

To the kind attention of :

Mr Frans Timmermans, Executive Vice-President of the European Commission for the 'European Green Deal'

Ms Margrethe Vestager, Executive Vice-President of the European Commission for 'A Europe Fit for the Digital Age'

Mr Valdis Dombrovskis, Executive Vice-President of the European Commission for 'An Economy that Works for People'

Mr Thierry Breton, European Commissioner for Internal Market

Ms Mairead McGuinness, European Commissioner for Financial services, financial stability and Capital Markets Union

Ms Kadri Simson, European Commissioner for Energy

Brussels, March 10, 2021

Re: Insulation Manufacturing in Draft Delegated Act on EU Taxonomy

Dear Executive Vice-Presidents,
Dear Commissioners,

The European Insulation Manufacturers Association, Eurima, is fully supportive of the EU Green Deal and strongly committed, like the European Commission, to making the Renovation Wave a success. As you know, our insulation solutions have a central role to play in tapping the energy saving and carbon emission reduction-potential of the EU building stock, notably via the much needed increase of deep renovations.

In our response to the EU Consultation on the Draft Delegated Act on Technical Screening Criteria for Sustainable Finance Taxonomy and our letter addressed to the European Commission in December 2020, we expressed our concern on the way insulation manufacturing is categorized in this proposal. Additionally, we have questioned the European Commission to share the methodology used to justify the decision to exclude our activity from the list of "Manufacture of energy efficient equipment for buildings" and insert it in the category "Manufacture of other low carbon technologies".

The placement of insulation manufacturing in Section 3.5 of the Draft Delegated Act goes against the Technical Expert Group's (TEG) recommendation. Indeed, insulation has intrinsic energy efficiency properties making it an obvious product to be covered under section 3.4. This is particularly striking because insulation enables other products already covered under section 3.4 to deliver their required energy performance.

Furthermore, categorizing insulation manufacturing under Section 3.5 instead of 3.4, in our view, will affect the competitive position of our products given that the additional mandatory life-cycle GHG emissions savings criteria are absent for other building-envelope related products covered under the list of energy efficiency equipment for buildings. At the same time this overlooks the fact that, over the lifetime of a home, mineral wool insulation can save more than 200 times the CO2 emissions that are generated during its manufacture, transportation, installation and disposal.

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We are deeply concerned that the rationale underlying this choice will weaken the investment capacity of our industry and the business-case for our products without, until now, any clear justification. As a result, our assessment is that this i) represents an unjustifiable mis-categorization of a given economic activity, ii) potentially leads to distortion of competition of insulation products vis-à-vis other energy efficiency measures, and iii) contradicts basic principles such as equality, proportionality and better regulation.

Following our December letter, our secretariat and company representatives have reached out to your services several times but were not able to get a detailed explanation on both the categorization and the methodology.

Aware of the ongoing work on this important topic, as senior management of our industry we appeal to the European Commission to substantiate its decisions on the Draft Delegated Act before presenting a further draft.

Meanwhile, we remain at your disposal for continued exchange and would very much welcome your support to (re-)include the manufacture of insulation solutions under section 3.4. Doing so is an essential enabling-condition to deliver the Commission's commitment to the Renovation Wave and the Energy Efficiency First principle.

Yours sincerely,



Eurima



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