

Call for feedback on TEG report on EU Taxonomy

Fields marked with * are mandatory.

Introduction

Disclaimer:

This call for feedback is part of ongoing work by Directorate-general for financial stability, financial services and capital markets union, Directorate-general for environment, Directorate-general for climate action and Directorate-general for energy on sustainable finance, for which the European Commission has set up a [dedicated Technical expert group \(TEG\)](#).

This feedback process is not an official Commission consultation or document nor an official Commission position. Nothing in this feedback process commits the Commission nor does it preclude any policy outcomes.

In March 2018 the European Commission published its [action plan: financing sustainable growth](#). Action 1 of the Commission's action plan calls for the establishment of an EU classification system for sustainable activities, or Taxonomy. The European Commission followed through on this action in May 2018 with a [proposal for a regulation on the establishment of a framework to facilitate sustainable investment](#) (taxonomy regulation).

In addition, a [technical expert group on sustainable finance \(TEG\)](#) was set up by the European Commission in July 2018 to assist in with the implementation of four key actions of the action plan, including the development of an EU taxonomy.

Within the framework of the proposed taxonomy regulation, the TEG has been asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation, while avoiding significant harm to the four other environmental objectives:

1. sustainable use and protection of water and marine resources;
2. transition to a circular economy, waste prevention and recycling;
3. pollution prevention control; and (4) protection of healthy ecosystems.

On 18 June 2019, the TEG published its [technical report on EU taxonomy](#). The report sets out the basis for a future EU taxonomy in legislation. The report contains:

- technical screening criteria for 67 activities across 8 sectors that can make a substantial contribution to **climate change mitigation**;
- a methodology and worked examples for evaluating substantial contribution to **climate change adaptation**;
- guidance and case studies for **investors preparing to use the taxonomy**.

This report builds on the [work that the TEG published in December last year](#) together with a call for feedback on the proposed criteria for these “first round” activities. The TEG has also engaged with over 150 additional experts in the past months to develop technical screening criteria for the ‘second round’ of climate change mitigation activities and climate change adaptation activities.

In addition to its technical report, the TEG has also published a [supplementary report on using the taxonomy](#). This provides investors and companies with a concise and clear explanation of why the taxonomy is needed, what it looks like, and its ease of use.

Call for feedback

The TEG is inviting stakeholders to provide feedback on (parts of) its technical report through the online `q u e s t i o n n a i r e`.

The deadline for providing feedback is Friday 13 September close of business.

In the online questionnaire, you will be able to select on which parts of the report you want to provide feedback to, including a selection of the 67 individual activities that make a substantial contribution to climate change mitigation and the different elements of each activity.

Next steps

The TEG mandate has been extended until the end of this year. The TEG will use this time to:

- assess the feedback from stakeholders on its technical report;;
- refine and further develop some incomplete aspects of the proposed technical screening criteria for substantial contributions and avoidance of significant harm;
- develop further guidance on implementation and use of the taxonomy.

At the end of its mandate, the TEG will make further recommendations to the European Commission on the need to adjust and complement their work on an EU taxonomy.

The TEG's recommendations are designed to support the European Commission in the development of future delegated acts, as proposed in the taxonomy regulation.

Please note: In order to ensure a fair and transparent feedback process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact ec-teg-sf@ec.europa.eu.

Useful documents and links:

- [More on EU taxonomy](#)
- [Technical report on EU taxonomy](#)
- [Supplementary report on using the taxonomy](#)
- [Specific privacy statement](#)

1. Information about you

* Are you replying as:

- a private individual
- a private organisation or a company
- a public authority or an international organisation

* Name of your organisation:

EPRA - European Public Real Estate Association

Contact email address:

The information you provide here is for administrative purposes only and will not be published

j.bour@epra.com

* 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. [Why a transparency register?](#))

- Yes
- No

* If so, please indicate your Register ID number:

09307393718-06

* Type of organisation:

- Academic institution
- Company, SME, micro-enterprise, sole trader
- Consultancy, law firm
- Consumer organisation
- Industry association
- Media
- Non-governmental organisation
- Think tank
- Trade union
- Other

* Where are you based and/or where do you carry out your activity?

