



EFBWW position

Proposed European Green Deal and needed actions for the building, wood, furniture and forestry and building materials industries.

The EFBWW represents 2 000 000 workers in the building, wood, furniture, forestry and building materials industries. These industries will play a key role in the transition as proposed by the European Green Deal.

The EFBWW fully supports the goals laid down in the European Green Deal and welcomes the European ambitions to achieve climate neutrality by 2050. Nevertheless, we should keep in mind that making a “greener” Europe creates many opportunities, but also many challenges for our industries. A “greener” Europe should also mean a more social Europe. No worker should be left behind and it must be assured that all workers and citizens are entitled to decent wages, proper working conditions and training, and adequate social protection.

Today buildings account for 40% of energy consumed and for about 40% of CO₂ emissions. The annual renovation rate of the building stock varies from 0.4 to 1.2% in the Member States. This rate will need at least to double to reach the EU’s energy efficiency and climate objectives. In parallel, 50 million consumers struggle to keep their homes adequately warm¹.

Woods and forests provide a gigantic potential for carbon storage. Today, woods cover 43% of the EU’s landmass. Europe’s forests provide also the most sustainable raw material and the woodworking industries are a rich source of ever-new applications and wooden products. Wood is used in housing, infrastructure of diverse types and in numerous other industries, in novel health technologies and in combinations with other types of material.

¹ COM(2019) 640 final

Indeed, the European Green Deal seems to offer many opportunities for our industries. On the other hand, we also need to recognize that the European Green Deal will seriously impact energy-intensive industries like cement production. The EFBWW believes there is still a future for energy-intensive industries in Europe and will continue to champion a sustainable, ambitious EU industrial policy. The greening of our economies is also strongly depending on the industries' ability to further innovate processes and products. Stronger cooperation in science, research and innovation processes becomes in a more and more globalized economy a precondition to stay champion or become champion in "green technologies".

Leave no worker behind! This is the fundamental point of departure for the EFBWW. This cannot be just a slogan. All workers and citizens should be entitled to decent wages, proper working conditions and adequate social protection. These objectives should go hand in hand. To successfully decarbonise the construction and building material industries, the woodworking and the furniture industries and secure support of workers and society at large implies that solidarity mechanisms are in place to ensure that all workers can benefit and that nobody is directly or indirectly victimised by the European ambitions.

Building a Green construction industry implies that we also build an inclusive and cohesive society. For the EFBWW, it is essential that the transformation of the construction industry and allied industries involves the social partners. After all, it is workers who build a Green construction industry!

OUR MAIN CALL FOR ACTION

For our industries to become climate neutral, we need an ambitious EGD action plan that covers the following action points:

- European, national, regional and local trade unions need to be consulted on the design and implementation of economic, employment and social policies of the EGD aspects as the European environmental ambitions will heavily impact workers in our industries.
- A full involvement of trade unions in a structured sectoral social dialogue at the various levels should be guaranteed. This is essential to define joined-up policies whose implementation will ensure that the circular economy is applied.
- No workers are left behind, with particular attention to the low skilled workers, women, migrants, youngsters and older workers. In the context of just transition, workers should have a right to retraining and/or mediation towards other jobs or industries. A basic digital and environmental training should be guaranteed to all workers.
- Special attention should be paid to the health and safety of workers, especially regarding new manufacturing systems, toxicity, resource processing methods, work with new (raw) materials and waste.
- A fair and sustainable transition process should be guaranteed. The shift to the circular economy should not pose social justice problems for workers, in particular for micro and small enterprises.
- A financial safety net should be available to support vulnerable workers, who risk being pushed out of the labour market. These workers risk losing their jobs and being confronted with occupational health and safety hazards and other transition risks.
- Further specifications on how money from the Just Transition Mechanism will be distributed among different sectors and regions are needed. Workers shouldn't bear the burden of financing the transition towards green and circular industries.
- National paritarian training funds for our industries should be created and managed exclusively by the national social partners. In order to ensure a fair distribution of the expenses, all companies need to provide a financial contribution to such schemes. The funding should be according to the size of a company.
- The EFBWW demands that the EU should step up its efforts to eradicate energy poverty, ensuring that affordable renewable energy is available to low-income and poor end-users in buildings. Energy poverty should be specifically tackled through the EPBD.
- The current system of emission allowances for energy-intensive industries should be evaluated. The EFBWW considers that the core objective of any proposal should be that an importer to the EU market faces the same CO₂ costs as an EU domestic producer.

I. The EGD as a tool to relaunch the economy in a sustainable way after the Corona crisis

The actual COVID-19 pandemic also results into a major economic crisis. It affects all sectors in the society. National governments and EU institutions have already announced large-scale rescue packages and other financial and economic stimuli programs to address short-term social and economic needs and to prevent the European economy from going into a deep recession. The European Commission has announced the adoption of a more “relaxed” approach towards issues related to state aid and budgetary and fiscal measures.

