



## PRESS RELEASE

# FIEC welcomes EU Taxonomy criteria for circular economy but says that criteria need constant “reality check” based on practical experience

Brussels, 29/11/2023

On 21<sup>st</sup> November 2023, new technical and construction-related criteria for circular economy (“Environmental Delegated Act”) were published in the Official Journal of the EU under the ***Taxonomy for sustainable activities***. With the imminent entry into force and application of these new criteria in the 27 Member States from January 2024, the **flagship project of the EU’s sustainable finance agenda has passed another important milestone**. FIEC welcomes the new criteria and the targeted amendments to the “Climate Delegated Act” but believes that continuous fine-tuning of the criteria based on the experience gained from their practical application as well as a regular exchange between the industry, the financial sector and the European Commission will be essential to make the framework work.

### Environmental Delegated Act crucial step towards sustainable investment in circular construction

The new [Delegated Regulation 2023/2486](#), supplementing the 2020 Taxonomy Regulation and establishing technical screening and “Do No Significant Harm” criteria for construction and real estate activities under the environmental objective “Transition to a circular economy”, will apply **from 1<sup>st</sup> January 2024** in the 27 Member States.

Commenting on the publication in the Official Journal of the Environmental Delegated Act and the [Delegated Regulation amending the Climate Delegated Act](#), **Pekka Vuorinen, FIEC’s former representative in the Platform on Sustainable Finance, says:**

*“The imminent entry into force of the new technical criteria is a crucial step towards more sustainable investment in the EU and towards circular and environmentally friendly construction. We thank the European Commission services involved in the EU taxonomy for the huge amount of work done since 2020. The newly adopted criteria are very demanding but more balanced than the draft criteria in the 2022 recommendations of the Platform on Sustainable Finance. If we get the application of the Environmental Delegated and Climate Delegated Act right, the EU taxonomy has the potential to become a real game changer for the sustainable transition of the whole sector”.*

## “Reality check” of criteria and regular exchange with financial sector and Commission essential to ensure optimal implementation

A FIEC survey on the EU taxonomy conducted among its member federations<sup>1</sup> showed that it provides added value to construction companies by **helping them to identify what is considered “sustainable”**. In addition, it offers them the opportunity to proactively position themselves in the sustainability market, align their service portfolio with regulatory and market expectations, and **attract financing**. However, the members and companies surveyed<sup>2</sup> have encountered **numerous problems** with the interpretation and practical implementation of the technical requirements and with reporting under the Taxonomy.

*“It is well known that the devil is in the detail. Our member federations and their companies firmly believe in the conceptual strength of the EU taxonomy, but it cannot be denied that several issues exist in the practical application of the criteria and will continue to emerge as the learning and ‘application experience’ of construction companies progresses”, Vuorinen adds. Against this background, FIEC considers it essential for the optimal implementation of the framework and to ensure its reliability and robustness that:*

- 1. A continuous “reality check” and fine-tuning of the technical criteria** is carried out by the *Platform* and the Commission as the “application experience” of construction companies progresses.
- 2. A regular exchange** between the construction industry, the financial sector and the Commission is (re-) established, taking due account of the specificities of the construction value chain<sup>3</sup>; and **construction experts** are regularly consulted to advise the *Platform* (not just on an ad hoc basis).
- 3.** The EU taxonomy is increasingly perceived as a **reliable** framework; to this end, as many as “**grey areas**” and **technical errors** as possible should be **removed** from the technical framework to avoid misinterpretation and ensure **sufficient clarity** of the criteria.
- 4.** The EU taxonomy is made **more “SME-friendly”** as smaller companies often lack the necessary resources to comply with the framework and report on sustainability KPIs.
- 5.** More **sector and country-specific user guides** are published.

---

<sup>1</sup> Member federations surveyed in October/November 2023: ANCE (Italy), Bauindustrie, Zentralverband Deutsches Baugewerbe (Germany), Koninklijke Bouwend Nederland (Netherlands), EMBUILD (Belgium), Construction Industry Federation (Ireland).

<sup>2</sup> Companies active in the construction of new buildings (residential and non-residential) and the renovation of existing buildings, civil engineering (roads, railways, bridges, tunnels, water supply and wastewater treatment plants, remediation of contaminated sites, construction of energy infrastructure (electrical, photovoltaic...)).

<sup>3</sup> Fragmentation, many actors involved, sub-contracting...



EUROPEAN CONSTRUCTION  
INDUSTRY FEDERATION

**Giulia Garofalo**  
Press & Communications Officer

FIEC - European Construction Industry Federation  
Avenue des Arts 20, BE-1000 Brussels - +32 2 514 55 35 - [info@fiiec.eu](mailto:info@fiiec.eu)  
Transparency Reg. 92221016212-42 aisbl Nr Enterprise: BE 0688919.140