Belgium

* Field of activity (*if applicable*):

at least 1 choice(s)

- 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
- Other
- Not applicable

* Please specify your activity field(s) or sector(s):

Listed real estate

* Sector (*if applicable*):

at least 1 choice(s)

- A Agriculture, forestry and fishing
- B Mining and quarrying
- C Manufacturing
- D Electricity, gas, steam and air conditioning supply
- E Water supply; sewerage, waste management and remediation activities
- F Construction
- H Transportation and storage
- I Accommodation and food service activities
- J Information and communication
- K Financial and insurance activities
- L Real estate activities
- M Professional, scientific and technical activities
- N Administrative and support service activities
- O Public administration and defence; compulsory social security
- P Education
- Q Human health and social work activities
- Not applicable

Important notice on the publication of responses

- * Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?
([see specific privacy statement](#))
 - Yes, I agree to my response being published under the name I indicate (*name of your organisation /company/public authority or your name if your reply as an individual*)
 - No, I do not want my response to be published

- * Contributions received through this survey will be reviewed by the TEG. Do you agree to be contacted by the TEG to clarify your response if necessary?
 - Yes, I agree to be contacted by the TEG if necessary through the contact details I provided
 - No, I do not want to be contacted by the TEG

2. Selection feedback

This call for feedback covers the following parts of the technical report:

- 1. Climate change mitigation activities**
- 2. Climate change adaptation**
- 3. Usability of the taxonomy**

4. Future development of the taxonomy

Please tick the relevant topics and/or sectors and activities to which you would like to provide feedback:
(You will be able to answer questions for the selected topics and/or sectors and activities)

1. Climate change mitigation activities

Agriculture and forestry

- Growing of perennial crops
- Growing of non-perennial crops
- Livestock production
- Afforestation
- Rehabilitation, Restoration
- Reforestation
- Existing forest management

Manufacturing

- Manufacturing of low carbon technologies
- Manufacture of Cement
- Manufacture of Aluminium
- Manufacture of Iron and Steel
- Manufacture of hydrogen
- Manufacture of other inorganic basic chemicals
- Manufacture of other organic basic chemicals
- Manufacture of fertilizers and nitrogen compounds
- Manufacture of plastics in primary form

Electricity, gas, steam and air conditioning supply

- Production of Electricity from Solar PV
- Production of Electricity from Concentrated Solar Power
- Production of Electricity from Wind Power
- Production of Electricity from Ocean Energy
- Production of Electricity from Hydropower
- Production of Electricity from Geothermal
- Production of Electricity from Gas Combustion
- Production of Electricity from Bioenergy
- Transmission and Distribution of Electricity
- Storage of Energy
- Manufacture of Biomass, Biogas or Biofuels
-

Retrofit of Gas Transmission and Distribution Networks

- District Heating/Cooling distribution
- Installation and operation of Electric Heat Pumps
- Cogeneration of Heat/Cool and power from Concentrated Solar Power
- Cogeneration of Heat/Cool and power from Geothermal Energy
- Cogeneration of Heat/Cool and power from Gas Combustion
- Cogeneration of Heat/Cool and power from Bioenergy
- Production of Heating and Cooling from Concentrated Solar Power
- Production of Heating and Cooling from Geothermal Energy
- Production of Heating and Cooling from Gas Combustion
- Production of heating and cooling from Bioenergy
- Production of Heating and Cooling using Waste Heat

Water, Waste and Sewerage remediation

- Water collection, treatment and supply
- Centralized wastewater treatment systems
- Anaerobic digestion of sewage sludge
- Separate collection and transport of non-hazardous waste in source segregated fractions
- Anaerobic digestion of bio-waste
- Composting of bio-waste
- Material recovery from waste
- Landfill gas capture and energetic utilization
- Direct Air Capture of CO₂
- Capture of anthropogenic emissions
- Transport of CO₂
- Permanent Sequestration of captured CO₂

Transport

- Passenger Rail Transport (Interurban)
- Freight Rail Transport
- Public transport
- Infrastructure for low carbon transport
- Passenger cars and commercial vehicles
- Freight transport services by road
- Interurban scheduled road transport
- Inland passenger water transport
- Inland freight water transport
- Construction of water projects

Information and Communication Technologies (ICT)

- Data processing, hosting and related activities
- Data-driven solutions for GHG emissions reductions

Buildings

- Construction of new buildings
- Renovation of existing buildings
- Individual renovation measures, installation of renewable on-site and professional, scientific and technical activities
- Acquisition of buildings

