

# EU 2040 Climate Target Consultation: WorldGBC's response

## Introduction

WorldGBC's Europe Regional Network (ERN) is a community of over 20 national Green Building Councils (GBCs), 8 Regional Partners, and close to 5,000 members across Europe. Our mission is to create green buildings for everyone, everywhere, by advocating for policy change and providing industry leadership, expertise, and tools to deliver sustainable buildings and cities.

We are deeply committed to supporting the decarbonisation of Europe's building stock across its full lifecycle, driving action on this via private sector action and public sector advocacy. The EU buildings sector represents both a challenge and a huge opportunity for rapid carbon savings, and it will be crucial to tackle its full impact to ensure we are on track to achieve our climate goals.

In particular, our network is vocal about the need for ambitious building regulations at the EU and national level which drive both energy efficiency through the renovation of existing buildings while implementing the energy efficiency first principle in new buildings and moving towards addressing Whole Life Carbon (WLC).

For example, through our #BuildingLife project, we brought together 36 built environment organisations representing the span of the construction value chain in support of our [EU Policy Whole Life Carbon Roadmap](#). The Roadmap sets out detailed EU policy recommendations at intervals towards full decarbonisation by 2050. Our network has also developed a policy briefing which makes EU-level [policy recommendations around Whole Life Carbon reporting and target setting](#).

We believe that our track record as a consensus-builder representing the construction industry across Europe makes us a key contributor to this consultation on the EU's 2040 climate target.

## WorldGBC's 2040 climate target recommendation

WorldGBC supports an ambitious EU climate target for 2040 of more than 90%, which will take the EU's Member States close to climate neutrality ahead of the EU Green Deal's deadline of 2050.

This target is not only necessary but achievable and would represent an important step towards bringing the EU as close as possible to compatibility with the Paris Agreement which called for governments to strive to limit global warming to 1.5°C<sup>1</sup>. Such a target is also in line with the recommendation of the European Scientific Advisory Board on Climate Change<sup>2</sup>.

As a bloc, the EU is one of the world's leading economies and is already considered a global leader in policy action on climate change. With the UN warning that the world is dangerously off track from a 1.5°C scenario, and a global emissions cut of 45% now needed by 2030<sup>3</sup>, the EU should continue to lead the way on climate by setting a GHG target for 2040 that is as ambitious as possible and a detailed roadmap of measures to achieve it. This would send a clear signal to the rest of the world of the urgent action that is required, ahead of countries submitting their revised Nationally Determined Contributions (NDCs) in 2024.

We believe this ambitious 2040 target can be achieved by mobilising the entire built environment and construction sector, alongside ambitious actions by other sectors. Our network of European GBCs stands ready to assist the EU with implementing the measures required to deliver on climate targets, in partnership with their private sector members.

## The role of the EU buildings and construction sector

The EU's building and construction sector accounts for 40% of total energy consumption and 36% of CO<sub>2</sub> emissions in Europe<sup>4</sup>, making it a key contributor to the EU's greenhouse gas emissions. The built environment is therefore a key cross-cutting sector that can deliver widespread opportunities for decarbonisation on the way to an ambitious GHG goal for 2040.

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<sup>1</sup> Climate Analytics, 2022. 1.5°C Pathways for the EU27: accelerating climate action to deliver the Paris Agreement <https://climateanalytics.org/media/1-5pathwaysforeu27-2022.pdf>

<sup>2</sup> European Scientific Advisory Board on Climate Change, 2023, EU climate Advisory Board recommends ambitious 2040 climate target and urgent transitions for the European Union <https://climate-advisory-board.europa.eu/news/eu-climate-advisory-board-recommends-ambitious-2040-climate-target-and-urgent-transitions-for-the-european-union>

<sup>3</sup> IPCC, 2018. Special Report on Global Warming of 1.5 °C. <https://www.ipcc.ch/sr15/>

<sup>4</sup> European Commission, 2020. In focus: Energy efficiency in buildings. [https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17\\_en](https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en)

The European Commission has set a target for a fully decarbonised built environment by 2050<sup>5</sup>. This means that EU policymakers must develop and implement a policy framework that tackles both operational and embodied emissions from buildings, known as ‘whole life carbon’. This will require both measures that drive renovation and energy efficiency improvements in Europe’s existing buildings, and improved reporting and target setting to ensure that new buildings are built with as low a climate impact as possible.

