



EU Taxonomy policy briefing

# Integrating life cycle global warming potential into the EU Taxonomy

Recommendations for  
the European Commission  
January 2025



# Introduction

The EU Taxonomy has set a first legal standard of what constitutes green investments in a variety of economic sectors. It's an important market transparency tool that can help to validate and certify activities that represent an ambitious standard of sustainability — ones that can play a special role in supporting the EU's transition to a sustainable future and its climate goals. But in the buildings and construction sector, the taxonomy is in danger of lagging behind. Unless the taxonomy is swiftly updated to integrate a 'life cycle global warming potential' (life cycle GWP) approach, it will no longer be able to serve its role of directing capital towards especially sustainable activities in the built environment.

## A life cycle GWP approach is becoming mainstream

Until recently, few national governments had introduced binding measures to report on or limit buildings emissions using a whole life cycle approach.

The 2024 revision to the Energy Performance of Buildings Directive (EPBD) has changed that. It introduced dates by which Member States must ensure that life cycle GWP is calculated and disclosed for new buildings, with national governments also needing to publish roadmaps with life cycle GWP targets and limit values.

## The EU Taxonomy must become more ambitious

While the EPBD remains the most important legislative driver for change in the buildings sector, the EU sustainable finance policy package — prominently through the EU Taxonomy — plays an important role in mobilising capital into the transition.

As a piece of legislation that defines green economic activities, it is essential that the EU Taxonomy is more ambitious than the EPBD, so it clearly differentiates green investments from those that simply follow the minimum performance standards that will be legislated for all buildings. The EU Taxonomy also presents an opportunity to target a select set of actors that have more resources and know-how than the mainstream market (made of smaller actors). In this way, it can help create new markets, capacities, databases and leadership in the transition.

This briefing looks closely at the EPBD and the EU Taxonomy and their respective life cycle GWP requirements.



***As a piece of legislation that defines green economic activities, it is essential that the EU Taxonomy is more ambitious than the EPBD.***

We provide recommendations on how life cycle GWP criteria could be further integrated into the EU Taxonomy, including via the Climate Delegated Act, particularly addressing:

- databases and data collection
- capacity building
- usability and compliance

This will help the EU Taxonomy continue channelling capital into the most sustainable construction activities, so it can play a crucial supporting role to the EPBD.

## The role of WorldGBC

The World Green Building Council (WorldGBC) and our network of Green Building Councils (GBCs) have been campaigning for the introduction of life cycle GWP policy for many years through our #BuildingLife programme, which aims to deliver on a climate-neutral Europe by 2050 by working to eliminate the whole life carbon impact of all buildings.

WorldGBC has been advocating for life cycle GWP criteria in the EU Taxonomy as part of our participation in the EU Platform on Sustainable Finance – with publications such as the EU Policy Whole Life Carbon Roadmap – and as part of public consultations. Our network also helps industry to align interpretations of the EU Taxonomy and practically implement the policy across countries in Europe and beyond.

This briefing is published to accompany WorldGBC's EPBD implementation support hub, which includes factsheets and national case studies on Minimum Energy Performance Standards (MEPS) and life cycle GWP.

For more information on our work on the EU Taxonomy visit <https://worldgbc.org/sustainable-finance>.