2. Climate change adaptation

- I want to provide feedback for this topic

3. Usability of the taxonomy

- I want to provide feedback for this topic

4. Future development of the taxonomy

- I want to provide feedback for this topic

Buildings - Construction of new buildings

*When responding to these questions please refer to the requirements for technical screening criteria as outlined in Article 14 of the [proposed Taxonomy regulation](#) and the principles for developing criteria as used by TEG and explained in the *Technical report on Taxonomy*.*

Please note that if you propose new boundaries, metrics or thresholds for an activity, you are requested to also provide additional information on the Do No Significant Harm assessment that might be affected by your proposal.

Please select the elements of the activity to which you would like to provide feedback:

- Boundary of the activity
- Metric for substantial contribution criteria

- Threshold for substantial contribution criteria
- Do no significant harm criteria
- International applicability of activity criteria

1. Should the boundaries, as set for the purposes of applying principles, metrics and thresholds of the activity, be different?

- Yes
- No

I f y e s , w h y a n d h o w ?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

While the construction sector continues to grow, in Europe the renovation rate remains very low, under 1% per year (source: p 373 of TEG technical report published in June 2019). This number demonstrates the need to prioritise decarbonisation of the existing stock rather than to promote and finance new constructions. Considering the resources costs of a new construction and the environmental impacts associated to it (source: p.372 of TEG technical report published in June 2019), new buildings should not be financed in a market with high vacancy rates (or vacancy rate beyond the equilibrium), or in a market with negative population growth, as this could lead to providing incentives that do not effectively mitigate climate change.

Links to evidence:

1000 character(s) maximum

2. Should a different metric be used?

- Yes
- No

I f y e s , w h y a n d h o w ?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

Ex-ante approach

The suggested ex-ante approach, based on EPBD and EPC methodology, assumes that the foreseen primary energy consumption of an asset is going to be aligned with the real consumption of the same asset as-built. This assumption is demonstrated to be factually not correct by several studies; among them, a study on gap in building performance commissioned by the European Commission found a significant deviation between predicted and actual energy performance, which can be over 50%. Therefore, we highly recommend, in a long-term, to consider using an ex-post approach via a more reliable process of actual data 'Measurement and Verification' (M&V).

Addressing the lack of actual data

It is true that there is a lack of actual and consistent data on the building stock performance in the public domain (p 364 of TEG technical report published in June 2019), however, the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise their disclosure. For this reason, as additional condition for a project to be eligible under the taxonomy, we would like the TEG to consider the inclusion of mandatory requirements for monitoring and communicating the actual performance of a building during its operation. Based on EPRA's experience in real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The taxonomy could in fact act as an incentive for companies to collect and disclose those data or to lead them to install monitoring systems to track real performance where needed. This will provide investors with insights not only about the expected (via the ex-ante approach) but also, and most importantly, about the actual environmental benefits of a project (via the ex-post approach), which would be perfectly in line with the taxonomy.

On principle

The report states that 'it will be ensured that the criteria are always at least as ambitious, as a minimum, as the level of performance of the top 15% of the local building stock and projected to progressively decline to net zero energy and GHG emissions by 2050.'

To achieve this goal, the TEG should clarify that, to reach the 2050 net zero energy target, companies will be allowed to use carbon offsets. Carbon offsets calculation should rely on the most stringent methodologies available.

On thresholds

Exclusion of fossil fuel activities has to be clarified. The TEG should make clear the criteria for a building to be excluded or not (for example a building used for administrative purpose by an energy company (i.e. headquarters, or R&D)) based on:

- what type of activity is considered fossil fuel related (i.e. fossil fuel equipment as well),
- what threshold of turnover is applied (what if a company has only a low % of turnover related to fossil fuel)

Links to evidence:

1000 character(s) maximum

1) <https://ec.europa.eu/easme/en/news/closing-gap-between-promised-energy-savings-and-real-energy-consumption-buildings> - EC report on the performance gap

3. Should the threshold be different?

- Yes
 No

If yes, why and how?

Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

Considering the urgency for the financial market to foster the transition toward a greener economy, EPRA supports the proposed ex-ante EPC approach for a limited transitional period and we encourage the TEG to move, at the next revision of the taxonomy, towards an actual performance based building approach, also considering the below evidences on NZEB and EPC:

- NZEB has not yet been implemented and NZEB thresholds not yet defined in many EU countries (e.g. in France, the closest concept to NZEB is the Positive Energy Buildings which has proven very hard to apply and not the most relevant in terms of the building's impact on climate change as it is based on in-use building energy which excludes grey energy). Moreover, as the definition of NZEB changes from one country to another, there is a risk that some countries might attract more capital by making the performance threshold less stringent. Therefore, for a limited transitional period, we support the proposition of the TEG that the thresholds are reviewed following publication of a dedicated DG ENER study in the second half of 2019.
- As demonstrated by several studies (see Carbon Trust report, p.4 or JLL/BBP study) EPCs are not reliable in capturing the real performance of a building. This is also proved by the fact that members states are moving from modelled data to actual data approach when it comes to building performance. The Netherlands is indeed considering the introduction of a performance based building code based on energy monitoring.
- One of the main cause of the performance gap, also mentioned in the Carbon Trust report, is the lack of sufficient means of measuring and managing the building systems performance once operational. Given this, we highly recommend the TEG to make mandatory the ex-post verification of the EPC and EPBD threshold and thereby to incentivise metering strategies that are proved to improve the operational performance of buildings. This way a combination of the ex-ante approach with the ex-post verification (similar to the one used for Green Bonds) can be reached in a transition towards a more actual performance based methodology which we highly recommend in the longer term.

Links to evidence:

1000 character(s) maximum

- 1) Carbon trust report: <https://www.carbontrust.com/media/81361/ctg047-closing-the-gap-low-carbon-building-design.pdf>
- 2) BBP Study: <http://www.betterbuildingspartnership.co.uk/sites/default/files/media/attachment/BBP%20JLL%20-%20A%20Tale%20of%20Two%20Buildings%202012.pdf>
- 3) The Netherlands' performance based building code <https://netimpactamsterdam.home.blog/dgbcs-delta-net-zero-plan/>

Buildings - Renovation of existing buildings

When responding to these questions please refer to the requirements for technical screening criteria as outlined in Article 14 of the [proposed Taxonomy regulation](#) and the principles for developing criteria as used by TEG and explained in the Technical report on Taxonomy.

Please note that if you propose new boundaries, metrics or thresholds for an activity, you are requested to also provide additional information on the Do No Significant Harm assessment that might be affected by your proposal.

Please select the elements of the activity to which you would like to provide feedback:

- Boundary of the activity
- Metric for substantial contribution criteria
- Threshold for substantial contribution criteria
- Do no significant harm criteria
- International applicability of activity criteria

2. Should a different metric be used?

- Yes
- No

If yes, why and how?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

Ex-ante approach

The suggested ex-ante approach, based on EPBD methodology, assumes that the foreseen primary energy consumption of an asset is going to be aligned with the real consumption of the same asset as-built (after its renovation). This assumption is demonstrated to be factually not correct by several studies; among them, a study on gap in building performance commissioned by the European Commission found a significant deviation between predicted and actual energy performance, which can be over 50%. We highly recommend to use an ex-post approach via a more reliable process of actual data 'Measurement and Verification' (M&V).

Addressing the lack of actual data

It is true that there is a lack of actual and consistent data on the building stock performance in the public domain (p 364 of TEG technical report published in June 2019), however, the ex-ante approach, which

continues to rely on data modelling, does not address the problem and does not incentivise their disclosure. For this reason, as additional condition for a project to be eligible under the taxonomy, we would like the TEG to consider the inclusion of mandatory requirements for monitoring and communicating the actual performance of a building during its operation. Based on EPRA's experience in real estate, we know that actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The taxonomy could act as an incentive for companies to collect and disclose those data or to lead them to install monitoring systems to track real performance where needed. This will provide investors with insights not only about the expected (via the ex-ante approach) but also, and most importantly, about the actual environmental benefits of a project (via the ex-post approach), which would be perfectly in line with the taxonomy.

On principle

The report states that 'it will be ensured that the criteria are always at least as ambitious, as a minimum, as the level of performance of the top 15% of the local building stock and projected to progressively decline to net zero energy and GHG emissions by 2050.' To achieve this goal, the TEG should clarify that, to reach the 2050 net zero energy target, companies will be allowed to use carbon offsets. Carbon offsets calculation should rely on the most stringent based on stringent methodologies available.

