

**FIEC** is the European Construction Industry Federation, representing via its 32 National Member Federations in 27 countries (24 EU & Norway, Switzerland, and Ukraine) construction enterprises of all sizes, i.e., small, and medium-sized enterprises as well as “global players”, carrying out all forms of building and civil engineering activities.



## PRESS RELEASE

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### END OF MANDATE OF “PLATFORM ON SUSTAINABLE FINANCE”: STILL A LOT OF WORK TO DO ON EU TAXONOMY

Today, the Platform on Sustainable Finance (PSF) held its 26th and last plenary meeting of its mandate. Over the past two years, the PSF – an expert group made up of 57 permanent experts and observers from industry, academia, civil society, and the financial sector - has been advising the European Commission in drafting the technical screening criteria of the EU taxonomy. FIEC has been a member of the Platform’s Technical Working Group since its creation in 2020 and was closely involved in all the work related to the EU taxonomy.

The Taxonomy Regulation came into force in July 2020 and establishes six environmental objectives, which form the basis for the EU taxonomy - a first-of-its-kind classification system that provides companies, investors, and policymakers with technical criteria and definitions for which economic activities can be considered as “sustainable”. It is partly applied in the EU since January 2022.

*“For the last 2 years, we have been piloting the criteria and have been calling for science-based, fair, and user-friendly criteria that can be realistically applied in practice by our companies”,* says Pekka Vuorinen, FIEC’s representative in the Platform on Sustainable Finance, commenting on the end of the PSF’s mandate.

While the criteria for the first two environmental objectives (climate change mitigation and adaptation) are already in force at EU level, the criteria for the four remaining objectives (protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity) are still under development. They will be set out in a separate legal Commission act (“Environmental delegated act”), expected for the first quarter of 2023. The successor of the PSF, the “Platform 2.0” will not only be consulted on this draft legal act, but also be tasked with the development of other new criteria (e.g., related to biodiversity), with closing implementation gaps, with enhancing reporting rules, or with monitoring capital flows.

*“The taxonomy can be a game-changer in our companies’ efforts to become climate-neutral. But it is crucial that the future Technical Screening and Do-No-Significant-Harm criteria – especially for the circular economy objective – are feasible and capacity to comply is ensured. Non-alignment with the EU taxonomy and with the new reporting obligations must not cut off construction companies from financing, at a time when the sector faces a series of unprecedented challenges”,* Vuorinen continues.

More guidance on how to correctly interpret the criteria and on how to report is also needed. In this context, FIEC welcomes the recent publication of the PSF report on “data and usability” and the upcoming Commission “Taxonomy User Guide” and “KPI calculator”.

*“We as FIEC will continue to provide our input to the European Commission, national governments and other relevant stakeholders and will keep pushing for a usable and well-functioning taxonomy that is proportionate to the needs of the construction sector. There is still a lot to do”,* Vuorinen concludes.

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