**#BUILDING  
LIFE**



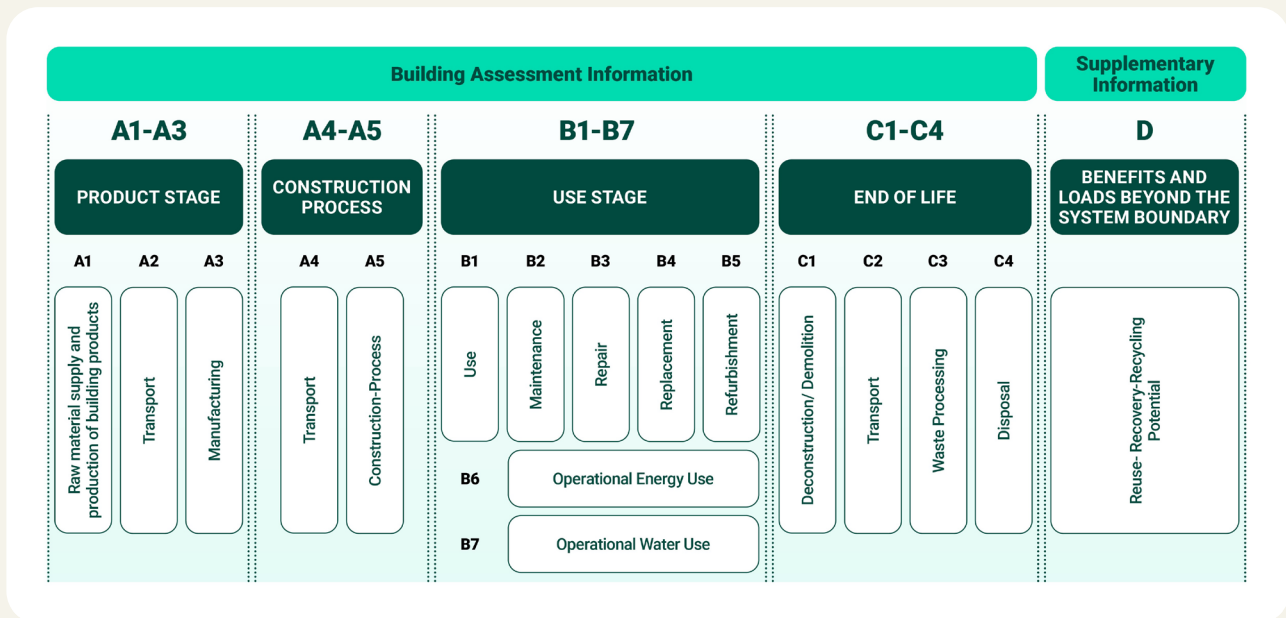
# Background

## What is life cycle GWP?

Life cycle GWP is an indicator that quantifies the global warming potential contributions of a building caused by greenhouse gas emissions along its full life cycle.

These emissions cover the manufacturing, transportation, construction, operation and end-of-life phases of buildings, and calculating them constitutes a first step towards increased consideration of the whole life cycle performance of buildings within a circular economy.

These emissions can be broken down into a number of modules which summarise the different stages of a building's life cycle, as defined in the European standard EN 15978 (see diagram below).



The EPBD and the EU Taxonomy texts both state that the calculation of life cycle GWP should include the following requirements:

1. It should be communicated as a numeric indicator for each lifecycle stage expressed as kg CO<sub>2</sub>e/m<sup>2</sup> (of useful floor area), averaged for one year of a reference study period of 50 years.
2. Data selection, scenario definition and calculations should be carried out in accordance with EN 15978.
3. The scope of building elements and technical equipment should be as defined in the Level(s) Framework indicator 1.2.

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4. Where a national calculation tool or method exists, or is required for making disclosures or for obtaining building permits, that tool or method may be used to provide the required disclosure. Other calculation tools or methods may be used if they fulfil the minimum criteria established by the Level(s) common EU framework.

The EPBD further stipulates that:

5. When available, life cycle data regarding specific construction products calculated in accordance with the revised Construction Products Regulation shall be used.

As per the EPBD (Article 7 (3)), the European Commission will adopt a Delegated Act by the end of 2025 to establish an EU-wide framework for national calculation and reporting of life cycle GWP.



## Key terminology

**Embodied carbon:** Greenhouse gas emissions associated with materials and construction processes throughout the whole life cycle of a building or infrastructure. Embodied carbon includes: material extraction and upstream production (A1), transport to manufacturer/factory (A2), manufacturing (A3), transport to site (A4), construction and installation processes (A5), use phase (B1), maintenance (B2), repair (B3), replacement of building components (B4), renovation (B5), deconstruction (C1), transport to end-of-life facilities (C2), processing for reuse, recovery or recycling (C3) and disposal of waste (C4). Benefits and loads from product reuse, material recycling and exported energy / energy recovery beyond the system boundary (D) should be reported separately according to EN 15978 and associated standards.

**Operational carbon:** Greenhouse gas emissions associated with the energy consumption of the technical building systems during the use and operation of the building (B6).

**Life cycle global warming potential (GWP) or Whole Life Carbon:**

An indicator that quantifies the global warming potential contributions of a building caused by greenhouse gas emissions along its full life cycle, encompassing both operational and embodied emissions.

**Directive:** A legislative act that sets out a goal that EU countries must achieve. Once adopted at EU level, directives are transposed by EU Member States so they become law in the Member States. For example, the EPBD.

**Regulation:** A binding legislative act. It must be applied in its entirety across the EU. For example, the EU Taxonomy.

**Delegated Act:** Non-legislative acts adopted by the European Commission that serve to amend or supplement the non-essential elements of EU legislation such as directives and regulations. For example, Climate Delegated Act for the EU Taxonomy or upcoming Delegated Act for life cycle GWP calculations for the EPBD.