On area definition

We identified the lack of a standardised European floor area measurement system as an operational challenge in the sector. Even a slight difference in the methodology of calculating the floor area changes the intensity value, in turn impacting the energy assessment. As suggested by the TEG report, a widely adopted floor area measurement standard such as the one proposed by the International Property Measurement Standards should be made mandatory for area calculation, in order to ensure comparability across assets and property types.

Links to evidence:

1000 character(s) maximum

1) <https://ec.europa.eu/easme/en/news/closing-gap-between-promised-energy-savings-and-real-energy-consumption-buildings> - EC report on the performance gap

3. Should the threshold be different?

- Yes
 No

If yes, why and how?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

Considering the urgency for the financial market to foster the transition toward a greener economy, EPRA supports the proposed EPC approach for a limited transitional period and encourages the TEG to move, at the next revision of the taxonomy, towards an actual performance based building approach, also considering the below evidences on NZEB and EPC:

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- One of the main reason of the performance gap, mentioned in the Carbon Trust report, is the lack of insufficient means of measuring and managing the building systems performance once operational. Given this, we highly recommend the TEG to make mandatory the ex-post verification of the EPC and EPBD threshold and to incentivise metering strategies that are proved to improve the operational performance of buildings.

Links to evidence:

1000 character(s) maximum

1) Carbon trust report: <https://www.carbontrust.com/media/81361/ctg047-closing-the-gap-low-carbon-building-design.pdf>

Buildings - Individual renovation measures, installation of renewable on-site and professional, scientific and technical activities

When responding to these questions please refer to the requirements for technical screening criteria as outlined in Article 14 of the [proposed Taxonomy regulation](#) and the principles for developing criteria as used by TEG and explained in the [Technical report on Taxonomy](#).

Please note that if you propose new boundaries, metrics or thresholds for an activity, you are requested to also provide additional information on the Do No Significant Harm assessment that might be affected by your proposal.

Please select the elements of the activity to which you would like to provide feedback:

- Boundary of the activity
- Metric for substantial contribution criteria

- Threshold for substantial contribution criteria
- Do no significant harm criteria
- International applicability of activity criteria

2. Should a different metric be used?

- Yes
- No

I f y e s , w h y a n d h o w ?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

As suggested in the previous consultation, EPRA appreciates the inclusion of single energy efficiency and renewable energy interventions that are often more feasible than deep renovation while retaining a strong carbon reduction potential.

As part of 'metrics and threshold' categories, we would like the TEG to include references to similar existing initiatives such as the white certificates mechanism implemented across European countries.

Depending on the type of measure to be installed, the white certificate mechanism prescribe ex-ante or ex-post approaches for monitoring and communication of primary energy saving, depending on the type of measure.

A non-exhaustive list of installations eligible for white certificates, taken from the Italian Energy Agency (GSE), includes:

- Installation of automation & control system in residential buildings (BACS) according to the UNI EN 15232 standard
- Installation of electric heat pump for domestic hot water production in new and existing domestic systems
- Installation of centralized systems for winter and summer air-conditioning of civil buildings

Links to evidence:

1000 character(s) maximum

1) [https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/Schede%20Tecniche/Scheda%20Tecnica%2038E%20-%20Installazione%20di%20sistema%20di%20automazione%20e%20controllo%20del%20riscaldamento%20negli%20edifici%20residenziali%20\(BACS\)%20secondo%20la%20norma%20UNI%20EN%2015232.pdf](https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/Schede%20Tecniche/Scheda%20Tecnica%2038E%20-%20Installazione%20di%20sistema%20di%20automazione%20e%20controllo%20del%20riscaldamento%20negli%20edifici%20residenziali%20(BACS)%20secondo%20la%20norma%20UNI%20EN%2015232.pdf)

2) https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/Schede%20Tecniche/Scheda%20Tecnica%2027T%20-%20Installazione%20di%20pompa%20di%20calore%20elettrica%20per%20produzione%20di%20acqua%20calda%20sanitaria%20in%20impianti%20domestici%20nuovi%20ed%20esistenti.pdf

