must communicate the risk management measures to the users.

In April 2022, it came to CEI-Bois' attention that the European Commission had submitted to the Member States a legal proposal for a REACH Restriction for Formaldehyde, containing a challenging paragraph related to the measurement of formaldehyde released to indoor air:

“Formaldehyde released from articles re-

ferred to in paragraph 1, first subparagraph of entry [xx] may also be measured in the air of a test chamber under the reference conditions that are more stringent than the ones listed in the first paragraph of this point; higher temperature and/or higher relative humidity and/or higher loading factor and/or lower air exchange rate shall be considered to be more stringent conditions”³.

This provision could lead to different implementations across the EU as it would lead to Member State fragmentation instead of European harmonisation, with potentially very serious consequences on the industry. Given the importance of the topic for its Members, CEI-Bois supported a Position paper on the proposal for a REACH Restriction on Formaldehyde that the European Panel Federation (EPF) had prepared. Other signatories included the European Timber Trade Federation (ETTF), the European Federation of the Parquet Industry (FEP), and the European Furniture Industries Confederation (EFIC). In the paper, the paragraph cited above was entirely rejected. At the same time, for wood-based panels and furniture, the limit proposed at 0.05 ppm (0.062mg/m³) was supported.

3 https://news.wko.at/news/oesterreich/Annex_formaldehyde-restriction_5-April-2022.pdf

5.4 Social Affairs

The annual Employment and Social Developments in Europe review prepared by the Directorate-General of Employment, Social Affairs and Inclusion provides up-to-date economic analysis of employment and social trends in Europe and discusses related policy options. In its 2022 edition the review underlines the following key findings:

The strong rebound of the European economy observed in 2021 followed the most severe contraction ever recorded as a consequence of the COVID-19 crisis in 2020.

However, that recovery was **paced differently across the Member States** and largely mirrored the losses experienced during the crisis. Factors hindering growth were already evident at the beginning of 2022 and were further exacerbated by the Russian invasion of Ukraine. More specifically, **pressure on the price of energy and other commodities caused a peak in inflation**, which reached the highest rate in the history of the monetary union, is expected to have important distributional consequences. **As result, EU GDP is expected to grow by 2.7%, considerably less than previously forecast.**

Labour markets recovered in 2021, although not as strongly as the economy. The implementation of job retention measures in 2020 cushioned the impact of the recession on employment by reducing the number of hours worked, and, accordingly, recovery was driven more by an increase in hours

worked rather than by growing the numbers of people employed.

The EU economy is being impacted by a number of global economic and geopolitical challenges.

The Russian invasion of Ukraine in February 2022 has caused many deaths and much human suffering, and the subsequent displacement of millions of people will impact EU demography. The EU economy has been significantly impacted, **experiencing trade and financial disruptions, a spike in energy and agricultural prices, and the arrival and subsequent integration of displaced people from Ukraine.**

Demographic trends over the last decade show that the share of the 65+ age group is rising rapidly.

The proportion of the population aged 65+ is growing, both in comparison to the working-age population and to the child population, due to increasing life expectancy and lower fertility. This trend poses major challenges for intergenerational fairness.

The report shows that young people were among the most negatively affected by job losses during the economic crisis triggered by the COVID-19 pandemic.

On average, young people are more likely to face a challenging social and financial situation. Young people faced difficulties in meeting their everyday expenses, such as those for bills and rent, with 61% of them worrying about finding or maintaining adequate housing

in the next ten years. It also shows that the recovery was slower for them than for other age groups. Possible explanations are linked to their high share of fixed-term contracts and difficulties in finding a first job after leaving school, university, or training.

Gender is another factor prompting inequality amongst young people. At the start of their careers, young women in the EU earn on average 7.2% less than their male colleagues, a gap which widens with age.

Strong government and EU intervention to support households in 2020 and 2021 helped to prevent a significant deterioration in social outcomes due to the COVID-19 pandemic.

The EU headline targets for 2030 in the areas of employment, adult participation and learning, and social inclusion will play a key role in ensuring a strong social recovery and upward convergence in the coming years.



The inclusion and full participation of young people in the labour market, and improvement of their social situation, are necessary factors to achieve these targets.

The Woodworking Industries can only confirm some of the challenges underlined in this report as it is itself affected by the demographic trends. The workforce is ageing, and young people are reluctant to

enter this sector. To keep up productivity, new workers need to be attracted, equipped with existing skills, and updated with the new skills needed for novel high-tech processes and products.

This is why in the framework of the joint European Sector Social Joint Woodworking and Furniture Social Dialogue, CEI-Bois together with the respective social partners made a request to the European Commission to support the organization of an expert to address and discuss these challenges together with other important stakeholders.



16 February 2022, Brussels

To: European Commission Directorate-General for Employment, Social Affairs and Inclusion Social Dialogue

From: CEI-Bois, EFBWW & EFIC (Woodworking & Furniture Social partners)

Subject: Request for support in the organisation of an Expert Social Partner meeting in the framework of the Joint Woodworking and Furniture Social Dialogue

The Woodworking and Furniture Sector Social Dialogue partners would like to formulate a formal request for support by the European Commission Social Dialogue Unit in the organisation of an Expert Social Partner meeting in the framework of the Joint Woodworking and Furniture Social Dialogue in the second half of 2022, possibly November.

Our respective industries are facing important challenges related to the ageing of the workforce, difficulties in attracting and retaining young workers and is also facing technological changes, resulting in new skills needs and the need to attract other professions. Furthermore, new skills and qualifications that are necessary for the transition to a green and circular innovation and to a CO2 / energy neutral industry and society. These difficulties with securing sufficient skilled workforce have only been exacerbated by ongoing pandemic.

As a result, the Sector Social partners have decided to come together and organise an expert meeting in the framework of the wood and furniture SSDC to address and discuss these challenges together with other important stakeholders, such as VET institutions. The main goal is to brainstorm on possible solutions, share best practises, foster national cooperation, and potentially build on the idea of Erasmus + for apprenticeships in our sectors.

We believe our members will benefit strongly from such a meeting and at the same time it will allow us, the social partners, to work together on this very important topic and come across possible next steps in promoting VET/Skills in the sectors.

We understand that this request will have additional financial implications for the EC Social Dialogue Unit, but we remain confident that the added value of such an event will be recognised and supported by the EC. In addition, we kindly draw your attention to the fact that our SSDC committees have always been cautious of available budgets and the wood and furniture committees tent to hold joint meetings in such respect.

In addition, complying with the Green Deal objectives, we would like to opt for a hybrid event, allowing some of the participants to attend online, thus limiting the travel related emissions and additional costs.

We enclose a draft agenda for your consideration,

We remain,

CEI-Bois



EFBWW



EFIC



The European Commission has responded positively to this request and has accepted to support the Social Partner initiative. The expert SSDC is expected to take place in the first half of 2023 in a hybrid format and social partners look forward to a strong engagement both from the trade union and industry representatives but also other important stakeholders.

5.4.1 CEI-Bois’ Social Affairs WG and Sector Social Dialogue activities

In the framework of its WG on Social Affairs, CEI-Bois organised a dedicated online seminar on the 8th March 2022 with the aim to better understand the needs of its Members and the Industry in general in terms of support for the Social dossiers. This initiative came following a national

roundtable organised in September the previous year, 2021, when it became clear that the lack of work force and difficulties related to finding apprentices for the sector was a challenge shared fully across Europe and CEI-Bois’ Members.

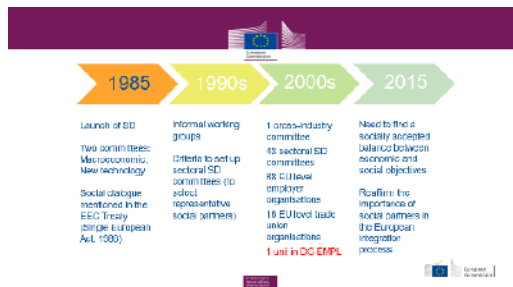


The main objective of the webinar was to transform the CEI-Bois Social Affairs WG in a more valuable platform where Members may initiate joint initiatives or discuss common challenges aiming at identify possible solutions and improve and strengthen the participation of our Members to the CEI-Bois Social Affairs WG and dedicated Social Dialogue meetings.

It was organised in two parts:

- 1) an open session with two presentations from:

Danny SCHEERLINCK - Policy Officer European Commission, Directorate-General for Employment, Social Affairs and Inclusion Social Dialogue & also the policy officer responsible for our Joint Woodworking and furniture SD, who stressed the importance of European Social Dialogue but also the different funding opportunities available to support Social partner activities and initiatives.



Rebekah SMITH - Deputy Director in the Social Affairs department of BusinessEurope, managing the following policy areas: sustainability, CSR and diversity; industrial relations, labour law and working conditions; and social/employment aspects of digitalisation, who focused its presentation on the importance for employer organisation to be active on EU level on Social Affairs dossiers.



2) closed session where the feedback and priorities/needs of CEI-Bois' Members was discussed.



In 2022 CEI-Bois held its regular 3 Sector Social Dialogue Committee meetings. There is a good collaboration in place with the trade union counterparts from EFBWW (the European Federation of Building and Woodworkers) and some specific outcomes were noted:

A. The European woodworking social partners are committed to EU's climate ambition

In addition to the Wood Manifesto (*see chapter on Wood Promotion*) and further to supporting the global advocacy activities around the COP26 events, CEI-Bois together with EFBWW issues a joint position stating the commitment of the European woodworking social partners to EU's climate ambition.



European Federation
of Building
and Woodworkers



JOINT DECLARATION:

THE EUROPEAN WOODWORKING SOCIAL PARTNERS ARE COMMITTED TO EU'S CLIMATE AMBITION

Brussels, 08 November 2021

The 26th UN Climate Change Conference (COP26) is bringing parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

On this occasion, the European Woodworking Social Partners express their support for the goals laid down in the European Green Deal and welcome the European ambitions to achieve climate neutrality by 2050. The European Woodworking Industries play a fundamental role in the transition to a sustainable, green, and carbon-neutral Europe.

Climate change is one of the most pressing and complex issues facing society in the 21st century. While forests can make an important contribution towards tackling the problem of climate change, the use of wood products can also provide broader social, economic and environmental benefits as well as contributing to climate change mitigation efforts.

*As indicated in the Green Deal communication by the European Commission ([COM\(2019\) 640 final](#)), the building sector today accounts for some 40% of energy consumed and for about 40% of CO₂ emissions. A significant percentage of which comes from our traditional ways of architectural design and the extraction, processing, and energy-intensive manufacturing of building products. To achieve net zero CO₂ emissions by 2050, construction must rapidly decarbonise while responding to the needs of a growing urban population, the increasing demand for new buildings and has to manage the urgent requirement to renovate existing buildings. **Wood-based solutions offer a green construction material that is renewable, recyclable and has a low fossil carbon footprint. Making responsibly sourced wood the first-choice material for building products is the simplest and quickest way to ensure that the construction industry and the built environment reduce their CO₂ emissions.***

Building a "greener" Europe allows for many opportunities for our industries, but it also creates challenges. Europe's climate ambition should be a tool for boosting initiatives to promote sustainable and energy efficient buildings and at the same time further support the **creation of green and safe jobs**. In this respect, the EU Skills agenda should play a central role in ensuring the strengthening of implementing **technological change** and progressive ways of **work organisation, sustainable competitiveness, social fairness** (access to education, new skills, training, lifelong learning) and building resilience to react to future crises and economic distortions. **Upskilling workforce with green and digital skills is essential**. Today, skills gaps are already recognized as a major challenge in many sectors, including in the renovation and construction of buildings. **The acquisition of the right skills is the prerequisite to make the successful transition to a climate neutral Europe**. Managing those processes successfully will also increase the attractiveness of the woodworking sectors for young persons and can contribute to the development of our rural areas.

We also express our commitment to contribute to the above-mentioned proposals and make them work.

About the signatories:

[The European Federation of Building and Woodworkers \(EFBWW\)](#) is the European Trade Union Federation grouping 76 national free trade unions from 34 countries with members in the building, building materials, woodworking, forestry and allied industries and trades.

[The European Confederation of Woodworking Industries \(CEI-Bois\)](#) represents 22 European and National organisations from 16 countries and is the body backing the interests of the whole industrial European wood sector: more than 180,000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

B. CEI-Bois and EFBWW adopted their indicative 2022-2023 Work Programme for the Sectoral European Social Dialogue of the Woodworking Industries.

European Federation
of Building
and Woodworkers



**Indicative Work Programme for the
Sectoral European Social Dialogue of the
Woodworking Industries**

2022-2023

Introduction

The Social Partners, the European Federation of Building and Woodworkers (EFBWW) and the European Confederation of Woodworking Industries (CEI-Bois) believe in the importance of a strong and autonomous European social dialogue for the woodworking sectors for a sustainable and prospering woodworking industry. The social partners will continue to strengthen their collaboration to sustain this.

On the European level and in the framework of their joint initiatives, EFBWW and CEI-Bois will consider the repartition of responsibilities between the European and National level and will respect the role and autonomy of the national social partners in determining their labour market and terms and conditions of employment by themselves.

This two-year working programme serves as a guideline for the activities of the European social partners of the woodworking sectors for the years 2022-2023. However, this working program constitutes a non-exhaustive framework for possible topics of interest between EFBWW and CEI-Bois and may, according to the developments in the EU agenda be updated to better fit the needs of the woodworking industry.

During this period the EFBWW and CEI-Bois will strive to cooperate on the development of skills for the Woodworking Industry, but also improve the attractiveness and visibility of the sector as well as to follow-up to their joint actions, statements, and projects.

