

PU Europe input to the EU Taxonomy for Sustainable Investment

PU Europe is the European Federation of manufacturers of thermal insulation products, from construction products manufactured in factories to in-situ formed PU foam, based in the European Union and the UK. Our members provide long lasting products and solutions (over 50 years for most of them) that are essential to cut energy use and therefore fight climate change.

PU Europe welcomes the opportunity to provide feedback on the proposed regulations through this public consultation. However, our sector and many other industries in the construction ecosystem are finding it very difficult to stay abreast of the fairly recent European Commission activities on this topic, in part due to the lack of transparency to get access to the technical expert group work. Therefore our input should be seen as high-level and non-exhaustive. However, PU Europe would welcome the opportunity to contribute to the Platform on Sustainable Finance as an ad-hoc expert whenever construction issues are discussed in the context of the EU Taxonomy and sustainable finance more broadly.

We would like to raise the below concerns regarding the draft proposal:

1. Our first concern is regarding sections 3.1.4 and 3.2.4 of the Annex II which address the construction of new buildings and renovations. Specifically, the operator of the activity is required to ensure that the three heaviest material categories used in construction/renovation comply with the maximum limits on the use of primary raw materials. While we support the goal of reducing the use of primary raw materials, we believe that setting such thresholds without conducting a proper impact assessment would have unintended consequences;
2. We agree that the principles of circular design and production should be the foundation for determining the conditions under which an economic activity contributes substantially to the transition to a circular economy. However, we suggest that the use of terms such as "re-use" and "recycling" be precisely defined and harmonized to avoid ambiguity and discrepancies, and also to allow the targets set in the sections 3.1.4 & 3.2.4 to be met.

We also call for recycled construction materials from all recycling technologies to be eligible to sustainable finance. Stemming from this consideration, we would like to ask the role, and methodology, of the mass balance approach in the industry to be clearly recognized in the recycled content requirement for construction products. The mass balance methodology for chemical recycling, in complement to mechanical recycling and other processes, will enable a smooth and rapid transition to leverage recycled feedstocks in existing infrastructure. It is a well-known "chain of custody" model described in ISO22095 that can accurately calculate and verify the amount of recycled feedstocks allocated to products.

PU Europe input to the EU Taxonomy for Sustainable Investment

PU Europe stands ready to continue contributing to the policies and regulations needed for a more sustainable European Economy and wishes to restate that the two key ingredients for drafting policies/legislations in this area should be material neutrality and technological openness.

Best regards

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).