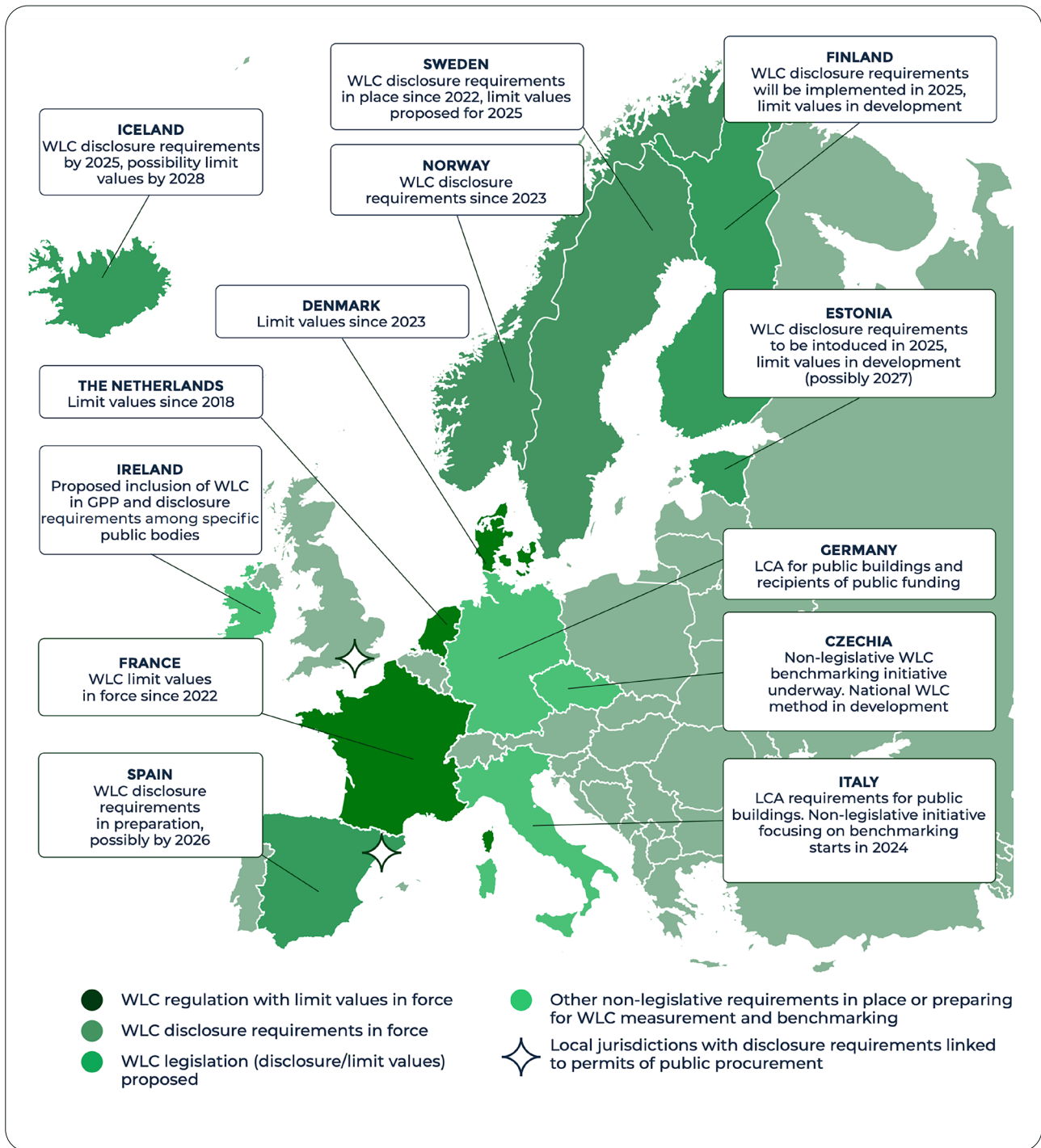
## What legislation has been introduced so far?

Few national governments had introduced binding measures to report on or limit buildings emissions using a whole life cycle approach. This changed from 2022 onwards, with national governments including Denmark and France leading the way in introducing mandatory reporting and limit values for life cycle GWP (read more in [WorldGBC's case study report](#)).

Since then a number of Member States have introduced legislative measures to ensure systematic and consistent measurement and disclosure of the life cycle GWP impact of buildings. Other EU countries are in the process of setting up life cycle GWP measurement and benchmarking initiatives.

While all regulations include emissions from materials (A1–A3), the inclusion of other modules, such as construction process (A4–A5), use stage (B1–B7), and end-of-life of the building (C1–C4), differs by country. The beyond-end-of-life phase (Module D) is also considered in some cases. Currently, Sweden's Climate Declaration requires disclosure only for upfront emissions, covering the production and construction phases (A1–A3, A4–A5) for emissions from fossil fuels and land use but not biogenic carbon. Sweden plans to include additional modules in the future. The use phase (Module B6) is included in Denmark and France, with France reporting these values separately.

A variety of calculation tools are generally available in national markets for conducting life cycle GWP assessments, ranging from freely accessible tools provided by public authorities to commercial life cycle analysis (LCA) software. Member States typically indicate which tools have been verified and comply with national life cycle GWP methodologies and guidelines. For example, the Netherlands environmental database includes a list of verified tools ([BPIE, 2024](#)).



WLC – Whole Life Carbon (alternative term for life cycle GWP)

LCA – Life Cycle Assessment

Overview of national life cycle GWP legislation. Source: [BPIE, 2024](#).



# The role of the EPBD and EU Taxonomy in EU climate goals

The EU is striving to become the world's first climate-neutral continent by 2050. To achieve this, it has set the intermediate climate objectives of reducing net greenhouse gas emissions by at least 55% by 2030 and by 90% by 2040, compared to 1990 levels.

