EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS









EPF Annual General Meeting – Open Part

Clive Pinnington – EPF Managing Director

Santiago de Compostela, Spain

23 June, 2023

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Agenda

1. Who we are and key 2022 drivers
2. 2022 Wood-Based Panel Industry Results
3. 5 Strategic Directions Advocacy and Highlights

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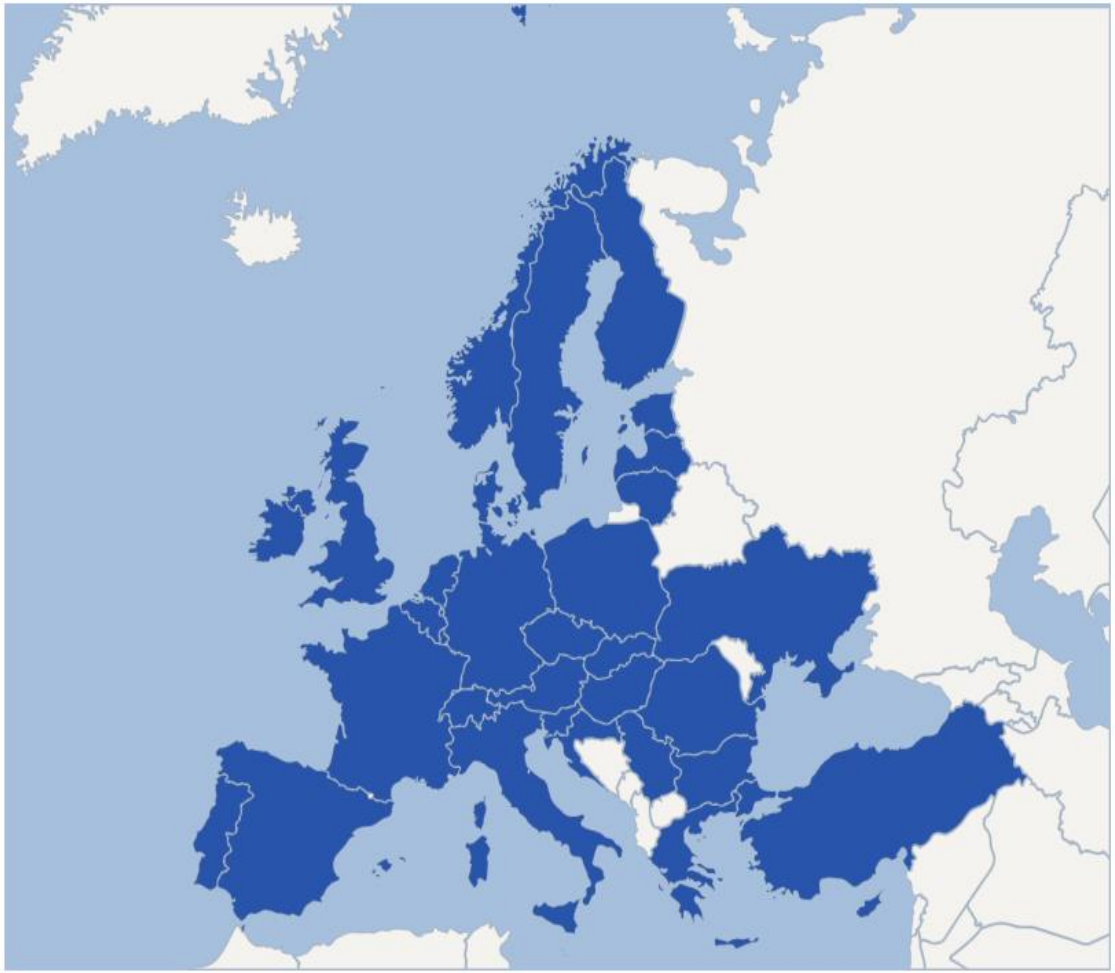
1. Who we are and 2022 drivers



European Panel Federation



- All wood-based panel types (Particleboard, MDF, OSB, Hard- and Softboard, Plywood)
- Members in 30 European countries
- 100,000 jobs
- €25 billion turnover

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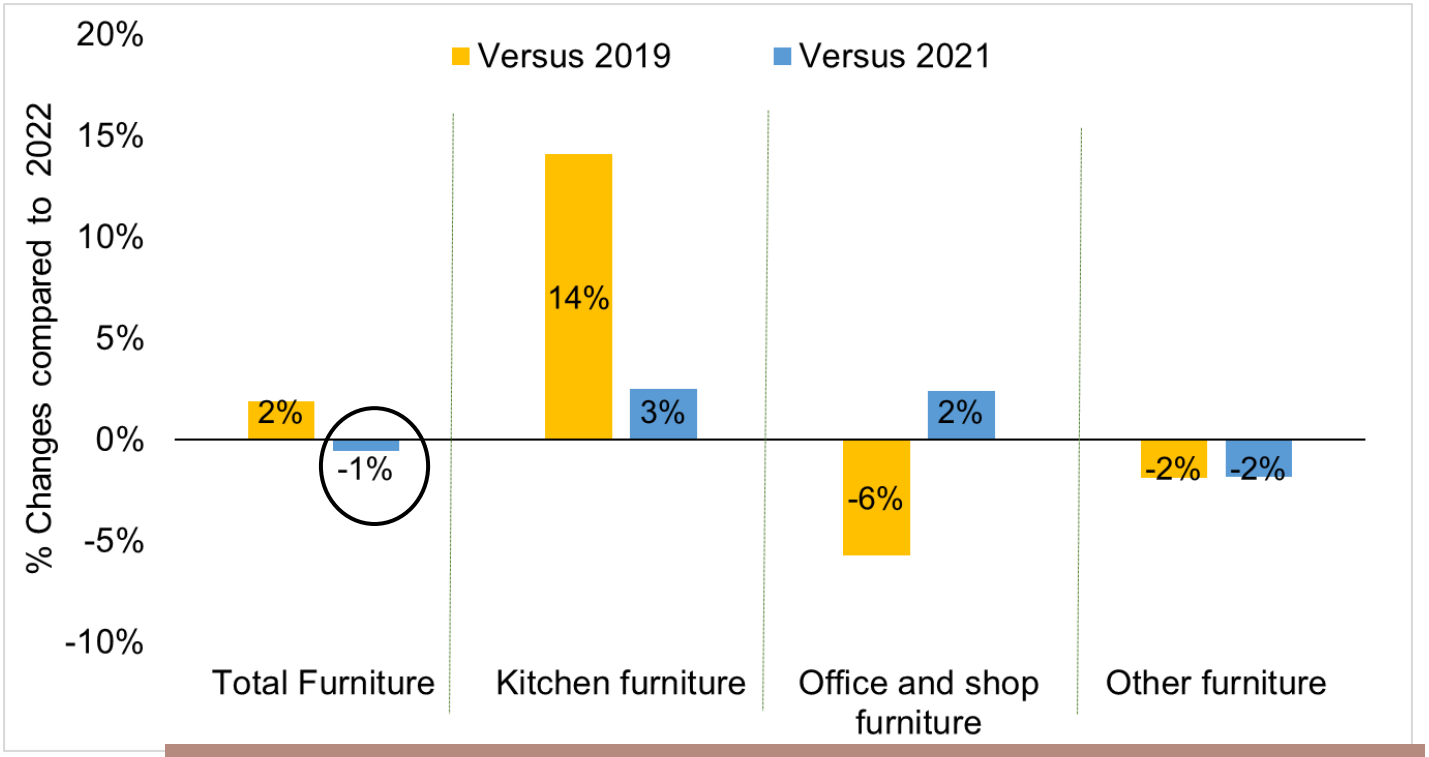
Manufacture of Furniture in EU-27 in 2022



% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



- All furniture segments contracted in Q4 2022
- Uncertain economic situation and high energy prices reduced the household purchasing power
- High-end segments showed better performance

Source: Eurostat

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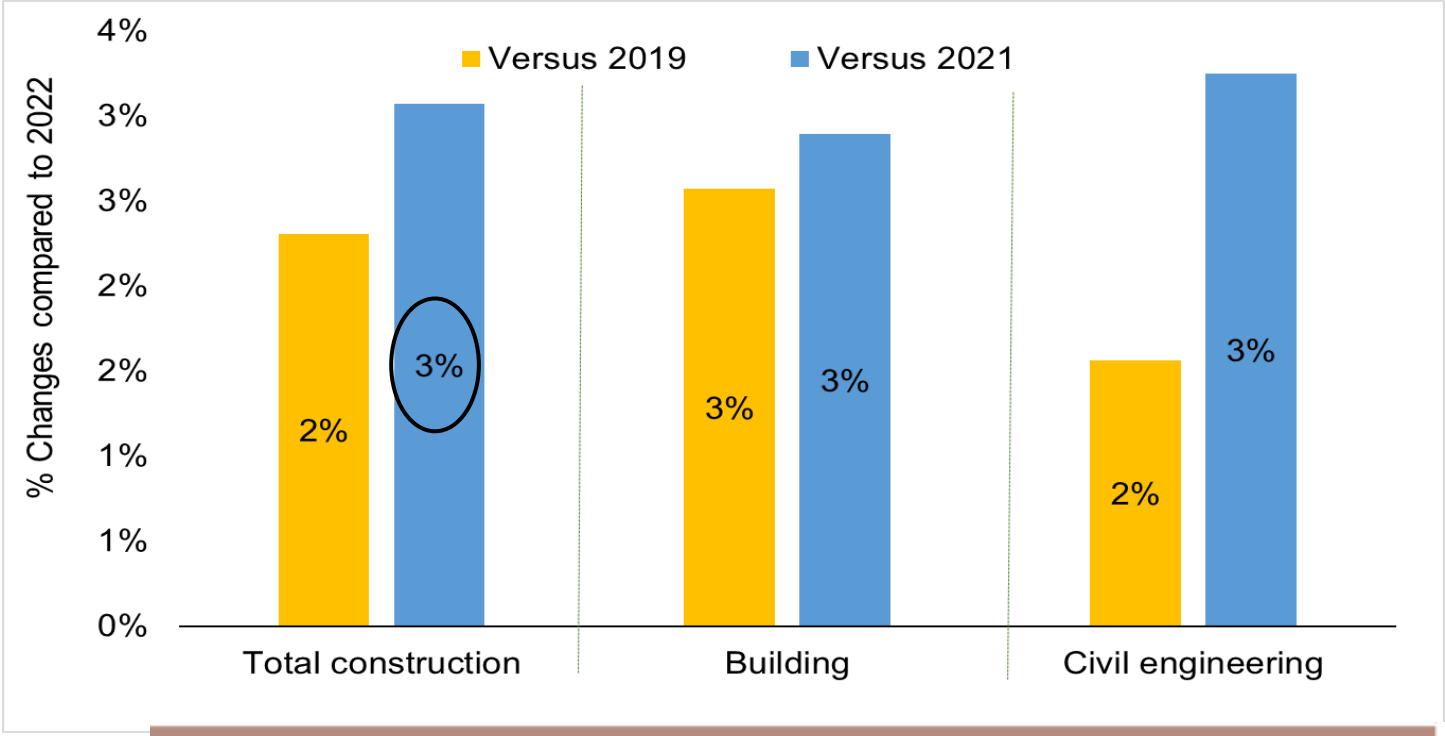
Construction sector in EU-27 in 2022



% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



- **Availability of public funds supporting civil engineering construction in 2022**
- **Building sector benefitted from rising housing market in H1 2022 with a sea change in H2 2022**

