

A greener, stronger European Union

 Swedish Forest
Industries

INPUT FOR THE 2024-2029 POLITICAL PROGRAMME



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Together, we are shaping the future

 Swedish Forest
Industries

1. A resilient and competitive EU

The Swedish Forest Industries Federation (SFIF) fully supports the EU's climate neutrality and circular economy targets. However, greater circularity is not enough. If the EU is to make a success of the green transition, it needs a circular economy based on renewable materials, that is, *a circular bioeconomy*.

A circular bioeconomy is based on sustainable production and consumption through the replacement of fossil-based materials with sustainable, renewable alternatives. Moreover, the current geopolitical situation has highlighted the need for greater European strategic autonomy to counteract supply chain disruption. A circular bioeconomy would be a European strategic asset.

Moving away from a fossil-based, linear economy to a circular bioeconomy, would improve the Union's geopolitical resilience and competitiveness and mitigate climate change. In this respect, Sweden's forest owners and forest industries already make a substantial contribution to European resilience. The Swedish forest-based sector uses primarily European forests to source its wood and European technology in its production processes. It creates jobs throughout Sweden, including in rural areas. More than 65 per cent of the sector's materials and solutions are sold on the EU Single Market. The sector is energy- and transport-intensive and therefore strives continuously to remain competitive on European and global markets.

Steps towards this goal include:

- ✓ More new and innovative wood-based products that provide additional societal and customer benefits.
- ✓ Greater investment in Europe.
- ✓ Strong focus on efficiency and cost optimisation to maintain competitiveness.

To achieve this, a supportive policy framework is needed that seeks to:

- ✓ Promote the European circular bioeconomy and make the EU an attractive destination for biobased investment.
- ✓ Promote biomaterials as a way to reduce the Union's dependency on fossil raw materials in material and energy sectors.
- ✓ Reflect the essential role of wood as a strategic European resource and raw material.
- ✓ Ensure that renewability is promoted ahead of fossil alternatives.
- ✓ Assess the cumulative effect of legislation related to the supply of wood raw materials.
- ✓ Appoint the Secretariat General as the DG responsible for policy coherence for all legislation affecting forest-based industries.



2040 goal:
Increase Sweden's forest industries contribution to European self-sufficiency in wood-based products and renewable energy.

2. A climate-neutral EU

Biogenic carbon originates from organic matter and is part of the natural carbon cycle, in which plants absorb carbon dioxide (CO₂) through photosynthesis. While CO₂ is the same molecule irrespective of where it comes from, on a systems level, there is a considerable difference between carbon released from fossil sources and that released from biogenic sources. Carbon from fossil sources has been trapped under ground for millions of years, and when it is released, it immediately increases the CO₂ concentration in the atmosphere. This is not the case for biogenic CO₂ that originates from sustainably grown biomass because the carbon that is released is equivalent to the amount of carbon the organic matter has previously absorbed.

Sweden's forest-based industries fully support the

EU's 2030 and 2050 climate goals. Currently, the Swedish forest-based sector's contribution to global climate improvement is equivalent to offsetting 93 million tonnes of CO₂ annually, including forest growth and wood-based products¹. This impact is a combination of the net carbon absorption of Swedish forests, the reduction of fossil emissions in the sector's production value chains, and the further reduction of emissions when wood-based products are used as substitutes for fossil-based alternatives, such as cement, steel, plastic, and fossil fuel combustion. Given that approximately 65 per cent of Sweden's wood products are sold on the EU Single Market, a significant proportion of the climate benefit is experienced beyond Sweden, benefiting the entire Union.

Steps towards this goal include:

- ✓ Increased annual carbon sequestration in forests and the introduction of BECCS/CCU.
- ✓ Increased annual substitution by replacing fossil materials.
- ✓ Progress towards zero fossil emissions from Sweden's forest industries.

To achieve this, a supportive policy framework is needed that seeks to:

- ✓ Maintain a strong focus on fossil emission reduction measures.
- ✓ Keep biogenic and fossil emissions separate in reporting and policy objectives.
- ✓ Reflect the full climate benefit of sustainably managed forests and wood-based products by recognising carbon sink and substitution effects as equally important.
- ✓ Acknowledge the key contribution of renewable materials by setting a substitution goal for materials.
- ✓ Initiate a broad debate, including all relevant stakeholders, on EU climate policy setup after EU ETS.
- ✓ Introduce sustainability criteria for products, including those based on fossil resources or those with a fossil footprint.
- ✓ Stimulate voluntary investment in BECCS/BECCU.
- ✓ Ensure that carbon removal and its incentives cannot be used to avoid fossil emission reductions.
- ✓ Establish a science-based definition for renewable carbon that clearly acknowledges its key characteristics compared to fossil carbon.