Main priorities for the period 2022-2023

Industrial policies, Circular Economy, and the Green Deal

On 10 March 2020, the Commission adopted a new Industrial Strategy to help Europe's industry lead the green and digital transformations and to drive Europe's competitiveness and sovereignty. The update of the EU Industrial Strategy highlights the need to promote an inclusive recovery from the pandemic and further accelerate the green and digital transitions in line with the EU Green Deal and Digital Decade and increase the resilience of EU industrial ecosystems.

Wood is the solution! When talking about a greening economy or a circular economy, the consumption of renewable raw material, energy consumption or the efficient way to use raw material are paramount. In this respect, forestry and the forest-based industries play a significant role, today and in the future. The Communication of the European Union's Green Deal (COM[2019]640) also underlines this prominent role. Beside the task of delivering raw material, our sectors provide new type of material for various sectors and industries, amongst other in the construction industry.

Changes in the demand due to the “greening” of the economy and jobs represent, on the one hand, a significant opportunity for the woodworking sectors regarding the creation of new jobs. On the other hand, they will also have an impact on the organisation of work (new market opportunities, new skills needed, etc.) and on working conditions (additional/new training, adapted Health and Safety conditions, etc.).

EFBWW and CEI-Bois are committed to continue to address these issues in the framework of their joint activities and to reflect the voice of workers and companies more closely in the debate on a strengthened competitiveness of the forestry and woodworking sectors at national, European and international level.

In addition, SP will resume the promoting of use of wood in construction within the European wood-based sector Wood4Bauhaus Alliance of which both Social Partners are Members.

Training & Education, Skills, and Attractiveness

The demographic changes and in particular the ageing of the population and the workforce, combined with the difficulties observed in several Member States to attract and maintain young people in the woodworking sectors, remain a challenge, both for companies and for workers.

EFBWW and CEI-Bois will address the impact of such demographic developments from the various angles of its components (image of the sector, health and safety, employment issues, etc.) by gathering examples of national best practice and identifying potential topics for action at the EU level.

Following the announcement made by President von der Leyen in her 2021 State of the Union address, the Commission proposed to make 2022 the European Year of Youth. Europe needs the vision, engagement, and participation of all young people to build a better future, that is greener, more inclusive and digital. With the European Year of Youth, the Commission intends, in cooperation with the European Parliament, Member States, regional and local authorities, stakeholders and young people themselves:

- to honour and support the generation that has sacrificed the most during the pandemic;
- to encourage all young people, especially those with fewer opportunities, from disadvantaged backgrounds, from rural or remote areas, or belonging to vulnerable groups, to become active citizens and actors of positive change;
- to promote opportunities provided by EU policies for young people to support their personal, social and professional development;
- to draw inspiration from the actions, vision and insights of young people to further strengthen and invigorate the common EU project, building upon the Conference on the Future of Europe.

Within the Woodworking Sector and despite the efforts of member countries but also the EU, employment prospects for young people in the EU are grim. One in five under 25 years old who is looking for work cannot find a job. Approximately 7.5 million young people between 15 and 24 are neither working, nor in education or training.

In addition, in most Member States the woodworking sectors are still suffering from a relatively negative image which affects its attractiveness and which, to some extent, explains the difficulties in hiring and retaining young people as well as skilled workers.

Therefore, EFBWW and CEI-Bois will work towards improving the attractiveness of the wood industry towards young people, which in turn can provide an important contribution in fighting against high levels of youth unemployment that the EU is facing nowadays.

In all EU Member States the woodworking industries face changes in the use of technology and new work processes, often summarized under the title Digitalisation. Those changes effect work process, the work organisation and needed skills and competences of workers. In turn companies partly find it difficult to find workers with the appropriate skills. In consequence, today, skills gaps are already recognized as a major challenge in many sectors, including in the renovation and construction of buildings. Addressing the issue of anticipation of skills needs is important both for the competitiveness of woodworking companies, as well as for employment in the sector.

Upskilling workforce with green and digital skills is essential. The acquisition of the right skills is the prerequisite to make the successful transition to a climate neutral Europe. Managing those processes successfully will also increase the attractiveness of the woodworking sectors for young persons and can contribute to the development of our rural areas.

EFBWW and CEI-Bois will work to develop actions and promoting increased attractiveness of our sectors as well supporting apprenticeships amongst woodworking companies of all sizes both quantitatively and qualitatively, through the creation of strong partnership involving employers, trade unions, VET institutes as well as local or regional authorities. SP will also explore joint actions in the framework of the Pact for Skills and other ongoing EU initiatives aiming at helping to address and reduce the skills gap, though information sharing, best practices exchange etc.

Health & Safety

The Commission published the new EU Strategic Framework on occupational safety and health (OSH) 2021-2027 on the 28 of June 2021. The strategic framework recognises that the EU and national regulatory systems on OSH are well advanced and that, in combination with the tripartite approach, this has led to significant progress in OSH over the last decades.

The document states that although the priorities of the previous framework remain relevant today further OSH action in the EU is needed to make the workplaces fit for the increasingly rapid changes in the economy, demography, work patterns, and society at large. The COVID19 pandemic has accentuated these complexities and made OSH and public health policy more inter-related than ever before.

The strategic framework focuses on three crosscutting key objectives for the coming years:

1. anticipating and managing change in the new world of work brought about by the green, digital and demographic transitions;
2. improving prevention of workplace accidents and illnesses;

3. increasing preparedness for any potential future health crises.

To deliver on these objectives, action is needed at EU, national, sectoral, and company level. The implementation of these three objectives will be underpinned by: social dialogue; strengthening of the evidence base; strengthening of enforcement; awareness raising; and funding.

Despite the overall reduction in the number of work-related accidents, improving health and safety in the workplace continues to be an important field of action for the woodworking sectors. More attention towards the problem of occupational diseases is especially requested.

The Social Partners of the woodworking sector share the commitment to policy and practices for healthy and safe workplaces. Work should promote employee safety, growth, and goal attainment. SP will monitor and explore areas for cooperation on the follow up initiatives of the current Strategic Framework.

Improving the functioning of the labour market

Just like most industries, the woodworking industries has been hit significantly by the crisis, which is still affecting many Member States. Therefore, ensuring a level playing field for companies and protecting them against social fraud is a goal shared by the social partners.

The social partners recognize that the fight against criminal actions, as often social fraud is, is a task for the governmental agencies, both on national and EU level, and the police. The social partners will spread information to companies and people in general concerning the risk of social fraud and assist the governmental agencies with information should they require information.

Where appropriate, the established European Labour Authority (ELA) can offer support in partnership with the various actors concerned, i.e. social partners, labour inspectorates, national authorities and social funds.

Strengthening industrial relations

Performing industrial relations are a major element of a level playing field for economic activities. Shaping working conditions in all its aspects by joint agreements is a cornerstone in this respect and the best guarantee to avoid and to fight competition by wage dumping or other kind of dumping related to working conditions.

EFBWW and CEI-Bois support the strengthening of autonomous industrial relations within the woodworking sectors. They also reaffirm the primary responsibility of the national sectoral social partners, through autonomous industrial relations, for finding a common understanding about the organisation of their national labour market.

CEI-Bois and the EFBWW will continue to support the establishment of autonomous sectoral industrial relation systems for the woodworking sectors in all the Member States and in this respect.

The following annex is tabling the specific planned activities, also indicating aims, responsibilities, and timing.

SOCIAL DIALOGUE WOOD - Work programme 2022-2023

Policy Area	Topic	Aim	Period	Responsible
Industrial policies, Circular Economy, and the Green Deal	<ul style="list-style-type: none"> Influencing the EU initiatives and policies in the wood industries 	<ul style="list-style-type: none"> The general aim is to jointly define an industry policy for the various covered sectors 	2022-2023	<ul style="list-style-type: none"> Secretariats / Working Group
	<ul style="list-style-type: none"> Wood4Bauhaus & Renovation Wave 	<ul style="list-style-type: none"> Continue to promote the use of wood in construction within the European wood-based sector Wood4Bauhaus Alliance of which both Social Partners are Members. Wood is an extremely versatile material, and a circular material par excellence. Long-life products using wood can store carbon for decades or even centuries in buildings and living spaces. The wood4bauhaus alliance was accepted and confirmed by the European Commission as an official partner of the new European Bauhaus on the 30 of March 2021. As the EU building stock is the largest single energy consumer in Europe with 40% of energy consumption and 36% of EU GHG emissions, the 'renovation wave' initiative is the occasion for promoting wood and wood-based products, for their sustainable and environmentally friendly features. To achieve net zero CO2 emissions by 2050, construction must rapidly decarbonise while 	2022-2023	<ul style="list-style-type: none"> Secretariats / Working Group/ Wood4Bauhaus Alliance

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		<p>responding to the needs of a growing urban population, the increasing demand for new buildings and has to manage the urgent requirement to renovate existing buildings. Wood-based solutions offer a green construction material that is renewable, recyclable and has a low fossil carbon footprint. Making responsibly sourced wood the first-choice material for building products is the simplest and quickest way to ensure that the construction industry and the built environment reduce their CO2 emissions.</p>		
	<ul style="list-style-type: none"> Support for scenarios for a transition pathway for a resilient, greener, and more digital construction ecosystem 	<ul style="list-style-type: none"> The Commission proposes a collaborative process with stakeholders – that includes Member States, industry, social partners, and academia – to identify and co-design the way forward: a transition pathway for industrial ecosystems. Priority is given to the industrial ecosystems that face the most important challenges and have been most heavily affected by the crisis. One of these ecosystems is construction. The transition pathway resulting from this process would identify the milestones for the transition period, the actions required by different stakeholders and the costs and challenges along the way. Social Partners will monitor and explore possible common interest for collaboration 	2022-2023	<ul style="list-style-type: none"> All
	<ul style="list-style-type: none"> Diverse activities linked to Circular Economy, Ecodesign Directive: e.g. Sustainable 	<ul style="list-style-type: none"> Social Partners will monitor and explore possible common interest for collaboration. 	2022-2023	<ul style="list-style-type: none"> Secretariats / Working Group

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	initiative, Sustainable consumption of goods – promoting repair and reuse etc...)			
Training & Education, Skills and Attractiveness	<ul style="list-style-type: none"> EU policies in the area of VET, including the "A pact for Skills" 	<ul style="list-style-type: none"> Preparing a conference on VET perspectives for our sectors together with the Furniture sector Monitoring the implementation and results of existing project of interest for our industry and collaborating with them when appropriate– e.g. Project ALLVIEW (https://allview.eu) Observing EU policies in the area / improving our capacity to influence on the European level Identification of the future needs of the EU's timber industry Call for high-quality vocational training in eco-construction. Advocating for a lifelong learning, qualifications and skills recognition /Inclusive access to education and training: creating the conditions for equality of opportunities and success; digital learning Exploring opportunities for a dedicated social partner actions on the topic of "Skills, education, and training" in the Woodworking industry, including attracting and retaining young/skilled workers – e.g joint Conference/webinars 	2022-2023	<ul style="list-style-type: none"> Secretariats/ Working party
	<ul style="list-style-type: none"> Demographic changes / Aging Workforce in the woodworking industry 	<ul style="list-style-type: none"> Joint project: ResilientWood (<i>pending approval by the EC; expected to begin in 2022 and last 24 months</i>) It aims to help fostering cross boarder collaboration and the attractiveness of the sector. The project aims to offer a starting point for the 	2022-2023	<ul style="list-style-type: none"> Secretariats / Working Group

		<p>identification of the skill needs of the sector, as well as the anticipation of problems in the labour demand/supply dynamics. At a second stage thematic workshops will be organised to discuss specific challenges of the industry and possible suggestions for remedial measures.</p> <ul style="list-style-type: none"> Improving working conditions and the attractiveness of the sector 		
	<ul style="list-style-type: none"> Proposal for environmental sustainability 	<ul style="list-style-type: none"> Monitor existing proposal and exploring joint actions (position paper, PR, publications) 		<ul style="list-style-type: none"> Secretariats / Working Group
Health & Safety	<ul style="list-style-type: none"> The Commission published the new EU Strategic Framework on occupational safety and health (OSH) 2021-2027New Community strategy on OSH 	<ul style="list-style-type: none"> Exploring joint social partner position (<i>e.g. Joint Social Partner Statement together with the Furniture Sector EFIC</i>) Monitoring and engaging where necessary on the follow up initiatives 	2022-2023	<ul style="list-style-type: none"> EFBWW/CEI-Bois/EFIC Secretariats / Plenary meeting
	<ul style="list-style-type: none"> Wood Dust 	<ul style="list-style-type: none"> Discussion the possibility of updating the joint brochure "Less Dust" 	2022-2023	<ul style="list-style-type: none"> Secretariats/ Working Party
Industrial Relations and the Labour Market	<ul style="list-style-type: none"> Support for national affiliated organisations to improve their capacity for Social Dialogue 	<ul style="list-style-type: none"> Collecting information about the respective national situation and giving support 	2022-2023	<ul style="list-style-type: none"> Secretariats

C. Joint CEI-Bois and EFBWW position paper on LULUCF



European Federation
of Building
and Woodworkers



Joint statement by the European Social Partners representing the Woodworking Sector in view of the adoption of the revised rules on land use, land use change, and forestry

Brussels, 06 September 2022

The European Confederation of the Woodworking Industries (CEI-Bois) and the European Federation of Building and Woodworkers (EFBWW) are fully behind the objectives of the European Green Deal, and are committed to its objectives of climate neutrality, circular bioeconomy, resource efficiency, optimising material, economic growth, and employment creation. Creating a green economy is not just about encouraging environmental protection but establishing climate friendly alternatives that substantively contribute to a competitive green economy. The Woodworking Industries offer sustainable and environmentally friendly alternative solutions in the built environment as in everyday life while maintaining employment and contributing to the wealth and development, including in rural areas.

