

Press Release

Decarbonizing Buildings Now Possible Through Carbon Removal Credits

The building sector accounts for around 37% of global CO₂ emissions. Innovative solutions are needed to achieve ambitious net-zero goals in this sector. Modern timber construction, combined with sustainable forest management, is one of the most promising negative emission technologies. The Zurich-based PropTech startup *Timber Finance* has developed a globally recognized methodology, enabling real estate investors to monetize the climate benefits of timber construction with carbon removal credits. This initiative is supported by innovation partners such as the *Migros Pioneer Fund* and *Built by Nature*.

A New Asset for the Forest and Real Estate Sectors

Many industries have long benefited from revenues generated by the sale of carbon credits. For the first time, a new asset-forming instrument has been created for the real estate industry to promote timber construction. Since 2022, timber construction has been recognized by international organizations such as the [UNFCCC](#), the [EU](#), and in [Switzerland](#) as a carbon removal solution: CO₂ is removed from the atmosphere by forests and can be permanently stored in the load-bearing structure of timber buildings, without the risk of reversal through traditional forest risks such as, bark beetles, storms, and fires. Simultaneously, timber elements replace emission-intensive building materials such as steel or concrete, thus providing a dual benefit and creating an effective decarbonization strategy.

Switzerland Leading the Way

As a world leader in engineered timber construction, Switzerland is once again at the forefront of innovation. *Timber Finance* is launching a [pilot](#) to adapt the international methodology for the Swiss market. Approximately 20 innovative timber construction projects will participate in the pilot, generating additional value for their timber projects through carbon removal credits. Simultaneously, half a dozen Swiss forest districts will participate in the pilot, receiving compensation from carbon credits revenues for sustainable and climate-relevant forest management. Builders and forest managers are invited to submit their timber construction projects to Timber Finance. Expansion to international markets is planned for 2025.

Tradable Carbon Credits

“We have successfully developed an instrument that contributes to the decarbonization of the building sector and generates new value through the monetization of the climate benefits of timber construction. This initiative benefits both the construction and forestry sectors, creating incentives to use more timber in construction and to manage forests in a climate-conscious manner”, says Frank Vasek, Head of Carbon Solutions at Timber Finance. Carbon credits can be traded on voluntary carbon markets (offsetting) or applied to institutional builders' own carbon balance and support their path to net zero (insetting). The development and implementation of this methodology were supported by the Migros Pioneer Fund as an innovation partner.

Project Pünt Sets New Standards

The [Pünt building](#) of the Eigengrund Housing Cooperative in the municipality of Egg, Canton of Zurich, is an outstanding example of sustainable construction. With a main usable area of 7,050 m² and the use of regional and certified timber, it stores 1,462 tons of carbon in the timber load-bearing structure and additionally reduces emissions by another 508 tons of carbon. This project demonstrates how climate-friendly timber construction can be implemented economically using regional resources through carbon removal credits.

Forest Districts

As part of the pilot, forest districts from across Switzerland are participating in climate-optimized management of 15,000 hectares of forest area. The goal is to increase carbon uptake and compensate for the ecosystem services of the forests. The annual timber harvest potential should be optimally managed so that the timber is prioritized for construction use, to bind the stored carbon in the long term and thus make a significant contribution to climate protection.

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About Timber Finance:

Timber Finance is the leading competence center for modern timber investments. Timber Finance unlocks and monetizes the climate potential of the forest and timber industry through modern carbon credits and financial instruments aimed at decarbonizing the construction sector and investment portfolios with timber. For more information: www.timberfinance.ch

About Migros Pioneer Fund:

The Migros Pioneer Fund supports sustainable solutions for societal challenges with the goal of initiating systemic change towards a future-oriented society. The impact-oriented funding approach combines financial support with active funding and risk management. The fund is part of the social commitment of the Migros Group and has an annual budget of approximately CHF 15 million. The Migros Pioneer Fund is supported by companies such as Denner, Migros Bank, Migrol, migrolinio and Ex Libris. More information: www.migros-pionierfonds.ch

With support from the Migros Pioneer Fund, Timber Finance is developing sustainable investment opportunities for the forestry and timber industry, so that concrete and steel can be increasingly replaced with wood, a more climate-friendly construction material.

High-resolution images can be downloaded [here](#):



Image 1: Visualization of the Pünt Replacement Project, Egg, ZH.



Image 2: Assembly of Timber Ceiling Element.



Image 3: Carbon Uptake in the Forest.