Source: Eurostat

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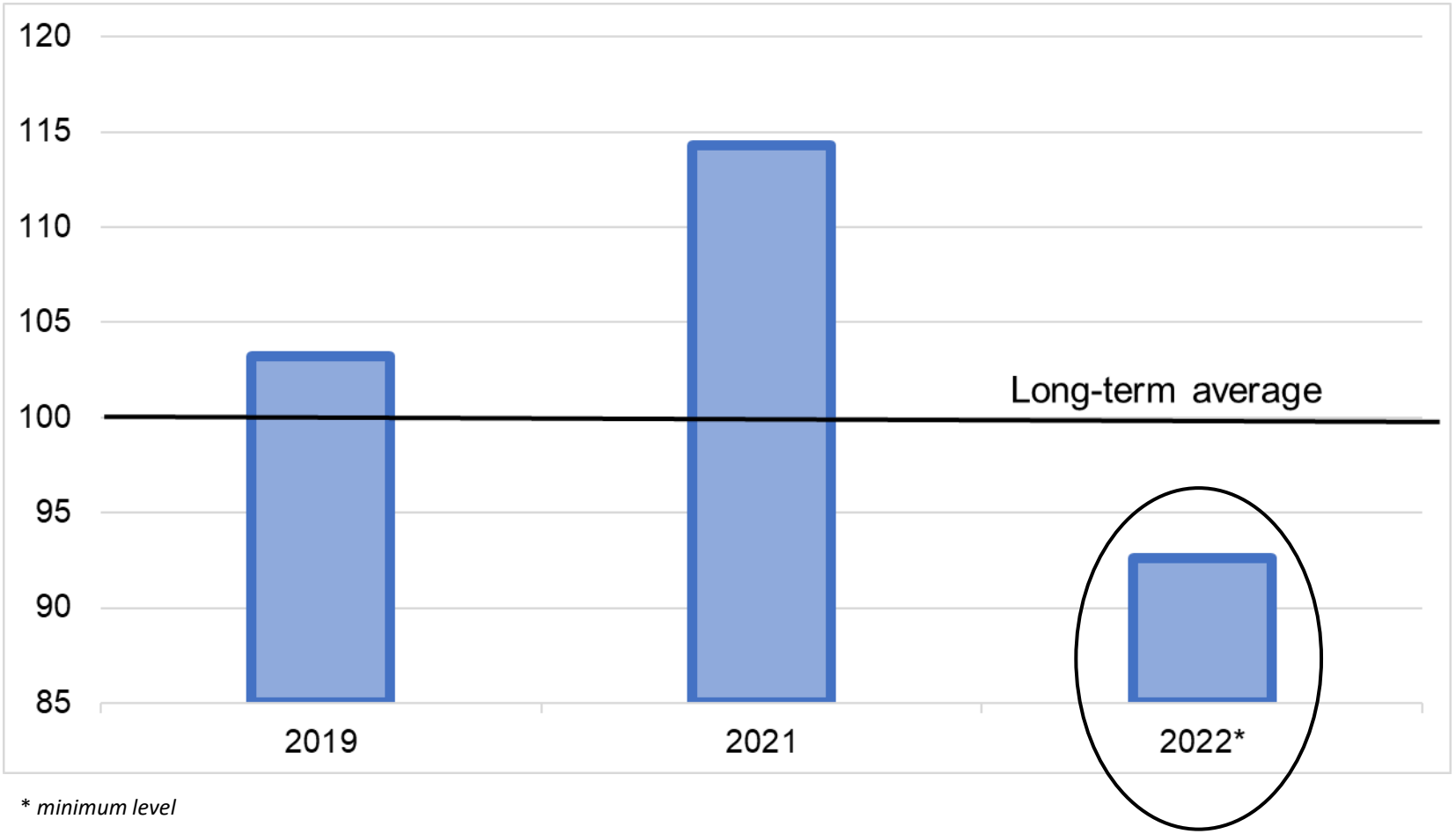
Economic Sentiment Indicator in the EU



* *minimum level*

Source: European Commission

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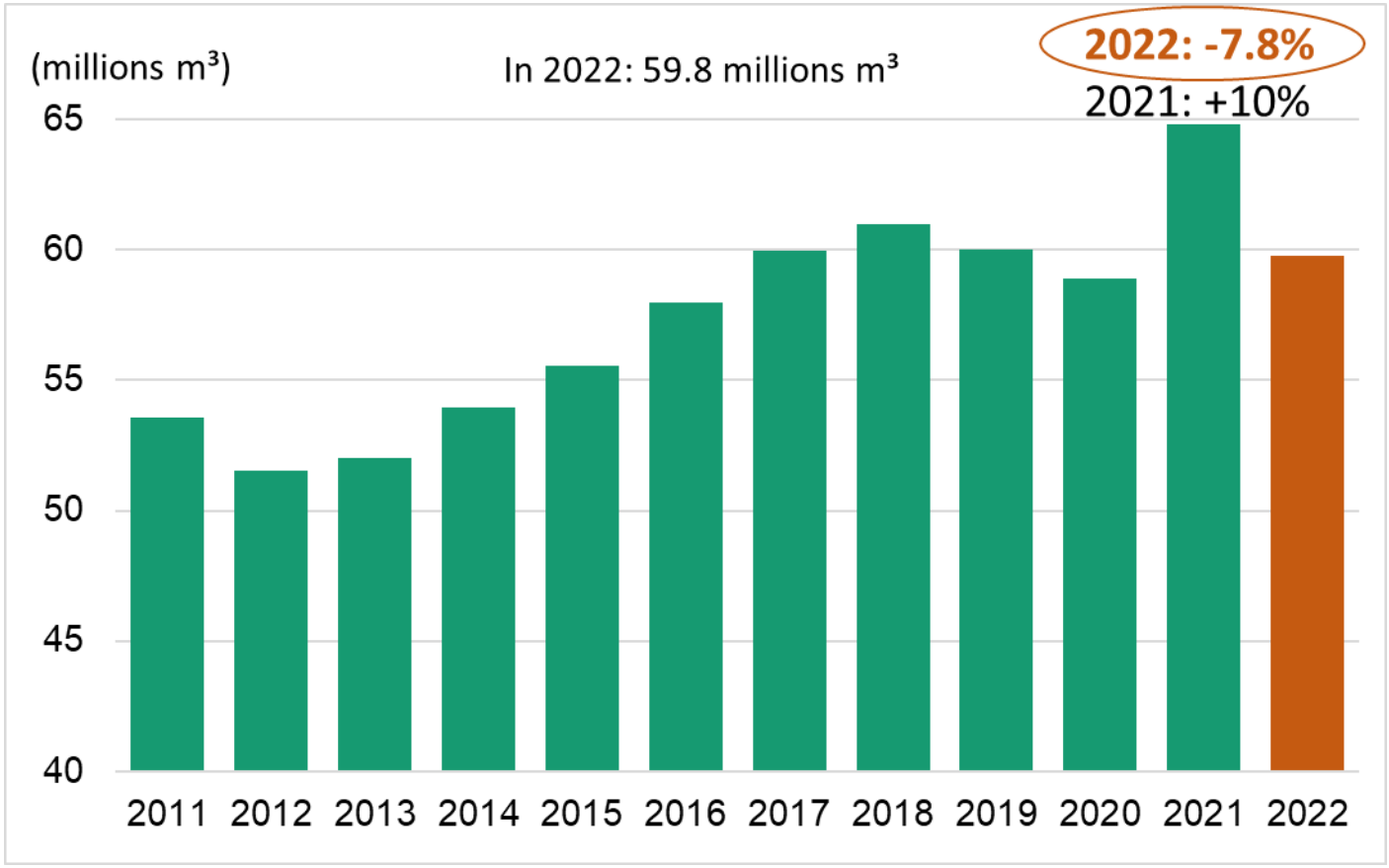
2022 Full Year Statistics



2022 WBP Production in EPF Countries down -7.8% towards pre-pandemic levels





- **Output was affected by the energy crisis in H2 2022**
- **A slight decline in production in H1 2022 (-3%, year-on-year) accelerated to -14% in H2 2022**

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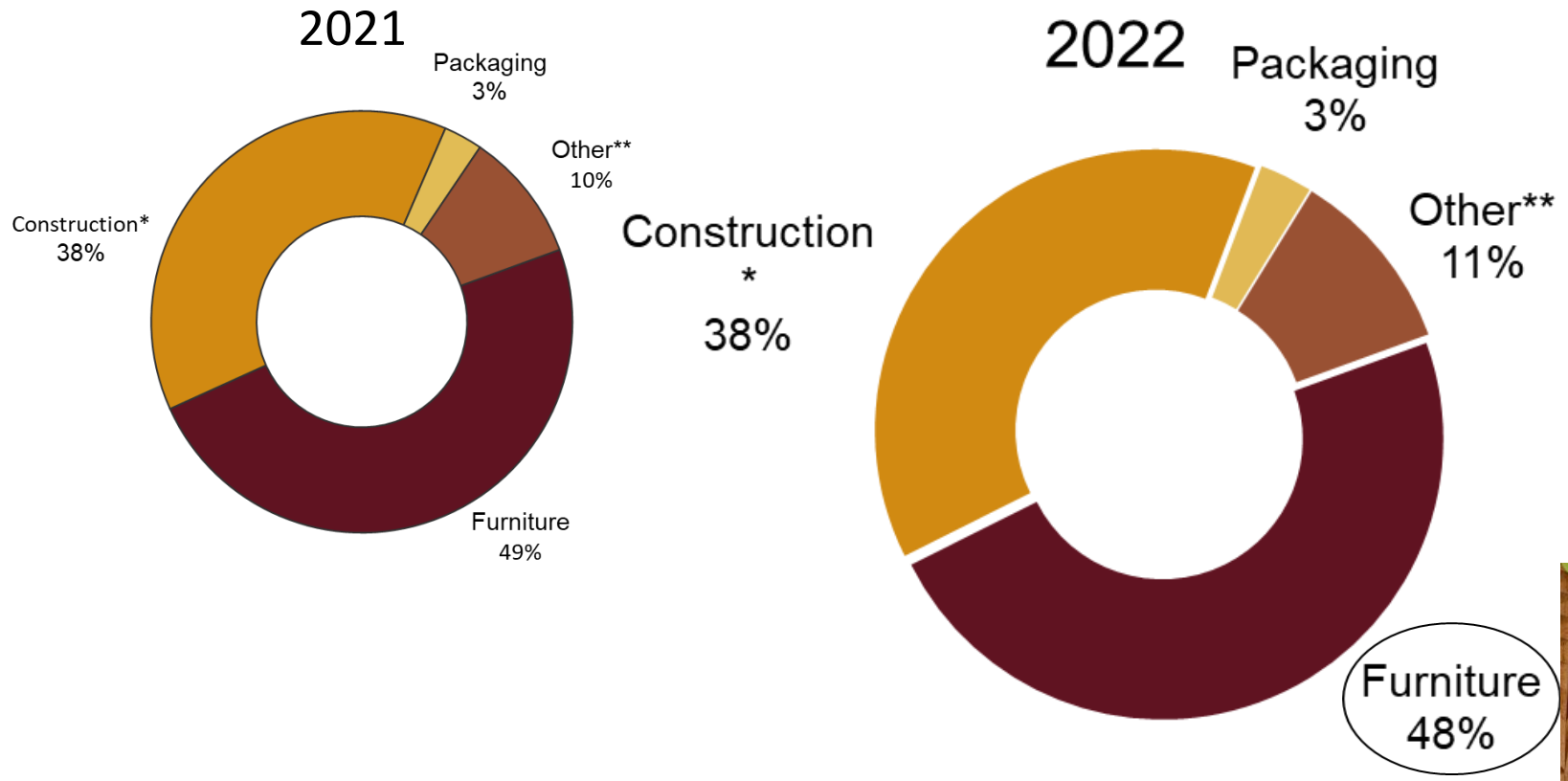
Wood-Based Panels (PB/MDF/OSB/HSB/PLY) End-Uses in EPF countries