Our industry provides significant green employment opportunities across all European regions, including the urban and the rural, and for all levels of skill and qualifications. Through the skills of the woodworking workforce and through its technological solutions, the EU Woodworking Industries offer the potential to decarbonise key economic sectors, such as construction, in line with the Green Deal objectives. Timber buildings are globally recognised as key allies in climate change mitigation strategies: they represent an immediate way to achieve long-term carbon storage in products and they enable a reduction in the use of energy-intensive materials.

To encourage increased investment in the wood industry, it is essential that Member States make their country an attractive place to do business. This requires a long-term vision for a stable regulatory environment, raw material availability, along with workable policies to fully develop vocational education and skills for the workforce. In view of the Trilogue discussions on the revised rules on land use, land use change, and forestry (LULUCF), CEI-Bois and EFBWW call Member States to:

- **Maintain the EU net removals target at a maximum of 310 Mt CO₂ equivalent by 2030.** This is already an ambitious target, which will require the LULUCF sector to increase the sink by an additional 42 Mt CO₂ equivalent compared to current levels in less than 10 years. To reach this target, Member States may be tempted to decrease their harvesting levels, with possible severe consequences on the economic viability of the entire sector and on forest-based climate solutions which are needed in the long-term. There is also a risk of a wood shortage, which would further negatively impact the situation of the woodworking workforce. Therefore, the unintended consequences of setting an even higher target could be overwhelming. For this reason, the social partners urge the European Commission and Member States to immediately collaborate and assess the socio-economic impacts of the LULUCF objectives on the wood industries, including possible wood shortages. Under no circumstance should the LULUCF Regulation become a tool for regulating Member States' harvest levels, which are better determined by national legislation. Instead, it should be an enabler of climate mitigation



solutions such as the upcoming framework for the certification for carbons removals, which can also play a key role in reaching the 310 Mt CO₂ target.

- **Recognise the contribution of wood products to climate mitigation.** By facilitating and promoting the expansion of carbon storage products (which currently include only paper, wood-based panels, and sawn wood) to new categories with carbon sequestration and storage effects, in particular Harvested Wood Products (including wood fibre insulation), the revised LULUCF Regulation will enable the Woodworking Industries to help transform strategic sectors, such as construction, towards a greener pathway with a reduced environmental footprint. The timber and bio-based product industry has the technology and materials available now to store very large quantities of carbon, e.g., wood fibre-based insulation. Wood products can also contribute to the circular bioeconomy by acting as substitutes for competing energies or materials with higher carbon footprints.
- **Anticipate impacts on employment, jobs, and job-related outcomes.** The increased level of ambition in the land-use and forestry sector will have social, labour, and economic effects. To preserve and enhance social coherence, the European Green Deal needs to be implemented in an economically sustainable and socially positive way to ensure a fair and just transition that leaves no one behind and promotes gender equality. It should create opportunities for new quality employment and provide incentives for relevant training, reskilling, and upskilling. It is therefore important to anticipate impacts of policies on jobs and job-related outcomes with Employment Impact Assessments, as laid down for example through the ILO Reference Guide on Employment Impact Assessment, to ensure a just transition of the land-use and forestry sector to become more sustainable. The involvement of social partners and relevant civil society organisations in both the planning and implementation phases, benefitting forest and land managers, farmers, workers, the environment, and society more widely is also essential. This should be reflected duly in national policies.
- **Accompany LULUCF action with initiatives that support eco-system services of forests while enhancing the economic competitiveness of our sectors.** We support any type of forestation activities that ensure the EU-forests will continue to grow. Sustainable Forest Management is extremely important to maintain and improve the quality of the forest ground. Another important aspect is building a modern forest management that minimizes forest fires and bark beetle propagation. Forest fires are increasing due to climate change while salvage logging is expanding due to bark beetles. Both phenomena are seriously undermining efforts to reduce CO₂ emissions. As a specific action in this field, better surveillance of forest fires/bark beetle and a much better equipped European Task Force is requested. We call on national and EU-policy makers to provide the needed resources for such action.

Background information:

[The European Federation of Building and Woodworkers \(EFBWW\)](#) is the European Trade Union Federation grouping 76 national free trade unions from 34 countries with members in the building, building materials, woodworking, forestry and allied industries and trades.

[The European Confederation of Woodworking Industries \(CEI-Bois\)](#) represents 21 European and National organisations from 15 countries and is the body backing the interests of the whole industrial European wood sector: more than 180,000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

D. RESILIENTWOOD project co-funded by the European Union



The European Commission has given green light to the CEI-Bois led social dialogue project application RESILIENTWOOD 101051974 in the second half of 2022. The project is co-funded by the European Union and is granted under the Social Prerogative and Specific Competencies Lines (SOCPL) funding.



The CEI-Bois led project, together with EFBWW, Woodwize and FCBA will aim to offer recommendations to tackle specific challenges in the Woodworking Industries through strengthened social dialogue. The project will focus on the adaptation of the industry and its outlook after the Covid-19 crisis, including the adaptation needs linked to expected technological changes and the need to increase the attractiveness of the sector for skills attraction and retention, with special attention given to gender balance in the WI. Possible solutions to these challenges will be investigated through a cooperation involving social partners and VET providers.

The project builds on a strong transnational dimension. To implement it the partners will conduct research and collect data from 5 countries (BE, FR, HR, IT, SE) and the European Sawmill sector, identify key findings, share best practices and propose strategies on how to tackle the above-mentioned social challenges of the WI in Europe. The project is further supported and implemented by EOS, the Croatian Wood Cluster, FILCA-CISL and the Union of Forestry, wood and graphical workers.

The project runs for 24 months and aims to achieve the following objectives within the given timeframe:

- Provide social partners with an overview of the latest developments of the woodworking sector in Europe, including the economic impact of the Covid-19 pandemic, as well as expected technological and organisational changes within woodworking companies.
- Stimulate the joint social partners' discussion on 4 specific issues through dedicated workshops (Adaptation of the industry and outlook after the Covid-19 pandemic and crisis, gender equality in the industry, expected technological changes in the industry and adaptation needs, increasing the attractiveness of the sector through education).
- Develop recommendations and guidelines for companies, VET and public authorities to overcome the above-mentioned challenges, to be presented in the final report and final conference of the project.
- Disseminate results within and outside the membership base of the European social partners of the woodworking sector through newsletter, social media and meetings.



The kickoff meeting took place in September 2022 and further information about the project implementation is available at a dedicated page on the CEI-Bois website: <https://www.cei-bois.org/resilientwood>.



Anticipate changes, increase attractiveness, build skills and inclusiveness in the Woodworking Industries in times of crisis

PRESS RELEASE

14 September 2022, Brussels

RESILIENTWOOD: Designing an attractive working environment in the Woodworking Industries

The Woodworking European Social partners, CEI-Bois and EFBWW have the pleasure to announce the launch of the European Union funded joint project RESILIENTWOOD (Grant Agreement n° 101051974). The project, funded under the Social Prerogative and Specific Competencies Lines (SOCPL) officially started on the 14 of September 2022 with the first kick off meeting in Brussels.

This CEI-Bois led project relies on a strong consortium composed by EFBWW (*The European Federation of Building and Woodworkers*), FCBA (*Institute of Technology Forêt, cellulose, bois-construction, ameublement*) and Woodwise (*Belgian paritary training center for wood and furniture*) and the support of the following affiliated members: EOS (European Organisation of the Sawmill Industry), the Croatian Wood Cluster, FILCA-CISL (Federazione Italiana Lavoratori Costruzioni e Affini) and GS (the Swedish Union of Forestry, wood and graphical workers).

On occasion of the first meeting, the project representatives met to discuss the implementation of RESILIENTWOOD and the next steps in delivering the main objectives, namely:

- i. Providing social partners with an overview of the latest developments of the woodworking sector in Europe, including the economic impact of the Covid-19 pandemic and current energy crisis, as well as expected technological and organisational changes within woodworking companies.
- ii. Stimulating the joint social partners' discussion on 4 specific issues through dedicated workshops (Adaptation of the industry and outlook after the Covid-19 pandemic and crisis, gender equality in the industry, expected technological changes in the industry and adaptation needs, increasing the attractiveness of the sector through education).
- iii. Developing recommendations and guidelines for companies, VET and public authorities to overcome the above-mentioned challenges, to be presented in the final report and final conference of the project.
- iv. Disseminating results within and outside the membership base of the European social partners of the woodworking sector in order to promote and strengthen social dialogue in the woodworking sector and suggest pathways and tools for the modernisation of the industry, mostly composed of SMEs.

The consortium partners also publicly presented the RESILIENTWOOD logo and the dedicated project [webpage](#). Visit regularly the webpage to stay updated on the project evolution!

E. Ongoing Woodworking and Furniture representativeness studies

Eurofound oversees conducting the representativeness studies for the woodworking sector. The study has started in 2021 and is expected to be published on their website in the first half of 2023. CEI-Bois has been fully collaborating with Eurofound providing them with the necessary information, contact details of its members and answering to the consultation on the 1st draft, communicated in 2022.

5.4.2 EU Action and Developments in the field of Social Affairs & diverse CEI-Bois activities

CEI-Bois is an active member of the European Employers Network (EEN) since re-joining in 2021. The EEN is a voluntary forum/network where all events are coordinated by BusinessEurope. It provides a forum in which exchanges of views and information on social policy can take place between European employers' organisations in a timely manner and promote the convergence of views and positions on social policy expressed by European employers' organisations on behalf of their affiliates, in order to enhance their ability to make strong representations to the EU Institutions, European Trade Unions and other relevant European stakeholders.

A. Review of the EU sectoral social dialogue:

The review of the EU sectoral social dialogue part of the initiative to support social dialogue at the EU and national level, was presented in 2022. This was announced in the European Pillar of Social Rights Action Plan, adopted on 4 March 2021.

Leading to the publication of the report, CEI-Bois has remained active both within its Social Affairs working group and the EEN. Indeed CEI-Bois has provided its written contribution on two separate occasions and participated in all 3 dedicated social partner workshops and later the informal social partner hearings organised by the European Commission in the first half of 2022.

CEI-Bois has remained vocal on the fact that national social dialogue practices across Europe should remain independent. The European Social Dialogue should respect the independence of national social dialogues. It should not in any way disturb or obstruct national social dialogues practises.

In addition, CEI-Bois believes that European Social Dialogue should not be outcome oriented. The success of the social dialogue should not be measured by the number of agreements, directives, or other binding instruments that the social partners have agreed upon. Given the particularity of the woodworking sector and its variety it is highly important to underline that the national level differs greatly between member states, both as regards traditions and preconditions. What is applicable in one member state is not necessarily the same in another. We believe that there cannot be a one fits all solution approach when it comes to the European Social Dialogue. The success should rather be focused on how and to what extent the issues are properly dealt with by the Social Partners. In some areas maintaining an open-minded social dialogue or simply exchange on best practices is more valuable in paving the way for mutual understanding and future steps forward than binding measures.

Although CEI-Bois has not called for major structural changes to the European Social Dialogue committees it has highlighted during the different social partners consultations the need for improved support and dialogue with the different DGs. In the past, and currently there seems to be a lack of interest by the different DGs for the European Social Dialogue committees.

In June 2022, CEI-Bois joined an initiative led by the EEN, in expressing concerns with regard to the European Commission's approach to the review of the European sectoral social dialogue. More precisely on the the intention of transferring the organisation of EU sectoral social dialogue committee meetings to social partners. The letter was co-signed by 34 European sectoral social partners organisations (both employer and trade union representatives).

Joost Korte
 Director General
 Directorate-General for Employment,
 Social Affairs and Inclusion
 European Commission
 B- 1049 Brussels

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European Sectoral Social Dialogue Review – Joint message from the EU Sectoral Social Dialogue Committees

Brussels, 24 May 2022

Dear Mr. Korte,

With this letter, the undersigned EU sectoral social partners would like to express their concerns with regard to the European Commission's approach to the review of the European sectoral social dialogue. More precisely, we would like to express our concern about the intention of transferring the organisation of EU sectoral social dialogue committee meetings to social partners.

We understand the existing constraints, which were raised by the European Commission during the social partner hearing on 28 April 2022. However, we strongly request the Commission to work closely with EU sectoral social partners on a joint solution that fully respects social partners' autonomy and parity – avoiding a severe devaluation of European sectoral social dialogue.

As raised multiple times on various informal and formal occasions, our concerns are of a very principled nature. Through the proposed financing tool for the organisation of SSDC meetings, we understand that funds will be allocated on the basis of project applications to be submitted by EU sectoral social partners on an annual or multi-annual basis.

This raises several questions and concerns:

- For European sectoral social partners in general, and for small European social partner organisations in particular, the proposed changes imply an enormous administrative burden. Applying for, obtaining, and managing a multi-annual budget represents a heavy burden and a tool which would not be flexible enough to adapt to changing priorities of European sectoral social partners including adapting and responding to the EU Commission's own initiatives in the social area.
- The proposal from the Commission also raises serious questions as to whether the proposed funding tool can respect social partner parity. There is the risk of creating an artificial competition for funding if the money allocated depends on the final decision of the Commission to accept or not the project submissions based on unknown criteria.
- On a more general level, the shift of the organisation of EU sectoral social dialogue meetings questions the independence of social partners if they receive direct financing for their staff for the functioning of the organisation and not for the European sectoral social dialogue only.