The EFBWW welcomes such declarations, but it is important that policymakers come with an effective recovery strategy. The EFBWW is convinced that the EGD in line with the EU's commitment to global climate action under the Paris Agreement and climate neutrality by 2050, is an opportunity to offer new orientations to relaunch the economy in a sustainable way and to provide a just and fair transition to a zero carbon EU.

II. Need for a comprehensive, inclusive and participative industrial strategy and circular economy action plan for our industries

To be successful, the European Green Deal demands an urgent redefinition of the existing general and sectorial strategies of the industrial policy. But the EGD also needs a coherent and consistent long-term industrial strategy, focused both on cross-sectoral and on sector specific approaches. The implementation and application of the EGD agenda in our industries is a collective commitment, which requires a broad partnership and a long-term strategy that goes beyond 2050. For our industries, a long-term strategy should be based on legal certainty and predictability. All stakeholders, companies and workers will have to adapt themselves to the new environmental ambitions. This will demand a well-planned and realistic transition period.

To this end, the EFBWW calls for a European Industrial Strategy for our industries, with a strong social dimension, taking into account also the highly mobile nature of the construction industry, both on the level of companies and workers. The European Industrial Strategy should be inclusive and linked with the sectoral social dialogue, where trade unions have a key role to play, and needs to be accompanied by related programmes like the Just Transition Fund. An industrial strategy should cover both short and long-term challenges (e.g. technology, skills, regional developments, infrastructure, participation, international rules for trade) and solutions, while taking into account the realities of our industries.

The EFBWW sees an EU-wide value chain of forest-based products and the related industries as a driver for the transformation of our European way of production towards a circular bioeconomy. It starts with forestation, goes to transformation industries and includes science, research and social needs. Forests and forest-based industries traditionally bring jobs to rural and peri-urban regions and provide quality jobs. In this respect, and with the growing urbanization, green areas become more and more important for the social aspect, such as recreation, leisure time, learning or sports. Thereby, they create a positive effect in the spirit of the SDG 8 (decent work and economic growth).

A European Industrial Strategy for our industries should primarily focus on climate neutral technologies and innovation in basic technologies, processes and products. This should be done by setting benchmarks and strengthening the skills and professional qualifications of the workers. Also, a dimension that should not be overlooked is the need to ensure the competitiveness of European companies in our sectors in the face of often unfair and increasingly aggressive international competition.

The growing complexity and knowledge base of each industry and the relations between industries (product evolution or the relations between technology providers and users, flexible and learning technologies) is an overall tendency and an increasing reality in our sectors as well. The direct participation of workers on all levels is needed to stay innovative. Therefore, participation also needs embedded rules and rights. Social partners on all levels are requested to provide these rules and rights.

The EFBWW underlines that the implementation of the EGD in our industries will affect the daily realities of many workers: new skills and qualifications will be implemented, new occupational and safety challenges will emerge, and workers will be confronted with new work organization practices, materials and techniques. All these new challenges have a direct impact on the organisation of work in our industries. As such, there can be no European Green Deal without national, regional and company industrial relations between workers and management.

The European Industrial Strategy is directly tied to the European Commission Circular Economy Action Plan. The EFBWW welcomes this and observes that already in 2019, the Member States adopted conclusions on the circular economy of the construction industry (CPR)², in which they submitted a long series of recommendations and tasks to the European Commission to cover the issue of the reuse of construction products, more specifically to clarify the Construction Products Regulation and other legislative acts, but also the criteria for ending the waste status of reusable construction products. The EFBWW strongly regrets that still today there is no common vision on the terminology concerning the “reuse” and “recycling” of the CPR.

² Council Conclusions on Circular Economy in the Construction sector, Brussels, 8 November 2019

In addition, there are still open ends as to “the quality control” of reusable materials. For the time being, it is very difficult to measure the quality of a product after use in a building, and even more so after several decades of life. This is of particular importance concerning dangerous substances like asbestos for example bound in concrete. It must be avoided under all circumstances that those substances re-enter the economic cycle. However, according to the EU Council conclusions, a huge market could open up, potentially creating 6.5 million jobs, while contributing to the EU’s climate objectives, given the carbon and environmental footprint of the sector.