- **Furniture output in the EU-27: +4% in H1-2022, -5% in H2-2022**
- **Construction production : -3% on a real terms versus 2021**

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* Includes doors and flooring

** DIY, extra-EU exports, not specified, mouldings, other end-uses

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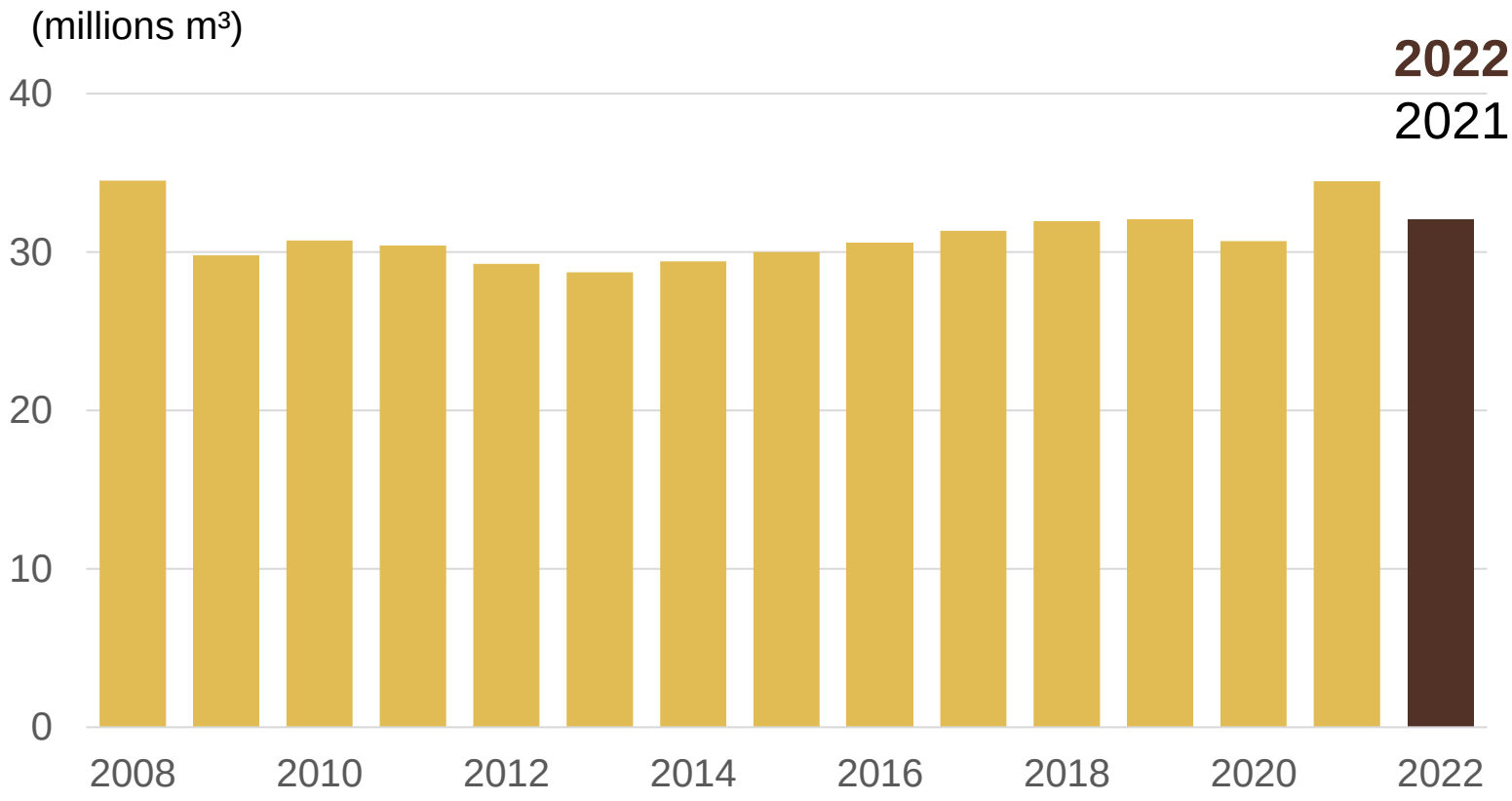
Particleboard



Particleboard Production in EU27+UK+EFTA



2022: -6.9%

2021: +12.3%

In 2022: 32.1 millions m³



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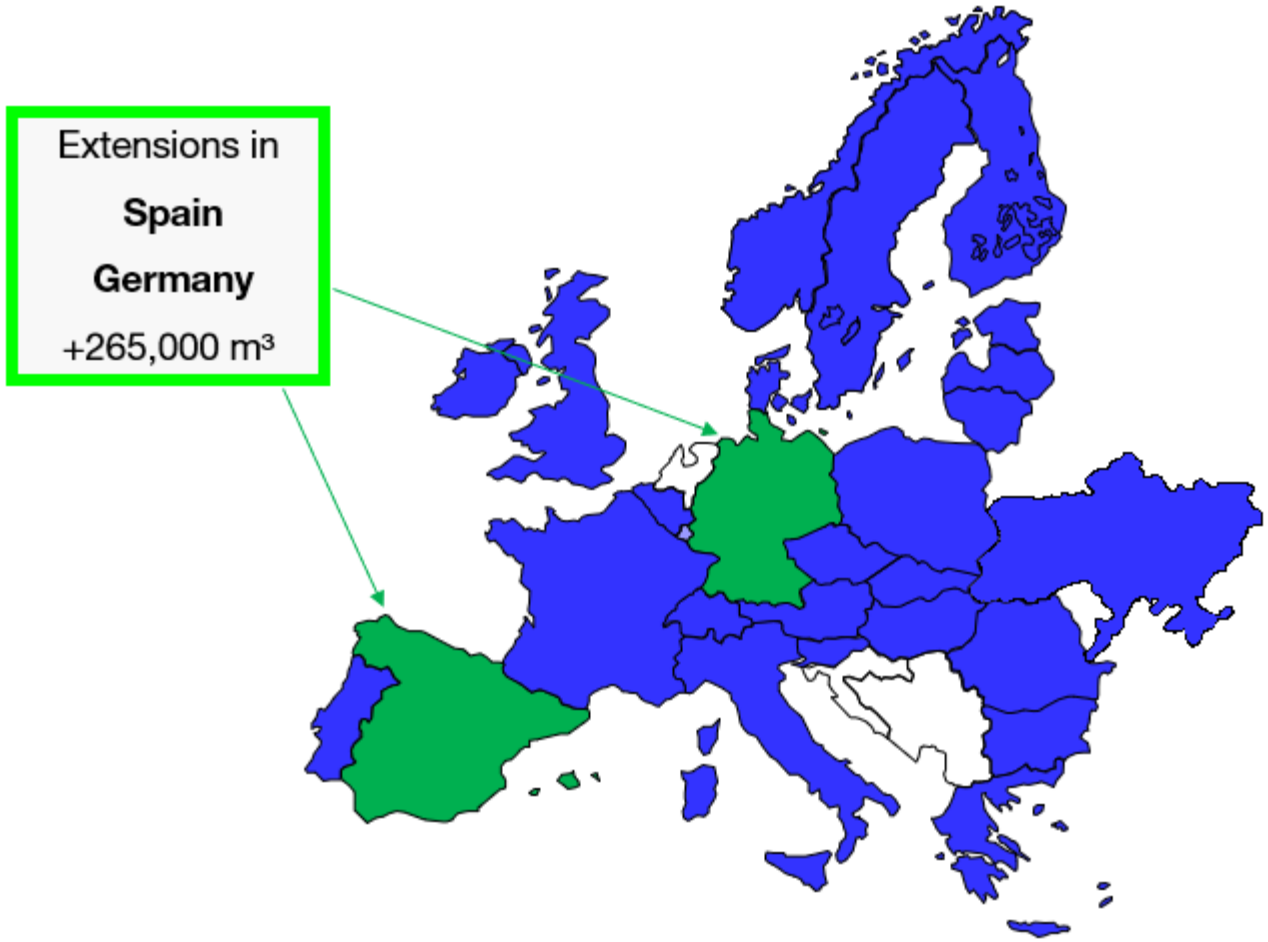
Particleboard Announced Plant Extensions 2022 +1%



Total: 265,000 m³ (+1%)



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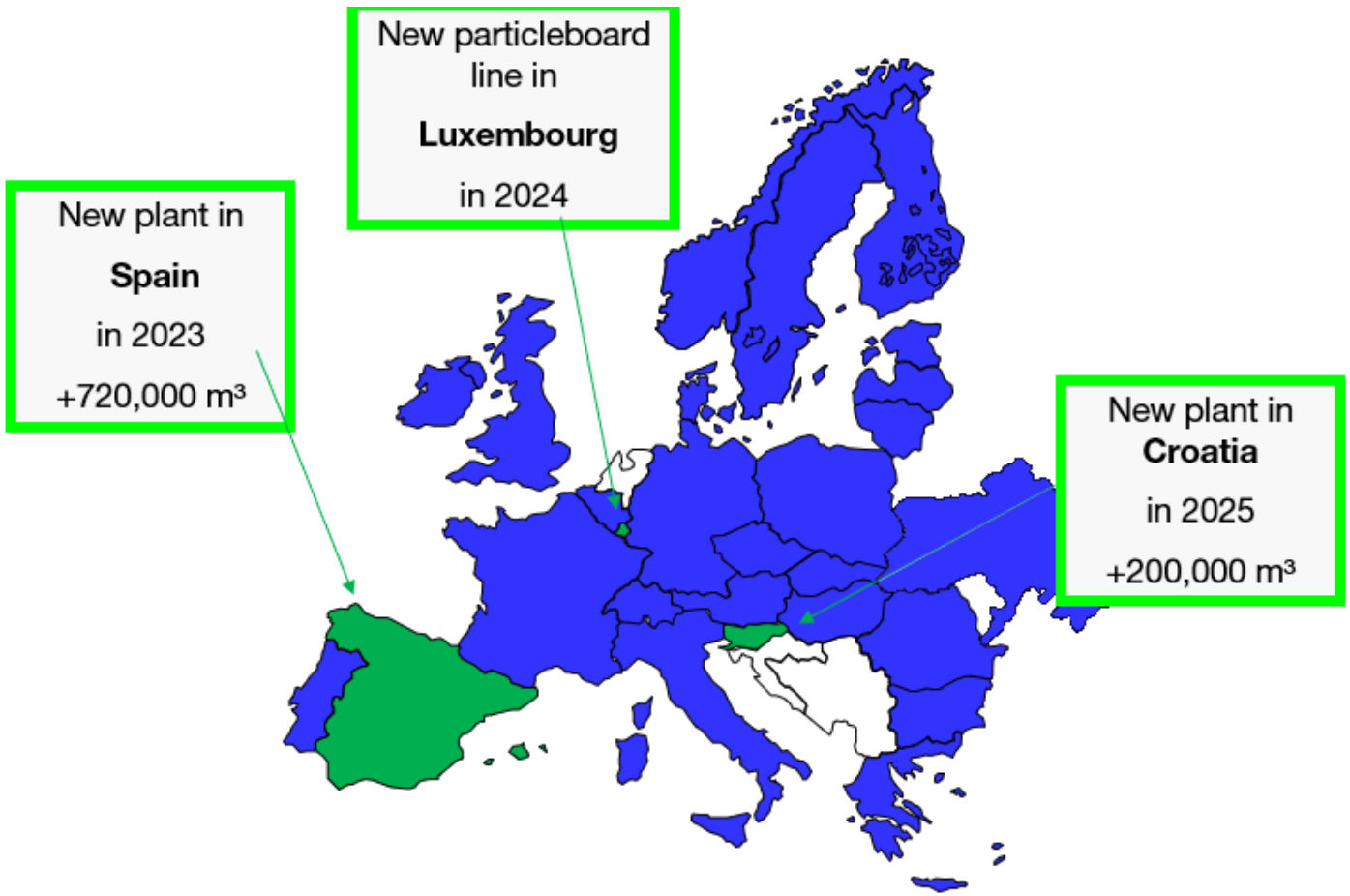
Particleboard Announced New Capacities > 2023 +3.3%