- We further understand that the concept of applying for funding leads to the consequence that proposals can also be rejected – which would signify a severe violation of social partners' autonomy and it would challenge the whole existence of European sectoral social dialogue.
- Moreover, we consider that the argument used by the Commission about "greening" is not relevant as the shift of responsibility in the organisation of sectoral social dialogue committee meetings will not have any impact on climate. The proposed transition to more online meetings already leads to cost reductions and an improved ecological footprint, while the change proposed will only be a simple transfer of tasks.
- The European Commission's approach is also going against the will to support capacity building and independence of social partners as the outsourcing would weaken the long-term relevance of the EU sectoral social dialogue, sending a negative message to national social partners and potential new, interested sectoral social partners. In practice, we fear that the withdrawal of the European Commission from the organisation of meetings would put the engagement of national social partners at risk, which clearly runs against everybody's objective to strengthen European social dialogue.

As you will take from the above comments, sectoral social partners strongly believe that any reorganisation of the European sectoral social dialogue would need to ensure that both employers and trade unions, with their different internal organisation realities, that need to be respected, have equal access to funding if the system is maintained (Art. 154 TFEU "The Commission shall have the task of promoting the consultation of management and labour at Union level and shall take any relevant measure to facilitate their dialogue by *ensuring balanced support for the parties.*").

Finally, the focus of sectoral social dialogue should be on content, on contributing to EU policies and legislative process through social partner consultations and should not be overburdened with administrative or financial tasks. The externalisation would add a major layer of discussion that could hinder dialogue on content and EU policies.

Many of these points have already been raised individually in the various informal consultation meetings and hearings on the review of the European sectoral social dialogue, as well as meetings with your services. As sectoral social partners, we strongly request that these are fully taken into account and invite the European Commission to work with us on a solution that works for all sides.

Yours faithfully,

FOR THE TRADE UNIONS' ORGANISATIONS

EBU European Barge Union
Theresa Hacksteiner
Secretary General

European Arts & Entertainment Alliance
Benoît Machuel
General Secretary

EFBWW
Tom Deleu
General Secretary

EFFAT
Kristjan Bragason
General Secretary

EJF
Ricardo Gutiérrez
General Secretary

EPSU
Jan Willem Goudriaan
General Secretary

ETF
Livia Spera
Acting General Secretary

ETUCE
Susan Flocken
General Secretary

EUROCOP
Nigel Dennis
Head of Office

IndustriAll Europe

Luc Triangle
General Secretary

UNI Europa

Oliver Roethig
Regional Secretary

FOR THE PRIVATE EMPLOYERS' ORGANISATIONS**AMICE**

Sarah Goddard
Secretary General

BIPAR

Nick De Maesschalck
Director

CEEMET

Delphine Rudelli
Director General

CEI-Bois

Silvia Melegari
Secretary General

CoESS

Catherine Piana
Director General

**EBF – Banking Committee
for European Social Affairs**

Jens Thau
Chairman

ECEG

Emma Argutyan
General Secretary

ECSA

Sotiris Raptis
Secretary General

EFCI

Isabel Yglesias
Director General

Eurelectric

Kristian Ruby
General Secretary

EuroCommerce

Christel Delberghe
Director General

Europêche

Daniel Voces de Onaindi
Managing Director

FIEC

Domenico Campogrande
Director General

Geopa-Copa

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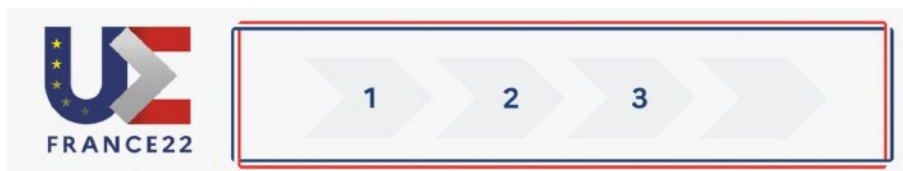
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Hospeem

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UITP Europe

Thomas Avanzata
Spokesperson of the
European Union Committee



B. French Presidency of the EU advances on Social Dossiers

On 1 January 2022, France took over the presidency of the Council of the European Union for six months. The French government announced that it would like to build its presidency around the concepts of “Recovery, Strength and a sense of Belonging”.

The first objective of the French presidency was to “move from a Europe of cooperation within our borders to a powerful Europe in the world, fully sovereign, free to make its own choices and master of its own destiny...”

The official programme of the French Presidency was built around three ambitions:

- **A more sovereign Europe:** by strengthening the Schengen area, protecting European borders, controlling migration and improving the asylum policy, in line with Europe’s values and its international commitments; by building a stronger Europe which is more capable of action in the fields of security and defence; by taking action for the prosperity and stability of its neighbours, particularly through its engagement in the Western Balkans and its renewed relationship with Africa; and by bringing forth solutions to global challenges.

- **A new European model for growth:** to make Europe a land of production, job creation, innovation and technological excellence; in which economic development is aligned with climate goals; that supports innovation and the growth of European digital players and sets its own rules for the digital world; and that offers high-quality, high skilled and better-paying jobs.
- **A humane Europe:** that listens to the concerns expressed by its citizens through the Conference on the Future of Europe; that defends the rule of law and upholds its values; that takes pride in its culture, trusts in science and knowledge, and is committed to fighting discrimination and securing a future for the next generation.

According to the French president, job creation and the fight against mass unemployment should be an “obsession” for the EU. It is also about creating “the right jobs”, he added. The EU’s minimum wage and wage transparency directives – of which the ultimate goals are to end the wage gap between women and men – will thus be at the heart of the French presidency.

In the first half of 2022, the French Presidency of the European Council was able to deliver on one key dossier the Directive on adequate minimum wage.

The deal reached on new rules for adequate minimum wages in the EU in June 2022 included the following elements:

The minimum wage should be adequate to ensure a decent standard of living: According to the agreement, member states will have to assess whether their existing statutory minimum wages (i.e. the lowest wage permitted by law) are adequate to ensure a decent standard of living, taking into account their own socio-economic conditions, purchasing power or the long-term national productivity levels and developments. For the adequacy assessment, EU countries may establish a basket of goods and services at real prices. Member states may also apply indicative reference values commonly used internationally, such as 60% of the gross median wage and 50% of the gross average wage.

Deductions from or variations to the minimum wage will have to be non-discriminatory, proportionate and have a legitimate objective, such as the recovery of overstated amounts paid or deductions ordered by a judicial or administrative authority.

EU rules to respect the powers of national authorities and social partners to determine wages

Right to redress for workers, their representatives and trade union members if rules are violated: The agreed text introduces the obli-

gation for EU countries to set up an enforcement system, including reliable monitoring, controls and field inspections, to ensure compliance and address abusive sub-contracting, bogus self-employment, non-recorded overtime or increased work intensity.

National authorities will have to ensure the right to redress for workers whose rights have been infringed. Authorities must also take the necessary measures to protect workers and trade union representatives.

Collective bargaining to be strengthened in countries where it covers fewer than 80% of workers: EU negotiators agreed that EU countries will have to strengthen sectoral and cross-industry collective bargaining as an essential factor for protecting workers by providing them with a minimum wage. Member states in which less than 80% of the workforce is protected by a collective agreement will have to create an action plan to progressively increase this coverage. To design the best strategy for this purpose, they should involve social partners and inform the Commission of the adopted measures and make the plan public.

The European Parliament adopted (505 votes in favour, 92 against and 44 abstentions) on the 14 September 2022, the new legislation on adequate minimum wages. In October 2022, the European Council also gave its green light.



When people have to penny-pinch because of the energy crisis, this law is a message of hope. Minimum wages and collective wage setting are powerful tools that can be used to ensure that all workers earn salaries that allow for a decent standard of living.

— Marian Jurečka, Deputy Prime Minister and Minister of Labour and Social Affairs of Czechia (© photo Czech Republic Government)

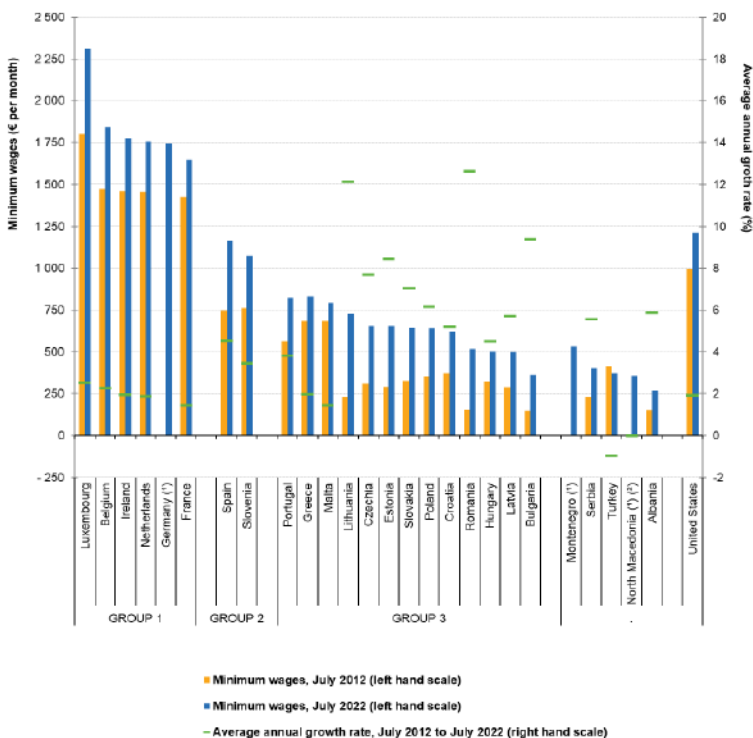
The new directive will apply to all EU workers who have an employment contract or employment relationship. The EU countries in which the minimum wage is already protected exclusively via collective agreements will not be obliged to introduce these rules nor to make these agreements universally applicable.

→ The directive will enter into force on the twentieth day following its publication in the official journal. Member states have two years to transpose the directive into national law.

In July 2022 the minimum wages in the EU Member States ranged from € 363 per month in Bulgaria to € 2 313 per month in Luxembourg.

Minimum wages, July 2022 and July 2012

(€ per month and %)



Note: Denmark, Italy, Cyprus, Austria, Finland and Sweden: no national minimum wage.

(†) January 2012 data and average annual rate of change not available.

(‡) Minimum wage in force on 1 July 2021

Source: Eurostat (online data code: eam_mw_cur)

Another advancement in the field of Social Affairs was reached during the French Presidency on the proposal for a Directive on improving the gender balance among non-executive directors of companies and related measures. The European Commission first presented its proposal in 2012 and the European Parliament adopted its negotiation position back in 2013. The file was blocked in the Council for almost a decade, until Employment and Social Affairs ministers finally agreed on a position last March. The EP and EU Council negotiators agreed on a bill to increase the presence of women on corporate boards in June 2022.

The Directive aims to introduce transparent recruitment procedures in companies, **so that at least 40% of non-executive director posts or 33% of all director posts are occupied by the under-represented sex**. Companies must comply with this target by 30 June 2026. In cases where candidates are equally qualified for a post, priority should go to the candidate of the under-represented sex.

MEPs insisted that **merit must remain the key criterion in selection procedures**, which should be transparent, as part of the agreement. Listed companies will be required to provide information to the competent authorities once a year about the gender representation on their boards and, if the objectives have not been met, how they plan to attain them. This information would be published on the company's website in an easily accessible manner.

Small and medium-sized enterprises with fewer than 250 employees are excluded from the scope of the directive.

The proposal includes effective, dissuasive and proportionate penalties for companies that fail to comply with open and transparent appointment procedures.

→ On 7 June 2022, the Council and European Parliament reached a political deal on a new EU law promoting a more balanced gender representation on the boards of listed companies. By 2026, listed companies should aim to have at least 40% of their non-executive director positions or 33% of their non-executive and executive director positions held by members of the under-represented sex.

While advancement has been acknowledged on the above dossier, another one seems to be at a dead end. Early in 2021, the EU Commission submitted a legislative proposal for a Directive to strengthen the application of the principle of equal pay for equal work, or work of equal value, between men and women through pay transparency and enforcement mechanisms. Although the EU parliament approved its position on the proposal and agreed to start the negotiations with EU member states in the Council, which adopted its own position in December of 2021 only technical meetings have taken place on trialogue level and no political ones.

The gender pay gap in the EU stands at around 14%; this means that women earn on average 14% less than men, per hour. The EU wants to decrease the gender pay gap by enforcing a high degree of transparency regarding pay within companies.

The EU Parliament demands that companies with at least 50 employees (instead of 250 as originally proposed by the Commission and defended by the Council) be required to disclose information that makes it easier for those working for the same employer to compare salaries and expose any existing gender pay gap in their organisation.

National tools to assess and compare pay levels should be based on gender-neutral criteria and include gender-neutral job evaluation and classification systems. The workers have a right to clear and complete information on an individual basis. This relates to the information regarding their own job or similar functions within the company, as well as to the gender pay gap between workers employed by the same employer.

If, based on the released information, a gender pay gap of at least 2.5% exists, employers, in cooperation with their workers' representatives, have to conduct a joint pay assessment and develop a gender action plan. The Commission and Council propose a threshold of 5%.

According to the proposed text by the Parliament, job applicants shall have

the right to receive from the prospective employer (without having to request it), information about the initial pay level or the range of an advertised position. Employers would be prohibited from asking about the current and previous pay of the job applicant.

