

Final European Mortgage Federation-European Covered Bond Council (EMF-ECBC) Comments on draft ITRE Report on the Energy Performance of Buildings Directive (EPBD) (recast)

27 June 2022

Introduction

The EMF-ECBC recognises the strategic importance of the Energy Performance of Buildings Directive (EPBD) and supports the overall ambition of achieving a zero-emission building stock by 2050. In this context, since 2015 the EMF-ECBC has been mobilising the EU's mortgage and covered bond industries through the market-led and EU-funded Energy Efficient Mortgages Initiative (EEMI) and the EEM Label (EEML), as well as the market-led Covered Bond Label. Indeed, the EU's mortgage and covered bond industries will be instrumental in helping the EU meet its ambitious renovation targets and are fully committed to channelling private finance to support the Renovation Wave, NextGenerationEU and RePowerEU.

At the heart of these Initiatives are efforts to deploy an integrated market 'ecosystem' which boosts and responds to consumer demand for energy renovation and supports investor due diligence. Indeed, with the overall objectives of optimising the end-to-end customer journey and experience, deploying market interventions and partnerships that support delivery and therefore maximising benefits for consumers, the EEMI is concretely building an open-source platform at the centre of the 'ecosystem', which will:

- Provide access to and guide consumers towards the most efficient and cost effective, integrated technical and financial products, services and advice, whilst ensuring commercial neutrality and offering a European approach to delivering market-specific actions.
- Deliver a continuous flow of material data for lending institutions, investors and SMEs on building energy performance (improved EPCs, primary energy demand), EU Taxonomy alignment and ESG counterparty assessment and ratings.
- Favour the implementation of market best practices to secure gradual but continuous market transition and alignment with EU legislative requirements.

In order to facilitate these efforts, the EPBD should be considered in the broader regulatory context and caution should be exercised in ensuring regulatory stability and coordination with and across a number of key files which will significantly impact on the banking industry, namely the revised Capital Requirements Regulation implementing Basel III, the Mortgage Credit Directive and the Consumer Credit Directive. It is also vital that the objectives of the EPBD are aligned with EU Taxonomy eligibility and that there is clarity on the interplay between the proposed minimum energy performance standards, the EU Taxonomy, the Green Asset Ratio (GAR) and other Sustainable Finance legislation.

Comments on MEP Cuffe's Draft Report for ITRE:

We acknowledge the ambition in MEP Cuffe's Draft Report aimed at reducing energy poverty, decreasing the EU's dependence on fossil fuels, and helping meet the EU's climate targets and also recognise the emphasis placed on finance (alongside grants) to stimulate the Renovation Wave. As indicated above, the EMF-ECBC has long recognised the transformative role of the mortgage industry in financing the improvement of the EU's building stock and therefore in supporting the climate transition, as evidenced by its efforts through the EEMI,

EEM Label and Covered Bond Label to mobilise the Industry. However, it is imperative that actions related to financing in the EPBD are consistent with the roles, responsibilities and regulatory and supervisory landscape of and for the banking industry, and the mortgage industry more specifically. As indicated above, it is also vital to ensure consistency with the complex and interconnected Sustainable Finance landscape, with the EU Taxonomy at its heart. This is the only way that mortgage lenders will be able to fulfil the transformative role mentioned above. Against this background, we would like to highlight the following considerations in relation to certain amendments proposed by the Rapporteur:

- **Amendment 75 to Article 2 – paragraph 1 – point 36:** This article suggests that mortgage lenders (and other financial market participants) can themselves improve the energy performance of the properties pledged as collateral for mortgage loans. However, lenders are not the owners of the underlying buildings in their loan portfolios. This drafting was already a concern in the European Commission’s text. Rather the decision to improve the energy efficiency of properties is the choice and responsibility of borrowers, as owners, supported by lenders via specific instruments, such as energy efficient mortgages. Emulating other industry portfolio standards, for example car fleet emission standards where the car manufacturer is both the manufacturer and the owner of the vehicle, represents an oversimplification. This could have the contrary effect of limiting consumer access to mortgage finance, as lending institutions favour the financing of the EU’s best performing buildings, rather than the worst performing ones, in order to meet ‘targets’ which are hard-wired into legislation. Ultimately, these standards will hinder the Industry’s ability to support the Renovation Wave as already underway via the EEMI, EEM Label and EEM ‘ecosystem’ described above. Specific public guarantee schemes, fiscal incentives and preferential supervisory rules can support the development of the market in energy efficient mortgages.

