

Brussels, 1 October 2013

Orgalime contribution to the public consultation on Sustainable Buildings

Orgalime supports the development and construction of sustainable buildings. In particular, our industry has been actively supporting the EU's activities on improving energy efficiency of buildings considering the sheer energy savings potentials of this sector and its relevance for putting the EU's energy and climate change targets into practice.

We thank the Commission for giving to stakeholders the opportunity to comment on the EU's policy on sustainable buildings. However, we are somewhat concerned about its focus and pursued objective:

The aspect of energy efficiency of buildings, which we consider of overriding importance, is excluded from this consultation. This may be for the good reason that this aspect has already been regulated in the Energy Efficiency of Buildings and Energy Efficiency Directives (EPBD and EED). However, when analysing improvement potentials and discussing policy options for further improving the environmental performance of buildings and their overall sustainability, we feel that the aspect of energy efficiency cannot be left aside. Any policy action potentially following up this consultation therefore requires a careful assessment in terms of costs and benefits and to not hinder or disturb the ongoing implementation of energy efficiency.

Uncertainties also result from the use of the term "building component" in the consultation document, which appears a vague concept to us. Indeed, the term "building components" is not used in existing legislation related to buildings, such as the Energy Performance of Building Directive (2010/31/EU) or the Construction Product Regulation (305/2011/EU). The consultation document does not clarify what this term should include for the purpose of this consultation.

Our industries cover a wide range of products, technical installations and systems installed in buildings, such as heating, ventilation and air-conditioning systems, or (hot) water and lighting systems. In case the Commission understood "building components" to include such equipment, we ask the Commission to take the following comments into account:

1. No creation of overlaps with existing regulation on engineering equipment

Our industries are committed to the continuous environmental improvement of production processes and products. Taking into consideration that roughly 40-45% of production costs of engineering equipment relate to material and resource consumption, resource efficiency represents an indispensable economic necessity for engineering industries to remain competitive on global markets.

Orgalime, the European Engineering Industries Association, speaks for 38 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.3 million people in the EU and in 2012 accounted for some €1,840 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.

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The Eco-design Directive together with its ongoing implementation on some 46 different products of our industries is a milestone for the realisation of the EU Resource Efficiency policy. Until today, the Eco-design Directive has mainly resulted in regulating the energy consumption of these products during the use phase, since it has been identified in preparatory studies as by far the overriding environmental aspects from a life cycle perspective. Other environmental aspects that have also been addressed following this life cycle studies include noise (e.g.: for heat pump space and water heaters), air emissions (e.g. for nitrogen oxides emissions of space and water heaters) or material content of for example lighting equipment.

Manufacturers are also required to provide relevant information for disassembly, recycling and disposal at end-of-life for certain equipment (e.g.: for space heaters, electrical motors or circulators).

In addition to the Eco-design Directive, several pieces of legislation regulate on aspects that also affect the design of our product, including resource efficiency aspects. Indeed, engineering industries are subject to restriction and information requirements on substances used in our products (notably through the RoHS Directive and REACH Regulation), energy efficiency labelling (Energy Labelling Directive), but also performance of technical building systems (the Energy Performance of Buildings Directive). Also, there are voluntary tools available, such as the Eco-label following the Eco-label Regulation that includes products of our sector.

As regards the waste phase, a specific legislation applies to our sector, namely the waste electrical and electronic equipment Directive (WEEE). It regulates the end of life management of electrical and electronic appliances used by both, private households or other users. A correct implementation of the recast WEEE Directive, which is just ongoing, will be crucial to explore the Directive's potential to realise the EU's resource efficiency policy objectives in this area. This is particularly relevant for the implementation of the new collection rate to include all flows of WEEE, notably those of high value wastes that leak the official waste management schemes today.

Should policy options include legislative action on the management of construction and demolition waste, we request to exclude electrical and electronic equipment covered by Directive 2013/19/EU on WEEE from any such initiative.

2. The need for education as well as raising of awareness of consumers and business chains

We support one of the main objectives of this initiative aiming to raise awareness of and demand for better environmental performing buildings. We fully agree that raising the general awareness regarding energy efficiency and environmental performance is a vital prerequisite to achieve improvements.