3) [https://www.gse.it/documenti_site/Documenti GSE/Servizi per te/CERTIFICATI BIANCHI/Schede Tecniche](https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/Schede%20Tecniche/Scheda%20Tecnica%2027T%20-%20Installazione%20di%20pompa%20di%20calore%20elettrica%20per%20produzione%20di%20acqua%20calda%20sanitaria%20in%20impianti%20domestici%20nuovi%20ed%20esistenti.pdf)

3. Should the threshold be different?

- Yes
 No

If yes, why and how?
Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

As part of the eligible measures, we would like the TEG to consider:

1. Smart billing.

This measure is recommended mainly for the residential sector where tenants' behavior can influence drastically the energy performance of a building. Smart billing aims to induce the tenant to achieve electricity savings through awareness of his own electricity consumption and associated costs. For more information, please refer to the Italian white certificates mechanism led by GSE - <https://www.gse.it/servizi-per-te/efficienza-energetica/certificati-bianchi/documenti>
https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/RVC/PS%20n.%205%20-%20IMPLEMENTAZIONE%20DELLA%20BOLLETTA%20SMART.pdf

2. Renewables:

off-site renewable energy installations, when it is pooled and used with other buildings to provide energy to a district

Installation of ground-source heat pumps using a refrigerant with GWP<10, calculated following Annex IV of Regulation (EU) No 517/2014 (F-gas Regulation), (and the ancillary technical equipment) / Installation of wind turbines (and the ancillary technical equipment). In particular, we suggest to add "or without heat pumps if it is connected to a heating network"

Biogas plant

3. Individual building renovation measures:

Addition of insulation to the existing envelope components, such as external walls, roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness). In particular we suggest to add "air quality after air tightness"

Lost energy recovery equipment

Energy recovery with graywater heat recovery system, with a heat pump

Links to evidence:

1000 character(s) maximum

Smart metering – Italian white certificates mechanism led by GSE https://www.gse.it/documenti_site/Documenti%20GSE/Servizi%20per%20te/CERTIFICATI%20BIANCHI/RVC/PS%20n.%205%20-%20IMPLEMENTAZIONE%20DELLA%20BOLLETTA%20SMART.pdf

Buildings - Acquisition of buildings

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Please note that if you propose new boundaries, metrics or thresholds for an activity, you are requested to also provide additional information on the Do No Significant Harm assessment that might be affected by your proposal.

Please select the elements of the activity to which you would like to provide feedback:

- Boundary of the activity
- Metric for substantial contribution criteria
- Threshold for substantial contribution criteria
- Do no significant harm criteria
- International applicability of activity criteria

1. Should the boundaries, as set for the purposes of applying principles, metrics and thresholds of the activity, be different?

- Yes
- No

I f y e s , w h y a n d h o w ?

Please provide a brief rationale for the proposed change as well as links to published journals or articles as evidence.

Explanation:

3000 character(s) maximum

One of the main problem with acquisitions is often to gather relevant and precise data during the due diligence process. The taxonomy should encourage acquirers and all sellers to communicate such data. In this regard, we would recommend the TEG to include reference to BBP Acquisitions Toolkit which is specifically designed to enable investors to do this. More info at this link: <http://www.betterbuildingspartnership.co.uk/acquisitions-sustainability-toolkit>

Links to evidence:

1000 character(s) maximum

BBP Acquisitions Toolkit which is specifically designed to enable investors to do this. More info at this link:
<http://www.betterbuildingspartnership.co.uk/acquisitions-sustainability-toolkit>

1. Do you consider that the qualitative criteria for adaptation apply equally to all sectors?

- Yes
- No
- Don't know / no opinion / not relevant

Please explain your answer:

2000 character(s) maximum

2. Should the qualitative criteria be different?

- Yes
- No
- Don't know / no opinion / not relevant

3. Are the illustrative templates provided in the Technical report useful for indicating the potential application of the criteria?

- Yes
- No
- Don't know / no opinion / not relevant

Please explain what other information would be useful:

3000 character(s) maximum

4. Would any additional data or tools would improve the usability of the Adaptation qualitative screening criteria?

- Yes
- No
- Don't know / no opinion / not relevant

Are there areas of potential harm that TEG should consider for DNSH criteria for the activities that make a substantial contribution to adaptation objectives?

- Yes
- No
- Don't know / no opinion / not relevant

3. Usability of the taxonomy

1. Do you expect to use the Taxonomy in your business activities in the short term (1-3 years) or long term (4 years or more)?