The European Green Deal sets out the EU's action plan to achieve climate neutrality by 2050. The EU has also developed a legislative package known as Fit for 55 to achieve its 55% reduction target by 2030.

To deliver on EU climate goals, the construction and real estate sector needs to undertake a deep transformation of the building stock and associated value chain, which contribute around 40% of the EU's carbon emissions. This includes changes to the way buildings are currently produced, constructed, operated, maintained, renovated and demolished.

The EPBD and EU Taxonomy are crucial and complementary parts of the legal framework that will enable this transition.

## The EPBD: the EU's directive for addressing the environmental impact of buildings

The Energy Performance of Buildings Directive (EPBD) is the EU's primary law governing the sustainability of buildings and has been in place for over 20 years. It introduced energy requirements such as nearly Zero Energy Building (nZEB), Energy Performance Certificates (EPCs), and Minimum Energy Performance Standards (MEPS) in EU legislation, and was revised in 2024 (as part of Fit for 55) to deliver on the EU's climate targets.

The revised EPBD introduces a number of new provisions which Member States must transpose into national law by May 2026. Among these: national governments need to publish roadmaps with life cycle GWP targets and limit values for new buildings. Roadmaps should incorporate how the limit values can be tightened over time, and how they might differ between climatic zones and building types.

## The EU Taxonomy: the EU's regulation for defining green investments

The EU Taxonomy is a vital part of the EU's sustainable finance policy package and an important market transparency tool. It helps direct investments to the economic activities most needed for the European Green Deal objectives.

The EU Taxonomy sets a first legal standard for what constitutes green investments in a variety of sectors, including construction and real estate. A first set of companies began reporting towards these criteria from January 2022 for the financial year of 2021. Companies are eligible for the EU Taxonomy if at least one of their economic activities has a set of corresponding criteria in the legislation. A company's EU Taxonomy alignment is reported as a percentage value referring to the proportion of revenues, capital expenditure (CapEx), and operational expenditure (OpEx) aligned to the criteria set out in the EU Taxonomy (see [EU Taxonomy Navigator](#) for more information).

The EU Taxonomy is implemented through delegated acts adopted by the European Commission:

- In 2021, the [Climate Delegated Act](#) introduced technical screening criteria, which define how the building and construction sector can make a 'substantial contribution' to climate change mitigation and adaptation.
- In 2023, the [Environmental Delegated Act](#) introduced technical screening criteria for a 'substantial contribution' to the transition to a circular economy.

## Who needs to report which requirements

### For the EPBD

The EPBD requires Member States to ensure that life cycle GWP is calculated and disclosed via Energy Performance Certificates (EPCs) with the following timelines:

- as of 2028 for all new buildings with a useful floor area larger than 1,000m<sup>2</sup>
- as of 2030 for all new buildings

The EPBD also requires Member States to develop roadmaps for the introduction of life cycle GWP targets and limit values for all new buildings in the EU by January 2027.

### For the EU Taxonomy

Current EU Taxonomy criteria for climate change mitigation stipulate that new buildings over 5,000m<sup>2</sup> should disclose their life cycle GWP. For the transition to a circular economy, new buildings over 1,000m<sup>2</sup> should disclose their life cycle GWP.

Currently, the EU Taxonomy does not include any performance requirements to limit life cycle GWP. It only includes energy requirements in the use phase of a building, or its operational energy (B6 module).



***The EU Taxonomy sets a first legal standard for what constitutes green investments in a variety of sectors, including construction and real estate.***

## Disclosure regulations mandating EU Taxonomy reporting

While the EPBD remains the most important legislative driver for change in the buildings sector as it addresses all buildings, EU sustainable financial and non-financial disclosure regulations mandate the disclosure of EU Taxonomy alignment and thus also have a key part to play in accelerating life cycle GWP reductions. These disclosure regulations are able to mobilise capital and influence the design, construction, management and operation of buildings, as well as the disposal of assets. In fact, investors and banks are demanding more data on the emissions related to all their lending or investments including buildings.

Two key pieces of legislation link investment decisions to the EU Taxonomy (see box below for more details):

- The Corporate Sustainability Reporting Directive (CSRD) requires Taxonomy alignment disclosure of around 50,000 European companies.
  - The Sustainable Finance Disclosure Regulation (SFDR) requires Taxonomy alignment disclosure for those financial products pursuing environmental objectives.
- As of January 2025, the EU Taxonomy disclosure requirements for the construction and real estate sectors typically apply to:
- listed or large corporations generating turnover or incurring capital expenditure (CapEx), and operational expenditure (OpEx) through construction, renovation, acquisition, rental or use of buildings.
  - financial institutions with real estate related assets.
  - financial institutions financing the construction, renovation or acquisition of buildings.
  - non-financial institutions financing specific real estate projects through Green Bonds issuance.

