Constructing a Sustainable Europe

'**Constructing a Sustainable Europe**' articulates how the European Federation for Construction Chemicals, its member companies and partner federations aim to contribute to sustainable development. Strategic priorities are defined, that are essential to progress sustainable development and at the same time ensure the competitiveness of the construction chemicals industry in Europe. Moreover, an update is given of EFCC's contributions so far.

EFCC Sustainability Charter

EFCC's Sustainability Charter builds on EFCC's Vision and Mission and articulates how EFCC and its member companies and partner federations contribute to sustainability. It defines strategic priorities that are essential to progress sustainable development and ensure the competitiveness of the construction chemicals industry in Europe.

The Charter takes the Brundtland Commission's definition of Sustainable Development – *development that meets the needs of the present without compromising the ability of future generations to meet their own needs* – as a starting point. However, what is now needed is a new approach to economic growth: one that is more ambitious and, at the same time socially and environmentally sustainable, with a focus on achieving circularity.

The Charter should also be seen in the context of the current Regulatory Landscape in Europe. This landscape in Europe is very complex with a multitude of different strategies, action plans, legislations and regulations, where the coherence is not always very apparent.

EFCC Vision

The European Federation for Construction Chemicals (EFCC) is committed to promoting a sustainable and competitive construction chemicals industry in Europe that is recognized for:

- providing sustainable, safe and resource efficient solutions,
- fostering a sustainable and competitive industry in Europe, and
- being a credible partner to deliver on the European Green Deal and the underlying Circular Economy Principles, thus creating a Sustainable Built Environment,

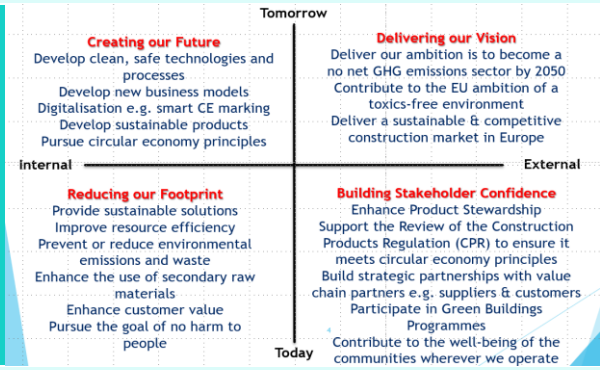
thus meeting the needs of the present generation without compromising the ability of future generations to meet their needs.

EFCC Mission

EFCC's mission is to meet the needs and expectations of the construction chemicals industry in Europe and its stakeholders by:

- providing expertise and services on technical, scientific and regulatory matters
- supporting efforts to provide resource efficient solutions and reduce its environmental footprint
- supporting the development of clean and safe chemicals, products and technologies
- enhancing its reputation and engaging with its stakeholders, and
- championing the delivery of its sustainability vision.

EFCC's approach



EFCC's approach to realising the sustainability opportunities and addressing the sustainability challenges resulting from European regulations and legislation in particular arising from Europe's growth strategy, the European Green Deal, should be seen against the background of the current Regulatory Landscape in Europe.

This approach resulted in the identification of strategic priorities for EFCC, its member companies and partner national federations.

Current regulatory landscape in Europe

The **European Green deal** is at the centre of the current regulatory landscape in Europe: it is the European Commission's Growth Strategy. At the heart of it is the goal of becoming the world's first climate-neutral continent by 2050. Industry has a leading role to play in what is seen by the Commission as the greatest challenge and opportunity of our times. All industrial value chains, including energy-intensive sectors, will work on reducing their own carbon footprints but also accelerating the transition by providing affordable, clean technology solutions and by developing new business models.

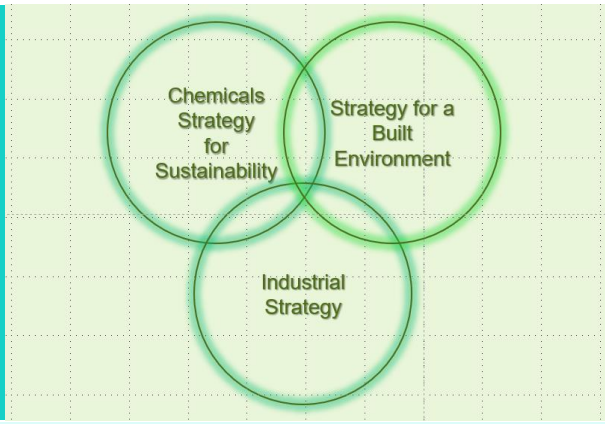
To become more competitive as it becomes greener and more circular, the construction industry will need a secure supply of clean and affordable energy and raw materials. Stepping up investment in research, innovation, deployment and up-to-date infrastructure will help develop new production processes and create jobs in the process. The European Green Deal sets the objective of creating new markets for climate neutral and circular products, such as steel, cement and basic chemicals. To lead this change, Europe needs novel industrial processes and more clean technologies to reduce costs and improve market readiness.