Employers can also not prohibit workers from disclosing their pay (*with e.g. pay secrecy or confidentiality clauses*).

As both the EU Parliament and the Council support the purpose of the Directive, the outcome would mostly be a question whether the Council will accept the more extensive proposals of the EU Parliament.

5.4.3 ForestEurope Definition on Green Jobs in the Forestry Sector

The FOREST EUROPE Expert Group meeting on Green Jobs took place on 1 - 2 December 2021 as a virtual meeting. The meeting was attended by 36 delegates representing 15 signatory countries and the European Union, 9 representatives of observer organisations, amongst which CEI-Bois, as well as externally invited experts and the Liaison Unit Bonn supported by the EFI team.



Green Jobs: Expert Group meeting



The main purpose of the EG meeting was to inform the experts on the state of the art of knowledge regarding Green Jobs in the forest sector, kick off the work of the Expert Group on Green Jobs and identify relevant topics to work on in the period until the end of 2024.

Since there is no officially agreed definition of “Green Forest Jobs” or “Green Jobs in the forest sector” at a FOREST EUROPE level, signatories and observers were asked in the questionnaire about their opinion if such a common definition would be desirable. 79% of the replies were in favour of such a definition and the discussion was taken up.

The Challenge of a common definition:

The traditional forest sector is characterized by economic activities related to forestry and logging operations, manufacturing of wood and paper products, woodworking and furniture as well as printing. However, there are numerous forest-related activities beyond the traditional sector providing new occupations and contemporary jobs, e.g. in health and education, nature conservation, recreation, tourism but also green chemistry and novel products.

The main task of the ‘definition group’ was to come up with a comprehensive definition considering previous definitions of Green Forest Jobs and to acknowledge new occupations and forest-related contemporary jobs.

At the ForestEurope Expert Group on Green Jobs held on the 7th and 8th of June 2022 in Sweden, the attending experts agreed - based on the work of the subgroup - on the definition of Green Forest Jobs as:

“Green Forest Jobs provide forest-related goods and services while meeting the requirements of sustainable forest management and decent work.”



The inclusion of new occupations and contemporary jobs is addressed by the phrase “provide forest-related goods and

services”. It covers traditional forestry and logging and the forest-based industry, as well as other new-established goods and services provided by forests. This updated description is in line with the principles of the SDGs, as the terms ‘sustainable forest management’ and ‘decent work’ are also highlighted especially in SDG 8, which promotes decent work and economic growth.

The proposed definition of Green Forest Jobs was presented and adopted at the Expert Level Meeting on 31 August 2022.

WHAT ARE GREEN FOREST JOBS?



The Expert Level Meeting of FOREST EUROPE held on 31 August 2022 in Bonn adopted the definition of Green Forest Jobs proposed by the Expert Group on Green Jobs. It reads:

“Green Forest Jobs provide forest-related goods and services while meeting the requirements of sustainable forest management and decent work.”

This does not mean, that all jobs in forest sector are necessarily green. The present note provides some background and explanation of this definition origin, scope and intended uses. The Expert Group's work is part of the work program of FOREST EUROPE, established for the implementation of the Ministerial Resolution “The Future We Want: The Forests We Need” adopted in Bratislava in 2021.

Rationale

The term Green Job was defined by UNEP (UNEP et al., 2008) and ILO (ILO, 2013). However, there were diverging views about how this definition can be applied in the forest sector. Therefore, FOREST EUROPE decided to present a definition of Green Jobs specific to the forest sector. It aims to create a common understanding among FOREST EUROPE signatories and observers about what Green Forest Jobs are. The notion of Green Forest Jobs is intended primarily for communication purposes. The desirability and feasibility of its use as an indicator is being explored.

Terminology and definitions

A Green Job provides work that contributes to **preserving or restoring environmental quality** or is aimed to **reduce environmental impact of**

existing production processes. These jobs improve the sustainability of economic activities. **Green Jobs must be decent work**, therefore they must be “productive, provide adequate incomes and social protection, respect the rights of workers and give them a say in decisions that will affect their lives” (ILO, 2013). Decent work was the subject of conclusions adopted at international level.

Explanatory notes

Many Green Jobs are emerging beyond the traditional forest sector (ECE/FAO, 2018). While forest sector employment overall has been decreasing in most countries, Green Jobs are potentially growing in non-traditional forest-related activities. The new forest-based sector encompasses economic activities related to new wood-based products, urban and social forestry, human health and recreation, ecotourism, green chemistry, education, research & development and more. A shared understanding of the term Green Forest Jobs across countries should thus encompass jobs in the traditional and new forest-based sector, including their whole value chains. The new definition integrates the wording “provide forest-related goods and services” to include all forest-related work that meets Sustainable Forest Management (SFM) (Forest Europe, 1993) requirements and is thus an environmentally sustainable activity. The reference to “decent work” points out that this condition is a prerequisite for any green job. Other conceptual terms such as “green economy” or “bio economy” were avoided because they are ambiguous.



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5.5. Trade

5.5.1 Annual Commission Report on the implementation and enforcement of EU Trade Agreements

The European Commission published its first comprehensive report on implementation and enforcement since the appointment of the Chief Trade Enforcement Officer in July 2020 in October 2021. This report will be updated and released on an annual basis from now on.

The first consolidated report provides information on what was done to implement and enforce EU's main trade agreements in 2020 and some of the achievements in the first half of 2021.

! Brexit has not been covered as the EU-UK Trade and Cooperation Agreement only entered into force on 1 May 2021, nor have the different economic sanctions against Russia and Belarus. These issues will likely be part of the 2022 edition.

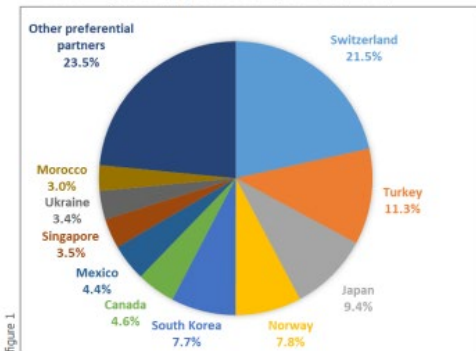
The report is structured in four priority areas in implementation and enforcement:

1. Making Full Use of EU Preferential Trade Agreements

1.1. EU preferential trade in 2020

Among the 67 trading partners covered in the report, Switzerland remained the EU's top trading partner, with 21.5% of trade, followed by Turkey (11.3%), Japan (9.4%), Norway (7.8%) and South Korea (7.7%). Together, these five partners accounted for more than half of EU preferential trade (57.7%).

EU trade in goods by preferential partners (2020)



1.2. EU trade agreements in 2020 held up slightly more strongly in the year of the Covid-19 pandemic

The 37 major EU trade agreements covered by this report continued to make a major contribution to EU global trade in 2020, notwithstanding the consequences of the global Covid-19 pandemic. EU preferential trade fell less sharply (-9.1%) than EU trade with its non-preferential partners (-11.1%) and trade with the rest of the world (-10.5%) (see figure 2).

While overall trade with the 67 EU preferential partners fell by 9.1%, EU trade in **industrial products** with the 67 partners had a surplus of € 116.8 billion, a rise of € 2.1 billion compared to 2019.

The report shows that implementation of environmental sustainability commitments is also of growing importance.

→ **Vietnam:** the Commission continued its close engagement with Vietnam on Forest Law Enforcement, Governance and Trade (FLEGT). The Voluntary Partnership Agreement (VPA) between the EU and Vietnam entered into force in June 2019 and Vietnam continued working on regulations needed to implement the timber legality assurance system.

→ **Ukraine:** close cooperation continued also with Ukraine with regard to the reform of the Ukrainian forest-based sector, focussing on wood harvesting and trade and, in particular, steps taken against illegally forested timber.

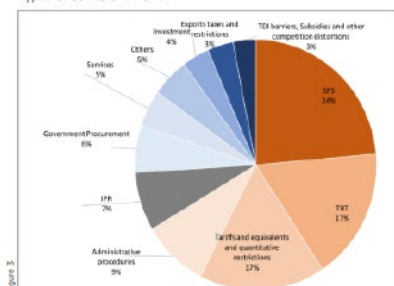
2. Supporting Take-up by SMEs of EU Trade Agreements

Global markets remain an important source of growth for SMEs, who support more than 13 million jobs in the EU. More than 580 000 SMEs export to markets outside the EU and account for one third of all EU exports. But there remains untapped potential. The Commission has been stepping up efforts to help SMEs make the most of trade rules and agreements.

3. Addressing Barriers and Finding Solutions

2020 saw the continued appearance of new barriers among our trading partners, including those with whom we have preferential trade agreements. In terms of the sectors most affected last year, 43% were found in the agriculture and fisheries sector, which is the one with the largest number of barriers overall. Barriers of a horizontal nature or covering a number of sectors made up for a quarter of all new barriers recorded, reflecting an increase in protectionist tendencies, accentuated by the COVID-19 pandemic.

Types of barriers in 2020



There are 462 active trade and investment barriers in 66 third countries. China remained the country with the highest stock and has 40 barriers (two more than in 2019); second was **Russia**, followed by **Indonesia** and **United States** (26 each), **India** (25) and **Turkey** (24). Other countries with ten or more barriers included **Brazil, South Korea, Australia, Algeria, Egypt, Morocco, Canada and Malaysia.**

→ **The Commission has proactively chased barriers in 2020 ensuring that 33 barriers were fully or partially removed in 22 trading partner countries**

Overall, econometric analysis carried out by the European Commission showed that, thanks to the removal of a number of barriers between 2014 and 2019, **exports from the European Union in 2020 were € 5.4 billion higher than they would have been if the barriers had still been in place.**

The Single-Entry Point for complaints established in November 2020 has transformed the way companies and stakeholders can flag trade barriers or breaches of trade and sustainable development commitments by partner countries to the Commission. **It has already resulted in 29 formal complaints that the Commission is investigating.**

• **In 2020 the Commission continued its litigation work under the dispute**

settlement provisions of bilateral trade agreement: since 2018, the EU has requested dispute settlement under four bilateral trade agreements: the Association Agreement with Ukraine (*a panel found on 11 December 2020 in the EU's favour as regards a ban on wood exports to the EU*), the Free Trade Agreement with the Republic of Korea, the Economic Partnership Agreement with the Southern African Development Community (SADC), and the Association Agreement with Algeria.

5.5.2 Russia Log Export Ban

Russia proposed a log export ban in 2022 which was expected to have a far-reaching impact on global forest product markets. It was estimated that Russia exported 15 million m3 of logs in 2020, accounting for almost 12% of globally traded roundwood. Nevertheless, much of this trade came to a halt in 2022 when a new law proposed by Russia's president will ban the export of softwood logs and high-value hardwood logs in January 2022.

This proposal runs counter to the principles of free trade embedded in WTO rules and it further aggravates the market access problems created by similar measures in Ukraine and Belarus. Moreover, the proposed Russian ban is intended to cut off log supplies to China, which is currently a relevant export location for Russian logs; this may have the consequence of exacerbating the competition over European forest supply and increasing the pressure on European forest resources.

Therefore, it is vital that the EU Commission and the other EU Institutions identify appropriate instruments to oppose trade

distortions, while safeguarding European manufacturing industries and taking action regarding log export bans by Russia or any other country. All such bans run counter to the principles of free trade and should be opposed. Likewise stringent export rules are de facto bans and should be regarded as such.

- CEI-Bois has been active on this dossier and together with other Brussels' based organisation representing the EU forestry Industry met with the Cabinet of the Vice-President and Trade Commissioner Valdis Dombrovskis in order to take appropriate actions in order to restore a level-playing field with the EU commercial partners. In addition CEI-Bois held an extraordinary Trade Working Group meeting on the 20 of December 2021 to discuss the Russian ban and the consequences it could potentially have on wood availability in Europe.

Logs are the key raw materials of the forestry value chain. By processing logs the EU industry produces a range of products which keep carbon stored during their lifetime contributing to the decarbonization of the economy in line with the EU climate objectives

Great concern that a high number of logs is leaving the EU due to trade-policy decisions made by other countries. We advocate for free and FAIR trade, but the lack of a level-playing field is apparent. Present local logs shortages will turn into future EU-wide ones.

On the 20 of January 2022 the EU announced it is challenging the Russian export restrictions on wood at WTO level.

In a Press Release the EC highlighted that the Russian restrictions are highly detrimental to the EU wood processing industry, which relies on exports from Russia, and create significant uncertainty on the global wood market. The EU has repeatedly engaged with Russia since Moscow announced these measures in October 2020, without success. They entered into force in January 2022.

Specifically, the EU is challenging:

- The increase of export duties on certain wood products: at the WTO, Russia committed to applying export duties at rates of maximum 13% or 15% for certain quantities of exports. By withdrawing these tariff-rate quotas, Russia now applies export duties at a much higher rate of 80%, and thereby does not respect its commitments under WTO law.
- The reduction of the number of border-crossing points for Russian exports of wood products into the EU: Russia has reduced the number of border crossing points handling wood exports to the EU, from more than 30 to only one (Luttya, in Finland). By prohibiting the use of existing border crossing points that are technically capable of handling such exports, Russia is violating a WTO principle forbidding such restrictions.

CEI-Bois has welcomed the decision by the European Commission to challenge Russia at the World Trade Organisation over its recently imposed export restrictions on wood and stands fully behind the European Union's support for free and fair trade, adhering to a rules-based system.