### Increasing disclosure requirements

- Since January 2022, all companies currently subject to the Non-Financial Reporting Directive (NFRD) – namely listed and EU companies with more than 500 employees – must report their EU Taxonomy eligibility. Additionally, all financial participants proposing funds on the EU market need to categorise their funds as pursuing environmental objectives or not.
- Since January 2023, the same non-financial undertakings must also report their EU Taxonomy alignment, and all financial participants proposing funds on the EU market who promote the environmental characteristics of their assets must disclose how much these funds align with the EU Taxonomy criteria.
- Since January 2024, the Corporate Sustainability Reporting Directive (CSRD) has replaced the NFRD and in January 2025 it further expanded the reporting requirements, including EU Taxonomy alignment, to all listed companies, and those with more than 250 employees AND more than €40m in turnover OR more than €20m on their balance sheets, which is estimated to cover 50,000 companies.

## Time for a turning point

As a legislation that defines green economic activities, it is essential that the EU Taxonomy requirements are above and ahead of those put forward in the EPBD, and that it helps to prepare the EPBD's uptake. It can do so by introducing life cycle GWP requirements for those actors seeking to invest in and implement green construction and/or large companies that typically have more resources and capacities to change building practices and report progress.

By currently only addressing buildings' operational energy efficiency, the EU Taxonomy overlooks the climate impact of construction activities, often making it simpler to reach high EU Taxonomy alignment percentage values by investing in new, energy-efficient buildings rather than in retrofitting the existing building stock.

In this sense, the EU Taxonomy is not in line with the objectives of the European Green Deal or the EU Renovation Wave, which emphasise comprehensive emission reductions and improving existing building stock.

Acknowledging shifting regulatory, market and technical conditions the EU Taxonomy Regulation requires an assessment and possible updating of its green criteria every three years, with the first review cycle of the 2021 Climate Delegated Act thus set for 2024, but is yet to be published.

The EPBD recast of 2024, by introducing life cycle GWP requirements for all new buildings, is a clear policy change that requires the updating of current EU Taxonomy criteria for buildings and particularly for the construction of new buildings.

Life cycle GWP has also been adopted into national laws in the first EU countries and is generally becoming mainstream in the market reflecting changed market conditions.

It is noteworthy to mention that the Technical Expert Group (TEG), which drafted the original recommended criteria for the EU Taxonomy legal text, acknowledged that a lack of data in 2020 posed a barrier to the development of life cycle GWP thresholds at that time. However, it recommended establishing life cycle GWP thresholds by 2025.

The EU Taxonomy can play a vital role to encourage the adoption of more sustainable construction practices and materials, driving innovation and energy efficiency in the building sector. The provision of data from front-runners in the market is crucial to make the transition to a decarbonised built environment possible, for example by enhancing market evidence and collective learning.

In the next section we provide recommendations on how life cycle GWP criteria could be further integrated into the EU Taxonomy, including via the Climate Delegated Act, covering three core topics: databases and data collection; capacity building; usability and compliance.

# 1. Databases and data collection

Lack of data is often cited as a major barrier in the transition to a sustainable, decarbonised built environment, particularly by the finance sector. A challenge in data generation is that the embodied impacts of materials are specific to the place and time of manufacture, distance, and method of transportation to the construction site.

The market for carbon information in construction materials, while growing, is still not mature. As a result, no or too little information is available on some materials and components, and data quality is an issue in many locations.

The EPBD aims to address this gap by mandating the roll-out of national policies on life cycle GWP disclosures, which require companies to calculate and report a number of data points across a building's life cycle. In parallel, the Construction Products Regulation (CPR) will give a push on the collection of data on construction products.

The calculation and provision of accurate and consistent life cycle GWP data will be crucial to allow developers and the wider value chain to make informed decisions that can drive significant carbon reductions.

It also enables policymakers to begin to create accurate life cycle GWP targets and limit values (as required by the EPBD) that reflect the true environmental impact of buildings. Without consistent, comparable data, it would be much more difficult to align building projects with climate goals. This makes the development of centralised national databases and the harmonisation of data collection methods, both within countries and across the EU, a top priority.

Some countries have a national database that include generic datasets, which can inform life cycle GWP assessments, for example the [Finnish national database](#).

Product-level databases have also proved essential in the development of national life cycle GWP policies:

- Denmark adapted the German [ÖKOBAUDAT](#) database for its own generic product dataset.
- The Netherlands established a national environmental database before introducing limit values.
- Finland and Sweden collaborated on developing national environmental databases for building products, which were published simultaneously in 2022. These 'sister databases' are based on national data from both countries and are collected and provided in a consistent manner.
- France developed a generic dataset covering all product families during the E+C- pilot programme, which ran from 2016 to 2020. It also collected building-level LCA case studies, which were published anonymously in a central database and informed legal benchmarks.



***Accurate and consistent life cycle GWP data will be crucial to allow developers and the wider value chain to make informed decisions that can drive significant carbon reductions.***

First data points resulting from research initiatives, best practice from voluntary green building certification schemes, or from countries already regulating life cycle GWP impacts, can serve as a basis to develop life cycle GWP thresholds.