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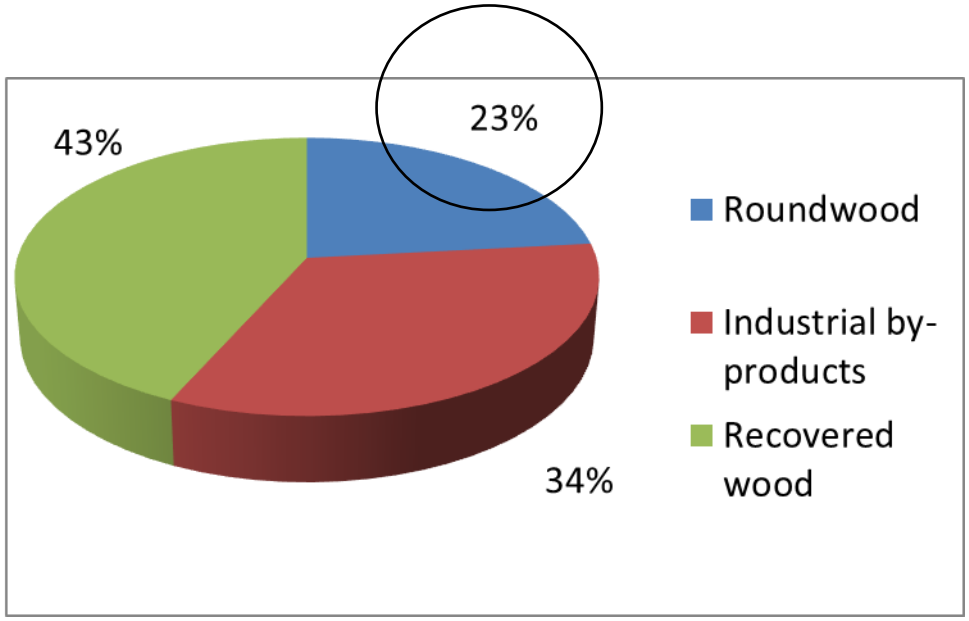
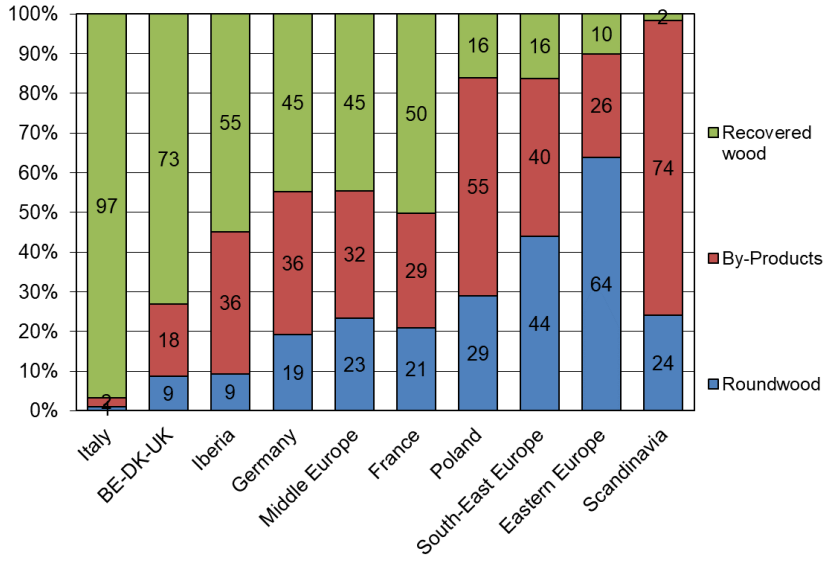
Total: at least 900,000 m³ (+3.3%)

Composition of the raw wood products mix (%) in the European particleboard industry, 2022





- Share of recovered wood in PB production: stable at 43%
- Industrial by-products up from 33% to 34%
- Roundwood reduced from 24% to 23% (less than ¼!)
- Saving +9 million dry tonnes of fresh wood



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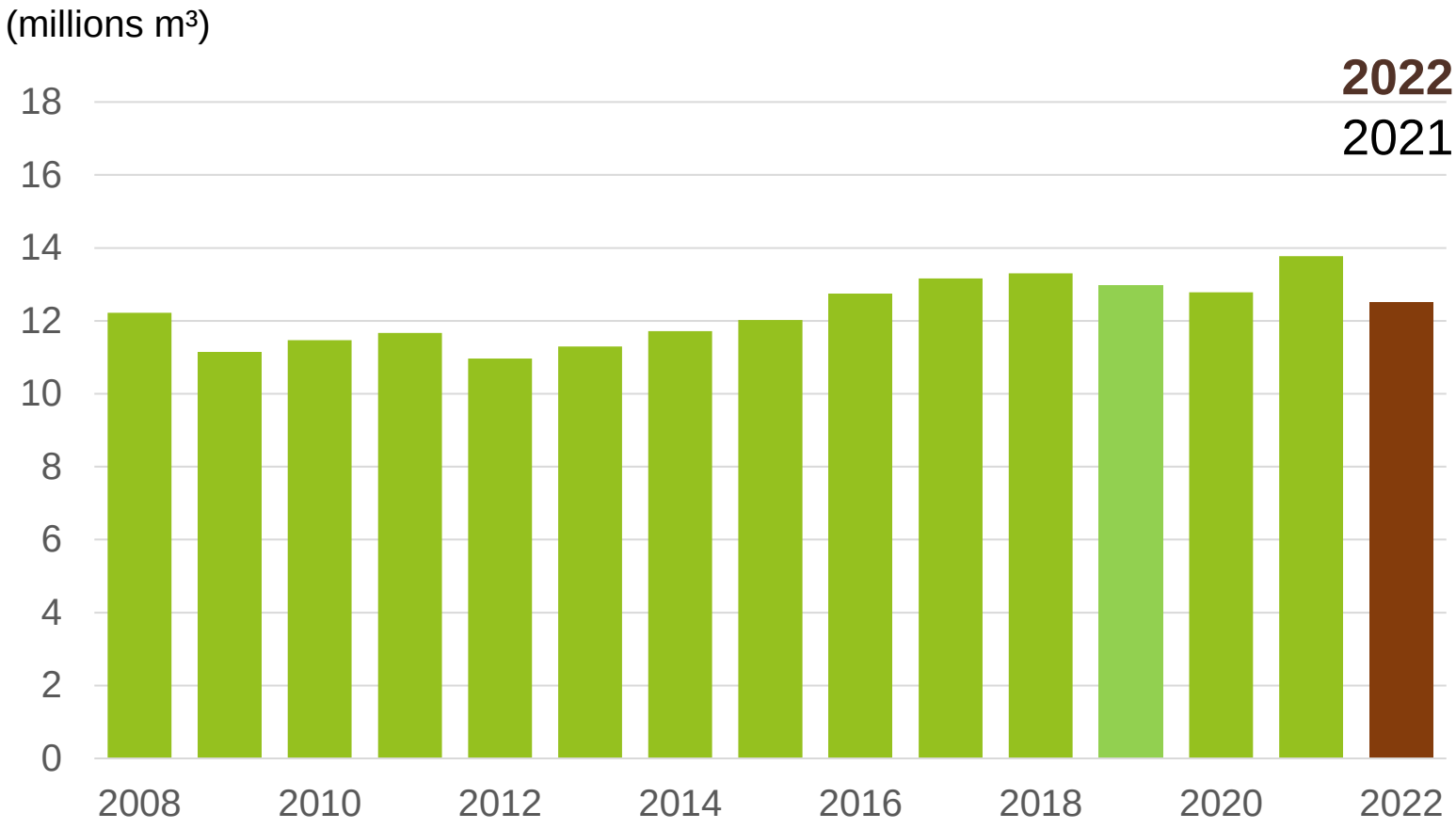
MDF



MDF – production in EU27+UK+EFTA



In 2022: 12.5 millions m³



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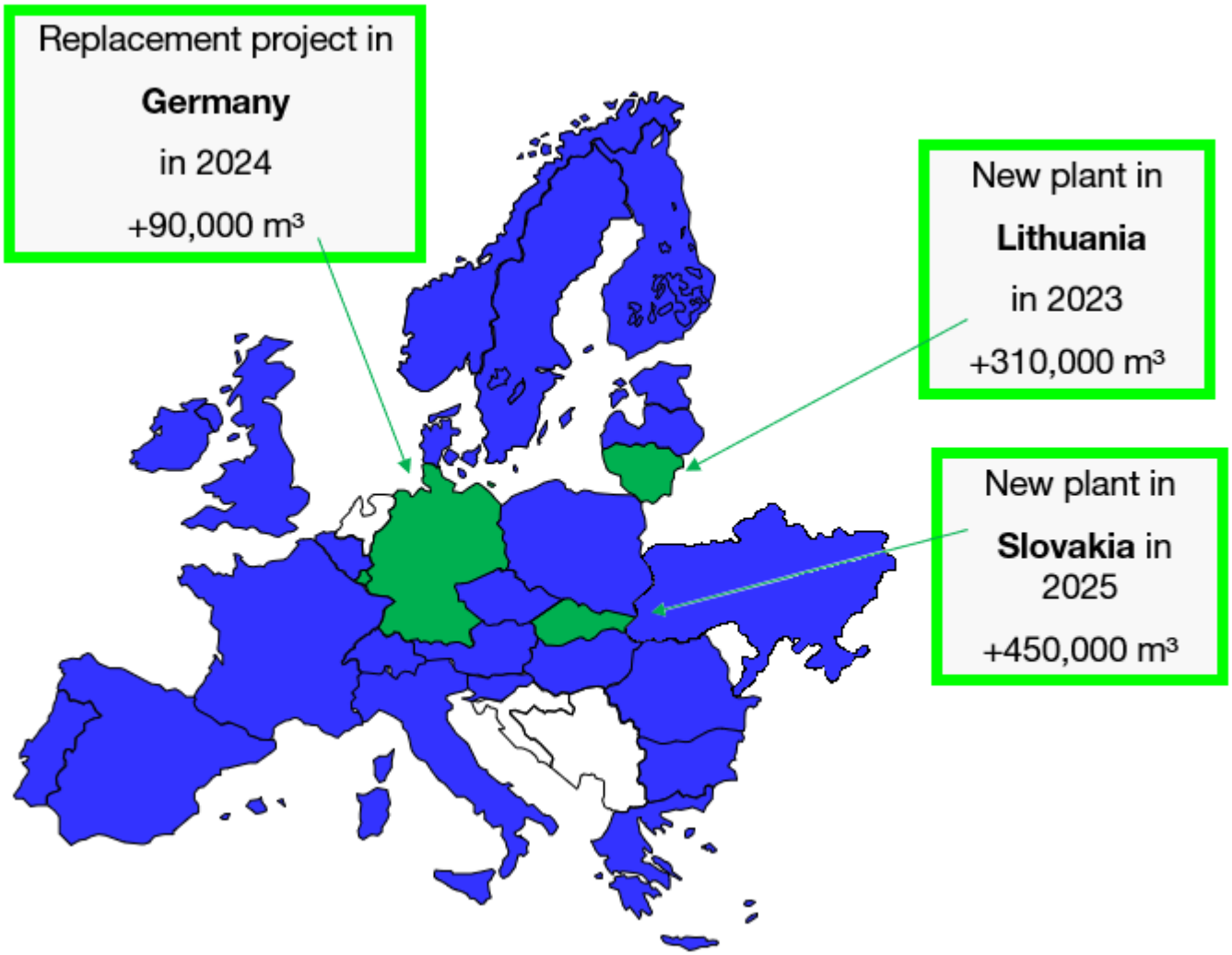
MDF Announced New Capacities and replacement projects in 2023 and beyond