The European Green Deal identifies priority areas, four of which are of direct relevance for the Construction Chemicals sector in Europe (cf. Figure 1):

1. Mobilising industry for a clean and circular economy
2. Building and renovating in an energy and resource efficient way
3. A zero-pollution ambition for a toxic free environment
4. Restoring and preserving ecosystems and biodiversity

Each of these priority areas articulates more detailed strategies or action plans.

TRIPLE CHALLENGE



The construction chemicals industry in Europe faces a **triple challenge** set by the objectives of the European Commission's Green Deal defined in the Chemicals Strategy for Sustainability, the Strategy for a Sustainable Built Environment, and the Industrial Strategy where 'Construction' is identified as one of the key Industrial Ecosystems.

The European Green Deal is defined by the European Commission as Europe's new ''Growth Strategy''. A priority is realising a zero-pollution ambition for a toxic-free environment, articulated in the Chemicals Strategy for Sustainability. Another priority of the Commission is mobilising industry for a clean and circular economy, which is articulated in the Circular Economy Action Plan.

The Chemicals Strategy for Sustainability is aimed at encouraging innovation to develop safe and sustainable chemicals as articulated for example in the **Safe and Sustainable by Design (1)** programme.

A key element of the Circular Economy Action Plan is the **Strategy for a Sustainable Built Environment (2)**, that is essential in achieving Europe's climate neutrality ambition by 2050. By providing sustainable construction products, the energy efficiency and the environmental performance of built assets can be improved in Europe.

Another priority of the Green Deal is 'Building and renovating in an energy and resource efficient way', where the Review of the **Construction Products Regulation (3)** and the **Renovation Wave (4)** are two of the key elements.

In line with the Green Deal, Europe's (chemical) industry will play a leading role in the ecological transition. A more circular approach is required that will ensure a cleaner and more competitive industry by reducing environmental impacts, alleviating competition for scarce resources and reducing production costs. In the new Circular Economy Action Plan the European Commission puts forward a series of measures that are aimed to allow the EU's industry to seize these opportunities.

Industry has also a key role to play through Research & Innovation, e.g. the **HORIZON projects (5)**. EFCC is an active partner in a project aimed at stablishing an EU led international community on sustainable-by-design materials to support embedding sustainability criteria over the life cycle of products and processes.

EFCC's Strategic priorities for the coming years are as follows (not in order of significance):

1. Safe and Sustainable by Design
2. Strategy for a Sustainable Built Environment
3. Construction Products Regulation
4. Renovation Wave
5. HORIZON project - developing sustainability criteria for sustainable by design materials

PROGRESS UPDATE

vis-à-vis EFCC's Strategic Priorities

(autumn 2021)

EFCC's STRATEGIC PRIORITIES

1. **SAFE AND SUSTAINABLE BY DESIGN**

   The Chemicals Strategy for Sustainability requires the creation of ''*Key Performance Indicators to measure the industrial transition towards the production of safe and sustainable chemicals*''.

   The chemical industry in Europe has a long history in sustainability reporting, both from an industry perspective, through the Responsible Care® Programme, in the context of the World Business Council for Sustainable Development (WBCSD), or as companies individually. For example, the WBCSD has articulated how the Chemical Sector can contribute to the delivery of the UN Sustainable Development Goals, and the chemical industry has been very creative in developing indicators to report their progress towards the SDGs. The Chemical Sector has identified 10 priority SDGs, including SDG 9 (Industry innovation and infrastructure), SDG 12 (Responsible consumption and production) and SDG 13 (Climate Action). The Chemical Sector creates an immense variety of products that interact with virtually every aspect of our lives. The Chemical Sector value chain covers a diverse range of chemicals and products made from chemicals, from basic chemicals via formulated products and materials to final products.