III. Proper implementation of the Energy Performance of Buildings Directive (EPBD)³ and Renovation Wave

The EFBWW considers that the EU policy focus should be on more ambitious energy efficiency standards and improved support schemes for the energy renovation of old buildings. For this, a proper implementation of the Energy Performance of Buildings Directive is important in transforming the European building stock. This would improve its energy performance, which can help to tackle a range of issues such as climate change, energy security, as well as energy poverty, and provide opportunities for growth and quality employment in the European construction sector. Under the provisions of the EPBD, Member States were due to submit Long Term Renovation Strategies (LTRD) by 10th March 2020, which should contain structural information on the characteristics of the building stock in each country and useful for mining data to plan the renovation wave.

a) Long term renovation strategies

The European Commission should monitor very carefully that all Member States prepare and implement a roadmap with an action plan on how to transform their building stock to become energy efficient and decarbonised by 2050. This should include milestones for 2030 and 2040. Estimates suggest that only 3% of buildings in Europe are highly energy efficient, which means that approximately 97% of the current building stock in Europe are eligible for renovation before 2050.

The Member States should be encouraged to exceed the minimum requirements to implement ambitious policies for the transformation of the national building stock. The EFBWW deems it very important that the national trade unions of the construction industry are properly involved during the implementation at national level. In this context, it is important to note that Member States organise stakeholder consultations in preparation of their long-term renovation strategies.

The European Commission should also pay attention that the long-term renovation strategies foresee policies to target the worst performing buildings, split-incentive dilemmas and market failures as well as measures to alleviate energy poverty. This provides trade unions with some leverage to promote social considerations in the implementation of the directive.

³ The EPBD entered into force on 9 July 2018. EU countries will have to transpose the new elements of the Directive into national law within 20 months (by 10 March 2020)

The European climate and social ambitions to prevent and resolve the risk of energy poverty are very ambiguous. The EFBWW demands that the European Green Deal fully complies with the UN 2030 Agenda and its Sustainable Development Goals (SDGs). To be coherent, Europe should commit to fully eradicate energy poverty. This is in accordance with SDG 1 (no poverty) and SDG 7 (affordable and clean energy) goals. The EFBWW demands that the EU should step up its efforts to ensure that affordable, renewable energy is available to low-income and poor end-users in buildings. For this, we need to better coordinate and enforce Directive 2009/72 (article 3.8) and ensure that truly nobody is left behind in the green transition phase. The EFBWW emphasises that energy poverty should be specifically tackled through the EPBD.

The long-term renovation strategies must also take health, safety and indoor air quality into account. This has the benefit that it allows the introduction of holistic renovation policies that combine energy renovation with the removal of asbestos and other harmful substances. The European Commission should ensure that all Member States provide adequate financing and that EU funds are used efficiently and in a holistic manner.

b) Renovation passport

The individual building renovation passport is a new tool to provide information about the potential of energy savings in a building and describing the path to achieve those savings. It is designed as a complement to Energy Performance Certificates. Such a passport would define long-term systematic renovation measures for a given building based on energy audits. As a digital tool, it features in the development of Building Information Modelling (BIM) and has the potential to provide access to all parties involved in a construction project thereby reducing information gaps.

In the view of the EFBWW, the renovation passport also has the potential for registering harmful substances in buildings as a preventive health and safety tool. It could be used to register harmful substances where they have been identified as well as to catalogue the materials used in the construction and renovation of a building to ease the removal of 'future culprits' that have not been identified as dangerous yet.

Currently the European Commission (BPIE⁴) is conducting a feasibility study for the introduction of a renovation passport. The EFBWW believes it should be a mandatory system, vital to stimulate cost-effective, deep renovation, based on quality criteria. The EFBWW asks the European Commission to set high mandatory quality standards for the renovation passport.

⁴ Building Performance Institute Europe

c) EU Emissions Trading Scheme

The EFBWW does not expect that including the construction sector, more specifically heating and/or cooling, would significantly reduce emissions in the construction industry. The heating/cooling sector is characterised by low price elasticity of demand, meaning that an increase in the price of heating fuel has a limited impact on demand. In addition to this, there are many other barriers that hinder the adoption of emission reduction measures even if they would bring cost-savings in the long term. As an alternative solution, the EFBWW proposes to include a binding target that stipulates that at least 50% of public procurement procedures for building should be environmentally sustainable. In our view, the Public Procurement Directives represent an opportunity to strengthen the alignment of public procurement with the EU's social, environmental and economic objectives. The European Green Deal should therefore reinforce links between environmental and social objectives in procurement. The EFBWW proposes a uniform European "green product regulation" in public procurement tenders.

IV. Realistic and adequate funding for the EGD and boosting investments in infrastructure and social and affordable housing

Current EU budget rules hinder large public investment programs both at national and EU level. The EFBWW welcomes the decision of the European Commission to adopt a more "relaxed" approach towards issues related to state aid and budgetary fiscal measures. For the recovery we need a robust EU budget to execute the ambitious EGD actions. The implementation of the European Green Deal will thus force a redefinition of the budgetary and monetary policy at European, national, regional and local level. Adequate financial resources should be available.