Total: 850,000 m³ (+2.5%)



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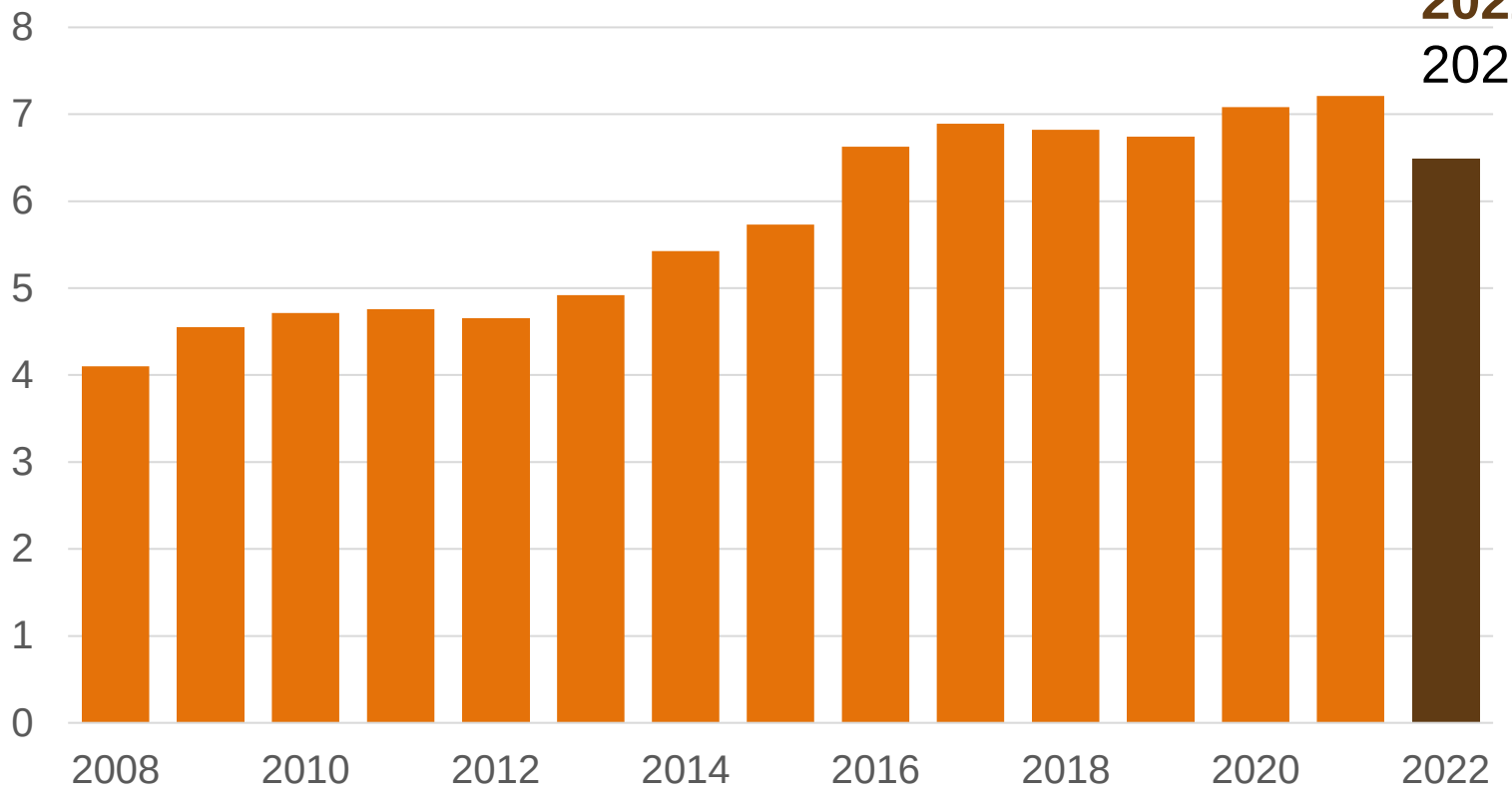
OSB



OSB
Production in EU27+UK+EFTA

(millions m³)



2022: -10.7%

2021: +1.8%

In 2022: 6.4 millions m³



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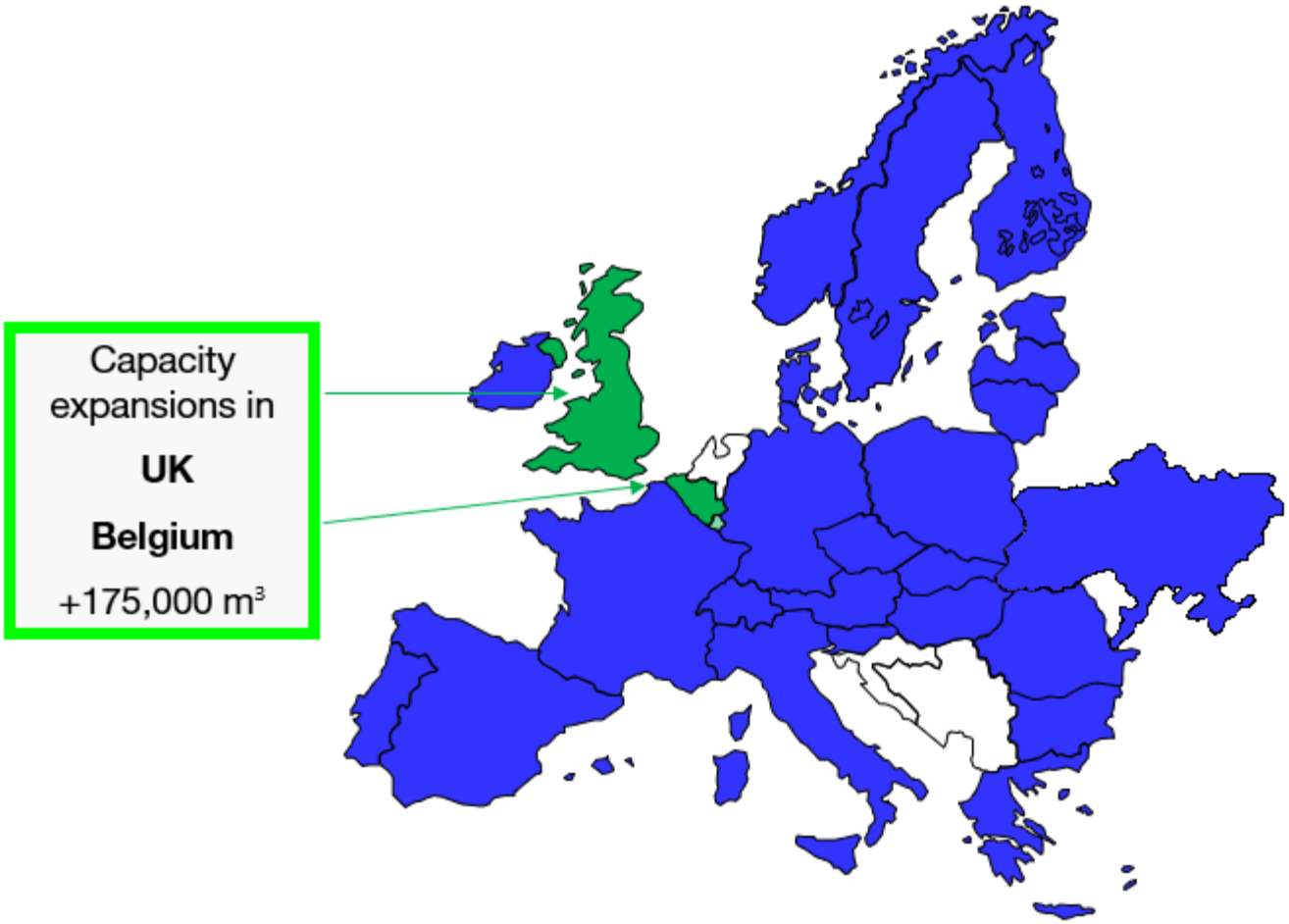
OSB Plant Announced Capacity Expansions 2022 +2.3%





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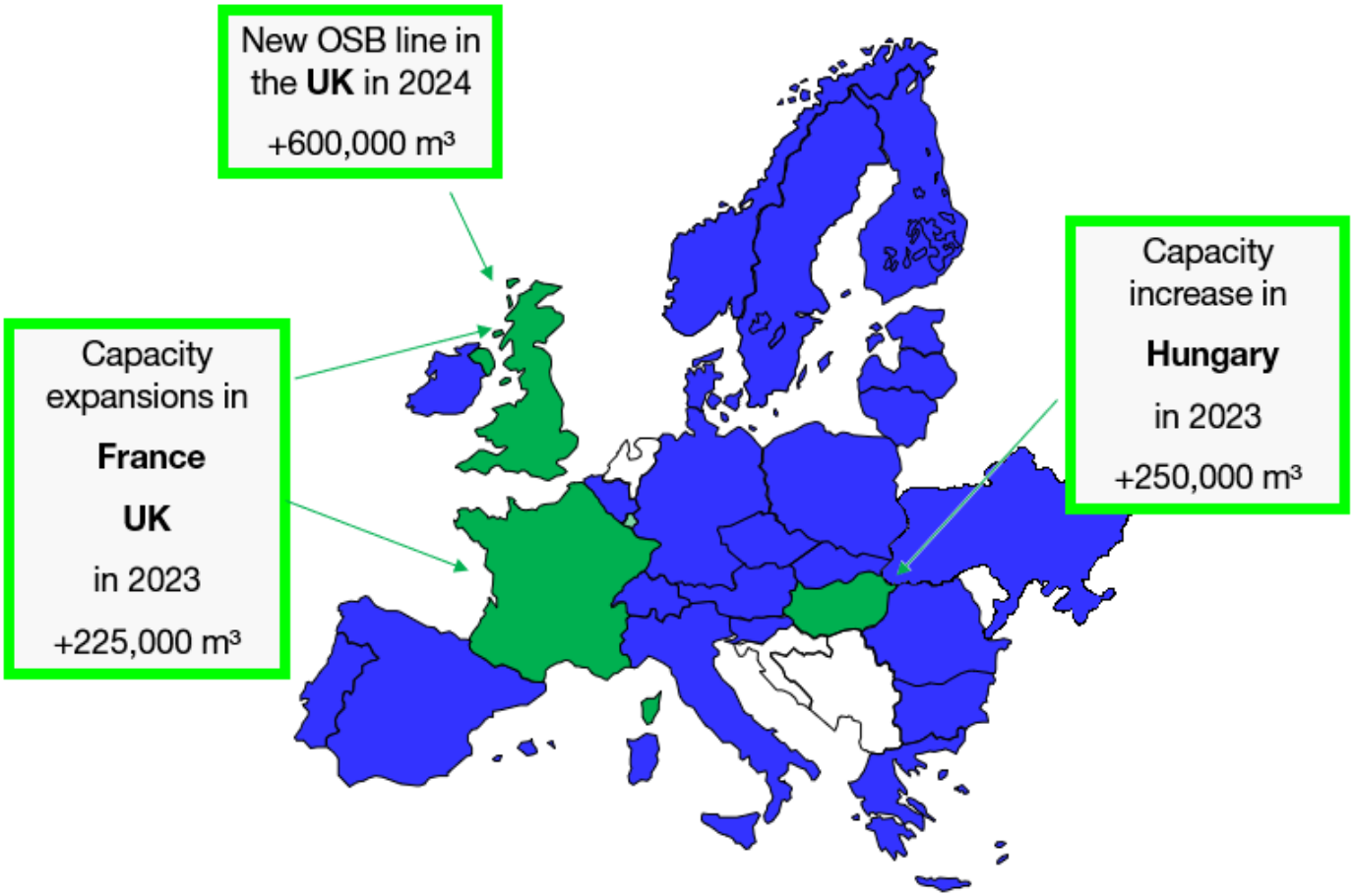
Total: 175,000 m³ (+2.3%)

