Revised Construction Products Regulation (CPR)

Brief description and main aims:

The proposal for a *revised Construction Products Regulation* (CPR) was part of the European Commission's *Sustainable Products Initiative* (SPI), a broader legislative package on sustainable products presented by the Commission in March 2022.

The proposal aimed to address the numerous shortcomings of the existing legislative framework (problems related to the development and use of harmonised standards, problems related to the regulatory framework for construction products, problems related to the quality of market surveillance, problems related to the absence of climate, environmental and sustainability performance requirements for construction products).

Why FIEC is dealing with this topic:

The CPR is the main legislative instrument for construction products in the EU and sets the rules for the marketing of construction products in the internal market. According to FIEC's analysis, the new Commission proposal would have had far-reaching and mostly negative consequences for contractors and SMEs in the construction sector. The proposal extended the scope of the Regulation to a larger number of economic operators than before. In particular, the proposal included obligations for contractors who manufacture products on site for immediate incorporation or direct installation in construction works. It also imposed significant burdens on contractors in relation to the reuse and refurbishment of products. SMEs and micro-enterprises would have been particularly affected by new administrative obligations relating to the *Declaration of Performance* (DoP) and the *Declaration of Conformity* (DoC). FIEC had identified other major problems, such as the lack of short-term or interim solutions to address the long-standing backlog of harmonised standards.

The new CPR aims at boosting productivity in the built environment and is a success for contractors and the European construction industry. FIEC welcomes the fact that the overall complexity of the text has been significantly reduced, and in particular its focus on the free circulation of construction products in the internal market by excluding from its scope the direct installation, dismantling and fabrication of products "on site". This represents massive cost and time savings for (smaller) contractors (several Full-Time Equivalents per year). The standard-setting process has also been simplified. A new *Digital Product Passport* (DPP) has been introduced to push digitalisation in the sector. Product information must be made available in a digital form and include details about the product's impact on the environment. The text mainly addresses manufacturers of construction products, and FIEC will inform its members once the implementation progresses and results on construction sites become visible.

The CPR Acquis Process to update product standards will continue for the next decade, and FIEC is closely involved in the work of the *CPR Acquis Expert Group* and its sub-groups.

Actions and key dates:

30/03/2022	→ European Commission publishes proposal for revision of CPR 305/2011
30/11/2022	→ FIEC Open letter on CPR revision: *"The time for action is now"*
09/12/2022	→ Joint industry amendments, together with *Construction Products Europe* (CPE), *European Builders Confederation* (EBC) and *Small Business Standards* (SBS)
14/07/2023	→ FIEC letter: *"Contractors in the new Construction Products Regulation"*
13/12/2023	→ Trilogue negotiations between the co-legislators (European Parliament, Member States) and the European Commission: Provisional agreement reached
30/01/2024	→ FIEC Press Release on provisional agreement
10/04/2024	→ European Parliament adopts new CPR
05/11/2024	→ Council of the EU adopts new CPR
18/12/2024	→ Publication in the *EU Official Journal*: Regulation (EU) 2024/3110 enters into force on 7 January 2025 (applies as of 8 January 2026)

Energy Performance of Buildings Directive (EPBD) / "Fit-for-55"

Brief description and main aims:

The *Energy Performance of Buildings Directive* (EPBD) is the EU's main legislative instrument for improving the energy performance of buildings in the EU. It was revised with the aim of significantly reducing *Greenhouse Gas* (GHG) emissions and final energy consumption in buildings by 2030, and to set a long-term vision for a climate-neutral EU building stock by 2050. Some specific goals of the recast EPBD are to increase the rate and depth of energy-efficient building renovations, improve information about the energy performance and sustainability of buildings, ensure that all new buildings meet ambitious *Minimum Energy Performance Standards* (MEPS), and to ensure that all buildings will be in line with the 2050 climate neutrality target. The EPBD sets minimum requirements for non-residential and residential buildings with a "worst first" approach, intending to address renovations of the worst-performing buildings first. It also obliges Member States to phase out fossil fuel-based boilers by 2040 and to define a pathway to progressively reduce the *Global Warming Potential* (GWP) of buildings over their life cycle.