The Just Transition Mechanism of 100m euros is primarily dedicated to focus on sectors and regions most affected by transition. Further specifications on how money will be distributed among different sectors is needed. A crucial factor for the EFBWW is that the workers do not bear the burden of financing the transition towards green and circular industries.

The EFBWW demands that an extensive investment plan be agreed upon. Public authorities should have an important role in developing those investment plans, not only in financing but also in coordinating and executing policies. Public investments will also help mobilise private funding.

The Multiannual EU budget will play a key role in achieving these ambitions. The EFBWW welcomes the Commission proposal to allocate a 25% target⁵ for climate actions into all EU programs.

As EFBWW, we think green bonds and special credit ratings for green projects can help boost investments in infrastructure and buildings. According to estimates by the Climate Bond Initiative, there is still significant growth potential. The EFBWW strongly supports fiscal and financial incentives to increase the number of green bonds on the condition that these are issued and function in a transparent way. To further regulate the market of green bonds the EFBWW proposes mandatory standards and clear criteria for investment themes. Also, a cost-effective monitoring mechanism is needed to assure that issuers of green bonds comply with the criteria and the standards.

For the EFBWW, it is crucial that investments become available to tackle the green digital transition needs for workers as within our industries many workers still lack digital skills. This could lead to losing jobs, occupational health and safety hazards and other transition risks. The EFBWW urges that a financial safety net should be available to support vulnerable workers, who risk being pushed out of the labour market.

The EFBWW also welcomes the allocation of 20% of the revenues from auctioning allowances under the EU Emissions Trading Scheme to the EU budget. The review of the EU Emissions Trading Scheme should also consider allocating additional allowance revenues to the EU budget in order to strengthen the financing of the fair transition. In addition to this, the EFBWW also welcomes the ambition to double the climate targets of the European Investment Bank from 25% to 50% by 2025.

Implementing a strategic investment plan for our industries and seizing new opportunities requires a clear and predictable long-term investment strategy and plan. The EFBWW underlines that only realistic investment strategies lead to positive results. Our industries have specific needs, the EFBWW calls upon the EU to develop a tailor-made Sustainable European Investment Plan.

The EFBWW appeals the European Commission to work closely with all Member States to promote national green budgetary practises and benchmark national green budgetary practises and put in place a green fiscal governance strategy.

⁵ https://ec.europa.eu/clima/policies/budget/mainstreaming_en

The EFBWW observes that proposals for the new European Social Fund Plus (ESF+) 2021-2027 should address “a greener, low carbon Europe” as one of the horizontal objectives and should contribute to the achievement of an overall target of 25 % of the EU budget expenditures supporting climate objectives. The ESF+, which is a social policy instrument whose resources should be available according to regional and sector specific needs, can contribute to just transition for workers by funding improvement of education and training necessary for the adaptation of skills and qualifications, the upskilling of workers, and the creation of new jobs in green sectors. In order to achieve its targets, the ESF+ should be available as soon as possible. Its resources need to be significantly increased. Otherwise, it will not contribute sustainably to a just transition for people and workers towards a social and green economy on European scale.

The EFBWW believes that with adequate funding, investment in infrastructure and social housing will be boosted. In order to reach the ambitious goals set out in the EGD, key infrastructure will need to be upgraded. Infrastructure that will help us realize a transformation of mobility modes; e.g. transporting more goods via sea and inland waters, train, etc. But also upgrade high speed railway connections between major cities all over the EU. To reach targets on renewable energy and transport energy to consumers, there is also an important need to develop performant electricity and energy grids to transport renewable energy in and between EU Member States. Over the last decade many Member States have neglected the maintenance of their crucial infrastructure. Under the current Stability and Growth Pact, many Member States have been obliged to cut deficits and public debt, which led to underinvestment and a deterioration of our aging infrastructure. The EFBWW demands that the EU provides a budgetary leeway for the Member States to build and upgrade the existing infrastructure to meet the demand of a more social and environmentally friendly infrastructure.

The overall shortage of **social and affordable housing** for the low-income and other income groups is a structural problem within the EU. Today, many vulnerable people are unable to afford a decent dwelling on the private housing market. The need for affordable and social housing is an environmental and social challenge. The EFBWW acknowledges that the social housing concept does not exist in a majority of countries in the CEE Region. The chronic housing shortage affects us all in one way or another. Beyond the human impact, our housing crisis results in significant increases in social welfare costs. The EFBWW underlines that promoting building, preservation, maintenance and renovation of social and affordable houses would generate a significant employment boost in the construction industry.

Although the creation and development of social and affordable housing is a national competence, the EU legislative framework plays an important role. The EFBWW urges the European institutions and legislators to build a large network to promote a significant expansion of investments and an adequate legislative framework, stimulating and facilitating building of social and affordable houses in the EU Member States. In order to increase its number, the

EFBWW also asks the EU for a targeted budgetary leeway under the European Stability and Growth Pact.