OSB Plant Announced New Capacities in >2023 +15%





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Total: +1.08 million m³ (+15% from 2022 levels)

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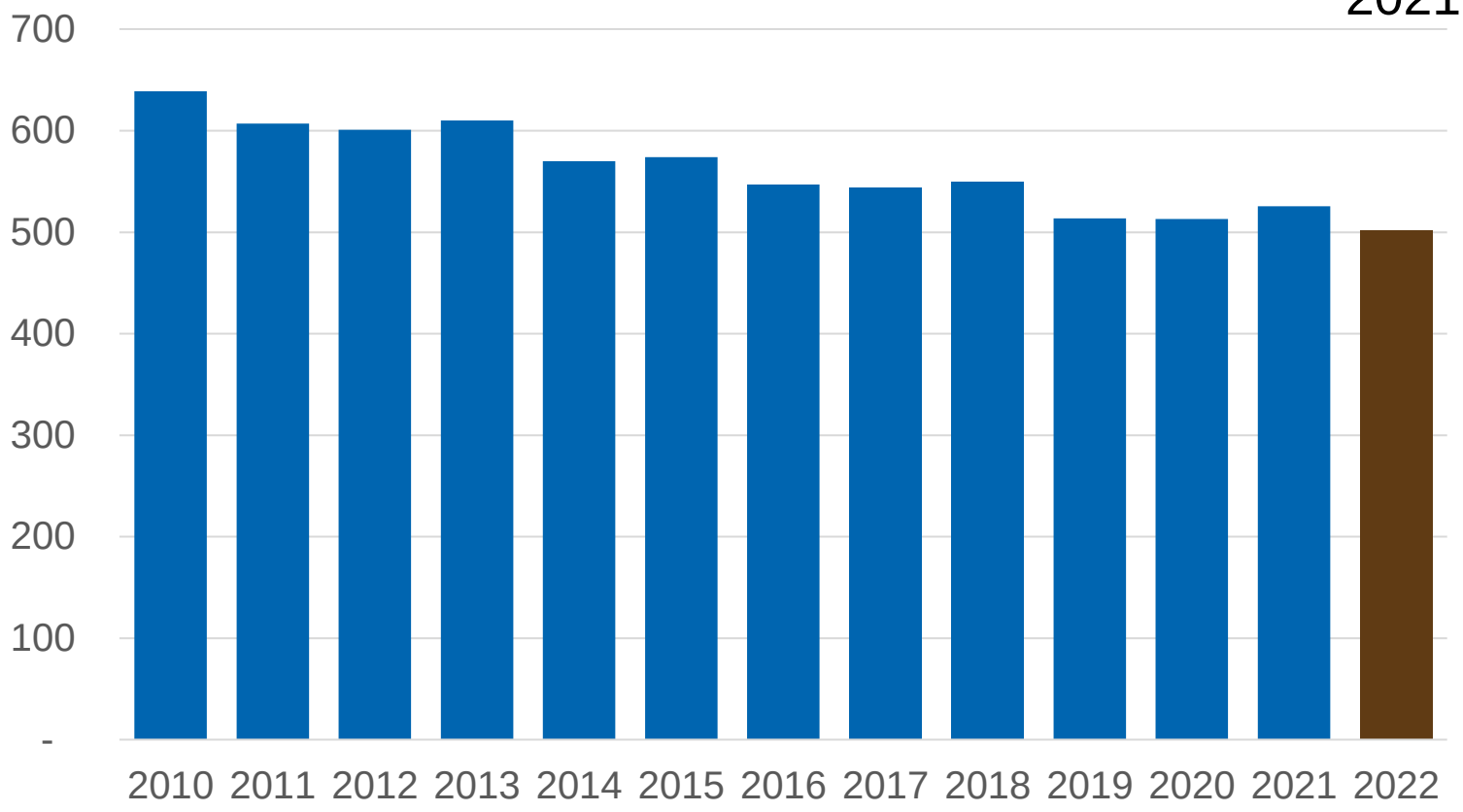
HARDBOARD



Hardboard – production in EU27+EFTA

(1,000 m³)

2022: -4.4%
2021: +2.5%





In 2022: 0.5 millions m³

EU27 capacity: 0.7 million m³ (stable)

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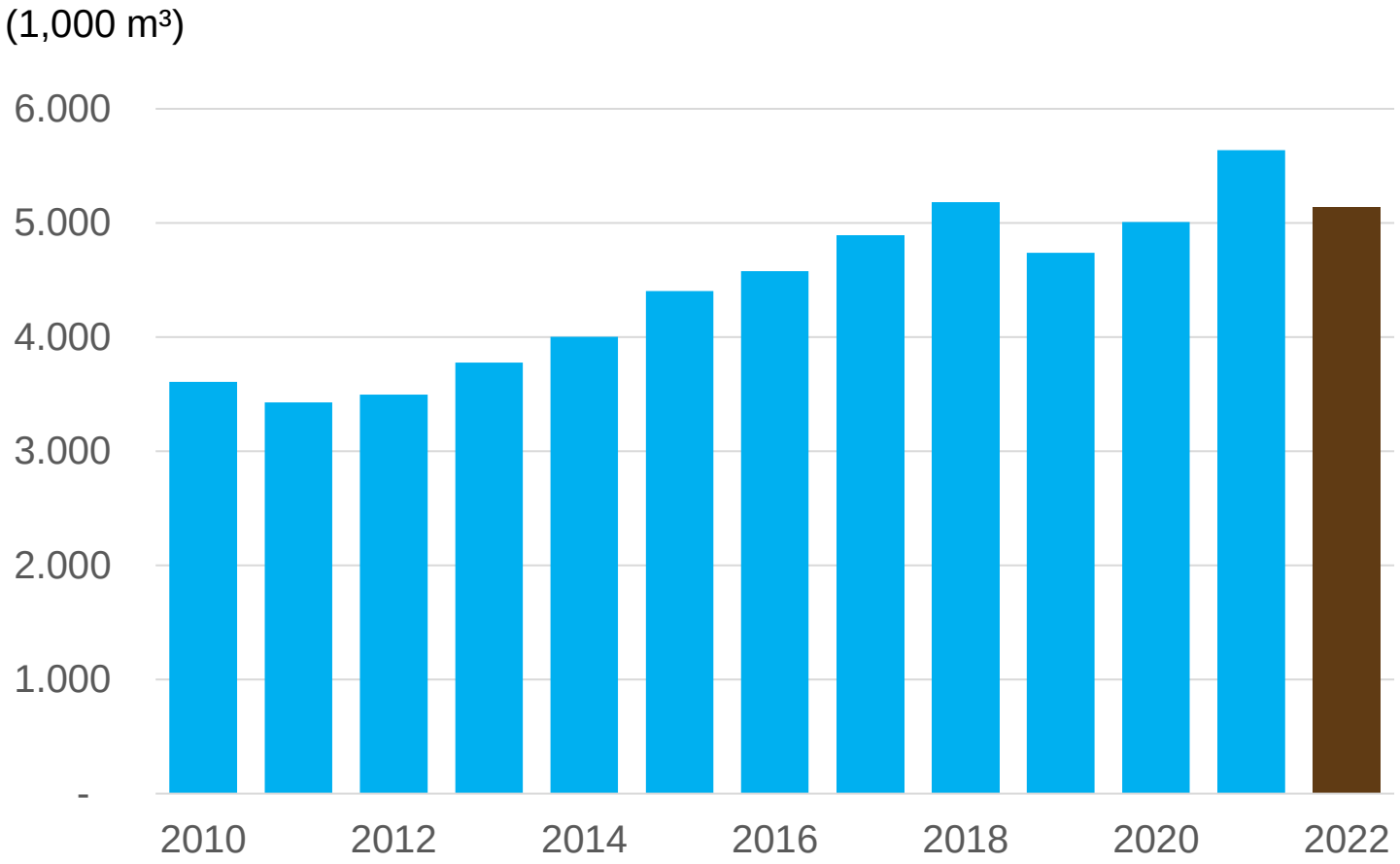
SOFTBOARD



Softboard Production in EU27+EFTA



2022: -8.9%

2021: +12.6%



In 2022: 5.1 millions m³

EU-27 capacity: 6.9 million m³ (+2%)

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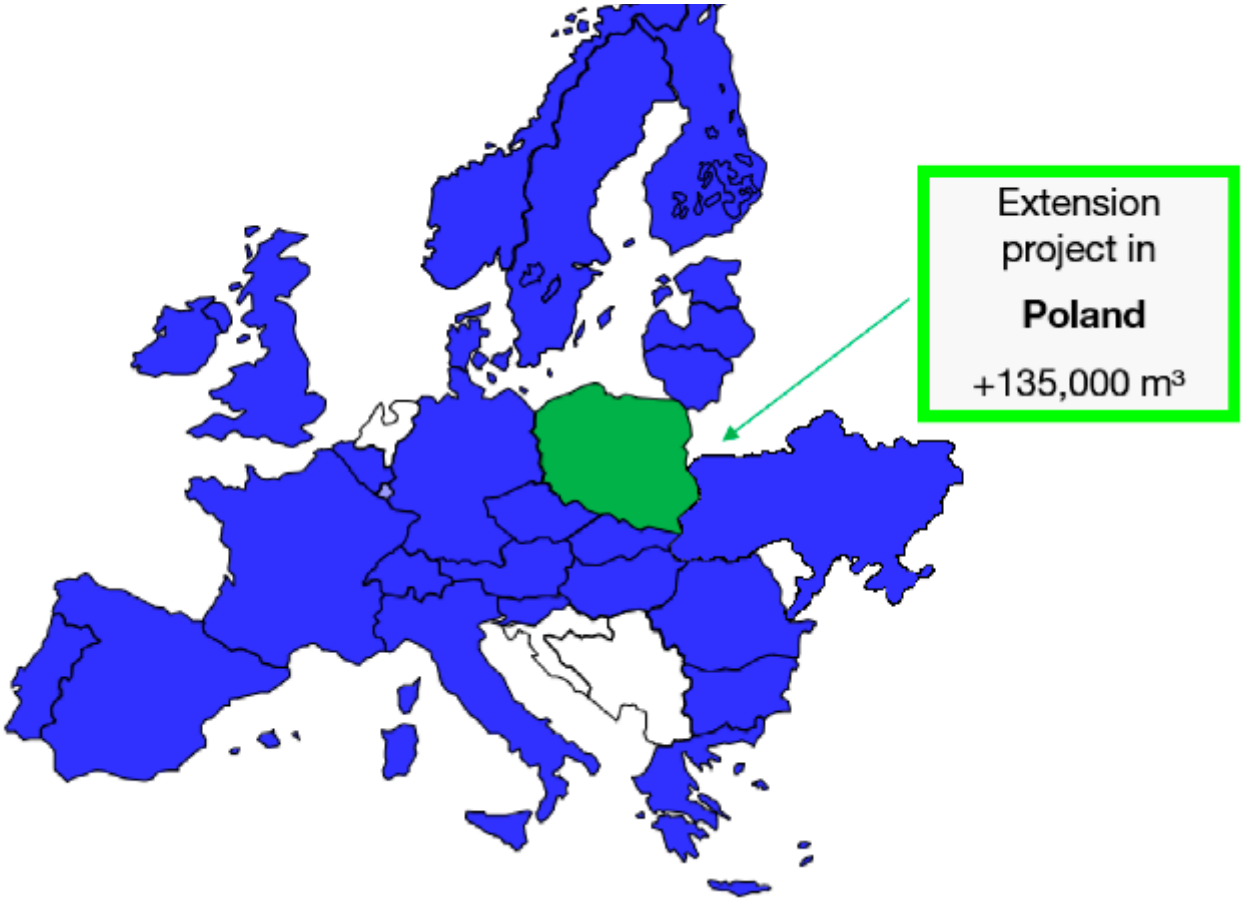
Softboard Announced Plant Extension in 2022 +2%