The EPBD recast builds on the *EU Renovation Wave* strategy and aims to double the annual renovation rate. It is part of the *Fit-for-55* package to reduce 2030 GHG emissions in the EU by 55 percent.

Why FIEC is dealing with this topic:

Buildings account for about 40 percent of the total energy consumption and 36 percent of GHG emissions in the EU. Currently, about 35 percent of EU buildings are older than 50 years, and almost 75 percent of the building stock is energy inefficient. The annual renovation rate is stagnating at about 0.4 - 1.2 percent. Therefore, the renovation of the existing buildings has the potential to lead to significant energy savings. Investments in energy efficiency can boost the construction industry, and SMEs in particular would benefit from a stimulated renovation market. In addition, the recast EPBD sets out conditions for calculating the *Whole-Life Carbon* (WLC) emissions / Life-cycle GWP of new buildings. As part of the *EU Renovation Wave*, the European Commission underlined its commitment to developing a roadmap to 2050 for reducing the WLC emissions of buildings.

The *Fit-for-55* package has great potential for the construction industry, but it will also have a far-reaching impact on the construction supply chain, as the proposed legislation affects the entire life-cycle of buildings. A summary and analysis of the *Fit-for-55* package and the *European Green Deal* is available on the FIEC Website and Intranet. FIEC welcomed the *Fit-for-55* package and EPBD recast. However, in the context of the intensifying housing crisis, FIEC repeatedly warned about the high up-front costs of renovation, the lack of skilled labour and the impact of the EPBD on construction costs.

FIEC monitors the transposition in Member States and remains involved in the EPBD Comitology.

Actions and key dates:

15/12/2021	→ European Commission proposal for a recast EPBD (repealing Directive 2010/31)
30/03/2022	→ FIEC Position Paper on the recast EPBD
14/02/2023	→ FIEC Reaction to European Parliament position on EPBD proposal
30/08/2023	→ FIEC co-signs cross-sectoral call for swift EPBD adoption (with 31 other European federations)
07/12/2023	→ Trilogue negotiations between the co-legislators (European Parliament, Member States) and the European Commission: Provisional agreement reached
18/01/2024	→ FIEC participation in the *"Renovation Week"* of the Belgian EU Council Presidency
12/03/2024	→ European Parliament adopts new EPBD
12/04/2024	→ Council of the EU adopts new EPBD
	→ FIEC Press Release on the final adoption of the new EPBD
08/05/2024	→ Publication in the *EU Official Journal*: Directive (EU) 2024/1275 enters into force on 28 May 2024 (Deadline for transposition into national law: 29 May 2026)

European Water Legislation

Brief description and main aims:

Over the years, the EU has adopted several pieces of legislation in the field of water protection and quality. The EU's main objective is to ensure that all Europeans have access to good quality and sufficient water, and to guarantee the good status of all water bodies throughout Europe. EU legislation aims to ensure that water is managed sustainably in the long term, that water pollution is reduced and that aquatic ecosystems are protected. Since 2000, the EU's *Water Framework Directive* (WFD) has been the main piece of water legislation in Europe.

The WFD has been complemented by other EU legislation such as the *Groundwater Directive* (GWD), the *Drinking Water Directive* (DWD), the *Urban Wastewater Treatment Directive* (UWWTD), and the *Floods Directive*. While these policies have primarily focused on water quality and pollutants, water quantity management, scarcity, droughts, and other extreme weather events are now receiving more attention. These challenges lack a comprehensive strategy and vision to address them.

In 2023, the *Consultative Committee for Industrial Changes* (CCMI), a *European Economic and Social Committee* (EESC) body, published plans for an *EU Blue Deal* to make the water crisis a policy priority for the 2024 - 2029 mandate of the European Commission. After the re-election of Ursula von der Leyen as Commission President, the development of a *Water Resilience Strategy* (WRS) was included among the priorities for the new mandate. A dedicated *Commissioner for Environment, Water Resilience, and a Competitive Circular Economy*, the Swedish Jessika Roswall, will lead the work on this file.

