EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

European Commission
DG GROW.F.2
DG ENV.B.1

Brussels, 22 Mai 2025

EPF responses to the questions related to 'Shaping a competitive future for bio-based products and materials in the Bioeconomy Strategy'

I. Which actions should the new Bioeconomy Strategy include to support the production of bio-based products and materials, and to stimulate the demand for them?

To stimulate both production and demand for bio-based products, especially wood-based panels, the Bioeconomy Strategy should:

- **Ensure strict implementation of the cascading use principle** across all Member States to prioritise material uses of biomass over energy recovery. This avoids waste of valuable resources and promotes high-value applications such as wood-based panels.
- **Eliminate market distortions** created by subsidies for early-stage energy recovery from woody biomass. Public funding should not incentivise burning a valuable resource such as wood that could be used in durable bio-based products especially with the expected increasing demand.
- **Introduce material use-first legislation** and integrate it across EU policies (e.g., Renewable Energy Directive & the upcoming Circular Economy Act).
- **Promote green public procurement policies** that favour renewable and resource-efficient materials such as wood-based panels, encouraging wider demand in construction, furniture and packaging sectors.
- **Embed climate neutrality in EU public procurement criteria,** particularly by recognising wood-fibre insulation as a high-impact product for both energy reduction and carbon removal. This product is uniquely effective in providing insulation against both winter cold and summer heat. This should be supported by:
    - Promoting technical performance-based criteria for climate adaptation in public procurement.
    - Require minimum 10-hour phase-shifting capacity in building insulation to maximise night cooling potential in summer.
    - Propose an amendment to Directive 2014/24/EU to enshrine climate neutrality as a central objective in public procurement decisions, encouraging the use of bio-based materials that actively contribute to emission reductions.
- **Recognise and reward the carbon storage and substitution benefits** of bio-based materials such as wood, which replace fossil-based or energy-intensive materials like concrete, steel, or plastics.
- **Establish harmonised Life Cycle Assessment (LCA) rules and mutual recognition of Environmental Product Declarations (EPDs) across Member States**. This is crucial to ensure that wood-based products are evaluated consistently and fairly across EU markets, and to reduce the administrative and financial burden on companies, particularly SMEs.

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II. How could the new Bioeconomy Strategy support your bio-based businesses to scale up 'from lab to fab', and how could it secure investments in these businesses?

To scale up industrial deployment of innovations, the Bioeconomy Strategy should:

- **Create a stable, long-term policy framework** that ensures investor confidence.
- **Facilitate access to EU innovation funding and state aid** for scaling up manufacturing capacity of wood products and circular processes, including recycling of wood and reuse of secondary raw materials.
- **Support demonstration plants and first industrial deployments** with financial instruments and access to loans or equity, specifically tailored to circular bio-based applications.
- **Streamline permitting and reduce administrative burdens** for new facilities in sustainable wood processing, ensuring they can be established and operated quickly without compromising environmental standards.

III. Ensuring Long-Term Sustainable Biomass Supply Without Increasing Land Pressure

To secure a reliable and sustainable supply of woody biomass while mitigating pressure on land, the Bioeconomy Strategy should:

- **Reinforce the cascading use principle** to minimise competition with energy generation, which inflates raw material costs and diverts biomass away from high-value applications.
- **Promote sustainable forest management practices** that enhance forest resilience and biodiversity while maintaining a renewable supply of wood for material uses.
- **Prioritise the development and use of recycled wood streams** by significantly increasing separation at source, collection, and transportation of wood waste from all potential sources—including construction and demolition (C&D), packaging, municipal, and industrial sectors. This is essential to ensure that larger volumes of secondary wood can be made available for recycling at economically viable costs.
- **Support investments in circular value chains**, including sorting infrastructure and technologies to improve the quality and quantity of recovered wood.
- **Establish harmonised sustainability criteria for biomass use**, covering aspects such as land use impact and carbon accounting, to ensure environmental integrity and responsible sourcing.
- **Clarify and streamline regulations** to facilitate access to secondary biomass sources and encourage their integration into industrial supply chains.

IV. Through which actions could the new Bioeconomy Strategy strengthen the competitiveness of the European bio-based industries on a global scale, and position them on international markets?

To enhance global competitiveness of EU wood-based panel industries:

- **Harmonise EU policy frameworks** around the cascading use principle and carbon storage accounting, positioning the EU as a global leader in sustainable biomass utilisation.
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- **Integrate substitution benefits into carbon and sustainability metrics**, ensuring that bio-based materials and solutions are recognised for their role in reducing the carbon footprint of buildings and products globally.
- **Promote export and trade policies** that support sustainable bio-based materials and remove trade barriers on wood products.
- **Support branding and certification of EU bio-based products**, highlighting the renewability of the material as well as its sustainability, durability, and circularity on international markets.
- **Enhance collaboration between Member States and international partners**, driving innovation and standard-setting for sustainable biomass use.

About EPF - the European Panel Federation has members in 30 European countries and represents the manufacturers of particleboard, MDF, OSB, hardboard, softboard and plywood. The EU wood-based panels industry has an annual turnover of about 25 billion euro and creates over 100,000 jobs directly. www.europanels.org

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