

# Call for feedback by the Platform on Sustainable Finance on the draft report on preliminary recommendations for the review of the Taxonomy Climate Delegated Act and additional technical screening criteria for the EU Taxonomy

## 1. Disclaimer

The draft report is a working document by the Platform on Sustainable Finance and contains preliminary technical screening criteria that do not represent a final view of the Platform.

This call for feedback is part of ongoing work by the Platform, which was set up by the Commission to provide advice on the further development of the EU taxonomy. The call for feedback represents an opportunity to gather feedback and evidence from a wider set of stakeholders, to improve the draft criteria and make them more robust and usable.

This feedback process is not an official Commission consultation. The draft report produced by the Platform is not an official Commission document. Nothing in this feedback process commits the Commission nor does it preclude any policy outcomes.

## 2. Introduction

The development of the EU Taxonomy relies on extensive input from experts from across the economy and civil society. In line with Article 20 of the [Taxonomy Regulation \(\(EU\) 2020/8521\)](#), the European Commission set up a permanent expert group, the [Platform on Sustainable Finance](#), which advises the Commission on issues related to its sustainable finance framework, notably the further development of the EU Taxonomy. This report is part of the work of the Platform under its second mandate.

Under this mandate, the Platform has been tasked by the European Commission with reviewing and potentially recommending revisions to the technical screening criteria of the economic activities included in the Climate Delegated Act (DA) adopted in 2021, with a focus on making them more usable and simplify reporting. The review focused mainly on transitional activities, for which the Taxonomy Regulation stipulates a requirement for review every three years, as well as on activities that stakeholders have largely commented on as part of the [EU Taxonomy Stakeholder Request Mechanism](#).

In parallel, the Platform is developing technical screening criteria for a list of new economic activities. This involves developing technical screening criteria for these activities to make a Substantial Contribution (SC) to at least one of the environmental objectives defined by the Taxonomy Regulation while ensuring they Do-No-Significant-Harm (DNSH) to any of the other environmental objectives. Each new criteria recommendation includes a section on “usability of the criteria” which is meant to support and demonstrate that new criteria have been developed by striving for both, industrial feasibility and environmental integrity.

Additionally, the Platform's mandate included developing DNSH criteria for activities to be included in Annex II of the Climate DA, as "adapted" activities. The Platform has done this for both, the new activities developed under the current mandate and for activities already included in the Taxonomy Delegated Acts with SC to an environmental objective other than adaptation, for which no such criteria exist yet.

In line with the Taxonomy's guiding principle of establishing robust, science-based criteria, the call for feedback puts emphasis on providing a clear scientific and technical explanation and rationale as well as supporting evidence (including links to published journals and articles) for any comments made with respect to the proposed technical screening criteria.

### 3. Section 1: Respondent's identification

I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- International or European organisation
- National or Local Government or Ministry
- Regulatory authority, Supervisory authority or Central bank
- Other public authority
- Trade union
- Other

First name and last name

Véronique Donnadieu

Name of your organisation

ASPIM (Association Française des Sociétés de Placement Immobilier)

Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this feedback process.)

- Yes
- No

Where are you based?

- Austria
- Belgium
- Bulgaria

- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Norway
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- The Netherlands
- United Kingdom
- Other country

Where does your organisation carry out its activities (select one or more of the following)?

- Europe
- Middle East
- Africa
- Asia
- North America
- South America
- Global

What is the field of your activity?

- Accounting
- Auditing

- Banking
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges) Social entrepreneurship
- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Electricity, gas, steam and air conditioning supply
- Water supply; sewerage, waste management and remediation activities
- Construction and real estate activities
- Transportation and storage
- Accommodation and food service activities
- Information and communication
- Professional, scientific and technical activities
- Administrative and support service activities
- Public administration and defence; compulsory social security
- Education
- Human health and social work activities
- Other

## 4. Section 2: Targeted feedback on the TWG report

What section of the TWG report do you want to comment on?

- Review of the Climate Delegated Act
- Recommendations of new activities
- Defining the missing DNSH for the inclusion of “adapted” activities
- Additional proposals

### Section 2.1: Review of the Climate Delegated Act

What sub-section do you want to comment on?

- Review of Mitigation Annex
- Review of Adaptation Annex
- Reviews relevant for both Annexes

#### Section 2.1.1: Review of Mitigation Annex

##### Energy-related thresholds

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

### **Energy-related thresholds**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

### **Bioenergy activities**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

### **Manufacturing activities**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

### **Environmental protection and restoration activities**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

### **Construction and real estate**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

If yes, please provide your comment by clearly highlighting which part of the chapter you are referring to.