Why FIEC is dealing with this topic:

Contractors face a growing number of challenges related to water stress (situations in which the demand for water exceeds the amount available in a given period), excess water and water quality. Extreme weather events such as droughts and heavy rainfall are becoming more frequent, posing huge challenges to the built environment and resulting in huge damages and high insurance costs. Flood defenses and other water management systems are needed to deal with these situations. To the contrary, a major factor contributing to water scarcity and water loss is leakage from water networks: On average, 25 percent of treated water is lost in public water supplies. At EU level, this adds up to 6.5 billion m^3 lost annually, equaling the combined consumption of France and Germany.

On construction sites, water is mainly used for mixing mortar and for cleaning equipment. Consumption is very little compared to other sectors, like manufacturing and agriculture. To better address this situation, FIEC calls for a sectoral approach, with individual milestones and roadmaps. Moreover, any action by the legislator will require the active involvement of the construction sector. Contractors are heavily involved in all those works (e.g. leakage detection and repair), the construction of water infrastructure, and hydraulic systems. With an appropriate framework, the whole water nexus can also be a huge business opportunity for the sector. However, providing clean water is a public service, and water infrastructure is therefore mainly provided to public bodies. Tackling the identified challenges and using resources efficiently requires greater funding to enable investments in the repair and maintenance of water grids, sewer networks, and hydraulic infrastructure. Commissioner Roswall announced that the WRS will be *non-legislative*. It will address streamlining and simplification potentials. Special attention should be given to how existing laws are implemented and enforced at the national level.

Actions and key dates:

26/10/2023	→ EESC Call for a new and comprehensive water strategy for Europe (EU Blue Deal)
27/02/2024	→ FIEC - EIC Joint Call for a European Blue Deal: *"Water Policy and the Role of the European Construction Sector"*
04/03/2025	→ FIEC Contribution to European Commission Public Consultation on a WRS
16/05/2025	→ FIEC Annual Conference in Athens: *"Building Tomorrow: Solutions for Water Resilience and Blue Infrastructure"*
04/06/2025	→ European Commission scheduled to publish a proposal for *non-legislative* WRS

Industrial Decarbonisation and Competitiveness

Brief description and main aims:

Climate change is one of the most pressing issues of our time and a global threat, including for Europe. Climate risks threaten the Union's energy and food security, ecosystems, infrastructure, water resources, financial stability and human health. According to the EU, many of these risks have already reached critical levels and could become catastrophic if urgent and decisive action is not taken.

In 2019, the European Commission launched its sustainable growth strategy, the *European Green Deal*, with the aim of putting Europe on a path to climate neutrality by 2050 and transforming it into a circular economy. However, during the previous mandate of the Commission, it became clear that a European sustainable growth strategy will not materialise without paying attention to the competitiveness of the continent's industrial backbone to leave no one behind. Therefore, a *Clean Industrial Deal* (CID) was published in 2025, guiding the work of EU legislators during their new 2024 - 2029 mandate. The planned legislative proposal about an *Industrial Decarbonisation Accelerator Act* (IDAA) was announced as part of the CID and will address industrial decarbonisation. Its goal is to support the creation of lead markets for the development of European clean and resilient industrial technologies and products. A focus will be on the decarbonisation of energy-intensive industries to reach climate neutrality by 2050. Today, emission reductions are too often the result of reduced production output rather than increased efficiency and decarbonised manufacturing processes. To overcome this, the IDAA aims to address the lack of demand for clean industrial products at current prices, compared to their conventional alternatives. A coordinated EU approach would strengthen European resilience and support the development of European low-carbon lead markets.