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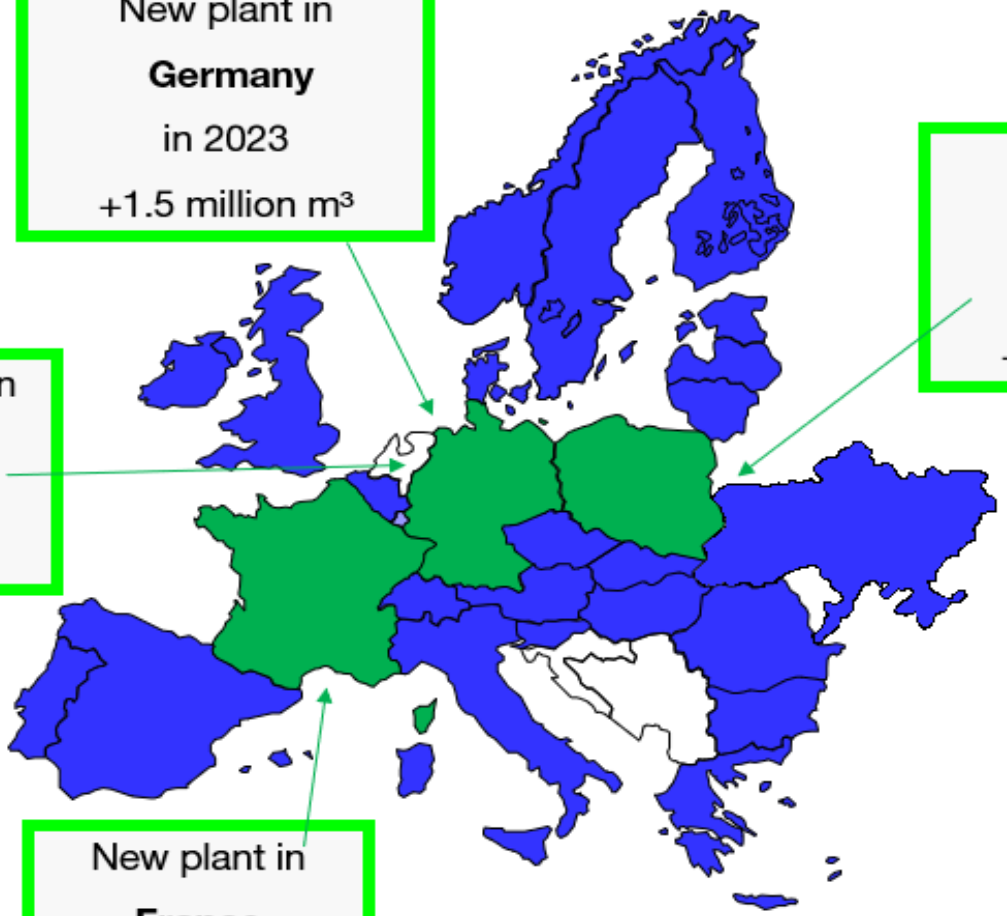
Total: 135,000 m³ (+2%)

Softboard Announced New Capacities in >2023 +70% !!

New plant in **Germany** in 2023 +1.5 million m³

New plant in **Poland** in 2023 +1.5 million m³

New line in 2025 in **Germany** 100 million EUR investment



New plant in **France** in 2024 +110,000 m³



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Total: +3 million m³ (+70% versus 2022)

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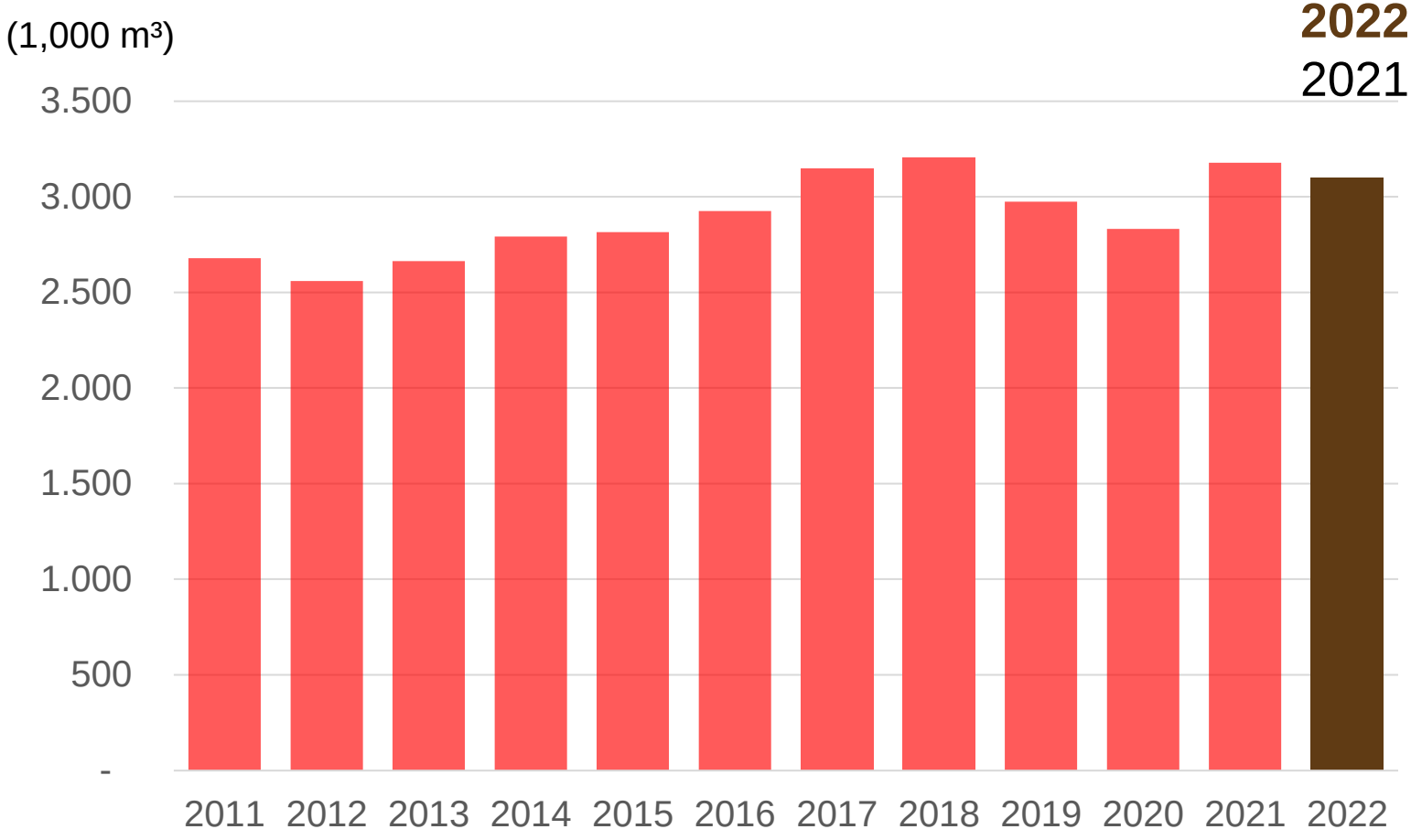
PLYWOOD



Plywood
Production in EU-27



2022: -2.5%

2021: +12.2%

In 2022: 3.1 millions m³



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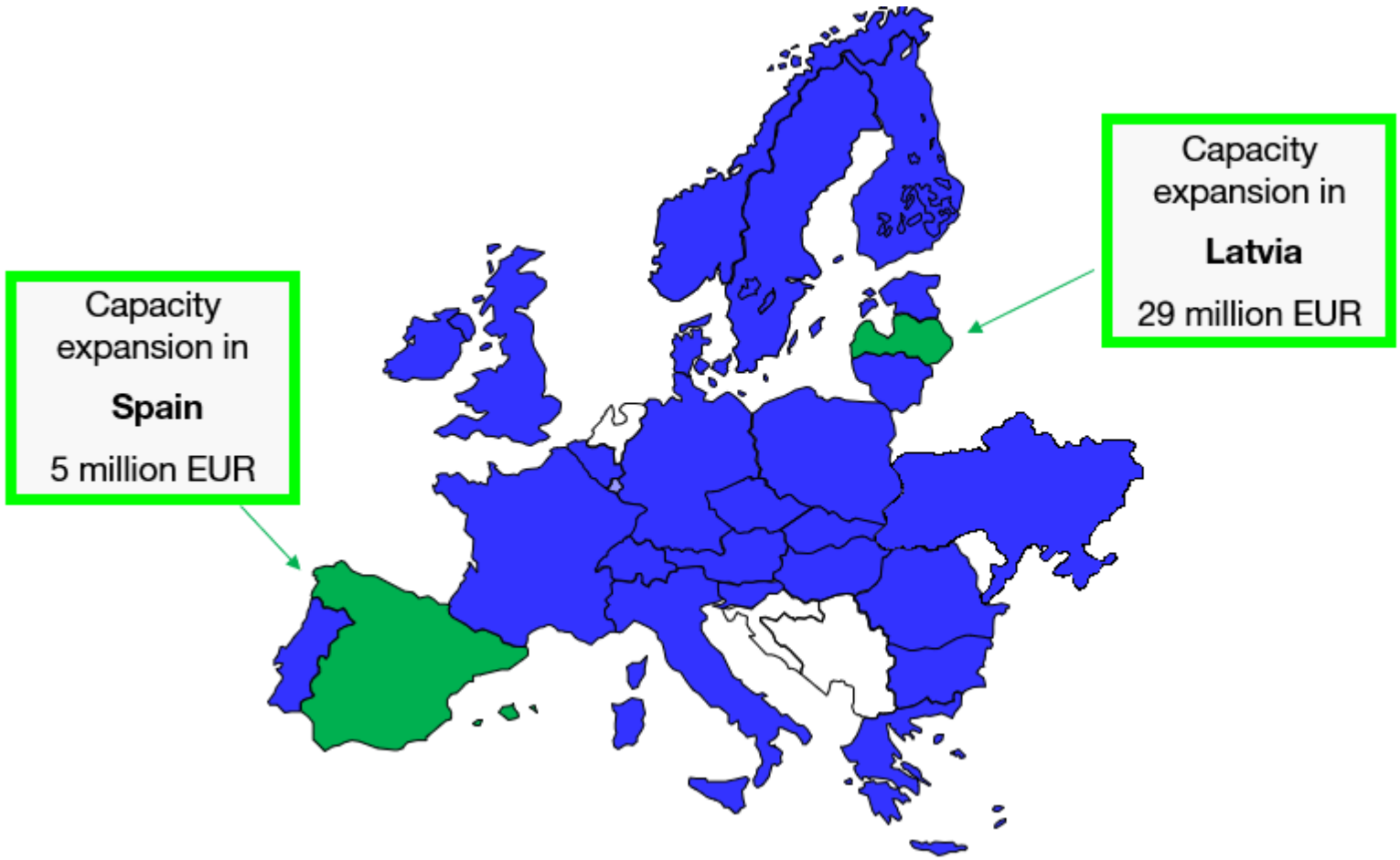
Plywood Announced Capacity Expansion in 2023 and beyond



