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CEI-Bois feedback to the European Commission on the review of the EU Taxonomy Environmental Delegated Act: Substantial contribution of construction and renovation to the transition to a circular economy

The European Confederation of Woodworking Industries (CEI-Bois) has long recognised the strategic role of the EU Taxonomy for Sustainable Activities in directing investment towards solutions that support the EU's 2030 climate and energy goals, advance the European Green Deal, and strengthen Europe's sustainable competitiveness. The Climate and Environmental Delegated Acts, in particular, can meaningfully enable our sector's contribution to a low-carbon, resource-efficient, circular, and competitive European economy.

For the Taxonomy to fulfil this role, its technical screening criteria must be feasible, practical, and tailored to sectoral realities across the various climate and environmental objectives. **CEI-Bois therefore welcomes the European Commission's intention to review the EU Taxonomy Environmental Delegated Act** with a view to updating and simplifying the criteria, especially those under the objective "*Substantial contribution to the transition to a circular economy*" for the activities "*construction of new buildings*" and "*renovation of existing buildings*".

Our comments focus on two areas:

1. The calculation and disclosure of lifecycle Global Warming Potential (GWP) and biogenic carbon storage;
2. The use of primary raw materials;

Key requests:

- Maintain and strengthen the requirement for calculating and disclosing lifecycle GWP and biogenic carbon storage for new buildings and renovations;
- Provide adequate financial and technical support for SMEs to conduct LCAs and allow the use of generic/industry-average data where appropriate;
- Include Dynamic Life Cycle Assessment reporting to better capture the time-dependent benefits of biogenic carbon storage;
- Adopt more realistic secondary material thresholds for bio-based products (5% for new buildings and 5% for renovations); alternatively, allow a combined threshold of 50% for reused, recycled, or responsibly sourced renewable materials in new or renovated buildings;



Calculation and disclosure of lifecycle GWP and biogenic carbon storage

CEI-Bois strongly supports mandatory calculation and disclosure of lifecycle GWP and biogenic carbon storage for both new construction and renovation. Reliable, comparable, and publicly accessible environmental footprint data, including GWP and carbon storage, is essential for informed decisions across the value chain. It can also help create lead markets for low-carbon products and accelerate the uptake of low-carbon materials such as timber. Moreover, robust data collection is a prerequisite for setting credible and robust whole-life carbon limit values and targets¹, as well as for enabling the certification of quality carbon removal activities.

Strong GWP and biogenic carbon storage requirements would also ensure alignment with other EU initiatives, particularly the recast Energy Performance of Buildings Directive², the revised Construction Products Regulation³, and the Carbon Removals Certification Regulation⁴. Furthermore, the voluntary Taxonomy is intended to set requirements that go beyond the minimum legal obligations established in these regulatory frameworks. Therefore, for investors and customers using the Taxonomy as a benchmark, the disclosure of both lifecycle GWP data and biogenic carbon storage should be mandatory. We strongly emphasise that biogenic carbon must be recognised as an integral part of the overall climate impact, rather than relegated to background information.

At the same time, construction is largely an SME-driven sector, and the lifecycle assessments (LCAs) required for Environmental Product Declarations (EPDs) or Declarations of Performance and Conformity (DoPCs) can impose significant financial and administrative burdens, even for early adopters. Without targeted EU-level support, many SMEs will not be able to meet the increasing data and reporting requirements within the expected timeframe. **Public support and**

¹ It is essential that the GWP calculation rules used in the EU Taxonomy are fully aligned with the methodology applied under future EU and national lifecycle-based carbon limit values for buildings. A phased and building-type-specific approach can function effectively, provided that the underlying calculation framework is stable, harmonised and transparent. In addition, the long-term development trajectory of these carbon limit values must be visible and predictable several years in advance. This will allow the industry to anticipate future requirements in order to plan investments, develop products and strengthen data capabilities in a controlled and cost-efficient manner. Clear and long-term regulatory signals are also necessary to ensure that SMEs have sufficient time and resources to prepare for upcoming obligations.

² As per the recast Energy Performance of Buildings Directive (DIRECTIVE (EU) 2024/1275), Member States shall ensure that the lifecycle GWP is calculated and disclosed in the energy performance certificate of the building:

(a) from 1 January 2028, for all new buildings with a useful floor area larger than 1 000 m²;

(b) from 1 January 2030, for all new buildings.

Moreover, Member States shall also address carbon removals associated to carbon storage in or on buildings, including in their national building renovation plans.

³ The revised Construction Products Regulation (REGULATION (EU) 2024/3110) specifies that harmonised technical specifications and European assessment documents shall cover predetermined environmental essential characteristics related to the life cycle assessment of construction products, including climate change effects. Moreover, harmonised technical specifications shall also cover to the extent possible the predetermined environmental essential characteristic of capability to temporarily bind carbon and of other carbon removals.

⁴ The Carbon Removals Certification Regulation (REGULATION (EU) 2024/3012) recognizes and seeks to facilitate and encourage the deployment of carbon storage in products, specifically carbon storage in wood-based and bio-based construction products, as a complement to sustained emission reductions across all sectors in view of EU carbon neutrality by 2050.



targeted assistance will therefore be essential to help SMEs assess the environmental impacts of their products. Access to reliable data is equally critical, which is why the use of generic or industry-average values should be allowed, especially where product-specific information is not yet available.

Additionally, CEI-Bois emphasizes that it is essential not only to quantify the volume of biogenic carbon stored but also to clearly demonstrate the duration of this storage in construction products and buildings, expressing it as a direct reduction of their overall carbon footprint. Accurately reflecting long-term carbon sequestration is crucial, as the timing of emissions reductions plays a key role in climate change mitigation. We therefore **advocate for the use of dynamic LCA (dLCA) or dual reporting, combining both static and dynamic approaches**, to better capture the time-dependent benefits of biogenic carbon storage, particularly in long-lived wood products.

