



## Joint statement on the draft Taxonomy Environmental Delegated Act <sup>1</sup>

On 5<sup>th</sup> April, the European Commission published the draft version of its long-awaited “Environmental Delegated Act” with the technical screening and Do-No-Significant-Harm criteria for the four remaining environmental objectives of the Taxonomy Regulation (environmental objectives 3 to 6). This delegated act will complement the so-called Climate Delegated Act (the first delegated act under the Taxonomy Regulation), the Disclosures Delegated Act and the Complementary Delegated Act. The Commission also published new draft annexes that would amend these acts.

The draft Environmental Delegated Act published in April builds on the recommendations for technical criteria for the four remaining environmental objectives of the Platform on Sustainable Finance (published on 30 March 2022). From the point of view of the construction industry, these recommendations showed fundamental weaknesses in terms of the usability and practicability of their recommendations.

In recent months, the construction “ecosystem”, through many of its organisations representing the built environment, real estate and property sectors at European level, has provided its constructive input and expertise to the European Commission while repeatedly calling for urgent corrections to the Platform report, especially regarding the fourth environmental objective (“Transition to a circular economy”).

**This input seems to have been partially considered by European Commission services involved in the drafting of the delegated act.** We acknowledge that some criteria are more balanced and could be technically achievable in the medium to long term - if companies, notably SMEs, are provided with sufficient support and guidance.

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<sup>1</sup> *This Joint Statement is not supported by EFCA (the European Federation of Engineering Consultancy Associations)*

However, it has become apparent that **other criteria have been chosen without proper justification and lack transparency** (e.g. new maximum values for primary raw material used for certain material categories and construction products for “Construction of new buildings” and “Renovation of buildings” or a new additional criterion instead of a deviation possibility if opposing national legislation or if the use of secondary raw materials leads to increased CO2 emissions for “Maintenance of roads and motorways” and “Use of concrete in civil engineering”).

**In general, taxonomy criteria should be easily understandable for businesses, especially in sectors composed mainly of SMEs such as the construction sector and be genuinely achievable across the EU.** Some of the technical screening criteria proposed by the Commission would still raise problems for the construction sector not only for practical reasons (it is, for example, highly questionable whether all thresholds and maximum/minimum values would be achievable due to reasons related to the local availability of secondary raw materials) They would also make reporting under the EU taxonomy more difficult (cf. also the C2050 Alliance’s [6 key messages on sustainable finance](#)).

We have also observed that the draft delegated act falls short of ensuring sustainability in building renovation because the manufacturing of these products is not covered. Construction products may be produced and used in such a way as to deliver sustainable construction works. Therefore, it is illogical that economic operators may be classified as sustainable, but product manufacturers may not. More so, it is important to apply these criteria to construction products in the final version of the EU taxonomy delegated act to guarantee that the manufacturing may be recognised as sustainable. This modification could deliver a more coherent and comprehensive approach to sustainable building renovation, benefiting the entire construction ecosystem.

We firmly believe that the EU taxonomy framework should support the construction sector and all its companies in their transition to more sustainable and climate-friendly business models. The EU taxonomy is a huge opportunity that cannot be missed. **We therefore call on the Commission and the co-legislators to revise the current draft to ensure the usability of the Environmental Delegated Act criteria. They should be based on realistic and transparent thresholds, thereby enabling the sector to live up to its key role in contributing effectively to the transition to a low-carbon, resource-efficient and circular EU economy.**

**We also take this opportunity to reiterate our deep regrets that the construction sector (one of the European Commission’s 14 ecosystems) is not represented in the new Platform on Sustainable Finance. We are concerned that existing technical criteria could be reviewed, and new criteria be developed, without the involvement of the construction sector. We urgently call on the European Commission to ensure that the “Stakeholder Request Mechanism” will continue to allow the construction ecosystem to provide its technical expertise when criteria for construction are reviewed or drafted.**

*The **Construction 2050 Alliance** is a partnership established in 2020 made of more than 50 European organisations representing the actors of the built environment working together to advance the needs and priorities of the wider construction and built-environment eco-system at the European level (Website : <https://euconstruction2050.eu/> ).*

*The construction sector is a fundamental component of Europe's economic growth and a major source of employment. It generates about 9% of gross domestic product (GDP) in the European Union and provides 18 million direct jobs.*