In addition to this, the EFBWW asks the European Commission to provide more flexibility to the Member States in the application of the EU regulatory framework that applies to state aid control and social housing. According to the European Pillar of Social Rights, there should be more attention to the social issues in the assessment whether the state aid rules strike the right balance between maintaining a level playing field in the EU internal market. Finally, the EFBWW demands a wider appreciation of Services of General Economic Interest (SGEI) when assessing the application of the state aid rules.

The EFBWW underlines that building more social and affordable houses and apartments also meets the long term demographical and labour market changes, which are expected to take place over the next decades.

V. No Green Deal, without social dialogue and participation

In order to achieve a European Green Deal and just transition, the European Pillar of Social rights should be fully implemented. The 8th principle of the Pillar refers to the social dialogue and the involvement of workers.

As the European environmental ambitions will heavily impact workers in our industries, European, national, regional and local trade unions need to be consulted on the design and implementation of economic, employment and social policies of the EGD aspects.

We witness the erosion of social dialogue. Over the last decade, several Member States have dismantled or eroded the sectoral national and company social dialogue in our industries. In order to ensure that the European ambitions are achieved at company level, the social partners of our industries should be able to negotiate and conclude freely collective agreements in matters relevant to them, while respecting their autonomy and the right to collective action.

The EFBWW urges the European Commission to use the unique opportunity of the EGD to increase the capacity of social partners and to establish an effective system of social dialogue in our industries. The transition of our industries into circular and bio-based industries will only succeed if the direct participation of workers at workplace level will be established in all forms of companies and are accompanied by guidance, rights and proceedings, best embedded in collective agreements. Supporting this process, the EFBWW will foster and support the social dialogue on all levels.

VI. Fair and Just transition

The EFBWW considers that just transition is essential for the European Green Deal to succeed, however it requires a broad approach, in which all industries are concerned. Today, it is only focused on a limited number of sectors and regions.

A fair and just environmental transition means that the burden of change is borne by all, that the benefits are shared by all, that those most vulnerable to change are protected, and that all conditions are met to ensure a socially responsible environmental transition. For this, the EFBWW demands that the cement industry is explicitly mentioned in the plans of the European Commission as a high energy industry at risk and that a sector specific program should be set up to accompany the transformation of the sector towards carbon neutrality. For this reason, the EFBWW demands that a high-level conference be organised with representatives of trade unions, industry and governments. Workers and worker representatives need to have their voice heard in this debate.

Just transition should be organised in a targeted and structured manner, together with sectoral social partners and public authorities. The EFBWW supports the development of just transition plans at EU, national and regional level from before the start to the end and even after any just transition program. Workers' representatives should be involved in all levels and stages of the transition phase (VET, collective bargaining and implementation of actions) and the transition measures should be organised in a system of 'financial solidarity'.

The EFBWW insists that no worker is left behind, with particular attention to be paid to the low skilled workers, women, migrants, youngsters and older workers. Also, life-long-learning is a worker's right, aimed to strengthen professional skills and qualifications. These professional skills and qualifications should be recognised and imposed for specific activities. Especially, in the context of just transition, workers should have a right to retraining and/or mediation towards other jobs or industries and a basic digital and environmental training should be guaranteed to all workers.

This transition should also take into account new occupational health and safety hazards, such as psychosocial hazards, the impact of new technologies at the workplace and hazardous substances.

VII. Upskilling, reskilling and new forms of work organisation with regard to digitalisation, circular economy and energy efficiency

The transition to a sustainable, carbon-neutral and resource-efficient industry will have a major impact on skills needs. There is an urgent need for fundamental changes in our vocational, education and training (VET) systems. We need to increase investments in human capital (education, training, lifelong learning) and to equip all current and future workers in our sectors with the necessary skills in green and digital technologies. Those changes will imply opportunities but also risks. Leaving no one behind means that some workers who are further behind need real chances and are well prepared for coping with the risks. This requires an active VET policy. The EFBWW emphasises that the most vulnerable workers and particularly the low skilled workers need special consideration.

One major task for social partners at sector but also at company level is the design of new work patterns and systems of work organisation. Digitalisation is another element that allows overcoming traditional forms of work divisions, such as a strict division of labour or the division of planning and execution. The process of digitalisation therefore does not only require new skills, but offers social partners an opportunity to reflect on progressive forms of work organisation and the related need to change curricula for the affected professions.

Our sectors have diverse needs. Therefore, in order to achieve the European Green Deal objectives for the construction industry, we urgently need to increase the number of qualified trade professionals by developing targeted national qualification platforms and roadmaps and providing training in the field of energy efficiency and renewable energy in buildings.