- Yes
- No
- Don't know / no opinion / not relevant

2. Can the Taxonomy be made more useful for disclosures related to your specific financial product? This question covers only financial products where disclosure obligations are foreseen by the Taxonomy proposal.

- Yes
- No
- Don't know / no opinion / not relevant

Which specific financial product(s) did you have in mind?

- Portfolio management
- UCITS funds
- Alternative investment funds
- Insurance-based Investment Products
- Pension products and pension schemes

How could the Taxonomy be made more useful for Portfolio management?

2000 character(s) maximum

The taxonomy would be particularly useful if it addressed the lack of actual data availability in the public domain as it had been proved to be one of the main obstacles for the investment community as far as the green investment is concerned. As pointed out in the previous sections of the consultation, the exclusive use of the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. In addition, the proposed taxonomy excludes GHG data from the mandatory set of information and it is limited to energy. Based on EPRA's experience in

real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The listed real estate sector has proved that certain drivers (such as investors' demand and potentially the Taxonomy) can force the same companies to implement monitoring systems, track real performance and communicate it publicly. The EPRA sBPR database is an example of public disclosure based on actual environmental data. Therefore, if the Taxonomy incentivised the ex-post approach in addition to the ex-ante approach (similarly to Green Bonds), it would benefit enormously the investment community, especially in real estate as it would increase buildings' data availability in the public domain.

How could the Taxonomy be made more useful for UCITS funds?

2000 character(s) maximum

The taxonomy would be particularly useful if it addressed the lack of actual data availability in the public domain as it had been proved to be one of the main obstacles for the investment community as far as the green investment is concerned. As pointed out in the previous sections of the consultation, the exclusive use of the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. In addition, the proposed taxonomy excludes GHG data from the mandatory set of information and it is limited to energy. Based on EPRA's experience in real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The listed real estate sector has proved that certain drivers (such as investors' demand and potentially the Taxonomy) can force the same companies to implement monitoring systems, track real performance and communicate it publicly. The EPRA sBPR database is an example of public disclosure based on actual environmental data. Therefore, if the Taxonomy incentivised the ex-post approach in addition to the ex-ante approach (similarly to Green Bonds), it would benefit enormously the investment community, especially in real estate as it would increase buildings' data availability in the public domain.

How could the Taxonomy be made more useful for Alternative investment funds?

2000 character(s) maximum

The taxonomy would be particularly useful if it addressed the lack of actual data availability in the public domain as it had been proved to be one of the main obstacles for the investment community as far as the green investment is concerned. As pointed out in the previous sections of the consultation, the exclusive use of the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. In addition, the proposed taxonomy excludes GHG data from the mandatory set of information and it is limited to energy. Based on EPRA's experience in real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The listed real estate sector has proved that certain drivers (such as investors' demand and potentially the Taxonomy) can force the same companies to implement monitoring systems, track real performance and communicate it publicly. The EPRA sBPR database is an example of public disclosure based on actual environmental data. Therefore, if the Taxonomy incentivised the ex-post approach in addition to the ex-ante approach (similarly to Green Bonds), it would benefit enormously the investment community, especially in real estate as it would increase buildings' data availability in the public domain.

How could the Taxonomy be made more useful for Insurance-based Investment Products?

2000 character(s) maximum

The taxonomy would be particularly useful if it addressed the lack of actual data availability in the public domain as it had been proved to be one of the main obstacles for the investment community as far as the green investment is concerned. As pointed out in the previous sections of the consultation, the exclusive use of the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. In addition, the proposed taxonomy excludes GHG data from the mandatory set of information and it is limited to energy. Based on EPRA's experience in real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The listed real estate sector has proved that certain drivers (such as investors' demand and potentially the Taxonomy) can force the same companies to implement monitoring systems, track real performance and communicate it publicly. The EPRA sBPR database is an example of public disclosure based on actual environmental data. Therefore, if the Taxonomy incentivised the ex-post approach in addition to the ex-ante approach (similarly to Green Bonds), it would benefit enormously the investment community, especially in real estate as it would increase buildings' data availability in the public domain.

How could the Taxonomy be made more useful for Pension products and pension schemes?