Why FIEC is dealing with this topic:

Of particular importance to the European construction industry is the aim of EU legislators to develop product labels for industrial products, accompanied by incentives. They may be a powerful tool to speed up the transition to decarbonised manufacturing and could be linked to private and public procurement to encourage manufacturers to use them. It is planned that the IDAA will develop a voluntary label on the carbon intensity content of industrial products like steel and cement. As figures indicate that nearly half of Europe’s steel production is used in construction, the built environment is considered among the sectors of application. Construction plays a key role in the competitiveness of the entire supply chain, and the overall goal of the construction industry is to buy materials with the lowest carbon footprint at the lowest price, always on the basis of important technical characteristics.

The built environment is particularly vulnerable to the effects of climate change: More frequent and extreme weather events increase the risks to Europe's built environment and critical services, including energy, water and transport. However, implementing new environmental and sustainability criteria in EU legislation comes at a cost and might have negative impacts on the competitiveness of European contractors. FIEC has therefore called on EU legislators to balance climate change measures and industrial competitiveness, also keeping in mind that rising costs of construction are a big driver of the housing crisis in Europe.

Actions and key dates:

11/12/2019	→ European Commission publishes *European Green Deal*
20/02/2024	→ FIEC co-signs *Antwerp Declaration for a European Industrial Deal,* among many other business and industry federations
26/02/2025	→ European Commission publishes CID
04/03/2025	→ FIEC President Piero Petrucco attends the *Strategic Dialogue on the Future of the Steel Sector* with Commission President Ursula von der Leyen
08/07/2025	→ FIEC will contribute to the European Commission Public Consultation on IDAA
Q4/2025	→ European Commission scheduled to publish a *legislative* IDAA proposal
2026	→ European Commission scheduled to publish a proposal for a revision of the *Public Procurement Directive* (PPD)

EU Taxonomy for Sustainable Activities & Sustainability Reporting

Brief description and main aims:

At the heart of the *European Green Deal* lies the *EU Taxonomy for Sustainable Activities* and the *Corporate Sustainability Reporting Directive* (CSRD). They play their role in achieving the *EU Green Deal's* ambitious sustainable environmental objectives while preventing greenwashing. As part of the European Commission *Action Plan on Financing Sustainable Growth*, the *EU Taxonomy* has already been proposed in 2018. It is a classification system that provides all economic and financial actors with a common understanding of what should be considered as sustainable economic activity in the EU. By creating this harmonised classification system, the European Commission aims to help investors, companies, issuers, etc. to channel investments into "green" activities. As part of the *Taxonomy Regulation*, a dedicated *Platform on Sustainable Finance* (PSF) had been established as an advisory body to the European Commission for drafting technical screening and *Do-No-Significant-Harm* (DNSH) criteria.

Over the years, it became clear that the *EU Taxonomy* and Sustainability Reporting Framework pose bureaucratic and overly complex administrative burdens on companies, incl. on *Small and Medium-sized Enterprises* (SMEs). After the 2024 European elections, Commission President Ursula von der Leyen therefore committed herself and the whole College of Commissioners to ensure that existing rules are fit for purpose, to focus on reducing administrative burdens, and to simplify legislation.

Why FIEC is dealing with this topic:

Given the EU's ambitious environmental and sustainability policies, such as the *EU Taxonomy* and the CSRD, and clients' attitudes towards sustainability, construction companies cannot continue with "business as usual". Sustainability will not just be an "added value" or a "nice-to-have", and FIEC expects that it will soon become a "licence to operate" for contractors. However, while improved transparency through sustainability reporting is an important first step, it is crucial to recognise that it is not enough on its own. Sustainable business behaviour must be embedded within the core practices of construction companies, not just reported as a separate activity. To effectively drive the sustainable transition, the entire reporting task must be embedded in a broader green finance framework. This framework would allow contractors (that are leading the way in sustainable business practices) to access better finance options. Financial incentives, such as low-interest loans or preferential terms for sustainable projects, could encourage more companies to step up their commitment to sustainability. If implemented effectively, this could be a significant push towards achieving Europe's ambitious climate targets.