Use of primary raw materials

As highlighted in its contribution to the European Commission's call for evidence on the forthcoming Circular Economy Act, CEI-Bois fully supports the EU's Circular Economy transition and its objectives to strengthen resource efficiency, support decarbonisation, and boost Europe's strategic autonomy. In this context, wood and wood-based products have an important role to play as renewable materials with strong circular and climate-mitigation potential, including long-term carbon storage. This requires a clear distinction between sustainably sourced bio-based primary materials and fossil-based, non-renewable virgin materials. The European Commission's Bioeconomy Strategy also underlines the importance of ensuring that sustainable bio-based activities are appropriately recognised in the EU Taxonomy.

In line with this, we support policy efforts to accelerate circularity in construction, promoting a greater share of reused, recycled, and renewable materials in building projects. At the same time, however, regulatory frameworks must recognise the different starting points across sectors regarding recycling capacity and secondary raw material markets, ensuring requirements are proportionate and comparable.

Additionally, for timber and other bio-based materials, circularity should not be assessed only through recycled or reused input at the point of manufacture. Bio-based materials are part not only of a technical lifecycle, but also of a biological one, and this distinction should be appropriately reflected in the EU Taxonomy. For wood products, long service life, reuse potential, repairability, recyclability, cascading use, and biogenic carbon storage are important circular attributes, even where secondary material streams remain limited. Criteria focused only on immediate secondary content thresholds may therefore undervalue the circular contribution of bio-based construction materials.

The Environmental Delegated Act proposes that:

- For **new buildings**, if bio-based materials are among the three heaviest product categories, **no more than 80%** of these materials may come from primary raw material (i.e., at least 20% must be recycled or reused).
- For **renovations**, **the equivalent threshold is 90%** from primary material (i.e., at least 10% must be recycled or reused).



Firstly, these maximum values for the use of primary raw material imply the assumption that secondary material is always more ecological and sustainable than primary material. However, this is not always the case, as the environmental impacts associated with the processing of secondary material (e.g. energy use, transport, etc.) must also be taken into account and may be significant. Secondly, current conditions make both the 20% and 10% secondary-material threshold for new buildings and renovations unachievable for bio-based materials, and particularly for wood. Secondary wood material streams remain highly underdeveloped due to long service lives, current market structures, and the lack of recycled wood that meets construction product standards. Moreover, the infrastructure needed to supply secondary wood in the quantities and quality levels required for Taxonomy compliance does not yet exist.

Such unfeasible and impractical requirements therefore disincentivise the use of renewable bio-based products, thereby contradicting EU objectives established in various pieces of legislation and policy initiatives. Achieving realistic circularity thresholds therefore requires a gradual approach and EU-wide harmonisation, particularly regarding End-of-Waste criteria and the recognition of intermediate processing as a distinct technical step.

For wood construction materials specifically, several factors limit the feasible share of secondary inputs:

- Core wood products (e.g., sawn timber) can only be produced from primary wood, and therefore cannot contribute to secondary material thresholds;
- Contamination in demolition waste streams significantly reduces the recyclability of recovered wood. Technologies that could address this issue are not yet widely deployed;
- Limited technological options exist to integrate recycled wood into structural products. Recycling today is largely confined to specific wood-based panels and insulation materials. Ongoing innovation will require time to reach a commercially viable scale;
- Mass timber products are far from reaching end-of-life, as they have only been in widespread use since the early 2000s. There is therefore almost no supply of secondary material suitable for re-use;
- Wood waste flows do not yet constitute a functioning secondary raw material market⁵, and the revised Construction Products Regulation is yet to deliver on its intention to enable CE-marking of products made from secondary materials, effectively blocking their placement on the EU market.

Given these constraints, the current thresholds are unattainable in the foreseeable future. There is a significant risk that such unrealistic requirements could incentivise developers and builders to choose materials other than bio-based ones, thereby reducing the potential of these materials to contribute to the EU's climate goals. CEI-Bois therefore recommends more realistic requirements that would still constitute an ambitious threshold for the sector:

⁵ A [2022 European Environment Agency \(EEA\) report on secondary raw material \(SRM\) markets](#) points out that only about one third of wood waste is currently recycled, with large differences between Member States in recycling rates. According to the report, this has to do with the logistics involved in its collection and transport and the need for sorting, the deterioration of the quality of the wood during use, or the labour-intensive pre-treatment of wood materials containing nails and paint.



- **5% secondary bio-based content for new buildings;**
- **5% secondary bio-based content for renovations.**

An alternative approach would be to require buildings to contain **at least 50% of reused components, recycled content, or responsibly sourced renewable materials collectively**. This approach appropriately recognizes the contribution of responsibly sourced renewable materials, such as wood, to a circular economy, including through their role in both technical and biological lifecycles. As highlighted by the Ellen MacArthur Foundation, advancing circularity in the built environment depends in part on the broader use of renewable materials produced in regenerative ways⁶.

Importantly, this principle should also underpin the suggested 5% thresholds: **sustainably sourced renewable content should be recognized on an equal footing with recycled and reused materials as valid circular inputs**, taking into account the specific circular characteristics and cascading use of bio-based materials.

Our proposal also reflects the reality that, despite efforts to increase the reuse and recycling rate of post-consumer wood, primary materials will continue to be needed to meet market demand. Accordingly, it is **essential not to restrict access to bio-based primary materials or disrupt the supply of renewable raw materials**.

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⁶ Ellen MacArthur Foundation (2021). [The Nature Imperative: How the circular economy can tackle biodiversity loss](#).