The Rapporteur’s proposed amendments to the European Commission’s Article 2 are a source of additional concern as a result of the references to ‘affordability’, ‘solvency’ and ‘debt ratios’ all of which are fundamental elements of banks’ creditworthiness assessments. Creditworthiness assessments are and should remain at the complete discretion of lending institutions according to key principles laid down in the Mortgage Credit Directive (MCD) and should be based on objective criteria determining a borrower’s risk profile. Creditworthiness assessments should not be driven by policy objectives. Research under the EEMI and other Initiatives point to the credit risk mitigation impact of energy efficiency in a number of markets, however, the extent to which this is reflected in creditworthiness assessments and credit decision-making must remain at the discretion of the lending institution and should not be prescribed in legislation.

- **Amendments 106-107 to Article 7:** Regarding new buildings, amendment 106 shortens the deadline for the entry into force of the zero-emission standard for buildings owned/occupied by public authorities by 2 years (2025 instead of 2027) and amendment 107 shortens this deadline by 5 years for all buildings (2025 instead of 2030). These new deadlines are unrealistic in view of the obligations for professionals to adapt to the new standards in a period when raw materials and skilled labour are particularly lacking. These excessively short deadlines for a particularly ambitious standard risks resulting in a lack of construction of new buildings and discouraging investment in this area, against a background where achieving the zero-emission objective is impossible to meet in a profitable way in such short timeframes.
- **Amendments 125-131 to Article 9:** Regarding existing buildings, we recognise the need to put in place measures to achieve climate neutrality in buildings and support an approach with an initial focus on the worst performing buildings. However, in a number of European countries, a majority of residential and commercial real estate has an energy performance class G. Unless all of these residential and buildings are renovated by the cut-off dates proposed by the European Commission, their market value will be equal to “zero”. And yet the energy renovations required by the Directive necessitate huge investments and will affect not only building owners but society as a whole. Indeed, even with public support mechanisms, there

is a significant risk of the creation of stranded assets, with negative social and financial implications for borrowers (especially where renovation is not economically viable (often the case for the most fragile households)) as well as financial institutions, that could undermine social and financial stability. With these considerations in mind, we are extremely concerned about the Rapporteur’s proposal to further increase the minimum energy performance standards compared to the European Commission’s current proposal, which will only serve to exacerbate the risks of stranded assets. It is also important to point out that targets must be realistic and achievable. Against a background of a rise in the price of materials (inflation), a shortage of materials and a shortage of labor, the feasibility of meeting these targets is seriously challenged.

- **Amendment 177 to Article 15 – paragraph 4:** We recognise the intention with regard to vulnerable groups which is of course laudable, however, in the absence of an agreed EU definition of ‘vulnerable groups’ and without the clarity of which kind of vulnerability is referred to i.e. energy or other, this requirement is not practicable.
- **Amendment 178 - Article 15 – paragraph 4 a (new):** For the reasons outlined above in relation to amendments 75 and 177, we are extremely concerned about the Rapporteur’s proposal that the European Commission adopt delegated acts on Mortgage Portfolio Standards and complementary measures *“protective of low-income households, including both accuracy of the creditworthiness assessment regarding energy efficient renovation benefits and pathways for low-income households via complementary financial instruments like grants and guarantee funds, in line with the Directive 2014/17/EU”*.
- **Amendment 268 - Annex III – point I - table:** Annex III defines the total annual consumption of a new or renovated building with zero emissions and the European Commission’s proposes a series of thresholds. The Rapporteur’s Amendment 268 reduces this threshold by 50% and introduces a different threshold for existing buildings. However, these proposals have not been the subject of any impact assessment demonstrating that achieving these thresholds would be feasible at a reasonable cost and that the technology exists to allow this threshold to be reached. The thresholds set by the European Commission are already very ambitious. Those set by the Rapporteur are unrealistic and the marginal reduction in energy consumption and insignificant environmental benefit is disproportionate to the cost needed to achieve these thresholds. What we do see as appropriate are specific higher thresholds for existing buildings compared to the thresholds for new buildings.