   Therefore, ideally the Key Performance Indicators (KPIs) should cover the entire value chain: not only production of chemicals, but the entire value chain from production of (base) chemicals through formulated products and materials to final products, their use downstream and the disposal (or recycling) of the final products. In other words, applying a full life cycle approach and identifying ''*Key Performance indicators that measure the transition towards* ***safe and sustainable chemical value chains.***''

   Against this background, it should be noted that Key Performance Indicators (KPIs) as proposed by the European Federation for Construction Chemicals (EFCC), representing a chemical sector manufacturing formulated products, should be seen as a ***proxy*** for monitoring the above-mentioned industrial transition. Many of the following KPIs also allow monitoring progress with respect to Europe's goal to become the world's first climate-neutral continent, which is at the heart of Europe's Green Deal, and Europe's Circular Economy Principles Action Plan.

   EFCC's proposal has been sent to the European Commission (cf. **EFCC Proposal for KPIs – dated 22-4-21**).

   Substitution

   The construction chemicals industry has a long history in developing chemicals or materials that have a better performance in their applications, a lower toxicity for humans and the environment. 'Substitution' is everyday business of all construction chemicals companies in Europe and has been everyday business for the last decades. Specific fact sheets are being developed to provide examples of the importance of 'substitution' to develop safe and sustainable chemicals.

2. **STRATEGY FOR A SUSTAINABLE BUILT ENVIRONMENT**

   The built environment has a significant impact on many sectors of the economy, on local jobs and quality of life. It requires vast amounts of resources and accounts for about 50% of all extracted material. The construction sector is responsible for over 35% of the EU's total waste generation. Greenhouse gas emissions from material extraction, manufacturing of construction products, as well as construction and renovation of buildings are estimated at 5-12% of total national GHG emissions. Greater material efficiency could save 80% of those emissions.

To increase material efficiency and reduce climate impact, the Commission is launching a comprehensive new strategy for a sustainable built environment based on learnt lessons. This strategy aims to ensure coherence across relevant policy areas such as climate, energy and resource efficiency, management of construction and demolition waste, accessibility, digitalisation and skills. *It will promote circularity principles throughout the lifecycle of buildings* by:

1) addressing construction products' sustainability in line with the Construction Product Regulation's revision, including potential recycled content requirements for certain construction products
2) promoting the durability and adaptability of built assets in line with the circular economy principles for buildings design
3) developing digital logbooks for buildings
4) using level(s) to integrate life cycle assessment in public procurement and the EU sustainable finance framework as well as to explore potential carbon reduction targets and carbon storage
5) considering a revision of material recovery targets set in EU legislation for construction and demolition waste
6) promoting initiatives to reduce soil sealing, rehabilitate abandoned or contaminated brownfields and increase the safe, sustainable and circular use of excavated soils.

Furthermore, the Green Deal's 'Renovation Wave' initiative can lead to significant improvements in energy efficiency in the EU. The Commission will implement the initiative in line with circular economy principles, notably optimised lifecycle performance, and longer life expectancy of built assets. As part of revising the recovery targets for construction and demolition waste, they will pay special attention to insulation materials, which generate a growing waste stream.

3. CONSTRUCTION PRODUCTS REGULATION

The Construction Products Regulation (CPR) lays down harmonised rules for the marketing of construction products in the EU. Based on the evaluation of the CPR (published in Oct 2019), the European Commission decided to revise the CPR. The European Green Deal mentions the review of the CPR and the revision of the CPR is one of the key deliverables of the new Circular Economy Action Plan.

Problems to address in the Revision of the CPR include: CPR compliance cost, systematic challenges such as the quality of hENs, alternative routes (via EOTA), the need to clarify the meaning of CE marking for CP, clarity of scope and objectives of the Regulation, legal clarity and manufacturer's access to harmonised technical specifications, and, last but not least, exploring possibilities to enhance the greening of construction sector via specific requirements for construction products. The main objectives of the CPR Revision are unlocking the construction sector's growth and jobs potential, promotion of environmental goals set out in the European Green Deal and the Circular Economy Action Plan, improving the functioning of the Single Market for CPs and harmonisation with a high level of (environmental) protection.

The Commission launched a consultation and presented five Policy Potentials (A-E) for this Revision, where option A suggests no legislative change and option E suggests repealing the CPR. The three options B to D suggest repairing the CPR, Focusing the CPR and Enhancing the CPR respectively. Based on the preliminary results of the consultation, option A (no legislative change) is reported as the preferred option and option E (repeal of the CPR) as the worst option. **The Revision timeline is before October 2021**.

