

PU Europe submission to the public consultation on “Sustainable finance – EU classification system for green investments”

PU Europe welcomes the opportunity to comment the draft Commission delegated regulation and its two annexes which would supplement the existing EU Taxonomy Regulation. The European Union drive in setting standards on sustainable financing is welcomed by our organisation.

Due to the societal challenges that the world faces, the huge task of bringing European buildings to an energy efficient level has been singled out as a key priority of the current European Commission. However, the EU Taxonomy technical screening criteria shall be carefully crafted so as to support our path to the 2030 and 2050 GHG emissions objectives.

With this input, we would like to raise our concerns that the way the proposed annexes are drafted:

- Could lead to a **loss of confidence from the sustainable finance community to thermal insulation products, including rigid polyurethane products, and**
- **Would leave untapped a significant, and difficult to reach latter on, energy saving potential during thermal energy renovation activities.**

The long and exhaustive preparatory exercise undertaken by the Technical Expert Group (TEG) came up its the [final report](#) with thermal insulation products being listed under its section 3.1 “Manufacture of Low carbon technologies” (paragraph 3 on page 163). Based on this, the Commission drafted the proposed **annex I & II featuring each a chapter 3.4. called “Manufacture of energy efficiency equipment for buildings”**. While most products listed originally under 3.1 have been migrated to the new chapter 3.4, an obvious omission is the absence of thermal insulation products. Our products would then fall de facto under the chapter 3.5 “Manufacture of other low carbon technologies” with much less visibility at a time when the improvement of the building envelope shall primarily be done thanks to those insulation products. This move could create instability in the market and surely represents an unfair treatment of one product over the others listed in the TEG final report. Furthermore, the current text seems to be inconsistent in its approach since roofing or cladding systems listed under chapter 3.4 do need insulation products and that under chapter 7.3 “Installation, maintenance and repair of energy efficiency equipment”, insulation is the first operation to be mentioned. Why to leave this product out of chapter 3.4 if they substantially contribute to fighting climate change. We therefore call on the Commission to re-introduce previous wording into its proposal and, if NACE codes are needed for such purpose, to make reference to polyurethane thermal insulation products code C22.21.41.50.

Regarding the chapter 7.2 “Renovation of existing buildings “ of Annex I containing the 30% primary energy savings threshold, we fully support the submissions filed by Renovate Europe & EuroAce which warned that applying such requirement could lock improvements of the building stock via too weak energy renovations. A 60% threshold would be more appropriate for reaching our climate objectives, and would in fact be in line with the definition of deep renovation as set in the European Commission Renovation Wave Strategy.

PU Europe sincerely hope that the above comments will be taken into consideration and would like to recall the support of its members to the EU long term carbon neutrality goal. Our products are critical in curbing energy consumption, and hence CO₂ emissions, during the use phase of buildings, from commercial, industrial, public to dwellings. The energy required to manufacture our products (including the raw material acquisition and transformation) is usually offset by the energy savings achieved after the first trimester.

Best regards

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Secretary General

PU Europe is the European voice of the polyurethane (PUR / PIR) insulation industry. The 110 manufacturing sites and more than 20,000 direct jobs in the PU rigid foam sector contribute to tackling the carbon footprint of the buildings stock responsible for around 36% of the CO₂ emissions of the European Union (more information about us via www.pu-europe.eu and lobbying transparency register ID number 27993486325-38).