The future success of European Forest management very much depends on further training of workers, coordinated science and an increase in the effectiveness of the forest management while acknowledging different stakeholders and their interests. Social partners are requested to play their role in the development of curricula and the promotion of training and high-quality vocational education and formal structures for workers and apprentices.

The EFBWW considers that there is a window of opportunity to increase the number of quality apprentices in all our industries, which could receive guidance and training from older experienced workers through a mentoring system. Through apprenticeships, employers can upskill their workforce, learners can unlock a new career, and social benefits form a fantastic lever for social mobility. As such, the implementation of the “European Framework for Quality and

Effective Apprenticeships”⁶ should be integrated in the action plan for the construction industry. For the furniture sectors, the social partners did a further step towards the establishment of European Core Qualifications, another element to guarantee high quality apprenticeships and facilitating the mobility of workers without undermining standards in other Member States.

The automation and digitalisation transition linked to the greening of our economy will have an impact on all workers. For this, the EFBWW demands that all construction, wood and furniture workers will receive a basic automation and digitalisation skills training.

As most workers in our industries are employed in micro- and medium-sized companies, which have limited training capacity and financial resources to train their workers adequately, all Member States need to establish accessible training schemes for all workers. For this, the EFBWW strongly encourages the creation of national paritarian training funds for our industries, which are created and managed exclusively by the national social partners. In order to ensure a fair distribution of the expenses, all companies need to provide a financial contribution to such schemes. The funding should be according to the size of a company (e.g. turnover).

The greening of our industries will require very specific qualifications and skills, which need to be regulated. Within the current internal market competition model, the EFBWW cannot accept an unregulated competition between qualified and skilled workers and those who do not have these skills/qualifications. This challenge is particularly important in the construction industry, where workers are highly mobile and social fraud is not uncommon. If we do not protect specific skills and qualifications, we will face social turbulences and enormous competitive distortions.

The changing nature of work due to technological and environmental changes will make the issue of new skills and qualifications and the right for all workers to receive an adequate income/protection a key debate for the next decades, in which the social partners of our industries should take the lead.

VIII. An opportunity to boost the attractivity of our industries

Despite many positive actions, our industries do not seem to enjoy a positive image. This negative perception does not need to exist and can be tackled. The implementation of the EGD in our industries offers tremendous possibilities to improve this image. The changes in demand due to the “greening” of the economy and of jobs represent, on the one hand, a significant opportunity for workers in our industries in terms of activity and creation of new jobs, but, on the other hand, they will also have an impact on the organization of work, the working conditions and health and safety conditions, etc.

⁶ Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018H0502\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018H0502(01))

Creating more quality jobs that contribute to a carbon neutral society to combat climate change, could give a more positive image to our industries.

a) Attain more gender equality

Currently female workers represent around 10% of the total construction workforce and around 30% of the wood and furniture sector. Greening and digitalisation of our industries can offer major professional opportunities. Development of new attractive professions could potentially increase the number of female workers in our sectors. This will demand a transformation of construction, both mentally but also in the specific organisation of the work on construction sites and in companies taking into account and accommodating specific needs of female workers.

Another key element to make our industries more attractive to female workers is the development of working arrangements, which allow a better professional and private life balance. This is of equal importance for male and especially young workers.

b) Increasing the number and the quality of apprenticeships

The development of high-quality vocational education and training (VET), in particular "dual forms", combining elements of training at the workplace, in training centres and in schools, is an important means to facilitate the climate transition in our industries. Taking into consideration the need for qualified and skilled workers, the EGD should also use the opportunity to increase and improve the quality of apprentices in the construction, wood and furniture industries.

c) Ensuring an equal level playing field for migrant workers

The construction industry is one of the most mobile industries within the EU, with the particularity that the workers and companies move from one country to another, while in most industries usually the products move around the EU.

The EFBWW is and remains very strongly committed to ensure equal treatment for all workers. Undoubtedly, the implementation and application of the EGD in the construction industry will have an impact on the "cross-border mobility challenges in the construction industry". In order to ensure an equal level playing field, all workers and companies must respect the same high-quality standards.

The EGD must also address the challenges associated with cross-border social fraud as well as with the posting of workers, bogus self-employed workers, illegal business engineering models, letterbox companies and fake labour supply intermediaries, which can be used to circumvent the labour cost linked to the application of the EGD in the construction industry.

IX. Mainstream health and safety for workers and removal of all asbestos

The safe removal of all existing asbestos in the EU is directly related to several of the pillars of the EGD and just transition. Therefore, occupational health and safety considerations should be mainstreamed throughout all measures.

Europe's Beating Cancer Plan is an excellent initiative and the opportunity to mainstream the fight against occupational cancer. Asbestos is still the leading single cause for occupational cancer. Workers in all EU countries need to be protected equally, because the suffering from cancer is the same everywhere.