Option F

Construction Products Europe, together with its members such as EFCC, decided to take action and develop an alternative option called **Option F**, which could be also considered as a variation of option B.

The draft document is currently under discussion by the CPE Member organisations and has been presented in public in June 2021. The final version of this proposal is expected to be transposed as the legal proposal of the EC in the legislative process for the revision of the CPR. EFCC suggested to CPE to share this document with **European Parliament CPR Rapporteur**.

CEN/TC 350 STANDARDISATION OF CONSTRUCTION WORKS

EFCC has recently joined the CEN/TC 350 Committee as a liaison member. The committee is responsible for the development of horizontal standardised methods for the assessment of the sustainability aspects of new and existing construction works (buildings and civil engineering works) in the context of the UN Sustainable Development Goals and of the circular economy. The methodological basis will be developed in the context of current needs, European strategies, such as mitigation, adaptation and resilience to climate change, and life cycle thinking.

The standards describe coherent methodologies for the assessment of sustainability of construction works covering the assessment of environmental, social and economic performance (aspect and impacts) of buildings and civil engineering works, and the provision of construction product environmental information (EPD).

CEN/TC 350/SC1 CIRCULAR ECONOMY IN THE CONSTRUCTION SECTOR

EFCC has also joined CEN/TC 350 Sub-Committee-1 as a liaison member. The Sub-Committee is tasked to cover the assessment of the sustainability of construction works, taking a circular economy perspective.

4. RENOVATION WAVE

The Renovation Wave for Europe is aimed at greening our buildings, creating jobs and improving lives. Based on its analysis and a public consultation, the Commission has identified the following areas of intervention and lead actions critical to enable a step-change in the depth and scale of renovations:

1) **Strengthening information, legal certainty and incentives** for public and private owners and tenants to undertake renovations. The Commission will revise in 2021 the Energy Efficiency and the Energy Performance of Buildings Directives. It will propose to introduce a stronger obligation to have Energy Performance Certificates alongside a phased introduction of mandatory minimum energy performance standards for existing buildings.

2) **Ensuring adequate and well-targeted funding**. The 2021 Annual Sustainable Growth Strategy and the Guidance on Resilience and Recovery Plans identified building renovation as a priority for national recovery plans under the European Flagship 'Renovate'. Beyond recovery, this Communication proposes to increase the volume and impact of EU funding by providing more grants, technical assistance, project development support and loans and making it possible to combine them where this was not possible in the past.

3) **Increasing the capacity to prepare and implement projects**. The Commission will scale up technical assistance and make it closer to regional and local actors, in the summary report of the stakeholder consultation process is available on the Renovation Wave dedicated webpage (***here***).

4) **Promoting comprehensive and integrated renovation interventions for smart buildings**, integration of renewable energy and enabling to measure actual energy consumption. The new Smart Readiness Indicator promotes digitally friendly renovations. In the framework of the ongoing Construction Products Regulation revision the Commission will consider how sustainability criteria could support the uptake of more sustainable construction products in construction works and foster the uptake of the latest technologies.

5) **Making the construction ecosystem fit to deliver sustainable renovation**, based on circular solutions, use and reuse of sustainable materials, and the integration of nature-based solutions. The Commission proposes to promote the development of standardised sustainable industrial solutions and the reuse of waste material. It will develop a 2050 roadmap for reducing whole life-cycle carbon emissions in buildings, including the use of biobased products and reviewing material recovery targets.

6) **Using renovation as a lever to address energy poverty** and access to healthy housing for all households, including for persons with disabilities and for older people. The Commission presents a Recommendation on Energy poverty.

7) **Promoting the decarbonisation of heating and cooling**, which is responsible for 80% of energy consumed in residential buildings, through the 2021 revisions of the Renewable Energy and Energy Efficiency Directives and the EU ETS, the application and further development of eco-design and labelling measures, as well as support to district approaches.

5. HORIZON PROJECT

Together with other stakeholders, EFCC has submitted a proposal for a HORIZON project: *''Establishing an EU led international community on sustainable-by-design materials to support embedding sustainability criteria over the life cycle of products and processes (CSA) Horizon-CL4-2021-Resilience_01-08''*. This project is a 'Coordination and Support Action' project that brings interested and knowledgeable parties together to, for example, develop sustainability criteria for chemicals and materials. EFCC will cover the construction value chain in the EU.

The proposal has been submitted on the 22nd of September 2021.