The CSRD not only requires huge companies, including listed SMEs, to disclose detailed sustainability information, but also has an immense trickle-down effect on SMEs. FIEC repeatedly warned about this, and huge bureaucratic burden as well as access to finance have been identified as the main issues for businesses and key contributing factors for the competitiveness crisis in Europe. The European construction industry therefore welcomes the *Omnibus Simplification Package* (OSP) on Sustainability Reporting that has been proposed by the European Commission in February 2025. Streamlining the *EU Taxonomy*, the CSRD with *European Sustainability Reporting Standards* (ESRS) and the *Corporate Sustainability Due Diligence Directive* (CS3D) with the goal of integrating them into one harmonised framework is a promising approach. Balancing incentives for companies to invest in sustainable and climate-friendly activities with an appropriate level of detail when it comes to reporting is key. This is the only way to ensure a successful long-term approach to sustainability for companies and the European economy.

In its Working Group on Sustainability, FIEC is coordinating activities, e.g. to ensure that technical criteria for construction activities are realistic and usable. A summary and "deep dive" into the *EU Taxonomy* and CSRD is available on the FIEC Intranet. An overview of the exposure of the construction sector in terms of reporting and access to finance has been prepared to support the EU legislator in putting forward a pragmatic *Omnibus Simplification Package* (OSP) that maintains the EU at the forefront of corporate sustainability while ensuring the competitiveness of businesses. It provides examples and insights from a company perspective and defines specific simplification opportunities.

Actions and key dates:

22/06/2020	→ Publication in the *EU Official Journal*: EU Taxonomy for Sustainable Activities – Regulation (EU) 2020/852 enters into force on 12 July 2020
OCT 2020	→ Platform on Sustainable Finance (PSF) 1st mandate, first meeting
21/04/2021	→ European Commission publishes proposal for Climate Delegated Act (environmental objectives 1-2) → European Commission publishes proposal for *Corporate Sustainability Reporting Directive* (CSRD) → April Sustainable Finance package
JAN 2022	→ Climate Delegated Act enters into force, Reporting on Taxonomy eligibility for companies within the scope of Non-Financial Reporting Directive (NFRD)
30/03/2022	→ PSF publishes recommendations for Environmental Delegated Act on technical screening criteria (environmental objectives 3-6)
23/06/2022	→ FIEC Reaction to PSF recommendations for environmental objectives 3-6
OCT 2022	→ PSF 1st mandate, end of mandate
DEC 2022	→ FIEC Reaction to PSF *TWG Supplementary Report* on technical screening criteria (circular economy)
18/12/2022	→ Publication in the *EU Official Journal*: CSRD – Directive (EU) 2022/2464 enters into force on 5 January 2023 (reporting on taxonomy alignment with environmental objectives 1-2)
FEB 2023	→ Platform on Sustainable Finance (PSF) 2nd mandate, first meeting
JUN 2023	→ New Sustainable Finance package → adoption of Environmental Delegated Act → publication of first set of *European Sustainability Reporting Standards* (ESRS), Delegated Act to the CSRD → FIEC Open Letter on Sustainable Finance Package and Environmental Delegated Act
27/11/2023	→ FIEC Position Paper (update) on *EU Taxonomy* and new Circular Economy Criteria
JAN 2024	→ Environmental Delegated Act enters into force
31/01/2025	→ FIEC Position Paper on the first Omnibus Simplification Package (OSP): *"A pragmatic Omnibus Simplification Package to put the EU at the forefront of Corporate Sustainability while ensuring the Competitiveness of Businesses"*
06/02/2025	→ FIEC President Piero Petrucco attends the *Simplification Roundtable* with Commissioner for Economy and Productivity & Implementation and Simplification Valdis Dombrovskis
26/02/2025	→ European Commission publishes proposal for first OSP to streamline *EU Taxonomy*, CSRD/ESRS, *Corporate Sustainability Due Diligence Directive* (CS3D) and the *Carbon Border Adjustment Mechanism* (CBAM)
MAR 2025	→ PSF 2nd mandate, end of mandate