

WorldGBC Europe Response to TEG Consultation

The World Green Building Council's Europe Network (WorldGBC Europe) supports the European Commission's vision of a net-zero greenhouse gas economy in 2050 and the Action Plan for Sustainable Finance. We welcome the opportunity to respond to the technical expert group's (TEG's) consultation on the development of an EU classification system – the taxonomy – to determine whether an economic activity is environmentally sustainable.

The Paris Agreement demands a more ambitious built environment strategy

The importance of construction and real estate in delivering the ambitions of the Paris Agreement and the UN Sustainable Development Goals is unparalleled. In the EU, the sector accounts for:

36% of all emissions	50% of all raw material extraction
40% of energy consumption.	30% of all potable water usage.

It also sustains **18 million jobs and contributes 16.5% of EU GDP** - thus it has a vital role to play in delivering the requirements of the EU2050 long-term strategy. The EU Action Plan on Sustainable Finance provides a unique opportunity to use the power of the financial sector as leverage to ensure the built environment sector delivers on this potential. We therefore welcome the inclusion of construction and renovation in the first phase activities of the TEG.

Selecting a Pragmatic Starting Point

We advocate taking a pragmatic starting point for the taxonomy metrics and thresholds, one that builds on currently available tools - this will enable wide adoption of the taxonomy.

Green Building Councils across Europe have led research and development work on green mortgage standards under the EU-funded EeMAP project. This has highlighted [a range of tools that exist to assess building energy and environmental performance](#).

Currently energy performance certificates (EPCs) remain the most widely available tool for evaluating building energy performance across Europe. We welcome the TEG's proposal to evaluate the use of EPCs as a proxy and would advise that they be adopted as a starting point for demonstrating compliance as far as possible with additional criteria where these are deemed necessary. The inclusion of nearly zero energy building (NZEB) standards as a compliance threshold, where these are deemed ambitious enough, is another sensible step that will simplify use of the taxonomy in practice. However, the development of country specific performance thresholds must not lead to a lack of ambition at EU level.

Further, [voluntary sustainability certification schemes](#) have become the de facto market standard for commercial buildings in many countries and offer another set of readily available tools for the taxonomy to build on. These schemes look at the wider sustainability aspects of a building, beyond energy and carbon performance. Although they have still to become 'mainstream' for the whole sector, they are uniquely qualified to function as indicators of a buildings performance in the "do no harm" criteria as well as regarding its energy and carbon performance.

We stress that this must be a **starting** point, and a pragmatic approach that further explores the use of other tools and standards in future is necessary. This will provide further insight on the availability of energy and carbon metrics that take account of the whole life cycle impact of the building. In the medium to long term, we strongly encourage the evolution of the taxonomy to focus on in-use carbon emissions, whilst respecting the principle of energy efficiency first.

Over the last six years, Green Building Councils have worked with the European Commission in the development, and now, implementation of Level(s). Level(s) will harmonise the way wider sustainability performance - in terms of emissions, resource and water efficiency, health and comfort, resilience and asset value/cost - is assessed. To avoid further divergence and

duplication of standards and assessments, Level(s) should be integrated into the taxonomy as it develops.

Committing to Long Term Ambition

Green Building Councils are leading efforts around the world to decarbonise the building sector through our Advancing Net Zero campaign. Globally, [leading cities, companies, states and regions are committing to a highly efficient and decarbonised building stock by 2050](#) as signatories to our net zero carbon buildings commitment. GBCs around the world have already launched net zero carbon standards are part of their existing certification schemes.

Our commitment encourages a whole life-cycle approach and we are currently working on targets and thresholds for embodied emissions, which include the emissions associated with the extraction and processing of natural resources to manufacturing, transport and product delivery. Together with wider life-cycle environmental impacts, these are the next big global challenge for our sector.

A life cycle approach to buildings is the level of long-term ambition we must aim for. The taxonomy must give a clear signal to the financial sector that **sustainable built environment assets must aim for net zero carbon across their whole life cycle in order to be Paris-proof** and deliver the EU's vision of a climate neutral Europe. To achieve this long term ambition and to make the choice of a pragmatic starting point acceptable, the taxonomy metrics and thresholds must be flexible and reviewed and updated at regular intervals in the period up to 2050. The European Commission and the TEG must give adequate consideration to the governance and resources that will be required for this.

Our network of Green Building Councils brings together expertise from across the whole building and construction value chain. For the taxonomy to succeed, our sector must be engaged because it is we who will deliver a sustainable built environment and will need to provide the right support to the financial sector to be able to evaluate the sustainability performance of its building assets – assets that underpin over 1/3 of the entire EU banking sector. We would welcome further opportunities to work with the TEG and the European Commission in delivering a sustainable financial system for the region.

About Us

WorldGBC Europe represents Green Building Councils in over 20 countries, 8 Regional Partners and more than 4,500 diverse members across the construction and real estate sector. We are the common voice for a sustainable built environment in Europe.

- We have certified over 137,000,000m² of sustainable building space across Europe.
- We train over 10,000 construction and real estate professionals annually.
- We helped establish sustainable building policies in eleven countries in 2017 alone.
- **We commit to supporting the European Commission and the financial sector to deliver a green taxonomy that is fit for purpose and can remain fit for the future.**

Signed by Green Building Councils and Partners Across Europe