5.5.3 Russia's invasion of Ukraine: Economic sanctions & consequences for the Woodworking Sector

A. EU Sanctions

Following the invasion of Ukraine by Russia, the Council of the European Union has agreed on a set of restrictive measures. Below a short summary of the different measures in place:

- 23 February 2022: the Council agreed on a package including targeted sanctions against the 351 members of the Russian State Duma and an additional 27 individuals as well as restrictions on economic relations with the non-government controlled areas of Donetsk and Luhansk, and restrictions on Russia's access to the EU's capital and financial markets and services.
- 25 February 2022: the Council agreed on further sanctions against Russia that target the financial sector, the energy and transport sectors, dual-use goods, export control and export financing, visa policy, and additional sanctions against Russian individuals.
- 28 February 2022: the Council decided to close the European airspace for Russian aircrafts and adopted preventive measures to ensure that the Russian Central

Bank cannot deploy its international reserves in ways that undermine the impact of the measures taken.

- 1 March 2022: the Council adopted further measures - removal of selected Russian banks from the SWIFT messaging system and measures against disinformation spread by Russian State-owned media Russia Today and Sputnik.
- 2 March 2022: due to its role in facilitating the military aggression, the Council decided to introduce further sanctions against Belarus related to the trade of goods used for the production or manufacturing of tobacco products, mineral products, potassium chloride ('pot-ash') products, wood products, cement products, iron and steel products, and rubber products. It also prohibited the export to Belarus or for use in Belarus of dual-use goods and technology, exports of goods and technology which might contribute to Belarus's military, technological, defence and security development, exports of machinery, together with restrictions on the provision of related services.
- 15 March 2022: further sectoral and individual measures against Russia were taken. It also agreed to expand the list of persons connected to Russia's defence and industrial base, to prohibit new investments in the Russian energy sector, and introduce a comprehensive export restriction on equipment, technology and services for the energy industry and introduce further trade restrictions concerning iron and steel, as well as luxury goods. Furthermore, the Council decided to sanction key Russian oligarchs, lobbyists, and propagandists, as well as key companies in the aviation, military and dual use, shipbuilding and machine building sectors.
- On 10 and 11 March EU leaders adopted a declaration on the Russian aggression against Ukraine, as well as on bolstering defence capabilities, reducing energy dependencies and building a more robust economic base.
- On the 8 of April the Council decided to impose a fifth package of economic and individual sanctions against Russia. The agreed package includes a series of measures intended to reinforce pressure on the Russian government and economy:
 - a prohibition to purchase, import or transfer coal and other solid fossil fuels into the EU if they originate in Russia or are exported from Russia, as from August 2022.
 - a prohibition to provide access to EU ports to vessels registered under the flag of Russia. Derogations are granted for agricultural and food products, humanitarian aid, and energy.
 - a ban on any Russian and Belarusian road transport undertaking preventing them from transporting goods by road within the EU, including in transit. Derogations are nonetheless granted for a number of products, such as pharmaceutical, medical, agricultural and food products, including wheat, and for road transport for humanitarian purposes.
 - further export bans, targeting jet fuel and other goods such as quantum computers and advanced semiconductors, high-end electronics, software, sensitive machinery and transportation equipment, and new import bans on products such as: wood, cement, fertilisers, seafood and liquor. The agreed export and import bans only account for EUR 10 billion and EUR 5.5 billion respectively.

- a series of targeted economic measures intended to strengthen existing measures and close loopholes, such as: a general EU ban on participation of Russian companies in public procurement in member states, the exclusion of all financial support to Russian public bodies, an extended prohibition on deposits to crypto-wallets, and on the sale of banknotes and transferrable securities denominated in any official currencies of the EU member states to Russia and Belarus, or to any natural or legal person, entity or body in Russia and Belarus.
 - Furthermore, the Council decided to sanction companies whose products or technology have played a role in the invasion, key oligarchs and business-people, high-ranking Kremlin officials, proponents of disinformation and information manipulation, systematically spreading the Kremlin's narrative on Russia's war aggression in Ukraine, as well as family members of already sanctioned individuals. Moreover a full transaction ban is imposed on four key Russian banks representing 23% of market share in the Russian banking sector. After being de-SWIFTed these banks will now be subject to an asset freeze, thereby being completely cut off from EU markets.
 - A 6th package of sanctions was adopted on the 3rd of June 2022 which also imposes further sanctions against Belarus considering its involvement in this aggression. The package contains a complete import ban on all Russian seaborne crude oil and petroleum products. This covers 90% of our current oil imports from Russia. The ban is subject to certain transition periods to allow the sector and global markets to adapt, and a temporary exemption for pipeline crude oil to ensure that Russian oil is phased out in an orderly fashion. This will allow the EU and its partners to secure alternative supplies and minimises the impact on global oil prices. As regards export restrictions, the 6th package includes restrictions on chemicals that could be used in manufacturing chemical weapons.
 - On 21 July 2022 the EU Council adopted further Russia sanctions, including its "maintenance and alignment" sanctions package. In summary, the new sanctions package includes:
 - A new prohibition to purchase, import, or transfer, directly or indirectly, gold, if it originates in Russia and it has been exported from Russia into the EU or to any third country. This prohibition also covers jewellery.
 - An extended list of controlled items, which may contribute to Russia's military and technological enhancement or the development of its defence and security sector
 - An extension of the existing port access ban to locks.
 - Several clarifications to existing measures, for instance in the field of public procurement, aviation and justice.
- The EU sanctions' aim is to contribute to ramping up economic pressure on the Kremlin and cripple its ability to finance its invasion of Ukraine. The measures are intended in a way, so that they cut deep into the Russian economy. All the sanctions imposed have been coordinated with international partners.

Timber and timber products originating from Belarus and Russia:

EUTR Competent Authorities and the Commission concluded on the 16 March 2022 on import of timber and timber-derived products from Russian Federation and Belarus, that in the present circumstances it would seem extremely arduous for operators sourcing timber/timber derived products from the Russian Federation or Belarus, to carry out a full risk assessment of illegality or to mitigate the non-negligible risk. Meaning wood originating from Russia and Belarus is not EUTR compliant. This was confirmed at a follow up meeting in April 2022, where the EU Commission and the CAs stated with regards to import of timber and

timber-derived products from the Russian Federation or Belarus not covered by EU sanctions, that it is impossible for operators – sourcing timber from Belarus and Russian Federation – to carry out full risk assessment and to effectively mitigate the non-negligible risk of acquiring illegally harvested timber.

→ The EU Commission (COM) noted that sanctions apply to all timber coming from Russia and Belarus, including timber that comes via other third countries; operators need to know the actual origin of timber, especially if timber goes through countries which do not have the same/similar sanctions in place (i.e. possible attempts to circumvent sanctions).

B. Reaction of the Woodworking Industries to the Russian Aggression in Ukraine



Brussels, 9 March 2022

Ukraine War: CEI-Bois and EOS - shock in the wood product value chain to be expected.

The European timber industry is watching with great concern Russia's invasion of Ukraine and the correlated economic and financial implications. European sanctions against trading with Russia and Belarus are expected to produce a shock in the wood product value chain. The war in Ukraine is already impacting transport and supply chains in several countries.

Following a meeting of the main trade bodies for the timber industry – CEI-Bois (the European Confederation of Woodworking Industries) and EOS (the European Organisation of the Sawmill Industry) – it was recognised that Russia's invasion of Ukraine poses a real threat to peace and security in Europe while direct consequences on the timber business should be expected. At the same time, the European timber industry understands the decisions on a trade ban between Europe and Belarus as informed by the Council Regulation (EU) 2022/355 which introduces a ban on all wood products from Belarus in response to the ongoing war in Ukraine. The industry foresees that similar measures will be applied to Russian wood products.

Members also supported the decision taken by PEFC to classify Belarus and Russian products as "conflict timber" and therefore ineligible for accredited certification. Similarly, the European Timber Industry welcomes that wood and forest products from Russia and Belarus cannot be used in FSC products or be sold as FSC certified anywhere in the world as long as the armed conflict continues.

The trade ban will cause serious consequences for European market supply. According to official statistics, slightly less than 10% of the sawn softwood consumed in Europe in 2021 originated from Russia, Belarus and Ukraine. In the hardwood sector, oak goods originating from Ukraine made up a significant quantity. Shortages are therefore expected.

CEI Bois and EOS are now working closely with the EU institutions and national European Governments to identify sustainable and efficient mitigating measures that could increase self-reliance, help reduce critical shortages, increase harvesting rate, ensure security of logs supply and seek to mobilise existing wood resources to fill the supply gap created by these necessary trade sanctions.

The wood product trade ban will negatively impact several critical industrial supply chains eg. food and medicine which are logistically based on wooden pallets. Many wood-based construction materials, such as birch plywood and sawn timber, will be very hard hit, which in turn could hamper the EU's Green Deal push to decarbonise the built environment.

In addition, a disproportionate number of European lorry drivers are Ukrainian, and they have now returned to defend their country exacerbating an already existing shortage of drivers due to the Covid pandemic. This adds on a number of imbalances and other challenges which are already negatively affecting the international logistics.

Commenting Silvia Melegari, Secretary General of CEI-Bois and EOS said: "Beyond the human tragedy that this conflict is causing, the European Timber Industry will be negatively affected by a shortage of wood products. Although companies are already working in order to cope with the current situation, it is undeniable that our sector will need immediate interventions by national governments and European institutions on how to prevent a critical logs shortage. The European wood industry hopes for a rapid and peaceful resolution to the ongoing conflict in Ukraine."

ENDS

Media Enquiries: info@eos-oes.eu ; info@cei-bois.org

CEI-Bois, the European Confederation of Woodworking Industries represents 20 European and National organisations from 14 countries and is the body backing the interests of the whole industrial European wood sector: more than 180,000 companies generating an annual turnover of 152 billion euros and employing 1 million workers in the EU.

EOS, the European Organisation of the Sawmill Industry represents the interests of the European sawmilling sector on European and International level. Through its member federations and associated members, EOS represents some 35,000 sawmills in 12 countries across Europe manufacturing sawn boards, timber frames, glulam, decking, flooring, joinery, fencing and several other wood products.

*PRESS RELEASE***FEFPEB: Ukraine conflict to cause significant pressure on supply of pallets and packaging across Europe***7 March 2022*

The European Federation of Wooden Pallet & Packaging Manufacturers (FEFPEB) has expressed its deep sympathies and support for the people of Ukraine and advised that the conflict in Ukraine is expected to cause significant pressure on the supply of wood, and therefore pallets and packaging, in the coming weeks.

Last year, Ukraine exported more than 2.7 million m³ of sawn softwood timber, a significant amount of this for wooden pallets and packaging manufactured in European markets including France, Germany, Italy, the Netherlands and Poland. The country also produced and exported an estimated 15 million pallets, mainly to Europe.

The severe slowdown in the Ukrainian economy and stop in production will have serious direct impacts on countries such as Hungary, Italy and Germany (the three most prolific softwood importers from Ukraine); and also an indirect impact across Europe by unbalancing the market and increasing competition for more limited wood supplies and putting upwards pressure on prices.

Meanwhile, with Russia exporting approximately 4.5m m³ of softwood timber into the EU (with Estonia, Germany, Finland the largest importers) and Belarus exporting approximately 3.1m m³ (spruce and pine combined), Europe will be significantly impacted by trade sanctions that have been introduced against the two countries – which FEFPEB supports.

Some countries source up to 25 per cent of their pallet and packaging timber from the three countries. Alternative timber sources including Scandinavia, Germany and the Baltic States are only capable of covering a small proportion of the shortfall.

Energy supplies have also been severely disrupted, increasing the price of fuel, with growth in the price of petrol of more than 30 per cent, and the cost of a barrel of oil now more than US\$110. This, says FEFPEB, will have a “significant impact” on the cost of heat treatment and kiln drying of timber to ISPM 15 standards, on transport and on the overall cost of production – leading inevitably to product price rises.

The above challenges add to existing pressures caused by the ongoing global shipping crisis, labour shortages, low availability and high prices of raw materials

– including a severe shortage of steel for the production of nails – and generally disrupted transport flows around the world.

FEFPEB Secretary General Fons Ceelaert said: “The terrible events unfolding in Ukraine have had an immediate impact on industries of all kinds, disrupting vital trade flows, and reducing availability of many different materials and goods. The usual supplies of timber needed for the production and repair of wooden pallets and packaging have had been hit hard, and availability has been significantly reduced.

“Alongside the sizeable ongoing international challenges that already exist in the market, we expect to see a general upward trend in the price of all commodities, including wood. In the meantime, our member associations’ businesses around Europe are working hard to secure supplies from their partners in order to maintain continuity of pallet and packaging production.

“FEFPEB is in close contact with CEI-Bois and the European Commission, with whom we have shared our moral and economic concerns. We will continue to liaise with industry sources and monitor up-to-date information to enable us to keep our membership and the market informed about the very latest developments in this ongoing situation.”

On the 13th of April and 17th of June 2022 respectively, DG TRADE held a meeting chaired by DG Trade’s Deputy Director-General Redonnet with an active participation of DG Grow’s Deputy Director-General Ms. Rute Maiwe to debrief on the state of play of trade-related measures that have been adopted against Russia at EU level and receive first-hand information from the EU industry on the impact of the war on trade so far, including from EU sanctions.

CEI-Bois has actively participated in the dedicated meetings and is providing DG Grow with up-to-date information on trade related developments of importance to the Woodworking Industries with regards to the current conflict.

