

## EOS RESPONSE - COMMISSION DELEGATED REGULATION ON A CLIMATE CHANGE MITIGATION AND ADAPTATION TAXONOMY

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EOS welcomes efforts to mobilise the financial sector in accelerating the move towards a prosperous and sustainable Europe in 2050. To achieve this, a stable, fair and favourable investment framework in Europe will be key.

**The future Taxonomy's criteria and thresholds should be impact assessed prior to their application, to avoid unintended consequences for the sectors in which they will apply.** The TEG report presents important inconsistencies as well as technical and methodological flaws that could prevent investors from making fully informed decisions on their investments. Therefore, the future Taxonomy should be above all internally consistent and conducive to a level playing field that allow businesses and investors to invest in sustainable solutions that meet their varying needs. **Metrics and thresholds are essential elements in EU legislation and should thus be properly impact assessed prior to application and receive scrutiny by the co-legislators and stakeholders.**

The future Taxonomy should better tackle environmental sustainability but also the social and economic pillars of sustainability. Focusing mainly on carbon emissions reduction, the TEG report needs to tackle **better concepts such as circular economy, resource efficiency and energy efficiency for their significant environmental and health benefits (e.g. lower ecological and resource depletion, better air quality) as well as economic benefits** (e.g. independent, secure and reliable supply of raw materials and energy, reduced dependence on imports, improved competitiveness). Not doing so risks compromising the very notion of (all-around) sustainability, which is essential to make fully informed and successful investment decisions for the future. On the contrary, integrating those dimensions into the Taxonomy would render it more comprehensive and better aligned with other major EU policy priorities, including fostering reindustrialisation and employment in Europe, and help make the move to a sustainable society an economic success for Europe.

Forests are at the heart of the transition to low-carbon economies. **Forests and forest products have a key role to play in mitigation and adaptation**, not only because of their double role as sink and source of emissions, but **also through the potential for wider use of wood products to displace more fossil fuel intense products.**

Evidence from numerous life-cycle assessments (LCAs) of wood-based products in the construction sector indicates that, typically, wood-based materials have a lower emission footprint than competing materials over the complete life cycle of the product (including use and disposal), and the production stage of wood-based materials results in lower GHG emissions than the production stage of functionally comparable non-wood materials.

In the elaboration of the delegated acts, EOS stresses the need to ensure policy coherence with the existing legislations (*such as the LULUCF Regulation and the recast of the Renewable Energy Directive*) and avoid significant burdens on the undertakings. In the framework of sustainable forest management, EOS calls for the recognition of both PEFC and FSC as equally reliable certification systems in order to prove responsible management of forests.

Created in 1958, the European Organisation of the Sawmill Industry (EOS) is a Brussels-based 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 in 12 countries across Europe (Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Latvia, Norway, Romania, Sweden, Switzerland) manufacturing sawn boards, timber frames, glulam, decking, flooring, joinery, fencing and several other wood products. Together they represent around 77% 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.