As regards building technical installations and internal equipment, it is of utmost importance to educate all actors, including consumers and the whole business chain (architects, engineers, auditors, installers), to explore the full potentials of the technology solutions that our products provide. We support setting up an EU wide campaign to promote the benefits of installing energy efficiency measures and to help consumers improve their knowledge and understanding of these benefits, including at the level of their environmental impact.

However, we do not support the suggested use of the Environmental Footprint Methodology for assessing the environmental performance of buildings, in particular "building components". In our view, the suggested methodology does not represent a reliable tool for creating demand for "better and greener products" in the EU, while adding considerable administrative burden and costs on companies, notably SMEs. The life cycle assessment (LCA) is useful and valuable instrument for manufacturers in their process of continuously improving the environmental performance of a given

products. Nevertheless, it should neither be used for comparison purpose or consumer information on product environmental performances, nor for compliance to eco-design criteria.

Given the state of maturity of LCA tools and methodology, this would expose companies to unfair competition and market distortion as consumers would base buying decisions on misleading information.¹

As an alternative, we suggest using, and where necessary shaping, the existing standard and the methodology developed by the CEN TC 350² for the assessment of environmental performance of buildings as well as quantifiable performance aspects of health and comfort of buildings. Standardisation work in CEN/TC350 (that has been mandated by the Commission in 2004) remains the best existing source of information, which can be adapted where needed, including its modules concerning recycling. Improving the existing tools (instead of introducing new methods) is in our view more beneficial in reaching sustainability goals.

Indeed, rules for environmental declarations covering construction products and the related electrical and heating, ventilation and air-conditioning (HVAC) equipment have been harmonised to allow the assessment of a building over its life cycle. Similar standards should be promoted for other equipment integrated in buildings. It will help raising awareness of building actors.

Using only one reference methodology, which is regularly revised and improved, will ensure that required information is standardised. On the contrary, comparison of information will be more difficult.

3. Energy certificates: a full implementation before extending to environmental performances of buildings

Energy certificates are still a rather new instrument in the area of buildings. A careful approach should be adopted when considering the extension of the existing energy certificates to providing also information on further environmental performance of buildings. Shifting the focus from energy efficiency to overall environmental aspects could easily impact the ongoing implementation process on energy efficiency. Such an extension of the current labelling should neither undermine the efforts and investments made so far, nor undermine the energy savings achieved or still to be made.

¹ Orgalime Position Paper on Environmental Footprint Methodologies (PEF/OEF): Draft Communication on "Unlocking the Single Market for Green Products": http://www.orgalime.org/sites/default/files/positionpapers/ANEC_ACEA_ORGALIME%20letter_PEF_Mr%20Barroso_14%20March%202013.pdf

² CN/TC 350 : http://portailgroupe.afnor.fr/public_espacenormalisation/CENTC350/index.html

In conclusion:

Orgalime supports the EU Resource Efficiency Policy objectives and is committed to continuously improving the overall environmental performance of its products, including technical installations and internal equipment of buildings.

When deciding on possible further policy measures on the environmental performance of buildings in addition to energy efficiency, Orgalime encourages the Commission to take into account the following principles:

- Any new policy initiatives needs to support the EU's committed policy measures on improving energy efficiency of buildings and not create policy conflicts.
- As far as engineering products are concerned, the existing EU acquis applying on our industry and its products, such as through the Ecodesign, Energy Labelling, EPBD, EED, RoHS and WEEE Directives and REACH Regulation, needs to be taken into account. No overlaps must be created.
- Setting targets to be achieved, instead of defining the concrete means, are our preferred way as it would leave the necessary room for innovation.
- In addition to avoiding double regulation with existing legislation, clear, unambiguous and consistent requirements are of utmost importance for our industry as well as Member States in order to facilitate enforcement and market surveillance and thereby provide a fair level playing field for all actors. The use of PEF in our sector is not considered as qualifying against these criteria.
- Including the aspect of energy efficiency during the use phase is essential to maintain the holistic approach of LCA, to prevent any pollution transfer and to ensure the coherence with existing regulation on energy efficiency. We suggest enhancing the communication of environmental impacts of building components along the supply chain to promote eco-design at building level through the use of a unique standard and methodology developed by the CEN TC 350.
- We ask for the proper involvement of all relevant stakeholders, including equipment manufacturers, throughout the whole process.