EMF-ECBC Proposed Amendments to European Commission’s Proposal for a Directive (recast):

Text proposed by the European Commission	Amendment
	<p style="text-align: center;">Recital 26a (new)</p> <p><i>The minimum energy performance standards in Article 9(1) must be aligned with the operability of the EU Taxonomy and the Technical Screening Criteria for construction and real estate enshrined in European Commission Delegated Regulation (EU) No 2021/2139. When renovations fulfilling the EPBD requirements result in a 30% reduction in primary energy demand, the entire building and thus the entire loan for its acquisition and ownership should be considered EU Taxonomy compliant.</i></p>

Justification

The proposed amendment aims to ensure that the minimum energy performing standards are aligned with the EU Taxonomy’s Technical Screening Criteria. When renovations fulfilling the EPBD requirements result in a 30% reduction in primary energy demand, the entire building and thus the entire loan, also for its acquisition and ownership, should be considered EU Taxonomy compliant. If the entire loan is not considered EU Taxonomy compliant it is necessary to split loans which will increase costs for the borrower. Higher costs can decrease demand for green loans and green funding.

Text proposed by the European Commission	Amendment
<p style="text-align: center;">Recital 46</p> <p>(46) Financial mechanisms, incentives and the mobilisation of financial institutions for energy renovations in buildings should play a central role in national building renovation plans and be actively promoted by Member States. Such measures should include encouraging energy efficient mortgages for certified energy efficient building renovations, promoting investments for public authorities in an energy efficient building stock, for example by public-private partnerships or energy performance contracts or reducing the perceived risk of the investments.</p>	<p style="text-align: center;">Recital 46</p> <p>46) Financial mechanisms, incentives and the mobilisation of financial institutions for energy renovations in buildings should play a central role in national building renovation plans and be actively promoted by Member States. Such measures should include encouraging energy efficient mortgages for certified energy efficient building renovations, promoting investments for public authorities in an energy efficient building stock, for example by public-private partnerships or energy performance contracts or reducing the perceived risk of the investments. <i>Such measures should also enable financial institutions to collect and to process the energy performance data required by European Commission Delegated Regulation (EU) No 2021/2139 in respect of the buildings that these financial institutions finance necessary to determine alignment with the EU taxonomy.</i></p>

Justification

In order for financial institutions to fulfil their designated role in funding the Renovation Wave of buildings in Europe, it is important that the Proposal clarifies that financial institutions are granted access to the energy performance data of buildings necessary to determine EU Taxonomy alignment and the permission to process that data.

Indeed, data on the energy performance of buildings are essential for lenders to correctly assess the creditworthiness of a green or energy efficient mortgage or renovation loan and to determine alignment with the building related elements of the EU Taxonomy for sustainable activities. Unfortunately, as a result of different interpretations in the implementation of the GDPR, in some European countries access to EPC database is forbidden for lenders.

To determine Taxonomy compliance, from a data protection perspective:

- a. the data would need to be present in the relevant EPBD IV national database. I.e. the database would need to be permitted to collect and store that data
- b. the database would need to be permitted to disclose that data to mortgage lenders in order for mortgage lenders to determine EUT of mortgage loans
- c. the mortgage lender would need to be permitted to collect that data
- d. the mortgage lender would need to be permitted to process that data to determine EU Taxonomy compliance.

These items we seek to address in our amendment proposal while safeguarding the privacy interests of mortgage loan borrowers. GDPR continues to apply in full.

It is also vital that financial institutions have access to data beyond that which is included in EPCs. Indeed, with regard to the EU Taxonomy’s Technical Screening Criteria (for mitigation and adaptation), as well as the Do No Significant Harm Criteria, the EPC is insufficient to determine the building related elements of EU Taxonomy alignment. The data required to determine and demonstrate alignment is relevant for new and existing portfolios of mortgage lenders (e.g. for green mortgage loan, green bond and reporting purposes). It is relevant for renovation loans and for new construction loans.