We highlight some examples of construction upfront carbon (A1–A5) data both on best practice values, which can be used to inform potential life cycle GWP requirements, and average values of traditional construction practices in Table 1 (below).

Source	Scope	Derived from	Historical	2030	2040	2050
<a href="#">EU-level estimates</a>	A1–A5 residential and offices	Statistical floor area, emissions data and scenario modelling	345 (2020)	250	155	155
<a href="#">Netherlands Paris Proof Targets</a>	A1–A5 residential and non-residential construction	Carbon budget	260 (2021)	160	95	55
FIGBC	A1–A5 Offices	1100 Projects	360 (2021–23)			
<a href="#">GBCE &amp; University of Seville</a>	A1–A5 residential and offices	53 Projects	340			

Table 1: Examples of emissions data on building materials (A1–A3) and construction processes (A4–A5), in kg CO<sub>2</sub>e/m<sup>2</sup> useable floor area, rounded to the nearest five, per year.

## Recommendations

### 1. Mandate data collection and disclosure in the Climate Delegated Act

For a substantial contribution to climate change mitigation, all new buildings should disclose life cycle GWP impacts, which include carbon other than from the operational use of a building, such as the upfront carbon (A1–A5) from constructing a building.

Data disclosure should be in line with the European Commission’s upcoming Delegated Act as provided under the EPBD recast 2024 Article 7 (3), to establish an EU-wide framework for national calculation of life cycle GWP.

The EU Taxonomy could therefore support data creation and provide insights into the average WLC emissions of e.g. single-family houses, apartment buildings, offices, and schools, which in turn can inform the EPBD implementation. The CSRD and European Sustainability Reporting Standards (ESRS) mandate information disclosure relating to the EU Taxonomy but it is unclear to what extent these disclosures will be made publicly available.

## **2. Mandate that life cycle GWP data is fed back to public databases in the Climate Delegated Act**

The Climate Delegated Act should introduce additional requirements for the disclosure of life cycle GWP data of EU Taxonomy aligned buildings. The current EU Taxonomy requirements state that data should be made available to clients and investors on demand. To ensure that collected data through EU Taxonomy reporting can be used for standardisation and the setting of limit values, the disclosure of certain data points and information should be made mandatory, even in an anonymised format.

This includes life cycle GWP from construction materials (A1–A3), construction processes (A4–A5) and the use phase (B1–B6). Such quantitative data should be provided along with further information including building typology, units (per capita or usable floor area, embodied carbon and operational carbon), the time scale used, the climate zone, the reporting stage (permit or as-built), nature of the data (measured or estimated), whether third-party verification was used, and the methodologies and approaches used to determine the quantitative metrics.

Recommended assumptions, reporting templates, and default data should be made available to all projects. Consistency and transparency of methodology in data collection and reporting in the starting phase is more important than the accuracy of carbon data, which can be improved over time.

## **3. Leverage voluntary frameworks and industry initiatives for data collection**

In leading countries, the data informing life cycle GWP limit values has typically been gathered in collaboration with academic institutions, private entities or national Green Building Councils (see Table 1 for some examples). A starting point for initial benchmarks can be as few as 60 to 70 projects. The representativeness and quality of these benchmarks are continually refined as new building LCA cases become available.

## 2. Capacity building

The EPBD mandates that national governments publish roadmaps with life cycle GWP targets and limit values. This will require extensive awareness raising and training in the construction industry.

Understanding of life cycle GWP, and potential measures to reduce it, is by no means uniform across Europe. An important step in implementing life cycle GWP policy is therefore a process of familiarisation with the national construction sector.

Given that life cycle stages in the built environment are closely connected, decisions need to be supported throughout the value chain. Emissions at the product stage, mainly those from the building materials used (A1–A3), are considered as scope three emissions for developers, but represent manufacturers' scope one and two emissions. This shows the intricacies and need for collaboration along the value chain to enable life cycle GWP impacts disclosures.

Member States will play a crucial role in the implementation of the EPBD (see WorldGBC's [life cycle GWP implementation policy briefing](#)) and preparing their national markets.

There is, however, great scope for the EU Taxonomy to support capacity building by:

1. targeting those actors that strive to make green investments in green economic activities
2. mandating impact disclosures among large companies and financial institutions subject to CSRD and SFDR

The EU Taxonomy should support early adoption of measures to reduce the life cycle GWP impact and encourage the innovation needed to scale up low carbon building solutions. This would ensure market readiness for mandatory measures under the EPBD targeting the mainstream market.

EU Taxonomy practices can support the European Commission and national governments in the development of guidelines on data collection, material inventories and reporting templates for LCA practitioners.



***An important step in implementing life cycle GWP policy is a process of familiarisation with the national construction sector.***

## Recommendations

### 1. Introduce life cycle GWP limit values for large construction in the Climate Delegated Act

Front-running companies and finance actors significantly contributing to the climate change mitigation goal in the Taxonomy must ensure compliance with a maximum whole life cycle GWP threshold. Upfront emissions,



compared to other life cycle modules, and the construction of large buildings have a very significant impact on greenhouse gas emissions and should therefore be limited in construction projects qualifying as making a 'significant contribution to climate change mitigation'.