These measures will need to be adjusted and tightened over time to ensure progress is aligned with a full decarbonisation trajectory, which is why the 2040 climate target will mark a crucial benchmark on the way to 2050.

One of the key arguments in favour of making building decarbonisation a central component of the EU’s 2040 climate target is that most of the technology required to facilitate this transition is readily available to us already. The processes, techniques and materials required to decarbonise buildings are ready, as is the willingness of a vast proportion of the industry. What is now required is a solid policy framework to guide this transition.

## What policy measures should be prioritised?

WorldGBC strongly supports a focus on policy measures which will rapidly reduce the GHG emissions of the EU’s built environment. These measures will allow the EU to deliver on an ambitious 2040 climate target and the goals of the EU Green Deal and Fit for 55 package while boosting its energy security and creating large numbers of green jobs.

The European Commission should also ensure that its 2040 climate target and accompanying built environment policies align with the decarbonisation trajectories established by the ongoing work on its own WLC Roadmap and accompanying technical study.

In our [EU Policy WLC Roadmap](#) released in 2022, we outlined the actions required by the EU to deliver on its target of fully decarbonising its buildings by 2050. We have summarised them below, divided into sub-sections on Building Regulations, Waste and Circularity, Sustainable Procurement and Sustainable Finance.

### Building Regulations

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<sup>5</sup> European Parliament, 2023. Energy Performance of Buildings Directive.  
[https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/739377/EPRS\\_ATA\(2023\)739377\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/739377/EPRS_ATA(2023)739377_EN.pdf)

The EU's building regulations should be revised to drive the decarbonisation of new and existing buildings, with measures introduced such as:

### **Minimum Energy Performance Standards (MEPS)**

MEPS should be brought into the Energy Performance of Buildings Directive (EPBD) and revised at regular intervals to align with a decarbonisation trajectory. To ensure that this process is fair across EU Member States, the EU should also mandate that Energy Performance Certificates be harmonised against a common template, which should include indicators for primary and final energy demand and WLC.

### **Zero Emissions Buildings**

The EU's Zero Emissions Building standard should be implemented for all new buildings and evolve over time to cover both operational and embodied carbon.

### **Renovation Passports**

The EU should introduce Renovation Passports which will provide a roadmap for individual buildings towards decarbonisation by 2050. The EU should also clarify how these Passports will populate national WLC databases and inform WLC benchmarks.

### **Whole Life Carbon**

By 2026, WLC reporting should be introduced for all new buildings following the development of a harmonised approach across the EU, which should in turn lead to the creation of national WLC targets and limit values by 2030. Alongside this, databases containing calculated and measured energy performance and GHG emissions building data should be developed at the national and EU level.

## **Waste and Circularity**

To achieve an ambitious 2040 climate target, policymakers should also focus on provisions aimed at driving circularity in the construction sector, which currently generates one third of Europe's waste and uses half of its extracted materials.

### **Circularity Targets**

The EU should require in the EPBD that Member States set ambitious national targets for reuse and recycling in construction projects as well as for the use of circular materials. These targets

should be increased over time to ensure maximum resource efficiency by 2050. By 2040, EU circularity standards should be highly harmonised.

## **Waste Legislation**

The EU should also ensure that the revision of the Waste Framework Directive takes measures such as imposing a ban on construction waste entering landfill, as well as introducing a timeline towards an incineration ban on construction waste. By 2040, the EU's waste legislation should be strengthened to the point where value chains are becoming highly circular and secondary materials are used widely.

## **Sustainable Procurement**

The built environment sector is affected by decisions made by a wide range of stakeholders, and this extends to those in charge of procurement in the public sector.