Text proposed by the European Commission	Amendment
<p style="text-align: center;">Article 2 – paragraph 1 – point 36</p> <p>36. 'mortgage portfolio standards' means mechanisms <i>incentivising mortgage lenders to increase the median energy performance of the portfolio of buildings covered by their mortgages and to encourage</i> potential clients <i>to make their property</i> more energy-performant along the Union’s decarbonisation ambition and relevant energy targets in the area of energy consumption in buildings, relying on the definition of sustainable economic activities in the EU Taxonomy.</p>	<p style="text-align: center;">Article 2 – paragraph 1 – point 36</p> <p>36. 'mortgage portfolio standards' means <i>voluntary mechanisms according to which mortgage lenders define the path of their mortgage portfolios towards 2030 and 2050 with a view to supporting</i> potential clients <i>in making their properties</i> more energy-performant along the Union’s decarbonisation ambition and relevant energy targets in the area of energy consumption in buildings, relying on the definition of sustainable economic activities in the EU Taxonomy.</p>
<p style="text-align: center;"><i>Justification</i></p> <p>Mortgage lenders are not the owners of the underlying buildings in their loan portfolios and cannot themselves improve their energy performance. Rather this is the choice and responsibility of borrowers, as owners, supported by lenders via specific instruments, such as energy efficient mortgages. Emulating other industry portfolio standards, for example car fleet emission standards where the car manufacturer is both the manufacturer and the owner of the vehicle, represents an oversimplification. This could have the contrary effect of limiting consumer access to mortgage finance, as lending institutions favour the financing of the EU’s best performing buildings, rather than the worst performing ones, in order to meet ‘targets’ which are hard-wired into legislation. Ultimately, these standards will hinder the Industry’s ability to support the Renovation Wave as already underway via the EEMI, EEM Label and EEM ‘ecosystem’.</p> <p>This amendment therefore seeks to encourage mortgage lenders, on a voluntary basis, to define a clear path</p>	

for their mortgage portfolios towards 2030 and 2050, underpinned by efforts, anchored in the EEM ‘ecosystem’ to support potential clients in improving the energy efficiency of their properties.

Text proposed by the European Commission	Amendment
<p>Article 9 – Paragraph 1 – Points a & b – Points i & ii</p> <p>1. Member States shall ensure that</p> <p>(a) buildings and building units owned by public bodies achieve at the latest</p> <p>(i) after 1 January 2027, at least energy performance class F; and</p> <p>(ii) after 1 January 2030, at least energy performance class E;</p> <p>(b) non-residential buildings and building units, other than those owned by public bodies, achieve at the latest</p> <p>(i) after 1 January 2027, at least energy performance class F; and</p> <p>(ii) after 1 January 2030, at least energy performance class E;</p> <p>(c) residential buildings and building units achieve at the latest</p> <p>(i) after 1 January 2030, at least energy performance class F; and</p> <p>(ii) after 1 January 2033, at least energy performance class E;</p>	<p>Article 9 – Paragraph 1 – Points a & b – Points i & ii</p> <p>1. Member States shall ensure that</p> <p>(a) buildings and building units owned by public bodies achieve at the latest</p> <p>(i) after 1 January 2027, at least energy performance class F; and</p> <p>(ii) after 1 January 2030, at least energy performance class E;</p> <p>(b) non-residential buildings and building units, other than those owned by public bodies, achieve at the latest</p> <p>(i) after 1 January 2037, at least energy performance class F; and</p> <p>(ii) after 1 January 2040, at least energy performance class E;</p> <p>(c) residential buildings and building units achieve at the latest</p> <p>(i) after 1 January 2040, at least energy performance class F; and</p> <p>(ii) after 1 January 2043, at least energy performance class E;</p>
<p>Text Proposed by the European Commission</p>	<p>Amendment</p>
	<p>Article 9 – Paragraph 7 (new)</p> <p><i>(7) The minimum energy performance standards in Article 9 paragraph 1 shall apply if renovations are economically viable for the building owner and society.</i></p> <p><i>Building owners are required to make energy renovations that are economically viable for the owner.</i></p> <p><i>Where energy renovations are not economically viable for the building owner, Member States shall facilitate and economically support such renovations.</i></p>

