

Circularity Leadership: Wood is at the heart of Europe's bioeconomy and housing future



— By Silvia Melegari,
Secretary General of EOS

Innovation is vital for Europe's future. From advanced biomaterials to biotechnologies, breakthrough solutions are reshaping our economy. But, as we look ahead, we must not forget the solutions that already are and have been delivering results for centuries: from traditional wood products such as sawn timber, parquet, wood panels, to the most recent engineered wood, etc. They are renewable, recyclable, and key enablers of the circular bioeconomy.

Wood products, as long-term carbon reservoirs, are storing biogenic carbon absorbed during tree growth for decades, thereby contributing to climate change mitigation well beyond the forest. As Europe strives to achieve climate neutrality and address its housing gap, the key question is how to fully leverage solutions that already exist and are proven. Wood provides that answer, delivering sustainability, affordability, and competitiveness while storing carbon and enabling the circular bioeconomy.



A cornerstone of the European bioeconomy

The European Bioeconomy Strategy calls for smarter use of biological resources to drive sustainability and competitiveness. Building with wood must be a cornerstone of Europe's bioeconomy. Wood is a renewable material that functions both as a long-term carbon sink and as a substitute for carbon-intensive construction materials. Moreover, solid wood applications pro-

vide the highest climate mitigation benefits, as they maximise the volume of carbon sequestered and retain CO₂ for extended periods, corresponding to the service life of buildings.

Sawn timber and the other wood products are already a major bioeconomic sector, delivering jobs in rural areas, storing carbon for decades, and enabling a shift away from fossil-intensive materials. They are a solid foundation on which Europe can build.

Timber solutions for the housing challenge

The housing sector offers one of the greatest opportunities to scale up the use of wood. Europe faces a pressing demand for affordable, energy-efficient, and climate-neutral housing. Timber construction addresses these challenges by combining speed of building, excellent insulation properties, and a substantially lower carbon footprint compared to other conventional building materials¹. Innovative engineered wood products enable multi-storey buildings, urban densification and modular solutions that are adaptable to future needs.

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

In her State of the Union address, President von der Leyen highlighted the urgency of the housing crisis. She stressed the need to make housing more affordable, more sustainable and of higher quality. In this context where Europe needs thousands of new homes that are both climate-friendly and affordable, wood is uniquely suited to meet this dual challenge. Industrialised, offsite timber construction can cut project time by up to 50% and reduce costs by 5–10%, helping to deliver homes faster for young families, students, and lower-income households. Such solutions play a key role also in renovations: vertical extensions with light-weight timber systems could unlock millions of new apartments by making full use of existing buildings in dense urban areas without consuming new land.

#The right framework

To unlock this potential, Europe needs an enabling framework: streamlined building codes, harmonised standards, financial incentives for carbon storage, and public procurement that supports timber construction. These measures will allow SMEs (which are the backbone of Europe’s wood sector) to invest, innovate, and scale up solutions that are already market-ready.

The EU Bioeconomy Strategy must also place strong emphasis on securing a stable and sustainable supply of raw materials. For the timber industries, continuous access to wood resources is essential to maintain competitiveness, foster innovation, and deliver cli-

mate-neutral solutions for Europe. Policy measures should therefore be carefully designed to avoid unintentionally restricting the availability of raw material for the sector. Striking the right balance between environmental protection, biodiversity objectives, and industrial needs is crucial to ensure that the bioeconomy can grow while safeguarding the long-term viability of Europe’s timber industries.

#Let’s build on what works

Innovation and tradition must go hand in hand. Europe has the opportunity to lead the world in sustainable construction by combining cutting-edge bio-based solutions with the proven power of wood. Integrating timber more systematically into the Bioeconomy Strategy and Affordable Housing Plan will accelerate decarbonisation, revitalise rural economies, and bring affordable housing within reach for millions.

“Integrating wood at the core of the bioeconomy means combining climate action with innovation, competitiveness, and sustainable growth. When we build with wood, we create not only homes, but also climate solutions and jobs for Europe’s future”

Silvia Melegari
Secretary General of EOS



Who is #GreenSource?

At EOS, we are proud to be a part of #GreenSource because it is critical to this effort: promoting wood as a renewable, sustainable raw material and showing how Europe’s forest-based industries can lead the way in building a resilient, fair, and climate-positive economy.

#GreenSource is a coalition of Europe’s forest-based industries, uniting the pulp, paper, packaging, and sawmill industries, and driving the transition to a sustainable, climate-neutral future. By championing renewable, low-carbon, and circular solutions, we actively advance the bioeconomy, reduce reliance on fossil-based materials, and support forest growth, CO₂ absorption, and biodiversity protection.

From sustainable forestry to innovative products, we’re shaping a greener economy —because responsible products start with a green source. Learn more at eugreensource.org.

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