C. Russia-Ukraine conflict puts fragile global trade recovery at risk

Prospects for the global economy have darkened since the outbreak of war in Ukraine on 24 February, prompting WTO economists to reassess their projections for world trade over the next two years. Mainly in a Press release published on the 12th of April 2022, WTO highlights the following impacts:

- The most immediate economic impact of the crisis has been a sharp rise in commodity prices. Despite their small shares in world trade and output, Russia and Ukraine are key suppliers of essential goods including food, energy, and fertilizers, supplies of which are now threatened by the war.
- Grain shipments through Black Sea ports have already been halted, with potential-

ly dire consequences for food security in poor countries.

- World merchandise trade volume is expected to grow 3.0% in 2022 (down from 4.7% previously) and 3.4% in 2023, but these figures may be subject to revision due to uncertainty about the course of the conflict in Ukraine.
- World GDP at market exchange rates is expected to increase by 2.8% in 2022 after rising 5.7% in 2021. Output growth should pick up to 3.2% in 2023, assuming persistent geopolitical and economic uncertainty.
- The Commonwealth of Independent States region should see a 12.0% decline in imports and a 7.9% drop in GDP in 2022, but exports should grow by 4.9% as other countries continue to rely on Russian energy. Regional disparities may narrow due to weak import demand in Europe and Asia.
- The volume of merchandise trade rose 9.8% in 2021. The US\$ value of this trade grew 26% to US\$ 22.4 trillion. The value of commercial services trade was also up 15% in 2021 to US\$ 5.7 trillion.
- Services trade will also be affected by the conflict in Ukraine, including in the transport sector, which covers container shipping and passenger air transport.

D. Wood Certification

Following the war in Ukraine, the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification suspend Russian and Belarus wood certification.

PEFC have announced on the 4 March that all wood materials from the two countries would be considered “conflict timber” and could not be used in PEFC-certified products.

FSC has also suspended trading certificates in Russia and Belarus and will “block wood sourcing” from the countries for as long as “the armed violence continues in Ukraine”. As a result, “wood and forest products from Russia and Belarus cannot be used in FSC products or be sold as FSC-certified anywhere in the world.

The suspension of FSC and PEFC certifications will have a large impact on wood pellet and chip flows from Russia. Accreditation from either is a precondition for the sustainable biomass programme (SBP) certification required by almost all pellet and chip consumers in northwest European – Russia’s largest market for pellets.

Later in April 2022, FSC further announced that it will require suspension of its certificates in armed conflict areas of Ukraine and will allow streamlined auditing processes on certificates in areas not affected by conflict. FSC remains determined to continue to support Ukrainian certificate holders as far as possible, and therefore will allow certification bodies – the independent auditors of FSC certificate holders – to continue their work in areas not affected by war, for example through remote audits and extending the time between audits to over a year, if required.

E. What about Ukraine?

The European Commission has proposed on the 27th of April 2022 to suspend for one year import duties on all Ukrainian exports to the European Union. The proposal would also see the suspension for one year of all EU anti-dumping and safeguard measures in place on Ukrainian steel exports.

It is designed to help boost Ukraine’s exports to the EU and help alleviate the

difficult situation of Ukrainian producers and exporters. In this difficult context, the EU wants to do as much as possible to help Ukraine to maintain its trade position with the rest of the world and further deepen its trade relations with the EU.

The EU is also already taking measures on the ground to facilitate overland goods transport to help to get Ukrainian products out into the world. For example, the Commission has already started liberalising the conditions for Ukrainian truck drivers transporting goods between Ukraine and the EU, as well as facilitating transit and the use of EU infrastructure to channel Ukrainian exports towards third countries.

MEPs approved by a large majority - 515 votes in favour - the European Commission's proposal to further liberalise trade with Ukraine.

SITUATION OF TIMBER AND TIMBER PRODUCTS ORIGINATING FROM UKRAINE

On the 29th of April 2022, EUTR Competent Authorities and the COM agreed on a three-level approach that acknowledges the differing situation nationally in areas which are under sanctions, areas which are under active military combat and areas which are not under military conflict currently, but where the situation can evolve rapidly. The following guidance was agreed on:

Nongovernment controlled areas of the Ukrainian territory: Imports

into the European Union of goods originating in the non-government controlled areas of Donetsk and Luhansk oblasts (Council Regulation (EU) 2022/263 of 23 February 2022) and from Crimea (Council Regulation (EU) No 692/2014 of 23 June 2014 which have been renewed on 21 June 2021) are prohibited in line with the respective sanction decisions of the Council.

Areas of active military hostilities within the Ukrainian territory: As a consequence of the Russian war of aggression, in those parts of the Ukrainian territory with ongoing military hostilities, active governmental control of timber logging as well as tracking of timber trade is not possible. Third party verification is suspended and operators cannot conduct field checks due to risk of being affected by active military activity. In view of these factors, it is not possible for operators to draw conclusions about a negligible risk level.

Other parts of the Ukrainian territory: In areas at this time not subject to active military hostilities, the situation remains highly volatile. Therefore, while challenges exist for the possibility to minimise the risk of sourcing timber in contravention of the applicable Ukrainian legislation, it is possible for operators to place on the market if negligible risk is achieved.

The Conclusions of the Competent Authorities to timber imports from

Ukraine that came out as an Annex to the EUTR/FLEGT Expert Group Meeting of 9th December 2020 remain valid and constitute an important reference material.

5.5.4 Trade opportunities between India and the EU in Industrial Wood Products

CEI-Bois organised jointly with the Indian Embassy to Belgium, Luxembourg and the EU, in Brussels and the Federation of Indian Export Organisations (FIEO) a webinar dedicated to Trade opportunities between India and the EU in Industrial Wood Products on the 7 of April 2022.

This is the second time that the organizers host a joint webinar that aims to serve as a platform of discussion between various Indian and European Woodworking Industries' players. The session was opened by Dr. Smita Sirohi, Adviser at the Embassy of India to Belgium, Luxembourg and the EU who stressed the importance of bringing

together partners from this increasingly growing in prominence sector.

A keynote speaker from DG Trade, Mr Maxim, presented the state of play of EU-India trade and investment relations and gave a glimpse of what is to be expected as next steps of the recently reopened trade negotiations between the EU and India. India is amongst the world's fastest-growing large economies and an important player in global economic governance. India is the tenth largest partner for EU exports of goods (1.9 %) and also the tenth largest partner for EU imports of goods (2.2 %). There is still work ahead in concluding an agreement, but India is an important trade and investment partner for the EU and both India and the EU will gain from a balanced, ambitious, comprehensive, and mutually beneficial trade agreement.

The webinar explored current trends and opportunities for industrial wood products both from an Indian perspective - with a presentation of the India Timber Supply and Demand 2010-2030 report by co-au-



thor Dr Kant, which shows that although India's forest cover has increased steadily for nearly two decades, timber production is still substantially less than consumption, and an increasingly large proportion of demand is being met by imports; and an European perspective - with a presentation by Mr Paul Brannen on recent EU initiatives that favour the use of more wood in construction and renovation due to its environmental benefits and its potential to help reach climate neutrality goals in Europe.

In its ending session the webinar focused on showcasing the potential of Timber construction with examples from India and Slovenia. Dr Šušteršič from InnoRenew CoE presented the recently completed construction of the largest wooden building in Slovenia. It is a hybrid combination of timber, concrete, and steel. The upper three floors

of the main building are entirely wooden, making it the largest wooden building in Slovenia to date. The building houses offices, meeting rooms and research laboratories. On the other hand, Dr. Shankar gave a presentation from an Indian architect perspective on the huge opportunity wood offers in construction not only in aesthetics but also as a renewable, reusable, climate resilient and low embodied energy natural material.

Overall, the webinar highlighted the importance of fostering exchange and open dialogue in order to encourage new potential areas for cooperation between the European and Indian Woodworking Industries, be it from a technological, RDI, services or best practices perspective.

The screenshot shows a webinar interface. At the top, there are video thumbnails for 'VDMA India' and 'Keith Fryer' (with initials 'KF' and '+39'). The main slide content includes:

- Header: *An Architect uses several templates to enhance the quality of Architecture in his works*
- Section: **SUSTAINABILITY CONCERNS**
- List:
 - CARBON CAPTURE & STORAGE
 - LOW EMBODIED ENERGY
 - RENEWABLE, RECYCLABLE
 - CLIMATE RESILIENT
- Section: **TIMBER AS A ONE STOP SOLUTION**
- Footer: **Dr.G Shankar (Guest)**

5.5.5 Proposal for a Directive on corporate sustainability due diligence

The proposal aims to foster sustainable and responsible corporate behaviour throughout the global value chain. Companies will be required to identify and where necessary prevent, end or mitigate adverse impact of their activities on human rights and environment.



Implement a climate change strategy: Have a strategy in place to ensure that their operations are consistent with the Paris Agreement's goal of limiting global warming to 1.5 °C.



Enforce due diligence policies: Integrate due diligence into policies that describe the company's approach to due diligence, its code of conduct, and a description of the procedures put in place to carry out due diligence. Policies will be required to be updated and published annually.



Perform full supply chain due diligence: Identify actual or potential negative human rights and environmental effects not just in the company's own supply chain but also those of its subsidiaries, partners, and established business connections.



Introduce a prevention action plan: Implement a prevention action plan, with clearly defined timelines and indicators, as well as seek contractual assurances from business partners that will guarantee compliance with the company's code of conduct.



Perform supply chain compliance checks: Implement processes,

procedures, and necessary checks to verify compliance within its supply chain.



Prevent, reduce and eliminate harms: Prevent or terminate actual harms, or reduce harms that have already occurred, by neutralising the impact and remediating harms, including payment of damages to the affected persons or communities.



Implement grievance mechanisms: Establish and support a complaints procedure to report and investigate harms in its supply chain.



Monitor and evaluate due diligence policies: Monitor the effectiveness of the due diligence policy and measures on an annual basis



Communicate and report due diligence efforts annually: Publicly communicate and report on due diligence efforts by 30 April each year.

→ CEI-Bois has prepared a reply to the EU feedback which has been supported by EPF, FEP, EFIC, EOS and EETF.

RESPONSE TO THE CORPORATE SUSTAINABILITY DUE DILIGENCE

The European woodworking and furniture industries, representing manufacturing enterprises and traders across the EU, values the attempt to create an EU framework on corporate sustainability due diligence. Corporate Social Responsibility strategies are instrumental for European wood industries, and we strive to develop our processes

related to environmental and social issues even further. It is important that such an initiative is well-defined and harmonized.

Supply chain due diligence should be considered as a proactive way for companies to identify problems and risks, to start a process towards finding solutions. To further encourage and enable companies to contribute to more sustainable supply chains, a workable, delimited and duly harmonized EU-wide due diligence framework is needed. However, in its current form the directive proposal contains several very far-reaching and/or unclear definitions and concepts which are open for different interpretations in national implementation and invites member states to do extensive interpretations, especially since the proposed legal form is a directive with minimum requirements.

Improving the way, the European economy and society consumes products and reversing the effects of global warming and pollution are all extremely important commitments of the EU. As sector, the woodworking industry strives to be a part of the solution; from its circular economy model, zero waste production, and low to neutral carbon product and operations, without doubt the woodworking industries are a sustainable and responsible sector.

It should be noted that the European woodworking industry operates under more intense public scrutiny

than any other extraction-based industries. As a raw material, wood comes from forests and public perceptions of forests is often driven by an emotional feeling rather than scientific-based knowledge and facts.

Today, forest certifications and eco-labelling are already well-established systems ensuring that wood is sourced from sustainably managed forests and social rights are respected. Several large forest products companies have already in place voluntary sustainability reports, including most of the social (such as health and safety) and environmental (e.g. timber legality) indicators. For this reason, we call on the EU Commission and the legislators to have a pragmatic approach and avoid putting additional administrative burdens and obligations on EU companies.

SPECIFIC COMMENTS:

Due diligence: Corporate governance and due diligence are and should be clearly distinguished in approach and scope. While due diligence covers a company's responsibility to outside stakeholders, corporate governance is about a board's internal responsibility towards the company. For what concerns the environmental due diligence, the Wood industries are currently covered by the European Timber Regulation and in the close future by the Regulation on the making available on the Union market as well as export from the

Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010.

As woodworking industries and trade have already implemented due diligence systems, no further environmental due diligence shall be requested to the timber industries. Any further requirements will overload the sector with administrative tasks and will result in hindering their ability to remain competitive worldwide.

Scope of responsibility: Concern that the proposal introduces a new term - “established business relationships” to help define the scope of due diligence responsibilities - rather than rely on well known international ways of working as described in the UNGPs risks that businesses will seek to fulfil requirements based on contractual obligations rather than by assessing real risks across the value chain and prioritizing these risks. However, for due diligence to be effective, sometimes the processes must go beyond the contractual agreements. Therefore, the scope of due diligence responsibility and the scope of civil liability should not be equated in the proposal. It should be up to the businesses to assess the risks, prioritize the risks, and explain the processes put in place to limit the risks or fix the problems. This flexibility is removed in the current draft proposal. CEI-Bois would recommend that the pro-

posal relies on the existing UNGPs guidance for businesses to determine their scope of responsibility. In addition, the proposal pays too little attention to the essential role and responsibility of (local) governments, which have the primary responsibility to prevent human rights and environmental damage and to ensure compliance with national legislation and international obligations. It is unrealistic to expect that European companies can control their entire value chains across the world, including “indirect” third party suppliers or even customers. The mandatory due diligence within the proposal should therefore be applicable only to supply chain operations in a company’s first tier, while leaving room for companies which deem it appropriate to also conduct due diligence downstream. This would still have an impact along the supply chain, as contractual demands on the supplier to control his subcontractors will, in turn, be passed on to their suppliers and so on.