The EU Taxonomy should set life cycle GWP limit values for emissions from the product phase and the construction process (A1–A5) for large construction. The limit values should include emissions from fossil fuels and land use but exclude biogenic carbon\*, as done in Sweden's disclosure requirements.

Acknowledging different levels of feasibility across markets, a lack of data to inform thresholds in several countries and the risk of introducing competing thresholds to the ones to be developed by Member States as mandated through the EPBD, the EU Taxonomy should introduce pan-European limit values only for A1–A3 or A1–A5, which are less prone to local variation.

Large buildings of 5,000m<sup>2</sup> already need to disclose their life cycle GWP impact under the EU Taxonomy since January 2021 and are subject to less variation between countries. The disclosed data for EU Taxonomy aligned buildings since January 2021 should be used to inform the thresholds and to provide default data for the A4 and A5 modules.

## **2. Introduce an official helpdesk for EU Taxonomy reporting**

An official helpdesk could guide correct life cycle GWP calculations and disclosures, point to available databases and guidance documents, showcase best practice and case studies and facilitate exchange of know-how across the European Union.

Focusing life cycle GWP disclosures on the most impactful materials and building elements allows assessments to be scaled and practitioners to start learning what is important and what is less impactful. Simplifying life cycle GWP assessments by establishing default values for less impactful building elements saves costs and time and these values could be made available through the helpdesk. At the same time, it is important to label default data as such.

## **3. Leverage networks of the national Green Building Councils**

Our network calls on the European Commission to connect with relevant European and international WLC initiatives and Green Building Councils to ensure consistency and maximise efficiency by avoiding duplication of efforts.

*\*Biogenic carbon should be integrated in those cases where life cycle GWP limit values apply to further modules of EN 15978 (e.g. B and C modules such as in [WorldGBC's 2023 position paper](#)).*

# 3. Usability and compliance

Without proper enforcement and adherence, the potential to curb the environmental impact of buildings throughout their life cycle could be significantly undermined, especially if buildings are allowed to exceed limit values once constructed.

Encouraging a culture of transparency and compliance will enable governments to ensure that developers work actively with the supply chain to reduce the carbon intensity of their projects.

Clear guidance, robust monitoring and effective enforcement are also required to achieve high levels of compliance and ensure that all projects contribute to the collective goal of reducing emissions. In this context, the recommendations outlined below aim to create a framework that supports compliance, mitigates administrative burden, and ensures that the transition to lower-carbon buildings is both feasible and effective.

The EU Platform on Sustainable Finance and WorldGBC’s Europe Regional Network (ERN) of over 20 European Green Building Councils, representing over 5,000 companies, observes large inconsistencies in EU Taxonomy reporting in the built environment. Internal reporting difficulties, such as data gathering, and varying interpretations of the legal text, remain high barriers for stakeholders to effectively report and align to the EU Taxonomy criteria.



***Encouraging a culture of transparency and compliance will ensure that developers work actively with the supply chain to reduce the carbon intensity of their projects.***

## Recommendations

### 1. Allow proxies to report performance towards limit values in the Climate Delegated Act

While national governments put in place the right legal environment, databases, guidance and institutional capacities, companies should be allowed to use appropriate proxies to report life cycle GWP impacts in line with the set EU methodology. Such proxies can be in the form of external proxies that prove EU Taxonomy alignment, such as green building certification, or the use of proxied data when real data at the building level is not available. A clear requirement should be to label proxied compliance and proxied data as such and disclose data sources and assumptions.

## 2. Mandate third party verification for large buildings in the Climate Delegated Act

Life cycle GWP assessments are subject to assumptions and such reporting is still at an early stage in many countries. The EU Taxonomy should mandate third-party verification of life cycle GWP assessments for large buildings (at least 5,000m<sup>2</sup>) in those countries without life cycle GWP regulation in place.

Self-claims, or in other words unverified EU Taxonomy alignment claims, can be misleading if they are not based on accurate and reliable information, nor transparently disclosed. Without third-party verification of these claims, there is a lack of accountability in the market. Some companies may use laxer or more conservative approaches to their EU Taxonomy alignment claims, which may lead to greenwashing (overstated green claims) or greenhushing (understated or omitted green claims).





## Conclusion

The implementation of life cycle GWP measures across Europe is crucial for aligning the built environment with the EU's ambitious climate neutrality goals. As we move towards a low-carbon future, the success of these policies hinges on the swift and coordinated actions of both national governments and the European Commission.

It is essential that the EU Taxonomy is more ambitious than the EPBD to clearly demarcate green investments from those merely meeting the performance levels that will be legislated for all buildings. The EU Taxonomy also presents an opportunity to target a select set of actors with more resources and know-how than the smaller actors in the mainstream market. In this way it can help create new markets, capacities, databases and leadership in the transition.