	<p><i>Member States shall make the consequences of the Directive clear for building owners and lay down a path to compliance with the Directive.</i></p>
<p>Text Proposed by the European Commission</p>	<p>Amendment</p>
	<p style="text-align: center;">Article 9 – Paragraph 8 (new)</p> <p><i>(8) When building renovations fulfilling the requirements of Article 9 paragraph 1 of this Directive result in a 30% reduction in primary energy demand, the entire building and thus the entire loan for its acquisition and ownership will be considered compliant with Sections 7 of Annex I and Annex II of Commission Delegated Regulation (EU) No 2021/2139.</i></p>
<p style="text-align: center;">Justification</p> <p>In a number of European countries, a majority of residential and commercial real estate has an energy performance class G. Unless all of these residential and buildings are renovated by the cut-off dates proposed by the European Commission, their market value will be equal to “zero”. And yet the energy renovations required by the Directive necessitate huge investments and will affect not only building owners but society as a whole. Indeed, there is a significant risk of the creation of stranded assets, with negative social and financial implications for borrowers (especially where renovation is not economically viable (often the case for the most fragile households)) as well as financial institutions, that could undermine social and financial stability.</p> <p>It is necessary that Member States take on the task of making building owners aware of the consequences of the EPBD and its minimums energy performance standards and make it possible for building owners to act on informed grounds and carry out the necessary renovations. As indicated above, with the proposed minimum energy performance standards there is a risk that renovations that are neither economically viable for building owners nor society are carried out. This should be avoided. In order to secure an optimal level of energy renovations, it is important that member states facilitate renovations where they are not economically viable for the individual building.</p> <p>A careful balance should be struck between measures needed to achieve the climate goals and measures that are practicable. The proposed EMF-ECBC amendments extend the deadlines proposed by the European Commission for residential buildings and introduce a requirement to ensure that these standards apply only where a renovation is deemed economically viable, in order to mitigate the potential consequences of the minimum energy performance standards.</p> <p>Finally, the proposed new paragraph 8 to Article 9 aims to ensure that the minimum energy performing standards are aligned with the EU Taxonomy’s Technical Screening Criteria. When renovations fulfilling the EPBD requirements result in a 30% reduction in primary energy demand, the entire building and thus the entire loan, also for its acquisition and ownership, should be considered EU Taxonomy compliant. If the entire loan is not considered EU Taxonomy compliant it is necessary to split loans which will increase costs for the borrower. Higher costs can decrease demand for green loans and green funding.</p>	

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Text proposed by the European Commission	Amendment
<p>Article 14 - Paragraph 1</p> <p>1. Member States shall ensure that the building owners, tenants and managers can have direct access to building systems’ data. At their request, the access or data shall be made available to a third party. Member States shall facilitate the full interoperability of services and of data exchange within the Union in accordance with paragraph 6.</p>	<p>Article 14 – Paragraph 1</p> <p>1. Member States shall ensure that the building owners, tenants, managers and the controllers of article 19 national databases for energy performance of buildings can have direct access to building systems’ data. At their request, the access or data shall be made available to a third party. Member States shall facilitate the full interoperability of services and of data exchange within the Union in accordance with paragraph 6.</p>

<p>Justification</p> <p>In order for financial institutions to fulfil their designated role in funding the Renovation Wave of buildings in Europe, it is important that the Proposal clarifies that financial institutions should be granted both access to the energy performance data of buildings necessary to determine EU Taxonomy alignment and permission to process that data.</p> <p>Indeed, data on the energy performance of buildings are essential for lenders to correctly assess the creditworthiness of a green or energy efficient mortgage or renovation loan and to determine alignment with the building related elements of the EU Taxonomy for sustainable activities. Unfortunately, as a result of different interpretations in the implementation of the GDPR, in some European countries access to EPC database is forbidden for lenders.</p> <p>To determine Taxonomy compliance, from a data protection perspective:</p> <ol style="list-style-type: none"> a. the data would need to be present in the relevant EPBD IV national database. I.e. the database would need to be permitted to collect and store that data b. the database would need to be permitted to disclose that data to mortgage lenders in order for mortgage lenders to determine EUT of mortgage loans c. the mortgage lender would need to be permitted to collect that data d. the mortgage lender would need to be permitted to process that data to determine EU Taxonomy compliance. <p>These items we seek to address in our amendment proposal while safeguarding the privacy interests of mortgage loan borrowers. GDPR continues to apply in full.</p> <p>It is also vital that financial institutions have access to data beyond that which is included in EPCs. Indeed, with regard to the EU Taxonomy’s Technical Screening Criteria (for mitigation and adaptation), as well as the Do No Significant Harm Criteria, the EPC is insufficient to determine the building related elements of EU Taxonomy alignment. The data required to determine and demonstrate alignment is relevant for new and existing portfolios of mortgage lenders (e.g. for green mortgage loan, green bond and reporting purposes). It is relevant for renovation loans and for new construction loans.</p>
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Text proposed by the European Commission	Amendment
<p style="text-align: center;">Article 16 – Paragraph 3</p> <p>3. Member States shall ensure the quality, reliability and affordability of energy performance certificates. They shall ensure that energy performance certificates are issued by independent experts following an on-site visit.</p>	<p style="text-align: center;">Article 16 – Paragraph 3</p> <p>3. Member States shall ensure the quality, reliability and affordability of energy performance certificates. They shall ensure that energy performance certificates are issued digitally in a clear, consistent and easily legible manner and in a machine-readable format that enables their comparability by relevant stakeholders across the European Union. Energy performance certificates shall be issued by independent experts.</p>
<p style="text-align: center;">Justification</p> <p>The availability of full energy performance certificates (EPC) in a digital, machine-readable, consistent and comparable manner is essential for the financial system. Aggregated and anonymised data would not suffice for the purposes of providing financial incentives for the Renovation Wave.</p> <p>Regarding the requirement for “on-site visits”, it should be possible to issue EPCs by whatever means national legislation or practice deems adequate, including by digital means.</p>	