To drive the decarbonisation in the built environment that is necessary to achieve an ambitious 2040 climate target, it is vital that guidelines and legislation are in place at the EU level that ensure that sustainability is at the heart of every decision made by procurers.

This means ensuring that contracts are awarded according to criteria including WLC assessments and limit values, material reuse and circularity and other environmental criteria.

Measures that should be introduced include the requirement for all new public buildings to be energy positive, for all buildings to undergo reuse assessments, as well as the establishment of criteria for procurers to award contracts based on Life Cycle Cost assessment (LCC) rather than capital costs. Pre-demolition audits are another measure which should be introduced to encourage building reuse and refurbishment instead of demolition.

## **Sustainable Finance**

The launch of the EU Taxonomy marks a key opportunity for the EU to regulate and incentivise how the private sector's activities are contributing to its climate targets.

As we move towards an ambitious 2040 climate target, the European Commission must develop the EU Taxonomy further to ensure that activities related to the building sector are on a path that is compatible with decarbonisation, with criteria specifying ambitious thresholds around circularity and embodied carbon introduced and progressively tightened along the way.

EU funds should align with the EU Taxonomy in the following ways:

1. EU public funds should align with the goals of the Paris Agreement and the EU's Green Deal, for example by earmarking at least 30% of funds for climate objectives as done for the Next Generation EU recovery fund.
2. EU budget expenditures should be consistent with the “do no significant harm” (DNSH) principle and align with the DNSH principle put forward in the EU Taxonomy.
3. EU public funds should drive the transition and enable alignment of private investments by playing a front-runner role (in capital allocation and implementation and reporting towards the EU taxonomy) and opening opportunities for public-private investments.
4. Likewise, public procurement policies should align with EU Taxonomy environmental objectives.

To ensure that the EU's sustainable finance policy reform effectively re-orientes finance flows to the objectives of the Paris Agreement and EU Green Deal, key policies should be consistent with and integrate the EU Taxonomy, such as the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Social Responsibility Directive (CSRD), the EU Ecolabel, or the European Green Bond Standard.

Finally, the EU Taxonomy Climate Delegated Act should be revised to integrate a Whole Life Carbon approach, such as life-cycle Global Warming Potential (GWP) thresholds, and to reflect policy developments, for example, the ongoing revision of the EPBD.

## Carbon Removals

We note that the public consultation on the EU's 2040 target contains sections which focus on carbon removals. WorldGBC's position is that for the building sector, policies should prioritise a 'reduction-first' approach. Policies should primarily focus on reducing operational energy use and embodied emissions. Additionally, increasing renewable energy supply and moving away from fossil fuels is necessary for a full transition.

We acknowledge that in many cases, emissions from our sector cannot be fully abated even in the long term. Carbon removal offsets come in two varieties - immediate (such as nature-based offsets) and permanent (such as bioenergy with carbon capture and storage, and direct air capture). WorldGBC recommends that immediate (short-lived) offsets be the primary method used for neutralising residual emissions over the medium-term. However, it is

anticipated that permanent (long-term storage) offsets - which are in mid-to-late stage development at present - will mature and come to market in the near future<sup>6</sup>.

However, it is critical that the European Commission ensures that these forms of carbon removals and offsetting are properly verified by independent third-party verification, to ensure the prevention of double counting or greenwashing, and to maintain the integrity of emissions reporting around the 2040 climate target. For these reasons, in our public consultation response WorldGBC recommends that the EU should set a separate target for reducing GHG emissions and another target for carbon removals.

For more information on our position towards private sector partners on this topic, see our paper on [Offsetting Residual Emissions from the Building and Construction Sector](#).

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<sup>6</sup> WorldGBC, 2021, p.8, Offsetting Residual Emissions from the Building and Construction Sector [https://worldgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2022/10/18110149/WorldGBC-Advancing-Net-Zero-Whole-Life-Carbon\\_PUBLICATION.pdf](https://worldgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2022/10/18110149/WorldGBC-Advancing-Net-Zero-Whole-Life-Carbon_PUBLICATION.pdf)