In summary, the EU Taxonomy update should include:

- **Disclosure of life cycle GWP of all new buildings**
- **Life cycle GWP limit values for large buildings**
- **Disclosure of data in national databases to inform future limit values**
- **A common life cycle GWP calculation methodology**

The more than 20 national GBCs in our European Regional Network are ready to support national governments in this crucial phase of EU Taxonomy implementation and updating, and provide a bridge between national public and private sector built environment stakeholders.

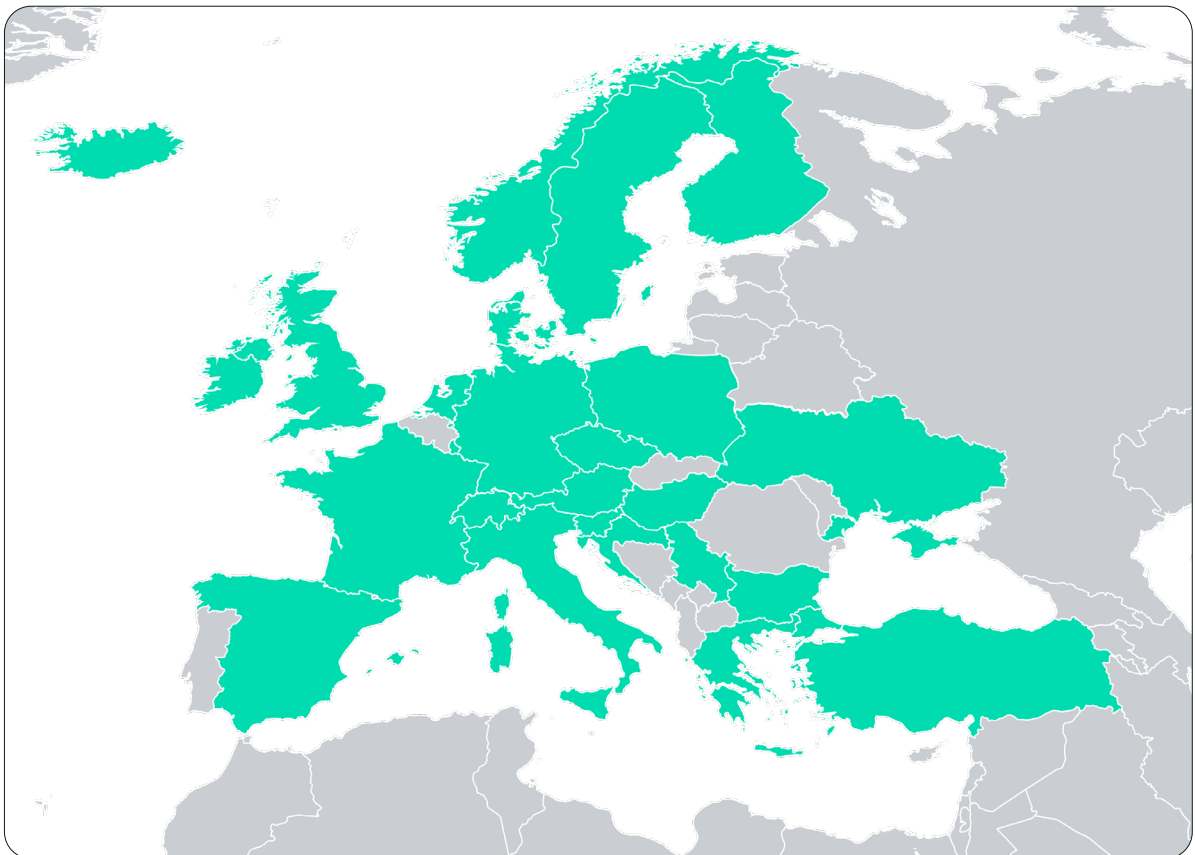


*The implementation of life cycle GWP measures is crucial for aligning the built environment with the EU's ambitious climate neutrality goals.*

# About WorldGBC and our Europe Regional Network

The World Green Building Council (WorldGBC) is the largest and most influential local–regional–global action network leading the transformation to sustainable and decarbonised built environments.

Our Europe Regional Network represents over 20 national Green Building Councils (GBCs) and seven regional partners, working to put sustainable buildings at the heart of a prosperous and equitable future for Europe.



European GBCs are committed to supporting Member States and industry with the timely implementation of the Energy Performance of Buildings Directive (EPBD) and EU Taxonomy to:

- set the EU on track to achieve its climate goals
- boost energy security and tackle energy poverty
- create large numbers of long-lasting green jobs
- deliver high-quality, affordable and healthy buildings

To learn more, contact your local Green Building Council, visit [worldgbc.org/europe](https://worldgbc.org/europe) or [worldgbc.org/sustainable-finance/](https://worldgbc.org/sustainable-finance/).



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For more support on the EU Taxonomy,  
contact your local **Green Building Council**,  
or visit **[worldgbc.org/sustainable-finance](https://worldgbc.org/sustainable-finance)**