There are several projects by European plywood producers to replace Russian birch plywood

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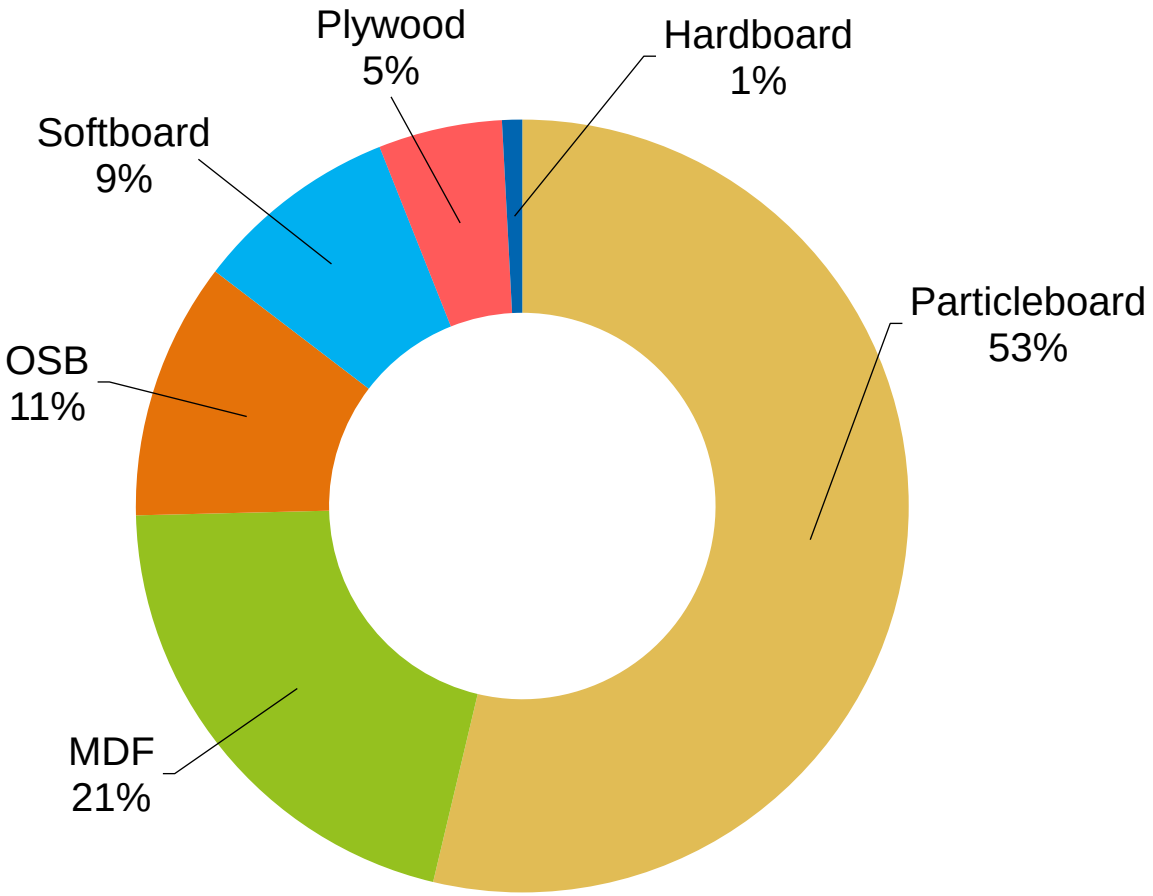
SUMMARY



Share of production per type in EU27+UK+EFTA, 2022





Stable structure compared to 2021

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Summary 2022

Production (million m³)	Countries	2022	2021	22/21	22/19
Particleboard	EU27+UK+EFTA	32.1	34.5	-6.9%	0.0%
MDF	EU27+UK+EFTA	12.5	13.8	-9.3%	-3.6%
OSB	EU27+UK+EFTA	6.4	7.2	-10.7%	-4.5%
Hardboard	EU27+EFTA	0.5	0.5	-4.4%	-2.2%
Softboard	EU27+EFTA	5.1	5.6	-8.9%	8.4%
Plywood	EU27	3.1	3.2	-2.5%	4.1%
Total Wood-Based Panels		**59.8**	**64.8**	**-7.8%**	**-0.4%**



Output dropped close to pre-pandemic levels in 2022

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ADVOCACY
STRATEGIC DIRECTIONS
5 Highlights

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Highlight 1

New European Bauhaus

5SD - Role Model Industry

New European Bauhaus

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EPF & Wood4Bauhaus Alliance I Recap 2020 - 2022

- **Sept 2020: President von der Leyen calls for use of wood to decarbonise the built environment (carbon source -> sink)**
- February 2021: EPF and Innovawood form Wood4Bauhaus Alliance as a community of industry, research and trade unions
- April 2021: 1200 delegates attend Wood4Bauhaus online conference calling to “Reforest our planet, retimber our cities”. June 2022: InnoRenew CoE hosts W4B side event of NEB Festival
- **June 2022: President VDL quotes Pope Francis’ desire for greater access to nature in cities at NEB event in the Vatican**

➔ **Project continuing to deliver on early promise**



Source: PAS
Source: EPF

Brussels 9 June 2022

Press release

Catholic Church and EU Commission President back using more wood in the built environment

EPF & Wood4Bauhaus Alliance
Latest News 2023

- **W4B a role model Alliance in NEB Progress Report**
  - Alliance highlighted in Executive Summary as model open platform in construction industry

- **W4B partner associated with host of NEBAcademy**
  - University of Primorska selected as host hub
  - Location also for W4B partner InnoRenew CoE
  - W4B to focus on biotic materials module
  - Skills are critical to Role Model Industry



- **NEB is focal point of EPF AGM in Santiago**
  - Open Part dedicated to NEB focus on Iberia
  - Making NEB a transformative project
  - Alliance database to receive report



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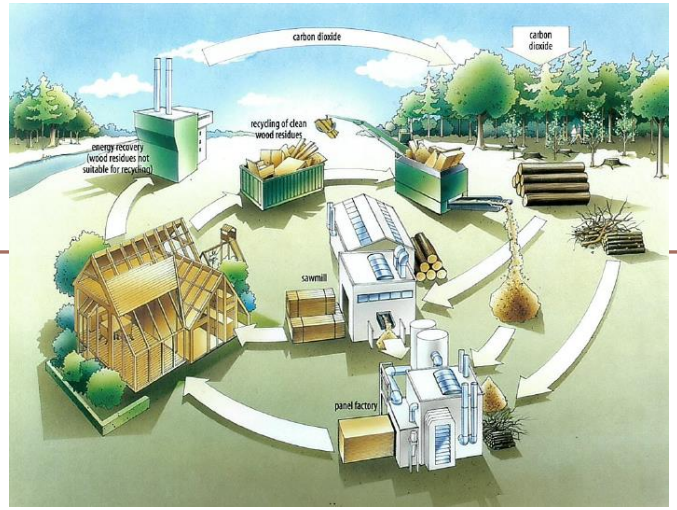
Highlight 2

Cascade in legislation (RED III)

(5SD - Climate)



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3 positive changes in RED III

1) **Cascade in legislation for the first time** - woody biomass to be used according to its highest economic and environmental added value (according to previous EC guidelines on good practice)
2) **Subsidies restricted** - Financial support will be banned for energy produced through the use of saw logs, veneer logs, industrial grade roundwood, and stumps and roots
3) **Sustainability criteria increased** – will apply to smaller installations (equal or above 7.5 MW) rather than the 20 MW threshold under the current directive

- **Breakthrough for wood-based panels (cascade use)**
- **Bioenergy also see this as a win (Armageddon averted)**

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➔ **Incremental gain, but not yet over.....**

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Highlight 3

Material Use of Wood 45% -> 60%)

(5SD – Wood Availability)



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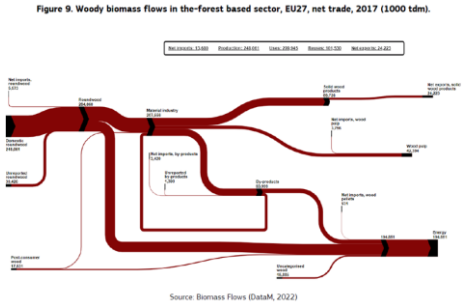
Material use of wood must go up!

- **How much wood is there?**
  - 500 million m^3 harvested in 2021 in EU-27 (Eurostat)
- **What is it used for?**
  - 27% for wooden products
  - 13% for paper and pulp
  - 60% for energy



- **Is it enough?**
  - Yes if we a) use it better (cascade) and b) plant trees (mobilise)
  - No, if we keep “burning the book of life before we have studied it....”

➔ **EPF calls for material use to rise from 45% to > 60%**

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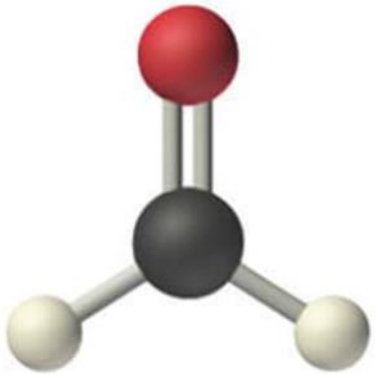
Highlight 4

Formaldehyde

5SD – Regulation (and Harmonisation)



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Formaldehyde - Restriction Finalised

- **Ceiling (E1 Compulsory) and EU low emission level (New Standard) targets for EPF since 2015!**
- REACH (Registration, Evaluation, Authorisation and restriction of CHemicals) pathway. Long but effective
- Approved restriction proposal (**0.062 mg/m3 for wood-based articles**) in approval process.
- Final restriction to be published in OJEU and transition periods start (3 years for articles / 4 years for vehicles)
- **Expected June-July 2023 (+ 3 years transition)**

➔ A new standard will be introduced with a ceiling on open ended emissions bring harmony to the EU-27

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Highlight 5

Advocacy 2024: Coalition for Circular Choices

5SD – Role Model Industry

Circular Choices

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Advocacy 2024-2029 – Coalition

We generate
€520 billion turnover
(representing 3% of EU GDP)

We employ
4 million people directly
(representing 2% of the EU workforce)



We represent
20%
of EU manufacturing companies

806 Mt CO_2 eq[2]
annually sequestrated, removing the equivalent of 20%[3] of the EU's total fossil emissions



CIRCULAR CHOICES FOR A COMPETITIVE EU BIOECONOMY
Growing a circular future
Executive summary

- **Coalition wood, paper and fibre**
- **Downstream led, upstream supported**
- **Policy recommendations to reach 30% contribution**



April-June 2023 (selected only)

- ❑ **Mrs E. Werner**, Deputy S-G, **SecGen EU Commission**
- ❑ **Mrs L. Graff,** Advisor to the **CLIMA** Deputy D-G, EC
- ❑ **NN**, Head of key Working Group, **EPP, EU Parliament**



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➔ **Senior doors opening....**

Santiago de Compostela
EPF 2023

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anfta
Asociación Nacional Fabricantes de Tableros

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