*2000 character(s) maximum*

The comments relate to the section on activity 7.7 (p98-100).

ASPIM and its members consider that recommendations made by the platform on sustainable finance regarding activity 7.7 should focus more sharply on promoting efforts to improve the existing real estate stock which is the priority for the real estate sector.

We therefore propose to add a third case to the two existing cases for the technical screening criteria of the “7.7 Acquisition and ownership of building” activity. This case C would be specific to renovated buildings and would refer to the technical screening criteria for the "renovation of existing buildings" activity. It should also include other “building renovation” activities such as optimisation of building operations, maintenance and renewal of technical equipment, engagement with tenants, etc. and initiatives related to materials used in building renovation.

This technical screening criterion could be written as follows:

Case C: Buildings to be renovated (e.g. old buildings, etc.)

The building meets the following criteria:

- The building renovation complies with the applicable requirements for major renovations implementing Directive 2010/31/EU;
- Alternatively, it leads to a reduction of primary or final energy demand or of GHG emissions of at least 30 % compared to the initial performance of the building. The 30% reduction target in primary or final energy consumption or GHG emissions can be achieved through different levers such as: renovation works, optimisation of building operations, maintenance and renewal of technical equipment, engagement with tenants, etc;
- In addition to this reduction target, the materials used during the renovation phase must promote a circular economy approach with initiatives such as reuse, recycling or use of biomaterials.
- Following the validation of the effective 30% reduction in primary or final energy demand or GHG emissions, the building can be considered as Taxonomy-aligned for a 5-years period.

0 out of 2000 characters used.

Please provide a suggestion for an alternative text. Each suggestion needs to be based on scientific or technical evidence, and supported by references where applicable. Feedback where evidence is not provided cannot be considered.

2000 character(s) maximum

The suggestions relate to the recommendations made for activity 7.7 (p99-100).

- ASPIM considers environmental certifications (BRREAM, LEED, etc.) are not the most appropriate tool to evaluate energy performance (for example some certified buildings may have poorer energy performance than non-certified ones). ASPIM rather recommends to accelerate the harmonisation of EPC frameworks across member states, as ASPIM believes this is essential to ensure reliability and comparability of information communicated to investors at a European level.  
Moreover, ASPIM also recommends pushing for the integration of real energy performance measurement (in line with recommendation for short-term changes 3). ASPIM also wants to highlight that as energy consumption is one of the factors contributing to environmental certifications, the use of these certifications therefore presupposes access to energy consumption data.
- ASPIM is in line with the recommendation to incorporate real annual energy performance measurement. However, ASPIM believes it would be better to leave it up to the players to calculate either in primary energy or in final energy. Indeed, relying only on primary energy contradicts the Taxonomy's objective of financing the transition towards more sustainable buildings, since it favours gas over electricity which is largely decarbonized in France.
- ASPIM also considers that to facilitate access to energy consumptions, it would be relevant to (i) make it compulsory for tenants to communicate their energy consumption in private areas (as real estate asset managers do not currently have access to this information) and (ii) require energy suppliers to reduce the time needed to make the data available (currently 9 months in Germany and 6 months in France).

For more suggestions regarding the recommendations made for activity 7.7, please refer to ASPIM's comments in Section 3 "General feedback on the draft report" (space was too limited here).

**Review of Appendix B on generic DNSH criteria to Sustainable Use of Water and Protection of Water and Marine Resources**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

**Review of Appendix C on generic DNSH criteria to Pollution Prevention and Control**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

**Review of Appendix D on generic DNSH criteria to Protection and Restoration of Biodiversity**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

[Section 2.1.2: Reviews relevant for both Annexes](#)

**Review of differing activity titles and descriptions**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

**Recommended future work: Addressing other potential issues with specific activities**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

**Recommended future work: Review of DNSH of Annex II activities not consulted with the Platform**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

If yes, please provide your comment by clearly highlighting which part of the chapter you are referring to.

*2000 character(s) maximum*

The comments relate to the overview of DNSH criteria assessment for Annex II activities that have not been previously consulted with the Platform, specifically on activity *7.7 Acquisition and ownership of buildings* (p136).

The proposal to align the DNSH criteria on biodiversity protection with those of activities 7.1 and 7.2 seems difficult to apply to activity 7.7.