A building sector "Renovation Wave" will make it unavoidable that a significant number of workers and inhabitants will get into contact with asbestos fibres. For the circular economy and waste reform strategy, the orderly and safe disposal of asbestos waste from buildings will be of highest importance. The complexity of asbestos containing materials used in buildings makes it very important to identify these materials strategically. A clear identification and a transparent and publicly accessible registry of asbestos in buildings could help guarantee that those materials are not being reused. We propose a European approach for the creation of comprehensive and accessible asbestos registries in all EU countries. This has been pointed out earlier by the European Parliament and the European Economic and Social Committee. Poland's national digital asbestos registry may serve as a best practice example in this regard. Sustainable investment in building renovation should also include support for homeowners to remove asbestos, since this involves significant costs – which are often circumvented by illegal work with and disposal of asbestos containing materials.

Directive 2009/148/EC on the protection of workers from the risks related to exposure to asbestos at work is a very important piece of legislation, setting EU minimum standards for protecting workers from the deadly threat of asbestos fibres. In the context of the above-mentioned EU initiatives, it is time to review core provisions of the directive in order to assess if they are still adequate to strictly prevent asbestos related diseases.

X. Future of construction materials

Increasing the renovation rate will have multiple positive benefits on employment and economic growth in the construction and construction material sectors. In addition, the improved energy performance of the European building stock will lower CO₂ emissions. However, governments, the industry, trade unions and other stakeholders also have a responsibility to work for the lowering of CO₂ emissions in the process of producing construction materials, and in assuring safety and sustainability of these products. The sheer scale of the investments and activities in construction until 2050 begs the question which materials ought to be used? How are they produced? And how are they recycled at the end of their lifecycle?

The EFBWW urges the European Commission to pay specific attention to these questions to avoid that the benefits of an ambitious EGD in the construction industry is offset by unintended side effects. The safety of workers and consumers and the sustainability of construction products should be crucial points of attention.

The EFBWW believes that the current system of emission allowances for energy-intensive industries should be evaluated. The EFBWW demands that a specific action plan be developed to push energy intensive industries towards innovation and an ambitious reduction of their carbon footprint with the intention to safeguard a future for these industries in the EU. To avoid the perverse situation that raw materials, semi-finished products (such as clinker in the cement industry) and/or building materials are produced outside the EU and imported to the EU to evade the higher EU environmental and social standards, we need a more performant instrument to fight carbon leakage. The introduction of a carbon border adjustment mechanism will be crucial to protect the goals and ambitions of the EGD and at the same time safeguard competitiveness of the construction industry and allied industries, while simultaneously protecting jobs. It will also remove the incentive for companies to relocate their business and avoid the carbon fee. The EFBWW embraces the debate on carbon border mechanisms as a unique opportunity to create a level playing field between the EU and its partners with regard to the cost of carbon. If designed properly, a carbon border adjustment mechanism could create the level playing field which the industry needs to deliver low-carbon investments and move towards carbon neutrality down the value chain, and, as such, be critical to the success of the European Green Deal. It could also incentivise third countries to step up their efforts on climate change.

The EFBWW considers that the core objective of any proposal should be that an importer to the EU market faces the same CO₂ costs as an EU domestic producer. Therefore, the ETS should be based on:

- fairness for both EU and non-EU producers
- traceability and transparency of the imported/exported products
- prevention of carbon leakage and imported CO₂ emissions
- compatibility with WTO rules
- a positive impact on climate

XI. Wood as raw material

Wood plays an important role as raw material. It is used in construction, for furniture, and many other product groups. Wood is combined with other materials like steel, glass or concrete. Part or ingredients of trees are used in hundreds of applications and we can find them in each industry.

The quality of wood as a storage for greenhouse gas emissions is undisputed. This gives wood potentially a major role in the greening and circularity of our economy. Taking this into account, the EFBWW calls upon the European Commission to give wood its right place in the European Green Deal and the Action Plan for the Circular Economy.

The cascade use of wood can be the blueprint for other materials and production circles. Therefore, the European Commission's guide for the cascade use of wood should pay more attention to maintenance and repairable products. Recycling processes are often energy intensive.

The EGD will boost the use of wood and wood components in infrastructure and housing. New combinations and techniques to combine wood with concrete or other types of material is an ongoing process and opens new paths to more sustainable production. Over the last years, we have seen a lot of progress in the use of wood and many new applications. Wood ingredients are today the basis for sustainable insulation material, cross-laminated timber serves for constructions that need extremely high load-bearing capacities, new wooden products with water resistant qualities are used in wet areas. Wood-based products are usable for packaging, can replace synthetic chemicals or are used (again) in the automotive industry.

