

FIEC is the European Construction Industry Federation, which through its 32 national member associations in 27 countries (24 EU countries, Norway, Switzerland and Ukraine) represents construction companies of all sizes, i.e. small and medium-sized enterprises and "global players", carrying out all forms of building and civil engineering activities.



## PRESS RELEASE

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### TAXO4 REPORT: CRITERIA FOR CONSTRUCTION NEED MAJOR OVERHAUL, INDUSTRY ADVICE LARGELY IGNORED

*"The Taxonomy is a game changer for sustainable construction. Our aim has been to contribute to developing a set of practical and ambitious criteria which foster circularity in construction. The criteria published today don't meet the needs of the market and the industry. They need a major overhaul",* says Pekka Vuorinen, FIEC's Representative in the Platform on Sustainable Finance, commenting on the release of the Platform's report on technical screening criteria for the remaining environmental objectives.

Today, the Platform on Sustainable Finance published a report with technical screening criteria for the four remaining environmental objectives. This is the first step leading to a further delegated act supposed to complement the Climate Delegated Act. The criteria have been developed by the Platform's Technical Working Group and its sector teams, including one on construction composed of different types of stakeholders with FIEC being one of them.

The outcome of this work is far from being optimal. A major overhaul of the proposed criteria is necessary to make sure that the Taxonomy can eventually work on the ground. Much to FIEC and its members' astonishment, advice from industry and the specificities of construction have been largely ignored. This is even more surprising as FIEC is the only member of the Platform representing the construction industry.

*"Especially in circular economy the introduction of usable criteria could speed up the creation of markets for secondary raw materials and building components. Setting unrealistic targets has the opposite effect. A step by step approach would be more tempting for those applying Taxonomy in practice",* Vuorinen adds.

Taxonomy criteria should be based on facts and figures. They should be simple, measurable and linked to companies' reality to ensure usability. In addition, they should be limited to what is relevant for substantial contribution. The criteria for construction released today lack all of these core elements.

The Taxonomy is a legal definition of sustainability and will massively affect construction companies' access to finance and funding. FIEC therefore calls on the European Commission and the co-legislators to make the necessary corrections.

For the Taxonomy to be successfully rolled out, it needs the backing of the real economy, of those that are implementing the criteria and the reporting obligations. FIEC stands ready to provide further advice. *"Despite the flaws in the proposed criteria we are committed to developing usable criteria to support the green transition of our sector. Already now, we are piloting the criteria of the Climate Delegated Act to detect technical problems and gather information from the ground for the future revision",* Pekka Vuorinen concludes.

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