2000 character(s) maximum

The taxonomy would be particularly useful if it addressed the lack of actual data availability in the public domain as it had been proved to be one of the main obstacles for the investment community as far as the green investment is concerned. As pointed out in the previous sections of the consultation, the exclusive use of the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. In addition, the proposed taxonomy excludes GHG data from the mandatory set of information and it is limited to energy. Based on EPRA's experience in real estate, we are aware that most of the times, actual data of building performance are potentially available but not gathered and communicated in a systematic way by the assets owner. The listed real estate sector has proved that certain drivers (such as investors' demand and potentially the Taxonomy) can force the same companies to implement monitoring systems, track real performance and communicate it publicly. The EPRA sBPR database is an example of public disclosure based on actual environmental data. Therefore, if the Taxonomy incentivised the ex-post approach in addition to the ex-ante approach (similarly to Green Bonds), it would benefit enormously the investment community, especially in real estate as it would increase buildings' data availability in the public domain.

3. Can the Taxonomy be made more useful for your investment decisions in different asset classes?

- Yes
- No
- Don't know/no opinion/not relevant

Which asset class(es) did you have in mind?

- Public equity
- Corporate bonds
- Green bonds
- Private equity
- Real estate
- Project finance
- Green loans

How could the Taxonomy be made more useful for real estate?

2000 character(s) maximum

The taxonomy would be useful if it addressed the lack of actual data availability which is proved to be one of the main obstacles for the investment community when it comes to green investment. As pointed out in the previous sections of the consultation, the ex-ante approach, which continues to rely on data modelling, does not address the problem and does not incentivise the collection and disclosure of actual data. For this reason, we would recommend to move from an ex-ante to an ex-post approach in the long-term.

Along with the proposed ex-ante approach, we suggest the TEG to consider an additional condition for a project to be eligible under the taxonomy, which is the inclusion of mandatory requirements for monitoring and communicating the actual performance of a building during its operation (ex-post approach). This way the Taxonomy would feasibly incentivise the ex-post approach alongside the ex-ante approach (similarly to Green Bonds) which would benefit enormously the investment community in real estate as it would increase buildings' data availability in the public domain.

4. Is it sufficiently clear when the entire activities of a company or other entity should be considered as Taxonomy eligible (revenues or turnover) and when only expenditures by companies or other entities should be considered Taxonomy eligible?

- Yes
- No
- Don't know / no opinion / not relevant

5. What practical tools or measures could be developed to facilitate the implementation of the taxonomy by financial actors?

Please specify what these tools would be used for and provide sufficient explanation on how they can help to implement the taxonomy:

2000 character(s) maximum

6. What practical tools or measures could be developed to help non-financial companies assess what share of their economic activities is taxonomy-eligible?

3000 character(s) maximum

Promotion of actual data disclosure, instead of modelled data.

4. Future development of the taxonomy

1. What economic activities that can make a substantial contribution to the climate change mitigation objective should next be considered for the Taxonomy?

2000 character(s) maximum

For the real estate associated economic activities, we recommend the TEG to reconsider its approach and move from an ex-ante to an ex-post methodology in a long-term.

2. Should any of the economic activities included in the Technical report be reconsidered as regards their inclusion in the taxonomy?

- Yes
- No
- Don't know / no opinion / not relevant

3. For what economic activities should an illustrative template for substantial contribution to climate change adaptation be developed next?

2000 character(s) maximum

Useful links

[More on EU taxonomy \(https://ec.europa.eu/info/publications/sustainable-finance-teg-taxonomy_en\)](https://ec.europa.eu/info/publications/sustainable-finance-teg-taxonomy_en)

[Technical report on EU taxonomy \(https://ec.europa.eu/info/files/190618-sustainable-finance-teg-report-taxonomy_en\)](https://ec.europa.eu/info/files/190618-sustainable-finance-teg-report-taxonomy_en)

[Supplementary report on using the taxonomy \(https://ec.europa.eu/info/files/190618-sustainable-finance-teg-repo-using-the-taxonomy_en_en\)](https://ec.europa.eu/info/files/190618-sustainable-finance-teg-repo-using-the-taxonomy_en_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/190705-sustainable-finance-teg-report-taxonomy-privacy-statement_en\)](https://ec.europa.eu/info/files/190705-sustainable-finance-teg-report-taxonomy-privacy-statement_en)

Contact

ec-teg-sf@ec.europa.eu