The EFBWW calls on the European Commission to mobilise more resources from programmes like the Horizon programme to initiate and support research on new applications of wood and its ingredients. Research cluster should get better support especially in the dissemination and 'export' of related research results.

XII. Forests and forest management

Forestry plays a significant role in meeting the environmental, economic, social and climate needs of our societies. Forests are of high importance for keeping the biodiversity of nature and produce oxygen. Europe's forests produce today a climate mitigation impact accounting for an estimated 13% of total European greenhouse gas emissions.

The overall climate benefit of forests and harvested wood products include:

- The sequestration of CO² by forest growth based on sustainable forest management;
- The carbon storage effect of harvested circular forest-based products;
- The substitution effects of replacing carbon-intensive and fossil-based materials and fuels with forest-based materials;
- Wood protects the terrestrial eco-system.

Forestation and reforestation remain of the highest priority and should be supported and coordinated by EU programmes. Special attention should be given to maintain and improve the capacity of forests to adapt to climate change. EU policy makers should pay more attention to sustainable forest management and invest in better forest fire prevention. Enhanced coordination backed by adequate financial resources and with a focus on training, better surveillance and better disposability increase of emergency, is needed to fight the growing tendency of large forest fires.

To develop new sustainable and multifunctional plantation forests, economic policy measures focused on increasing the efficiency of timber supply should be complemented with well-targeted measures to preserve forests and conserve their biodiversity, landscape and social values.

A better enforcement of the EU Timber Regulation is needed to provide a level playing field in the economy. Ensuring the legality of timber and timber products is also a key aspect of sustainability at a globalised market.

Forests are probably the best way to use land but also to produce soil. Even though the Land Use, Land-Use Change and Forestry regulation (LULUCF) is disputed in its structure and effects, it provides a legal frame for the protection of land. We see the need to improve the implementation of related measures and to enforce them. Land use also points to the need to better protect soil. The EFBWW supports initiatives to protect our soil in a more efficient way and calls on the EU policy makers to put this topic high on the agenda.

XIII. Economic future of rural areas

In recent decades rural and suburban areas have been confronted with a decline of population. At the same time the need for more single family homes has increased. Sparsely populated area lead to higher development costs, e.g. for utilities and other infrastructure (water, sewer, electricity, gas, road). In relation to the detached single-family house, the infrastructure costs per residential unit for the row house are only 46%, those for multi-storey residential buildings only 27%. This example shows that these trends demand a specific spatial planning policy (“raumplanung”) and sustainable infrastructure policy adapted to local needs.

Another important aspect is the economic future of rural areas. People living in peripheral regions should have access to decent jobs. The construction and forest-based industries are tailor-made for this challenge. They provide workplaces and apprenticeships in rural, peri-urban and urban areas, for small and medium sized companies and for a wide range of professions and economic activities, such as construction, quarries, forestry, sawmills, woodworking, furniture and many more. The named industries therefore also play a vital role in keeping and fostering decentralised economic structures.

We need to make our sectors more attractive for the future, to keep experienced workforce in the sectors and to attract youngsters, as a basis for making the economy more circular and biobased. To achieve this, specific attention needs to be paid to research on the virtual capacities of smaller regions (NUTS3 level), based on an in-depth analysis of the actual structure of the workforce and economic activities, trade relations and other parameters of influence. Additionally, new innovative products, applications, product combinations and production processes should be analysed, to identify the perspectives of a region. The EU cohesion policy and the structural funds should focus more on these aspects of economic activities. The EFBWW calls on the European Commission to mobilize existing tools, such as the Horizon Europe programme and the structural funds to support value chains like the wood cluster.

XIV. Building and promoting smart cities

The EFBWW considers that the real implementation of the EGD will take place at local level. Therefore, every city and municipality should be in the forefront to make the EGD work. Cohesion and balance between rural, peri-urban and urban areas is of highest importance for the future of our societies. This is also enshrined in the Sustainable Development Goals (SDG).

Reducing the emission of carbon is a major challenge for local cities and communities. Over the next decades, all cities and municipalities will have to assess and rethink fundamentally their local infrastructure and organisation. In order to make our cities a pleasant place to live and work we need to optimise public transportation, facilitate safe cycling, review water and waste management, reduce all CO₂ intensive activities such as heating and lighting, plant more trees and build parks.

Through a technology-based approach many cities and municipalities can significantly reduce the emission of greenhouse gases and simultaneously improve the living and working quality of its inhabitants and commuters. The use of technology, such as smart sensors, smart building, LED lighting, 5G communication, innovative materials or ICT, offers unlimited advantages to address our climate and environmental-related challenges and achieve tangible results.

The EFBWW strongly urges all European institutions to step up their efforts to transform European cities and communities into smart living and working environments. Smart cities can significantly contribute to the reduction of greenhouse gases, while at the same time improve the welfare of its citizens and workers.