Directors: The intrusion into the careful balance on directors’ duties creates the risk to disrupt the primary function of boards, in accordance with national company laws. The European Commission shall not legislate on company directors’ responsibilities.

SMEs: We fully support the aim to exclude SMEs from the proposed obligations. It is therefore important to make sure that SMEs are not indirectly impacted. The objectives

of achieving economic prosperity, social justice and environmental protection in a sustainable and future oriented way should and could be achieved without additional burdens for SMEs putting at risk their competitiveness and existence. In any case, before any new obligation enters into force, ad hoc measures and tools should be put in place in order to financially support SMEs to comply -directly or indirectly- with new requirements.

Liability: As regards liability, it is important to bear in mind that companies can only be liable for damages which they cause directly or for which they have direct control and /or influence. In this regard, due diligence should remain an obligation of means and not an obligation of results: the concepts of 'reasonable efforts', 'risk-based', 'proportionate and context specific' are key. They should come through clearly in any Commission proposal and with precise legal definitions.

Implementation fragmentation: CEI-Bois welcomes the proposal's aims to avoid companies having to comply with different obligations in different EU Member States. Nevertheless, as a Directive, the proposal leaves the door open for misalignment among Member States. It does not restrict Member States from going further than the provisions of the Proposal or provide for different provisions, which in turn does not offer any guarantee of such harmonization. There is a need for clear, pragmatic guidelines to companies, including

essential requirements for enforcement mechanisms, to provide legal clarity and foster an aligned way forward for both implementation and auditing across the EU. These guidelines should also facilitate harmonized recognition of robust, well-functioning voluntary third-party certification schemes as one important tool for a company's due diligence system.

Level playing field: In order to guarantee a level playing field, all non-EU companies operating in the EU market shall be in the scope of the proposed legislation. The obligation and enforcement of the due diligence legislation should apply to companies, both EU and non-EU companies, in the same way.

This position is submitted on behalf of CEI-Bois – The European Confederation of Woodworking Industries and fully supported by EFIC – European Furniture Industries Confederation EOS – European Organisation of the Sawmill Industry EPF – European Panel Federation ETTF - European timber trade Federation and FEP – European Federation of the Parquet industry.

5.6 Research, Development and Innovation

The Forest-based Sector Technology Platform (FTP) is a European Technology Platform (ETP) dedicated to the forest-based sector. It is the meeting place for industry, forest owners and public authorities, to discuss and build up a critical mass of knowledge on common research and innovation needs for the sector, and to decide on the best ways to cooperate.

In this way, FTP delivers sound, scientific, strategic and EU-relevant information to public funding providers, thus facilitating opportunities for targeted investments in research, technological developments and innovation (RTDI).

→ The main aim of FTP is to develop, promote and implement a Strategic Research and Innovation Agenda, to advance competitiveness and sustainability of the forest-based sector through innovation.

FTP was founded in 2005 by four forest-based sector associations: CEI-Bois, CEPI, CEPF and EUSTAFOR.

FTP's core document, [Vision 2040 of the European forest-based sector](#), looks ahead at maximizing the potential of research and innovation in the forest-based sector to bring about resilient ecosystems, smart products and social growth within the circular bioeconomy.

Vision 2040 explains the European forest-based sector's ambition to continue growing as a key enabler of the circular bioeconomy. The document will guide you through:

- the European forest-based sector as it is today,



- facts and figures about sustainably managed forests in Europe;
- inclusive resource-efficient production systems; a broad spectrum of smart products made from forest-fibre (e.g. textile fibres, transparent wood, nanocellulose), and the technologies used
- an explanation of the importance of wood as a highly versatile and renewable raw material.

In line with the UN Sustainable Development Goals and the 2015 Paris Agreement, **Ten ambitious Vision Targets are at the core of the Vision.** Among other things, these lay out the importance of resource efficiency, diversification of technologies, purposeful and safe jobs and renewable energy.

Horizon Europe Strategic Plan 2025-2027



The start of the second Horizon Europe strategic planning process was officially launched by Commissioner Mariya Gabriel during the European Research and Innovation days 2022.

As the first step in the process, the Commission will create a strong, analytical foundation for the Strategic Plan. Like its predecessor, the Strategic Plan 2025-2027 will be co-designed with input from citizens and stakeholders.

Citizens will be consulted during a dedicated workshop in December.

The Strategic Plan 2025-2027 will also be covered in the largest ever public online consultation of Horizon Europe.

The consultation will also feature questions on the past and current research and innovation programmes (Horizon 2020 ex-post evaluation and Horizon Europe interim evaluation). The exercise will be launched in November. The Strategic Plan will be drafted with early involvement and extensive exchanges with EU Member States and extensive exchanges with the European Parliament, and is expected to be adopted in 2024.

Keep in mind! Vision Targets for 2040

1. Sustainable Forest management, biodiversity and resilience to climate change

The importance of sustainable and multifunctional forest management is widely acknowledged, due to its benefits for society. Resilient and diverse European forests, managed through different types of ownership, provide a wide array of forest ecosystem services including raw material production, climate change mitigation, biodiversity conservation and protection of water-related ecosystems.

2. Increased, sustainable wood production and mobilization

Forest growth is increasing, leading to increased CO₂ sequestration. Management practices are being further optimized for even higher productivity and stand quality. The creation of climate change-resilient and stress-tolerant forests is particularly important. Research, innovation and careful, long-term forest management have increased harvesting possibilities in Europe by 30 per cent, between now and 2040.

3. More added value from non-wood ecosystem services

In 2040, we have successful new business models based on forest ecosystem services. They are often based on cross-sectoral cooperation with sectors such as food, water and tourism. The added value from new markets for non-wood forest goods (mushrooms, berries, clean water) and services (recreation, tourism, climate change mitigation) has increased tenfold.

4. Towards a zero-waste, circular society

By 2040 material collection rates of forest-based products have increased to 90 per cent and their reuse and recycling account for 70 per cent of all recyclable

material. This circular economy stores carbon and substitutes more energy-intensive materials.

5. Efficient use of natural resources

Activities to foster resource efficiency have resulted in significant improvements in energy efficiency, specific raw material input and specific water use in the forest-based industries. This contributes to the provision of high-added value products with a drastically reduced environmental footprint.

6. Diversification of production technologies and logistics

With new technologies, such as AI, and improvements in automation and digitalization, traceability is fully implemented throughout the value-chain. Diversification of technologies also helps to make small-size production units economically feasible.

7. Purposeful, safe jobs and links between rural and urban regions

In 2040, the forest-based sector is an attractive employer, known for providing meaningful and safe jobs in rural as well as in urban regions. It is well known for developing the skills of its workers and managers and has significantly increased the number of employees involved in different aspects of RDI activities.

8. Renewable building materials for healthier living

Wood, the most commonly used renewable construction material in the world, has a bright future. In 2040, biobased construction in Europe has tripled its market share from the 2015 level, whilst the overall added value of the woodworking industries has doubled. Increased value will come from new products and services, as well as more widespread use of energy-saving, modular and flexible housing structures and functional furniture.

9. New fibre-based products and 80 per cent lower CO2 emissions

The forest-fibre and paper industry is well on its way to reaching the targets – set out in the CEPI 2050 Roadmap – to cut its carbon emissions by 80 per cent, while creating 50 per cent more added value. Almost half of the new added value is expected to come from other new biobased products such as textiles and green chemicals.

10. Renewable energy for society

Thanks to new and innovative production technologies, reduced overall energy consumption, increased recycling, reuse and refining of side streams, the sector will continue to be the biggest producer of green electricity and biofuels in Europe, with a capacity in 2040 to provide the equivalent of 100 million barrels of crude oil (produced from about 65 million m³ of forest and mill residues).

Forest managers and owners, researchers, companies and policymakers agree: strategic cross-sectoral alliances with other industries, and the support of investors

and public institutions, will play a vital role. Vision 2040 will facilitate these interactions, as it clearly sets out the long-term ambitions of the forest-based sector.



“Knowledge and investment, which leads to a sustainable increase in wood production, is the basis for the entire forest-based value industry.”

***- Johan Elvnert,
FTP Managing Director & Chair
of the CEI-Bois RDI WG***

CHAPTER

6



CEI-Bois Members



We are a responsible Industry

THE EUROPEAN CONFEDERATION OF THE WOODWORKING INDUSTRIES CELEBRATES ITS 70TH ANNIVERSARY AT THE PRIZE-WINNING, ENGINEERED TIMBER CULTURE HOUSE IN SKELLEFTEÅ IN NORTHERN SWEDEN ON THE 15 OF JUNE 2022!

PRESS RELEASE, Skellefteå 15 June 2022

The Summer General Assembly meeting and 70th Anniversary celebration was a two-days event under the slogan “*The Future is Bright - the Future is Wooden*” which included guided tour visiting several of the unique wood projects in Skellefteå, a visit to the HOLMEN sawmill in Bygdsiljum and a panel discussion bringing together key people involved in the prize-winning Culture House construction who emphasized how the rise of a building can help a whole region rise. The city of Skellefteå is the living example of the European Bauhaus concept where the growth strategy of the city is based on sustainability, innovation, inclusiveness, and culture. And in the middle of this city, its outstanding symbol is a wooden building made using locally sourced timber and built up for the local community to enjoy the theatre, great food, reading a book in the building’s library, having a chat, or going to the spa. Skellefteå proves what a sustainable climate-conscious town looks like – from wooden schools, bridges, to one of the world’s tallest wooden buildings using glued laminated timber and cross-laminated timber! The building materials are expected to be sustainable, beautiful, and affordable. Wood can tick all three boxes.

Sustainability has become one of the most important issues concerning the construction sector in the 21st century. Our industry has the key - WOOD - to help decarbonise the built environment. Wood plays a major part in mitigating climate change, while responding to the needs of the growing European urban population. Wood is the only construction materials capable of storing carbon, and it can be used in any structure. It is also one of the easiest materials to recycle and it can be further used for a wide variety of products.

The CEI-Bois General Assembly meeting was also an opportunity to welcome ***two new members from Italy and Slovenia respectively, making our wood family bigger and stronger***. Addressing what the future hold ahead for the European Timber Industry, Sampsa Auvinen, Chair of CEI-Bois said “*70 years ago, CEI-Bois was founded with the idea of bringing together different European Woodworking Industries representatives to work together and help promote our sector and the use of wood in its numerous forms and applications by highlighting the natural sustainability of wood and wood-based products. As we*

celebrate today, we can truly say that our dedication and hard work has paid off by having our message been heard and spread by high level officials such as, President von der Leyen during her recent speech at the Opening Session of the Conference “Reconstructing the Future for People and Planet –

a New European Bauhaus Initiative”. There is a lot more work ahead, but together we can, and we will continue to promote wood as the natural solution to reaching the net-zero carbon emissions by 2050, because wood, is both good for the planet, and good for the wellbeing of people!”

....The next new CEI-Bois Members might be you! Get in contact with the CEI-Bois Secretariat to learn more about our Confederations and how to become a Member!



Blue – Direct representation through CEI-Bois National Federation Members

Green – Indirect representation through CEI-Bois’ European Sector Organisation Members

National Organisations:

AUSTRIA

Fachverband der Holzindustrie Österreichs
www.holzindustrie.at

BELGIUM

Fédération Belge de l'Industrie Textile,
du Bois et de l'Ameublement
www.fedustria.be

CROATIA

Croatian Wood Cluster
www.drwniklaster.hr

DANEMARK

Traeets Arbejdsgiverforening -
Dansk Industri
www.di.dk

ESTONIA

Estonian Forest and Wood Industries
Association
www.empl.ee

FINLAND

Finnish Forest Industries Federation
www.forestindustries.fi

Federation of the Finnish Woodworking
Industries
www.puutuoteteollisuus.fi

GERMANY

Der Hauptverband der deutschen
Holzindustrie
www.holzindustrie.de

ITALY

Assolegno (Federlegno Arredo)
www.federlegnoarredo.it

LATVIA

Latvian Forest Industries Federation
www.lvkoks.lv

NORWAY

Norwegian Wood Industry Federation
www.treindustrien.no

SLOVENIA

Sloles – Slovenian Wood Association
www.sloles.eu

SWEDEN

Swedish Forest Industries Federation
www.forestindustries.se

Swedish Federation of Wood and Furniture
Industry
www.tmf.se

SWITZERLAND

Holzwirtschaft Schweiz
www.lignum.ch

THE NETHERLANDS

Nederlandse Bond van Timmerfabrikanten
www.nbvt.nl

UNITED KINGDOM

Timber Development UK
www.ttf.co.uk

European Sector Organisations:

European Institute for Wood Preservation
www.wei-ieo.org

European Federation of Wooden Pallet and
Packaging Manufacturers
www.fefpeb.org

European Timber Trade Federation
www.ettf.info

European Organisation of the Sawmill
Industry
www.eos-oes.eu

CHAPTER

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2022 CEI-Bois Board of Directors & Team

CEI-Bois President: Sampsa Auvinen (Board Professional, Latvia) – I Mandate
Vice-Chair: Dr Erich Wiesner (FV Holzindustrie, Austria)
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Keith Fryer (Timber Development UK, United Kingdom)
Rob van Hoesel (FEFPEB, The Netherlands)
Denny Ohnesorge (HDH, Germany)
Juha Mäntylä (FFIF, Finland)
Anders Ek (Skogindustrierna, Sweden)
Ana Dijan (Croatian Wood Cluster, Croatia)

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Director of Public Affairs: Paul Brannen
Policy Officer: Teodora Ilieva
Policy Officer: Claudiu-Nicolae Sonda
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