

Helsinki 17th December 2020

Statement concerning the commission delegated regulation regarding the EU taxonomy for sustainable activities

About RAKLI

RAKLI is an association of professional property owners and construction clients in Finland. Our over 200 member organizations cover widely the most significant companies and public sector entities, who have an active ownership interest in typically a portfolio of properties and have organized its management in a professional manner.

Statement

We kindly ask you to consider the following:

1. We are concerned that the time between the end of the consultation regarding the Delegated Act on 18th December 2020 and the intended adoption of the act on 31st December 2020 does not allow for proper consideration of any comments and remarks. In order to be aligned with general principles of good and unbiased governance, the adoption of the delegated acts should be postponed until all feedback has been fully noted and recognized.
2. Regarding the objective of **climate change mitigation**, the technical screening criterion for **acquisition and ownership of buildings** has been set in a very problematic manner from the Finnish property owners' point of view: The criterion for buildings built before 31st December 2020 holds that the building has to have an Energy Performance Certificate (EPC) class A rating. The threshold for EPC class A has been set extremely high in Finland, and historically granted only to 1 % of apartment buildings, while, e.g., in the Netherlands, the EPC class A has been granted to approximately 16 % of the existing building stock. Thus, this criterion practically excludes all existing buildings in Finland from obtaining green finance in the future creating an unjust disadvantage in the context of European green financing markets. As an amendment, we propose the best 15 % of the existing buildings in terms of local energy efficiency measurement would be in compliance with the criterion.
3. The technical screening criterion for **acquisition and ownership of buildings** disregards the acquisition of buildings with an intention to renovating them. While energy efficiency improvements are in focus of most major building renovations, this common acquisition strategy has a significant impact towards the objective of **climate change mitigation** and should be noted as an activity comparable to **construction of new buildings** within the taxonomy framework. We propose that an acquisition of building with an aim to subsequently carry out improvement measures in compliance with the criterion of **Renovation of existing buildings** would meet the minimum threshold to be in compliance with the taxonomy.
4. The technical screening criterion for **construction of new buildings** is referring to the concept of primary energy demand (PED). We find the definition of this concept ambiguous and problematic from the perspective of national level energy efficiency steering measures. We recommend the criterion to be simplified by linking it with the national minimum requirement for energy efficiency.
5. The Do-No-Significant-Harm assessment regarding the **protection and restoration of biodiversity and ecosystems** in connection to **construction of new buildings** and **acquisition and ownership of**

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buildings holds that the building should not or should not have been built on forest (or other wooded) land. The requirement does not consider the environmental characteristics of the Nordic countries: In Finland 73 % of all land is covered by forest. Practically, any land available for developments is covered by trees. Moreover, approximately 15 % of the land area is geologically classified as marshland, swamp or bog, where any construction activity would induce heavy GHG emissions as a consequence of extensive ground stabilization and pile-driving works. Thus, most buildings cannot comply with the requirement and would be excluded from obtaining green finance in the future. As an amendment, we propose that the application of this requirement should be limited to forest and wooded areas with locally or nationally significant natural values (i.e., areas already recognized by the local environmental agency or areas that have been accepted to the Natura network). In addition, the lost carbon sinks could be compensated by reforestation of nearby areas not suitable for construction. This applies for both the objectives of climate change mitigation and climate change adaptation.

6. The Do-No-Significant-Harm assessment regarding the **sustainable use and protection of water and marine resources** in connection to **construction of new buildings** and **renovation of existing buildings** holds that any installed wash hand basin taps, kitchen taps and showers have a maximum water flow of 6 litres per minute. The flow of typically installed water saving faucets in Finland is 9 litres per minute. The requirement does not consider the variations in availability of water resources between the EU member states. The Water Exploitation Index, plus (WEI+) value for Finland is 0.16 in contrast to the EU27 average of 8.39. Thus, we propose that the requirement of flow per minute should be linked to the WEI+ index to allow for minor variations between the EU states. This applies for both the objectives of climate change mitigation and climate change adaptation.

The Finnish property industry has a serious approach towards the objectives of the Taxonomy, and we hope you will take into account the issues we have raised in this statement.

Yours sincerely,

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CEO
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