2040 goal:

A 30 per cent increase in the Swedish forest-based sector's contribution to global climate improvement to 122 million tonnes a year.

Photo: Marinsons

¹ Swedish-forestry-sectors-climate-contribution.pdf (forestindustries.se)

3. A circular and biobased EU economy

Wood-based products and solutions embody regenerative principles in the transition to a circular bioeconomy. This is accomplished by harnessing renewable resources in place of fossil-based materials, designing for recyclability from the outset, actively seeking opportunities for increased material reuse, and increasing material collection and recycling. In these ways, wood products contribute to a regenerative, resource-restoring approach to the circular bioeconomy.

In this context, it is important to recognise that fresh

and recycled fibres are complementary and part of a single European fibre-supply system. Both are sustainable and needed to satisfy customer needs and desired product specifications. Fresh fibres are the dominating resource in forest-rich Member States, while recycled fibres dominate in more densely populated areas. A continuous input of fresh fibres is needed to maintain this cycle. Mandatory recycled content initiatives should only be applied at a systems level, rather than to product groups or individual products.

Steps towards this goal include striving to steadily increase proportion of:

- ✓ Fossil-free products
- ✓ Fossil-free transports
- ✓ Reusable wood products
- ✓ Recyclable products

To achieve this, a supportive policy framework is needed that seeks to:

- ✓ Recognise contributions from wood, fibre-based, paper-based and other bio-based products to the Union's circular bioeconomy.
- ✓ Promote renewability, i.e., biobased content, in parallel with recycled content in product-related legislation.
- ✓ Apply the cascading principle in line with market and regional specificities, without limiting the development of new wood-based products.
- ✓ Acknowledge that renewable single use products (with high collection and recycling rates) and reuse are complementary solutions.
- ✓ Establish appropriate and cost-effective collection and sorting systems to encourage recycling at scale.
- ✓ Ensure that more waste and industrial side streams can be used as secondary raw materials.
- ✓ Encourage consumers to contribute to increased circularity.



2040 goal:

All wood-based products from Sweden's forest industries to be fossil-free and where possible, recyclable.

4. Sustainably managed EU forests

Seventy per cent of Sweden's surface area is forest. Being forest-rich and the home of a large share of Europe's boreal forests, the Swedish forest-based sector has a responsibility to continuously develop its forest management practices. Multifunctional and sustainably managed EU forests are essential for the green transition. Given the variety of European forest types, history of land use, and various forest ownership patterns, a one-size-

fits-all approach to EU policy is unlikely to succeed.

Biodiversity is necessary for viable and prosperous forests that are resilient to climate change and more extreme weather conditions. The work of the Swedish forest-based sector is based on the principle that forests should be managed in ways that increase growth *and* biodiversity.

Steps towards this goal include:

- ✓ More varied forest management.
- ✓ Increased conservation management.
- ✓ New biodiversity monitoring and measurement methods to increase knowledge of forest ecosystems.
- ✓ More research on how different forms of forest management activities affect biodiversity.

To achieve this, EU policies are needed that seek to:

- ✓ Acknowledge the multifunctional role of forests in meeting societal, economic, and environmental objectives.
- ✓ Ensure that forest management practices can be designed to meet local circumstances and needs.
- ✓ Increase access to sustainable, renewable wood resources.
- ✓ Consider forest owners of all sizes as key stakeholders in the green transition.
- ✓ Recognise that there are no one-size-fits-all forestry policy measures that deliver on all expectations at once; rather, a fair and proportionate balance acknowledging synergies and trade-offs over time must be struck.



Photo: Derome

2040 goal:
**Sweden shall have healthy,
flourishing forests rich in biodiversity.**

The SFIF represents 220 companies in the Swedish forest-based sector. SFIF member companies refine sustainably sourced wood into bio-based products, such as pulp, paper, board, packaging material, sawn timber, refined wood products and renewable energy, and include some of Europe's largest private forest owners.

SFIF members create 120,000 jobs and are the world's fourth largest exporter of pulp, paper, and sawn timber. Some 60-65 per cent of goods produced in Sweden are sold on the EU Single Market, while approximately 20 per cent are exported outside the Union. In 2022, the total value of SFIF member sales outside Sweden amounted to SEK 186 billion (EUR 17,5 billion).

Together, we are shaping the future.