Text proposed by the European Commission	Amendment
<p style="text-align: center;">Article 19 – Paragraphs 1 & 2</p> <p>1. Each Member State shall set up a national database for energy performance of buildings which allows data to be gathered on the energy performance of the buildings and on the overall energy performance of the national building stock.</p> <p>The database shall allow data to be gathered related to energy performance certificates, inspections, the building renovation passport, the smart readiness indicator and the calculated or metered energy consumption of the buildings covered.</p> <p>2. The database shall be publicly accessible, in compliance with Union and national data protection rules. Member States shall ensure access to the full energy performance certificate for building owners, tenants and managers, and to financial institutions as regards the buildings in their investment portfolio. For buildings offered for rent or sale, Member States</p>	<p style="text-align: center;">Article 19 – Paragraphs 1 & 2</p> <p>1. <i>Each Member State shall set up a national database for energy performance of buildings which allows data to be gathered on the energy performance of the buildings and on the overall energy performance of the national building stock.</i></p> <p>Each Member State shall provide that the database shall allow data to be gathered from all relevant sources related to energy performance certificates, building systems, inspections, the building renovation passport, the smart readiness indicator and the calculated or metered energy consumption of the buildings covered.</p> <p>2. <i>The database shall be publicly accessible, taking into account</i> Union and national data protection rules. Member States shall ensure access to the full energy performance certificate for building owners, tenants, managers, and to financial institutions, as</p>

<p>shall ensure access to the full energy performance certificate for prospective tenants or buyers.</p>	<p><i>well as, for the latter, access to and permission to process data required in connection with Sections 7 of Annex I and Annex II of Commission Delegated Regulation (EU) No 2021/2139 as regards the buildings in their investment portfolios or to be financed to determine alignment with the building related elements of the EU taxonomy. For buildings offered for rent or sale, Member States shall ensure access to the full energy performance certificate for prospective tenants or buyers.</i></p>
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Justification

In order for financial institutions to fulfil their designated role in funding the Renovation Wave of buildings in Europe, it is important that the Proposal clarifies that financial institutions are granted access to the energy performance data of buildings necessary to determine EU Taxonomy alignment and the permission to process that data.

Indeed, data on the energy performance of buildings are essential for lenders to correctly assess the creditworthiness of a green or energy efficient mortgage or renovation loan and to determine alignment with the building related elements of the EU Taxonomy for sustainable activities. Unfortunately, as a result of different interpretations in the implementation of the GDPR, in some European countries access to EPC database is forbidden for lenders.

To determine Taxonomy compliance, from a data protection perspective:

- e. the data would need to be present in the relevant EPBD IV national database. I.e. the database would need to be permitted to collect and store that data
- f. the database would need to be permitted to disclose that data to mortgage lenders in order for mortgage lenders to determine EUT of mortgage loans
- g. the mortgage lender would need to be permitted to collect that data
- h. the mortgage lender would need to be permitted to process that data to determine EU Taxonomy compliance.

These items we seek to address in our amendment proposal while safeguarding the privacy interests of mortgage loan borrowers. GDPR continues to apply in full.

It is also vital that financial institutions have access to data beyond that which is included in EPCs. Indeed, with regard to the EU Taxonomy's Technical Screening Criteria (for mitigation and adaptation), as well as the Do No Significant Harm Criteria, the EPC is insufficient to determine the building related elements of EU Taxonomy alignment. The data required to determine and demonstrate alignment is relevant for new and existing portfolios of mortgage lenders (e.g. for green mortgage loan, green bond and reporting purposes). It is relevant for renovation loans and for new construction loans.