Indeed, these criteria seem to apply only to new buildings, and not to buildings already constructed. Given that these criteria concern issues determined at the time of construction of the building (e.g. the fact that the construction is not built on specific type of lands), it is impossible to act on these criteria once the building has been constructed, and the real estate manager has no leverage over these criteria retrospectively.

In addition, retrieving the data needed to prove compliance with the DNSH for an existing building (Environmental Impact Assessment, mitigation and compensation measures, etc.) would be very complex and costly.

Similarly, the addition of the DNSH criteria on pollution prevention “consider adding requirements for measures to ensure Indoor Air Quality” seems to apply only to new buildings, and is complicated to implement retroactively on buildings already constructed.

Please provide a suggestion for an alternative text. Each suggestion needs to be based on scientific or technical evidence, and supported by references where applicable. Feedback where evidence is not provided cannot be considered.

*2000 character(s) maximum*

ASPIM is in line with the addition of a DNSH criteria on pollution for activity 7.7 Acquisition and ownership of buildings. However, ASPIM suggests that the “requirements for measures to ensure Indoor Air Quality” should be specified, as it is currently unclear what types of measures are referred to. The definition could, for example, be based on compliance with World Health Organization (WHO) guidelines on air quality.

ASPIM suggests that the DNSH criteria on biodiversity for activity 7.7 Acquisition and ownership of buildings should not be aligned with criteria for activity 7.1 and 7.2. If these criteria were to be aligned, we suggest the following modifications:

- Specify that the recommended actions (in particular the Environmental Impact Assessment) should only be implemented if a green space exists for the building concerned
- Specify what is meant by “Environmental Impact Assessment”.
- Specify the distance taken into account to define “sites/operations located in or near biodiversity-sensitive areas”.

**Recommended future work: Review of activities where the output of the activity requires to be "adapted" in addition to the activity itself being "adapted"**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes
- No

**Recommended future work: DNSH Threshold updates for some "Manufacturing" activities**

Do you generally support the recommendations made in this chapter?

- Yes
- No

Would you like to give specific feedback on the recommendations made in this chapter?

- Yes

## 5. Section 3: General feedback on the draft report

The following feedback relates specifically to the recommendations made for activity 7.7 Acquisition and ownership of buildings (p99-100) and is complementary to the answer already provided in section 2.1.1:

- ASPIM considers that the recommendations should focus on results-based targets (e.g. CO2 emissions reduction target) rather than means-based targets (e.g. exclusion of new fossil fuel equipment in building). Regarding the recommendation on the definition of decarbonisation pathways, ASPIM suggests focusing initially on energy consumption reduction pathways. Subsequently, the decarbonisation pathways should be based on existing national regulations and on the criteria of activity 7.2 (30% reduction in energy consumption) to encourage actors to reduce their CO2 emissions.
- ASPIM is in line with the recommendation to Align EU Taxonomy definitions and criteria and the SFDR PAI indicators. Based on actual performance, APSIM considers an asset with an EPC of A, B or C should be considered as efficient and an asset with (i) an EPD  $\geq$  D, or (ii) an energy performance lower than that of the top 30% of the country concerned should be considered as inefficient.
- On recommendation for short-term changes 2, ASPIM considers it is necessary to clarify the type of data that would need to be publicly disclosed. Indeed, attention should be drawn to the confidentiality issues involved in the collection and transmission of data used for Taxonomy reporting purposes.
- On recommendation for future developments 1, ASPIM considers that changing the substantial contribution criteria for portfolio assessment or adding portfolio-level criteria would imply averaging the performance of the assets in a portfolio: a portfolio holding assets with poor energy performance could compensate for this poor performance with other, more efficient assets, and meet the substantial contribution criteria at portfolio level. This does not seem consistent with the objective of the Taxonomy as it would not encourage real estate managers to improve the energy performance of the least efficient buildings, which is the main decarbonization lever for activity 7.7 *Acquisition and ownership of buildings*. ASPIM therefore suggests deleting this recommendation.
- On recommendation for future developments 4, ASPIM would like to emphasise that the EPCs are already legally binding and are carried out by an external third party who is accountable for them. In addition, as a regulated business, real estate asset managers are already subject to several mechanisms for controlling asset and portfolio performance carried out by the depositaries, by the regulators (AMF, etc.), by their statutory auditors through the annual verification of the consistency of information published in SFDR appendices, etc. ASPIM therefore suggests deleting this recommendation and insisting on the need to harmonise ECR frameworks across member states, coherently with recommendation outside the Climate Delegated Act 5.

