



## Public consultation on the Energy Performance of Buildings Directive

### EFBWW POSITION

#### Overall Assessment

The European Federation of Building and Woodworkers (EFBWW), recognised Social Partner in the European Social Dialogue, welcomes the ambition of the European Commission to act as a facilitator in transforming the European building stock to improve its energy performance. This can help to tackle a range of issues such as climate change, energy security, as well as energy poverty, and provide opportunities for growth and quality employment in the European construction sector.

Based on discussions with our affiliated trade unions from we identified several obstacles and challenges to improving energy performance in buildings that are common across Member States and on which we will focus, as they have a clear European dimension and carry with them potential Europe wide benefits. In order to present our policy priorities in a coherent manner we choose not to follow the format of the consultation questionnaire.

The EFBWW identified four key issues that pose an obstacle to implementing EU policy for improving energy performance in buildings. These are 1) the prevalence of asbestos in buildings that are liable for renovation to improve their energy performance, 2) providing sufficient qualifications to employees and companies to secure a high quality of renovation outcomes, 3) guaranteeing affordable housing after conducting said renovation measures especially to low income tenants, and last but not least 4) enabling owners and contractors to conduct renovation measures that address these challenges through adequate funding.

#### 1) Combining measures for energy performance in buildings with asbestos removal

Despite the ban on its production and use in the EU, asbestos continues to pose a significant threat to workers in the construction sector and the European public in general. This is particularly the case when conducting works on the building stock dating back to the heyday of asbestos use in Europe, which is reaching an age when it increasingly requires renovation.

At the EFBWW we see in this both a challenge and an opportunity. Indeed, we recognise a significant complementarity between the European Commission's policy on energy performance in buildings and the safe removal of remaining asbestos and other hazardous substances, given that the type of renovation work to increase energy performance in buildings typically involves parts of the building where asbestos was used extensively in the past.

There are several reasons why asbestos poses an obstacle to improving buildings' energy performance. Asbestos can be frequently found in buildings that reach a point in their life cycle when

they are in need of renovation, and this same building stock is a prime target for measures to increase energy performance. These measures primarily concern parts of buildings that are likely to contain asbestos such as roofing, walls and technical building systems (due to its trait as a fire resistant material, asbestos was used extensively in the past in buildings' electric, heating and cooling systems, in turn these pose a potential source of exposure to asbestos fibres). Given the additional cost of professional asbestos removal, this can be a disincentive for owners to initiate such works, or worse owners and contractors can be tempted to ignore the health risks for workers and inhabitants to save costs by bypassing the necessary safety precautions, resulting in the release of asbestos fibres, or in asbestos-containing materials remaining inside the building for future generations to deal with. Indeed illegal asbestos removal is increasingly becoming a concern across Member States.

In other cases, the presence of asbestos can inhibit building improvements. For example, in Germany a building with an asbestos cement roof will not receive permission for installing solar panels, because they would constitute a long-term investment on a structure that would require replacement in the medium-term. Accordingly, a combined strategy for asbestos removal and energy performance in buildings can be a facilitator to increase the number of buildings undergoing deep renovation necessary to achieve both.

In light of the growing need to improve the European building stock in terms of energy performance, it is evident that asbestos will be handled in greater quantities, which in turn will affect a number of policy areas including for example occupational health and safety, public health, workers' skills and qualifications, market surveillance, research and development and waste management. The European Parliament already proposed such measures in its resolution on "Asbestos related occupational health threats and prospects for abolishing all existing asbestos" (2012/2065(INI)) which calls on the Commission to integrate asbestos removal with other policy areas such as energy efficiency. The European Economic and Social Committee (EESC) recently published its opinion on "Freeing the EU from asbestos" (CCMI 130), which recommends similar measures. In its response to the EESC opinion, the Commission indicated that "EU funding and Member State incentives targeting better energy performance in buildings could be linked to the safe removal of asbestos from those buildings as needed." We believe that this should be formalised in a comprehensive policy approach in the directive on energy performance in buildings to promote a holistic approach to the renovation of buildings.

## **2) Qualifications guarantee quality**

In an economic climate of restraint and fewer new builds, improving the existing building stock for the long-term sustainability in all areas can also be a factor for growth and securing quality employment in the construction sector. Qualifications of workers and companies are key to ensuring a high quality when improving energy performance in buildings. EU policy on energy performance in buildings can only succeed when skills and qualifications are taken into the scope of the overall strategy. Cost pressures sometimes lead companies to neglect the necessary skills and qualifications of their workforce needed to perform their tasks correctly, which has implications for the energy performance of the building in question and the quality of living for the inhabitants. For example, when insulation material is not installed correctly, it can create an environment that generates humidity, providing fertile ground for mould such as mildew and the dangerous black mould. This has

already affected public opinion in some Member States, discouraging home owners from initiating necessary improvements.

Such practices of cutting costs distort competition and put the best high quality enterprises and their workers at a disadvantage. The implications are far reaching, from failing to reach the full potential of energy performance, to adverse health effects, from facilitating social dumping to the waste of public funds.

We see this as a serious concern in times of financial constraints and considering the increasing importance of skills and qualifications in the European economy. Consequently, skills and qualifications should be an eligibility factor for public subsidies, and could ensure that public money does not go to waste but rather to secure sustainable quality employment and stop social dumping in the sector, leading to quality based competition.

To address the potential danger of asbestos exposure during renovation work, another priority is the awareness training for workers in companies not specialised in asbestos removal, but which might encounter asbestos during the course of e.g. renovation, demolition, or maintenance tasks. Here, the EU's Build Up Skills Initiative can contribute to improving the asbestos awareness of workers in the construction sector, especially in Member States that do not require mandatory asbestos awareness training for all workers who may encounter the substance unintentionally.

### **3) Affordable housing and energy poverty**

The EU strategy for energy performance in buildings can have positive effects for low income households by lowering their energy spending. This is particularly true for large housing units, which promise much greater potential for energy savings than single or multiple family houses. Consequently, social housing developments have the greatest potential impact on EU energy consumption and provide an opportunity to alleviate energy poverty in low income households.

However, despite these potential gains, energetic renovation is often undesirable for low income tenants, as owners can recuperate the cost of renovation by hiking up the rent. In fact, this is a real obstacle to improving the energy performance of the European building stock as it either deters investment in such measures or reduces the already insufficient stock of affordable housing.

Possible solutions, already promoted by trade unions in some Member States, could consist of prioritising social housing in the distribution of subsidies or limiting the rent increases by tying them to energy savings in order to reduce the burden on tenants.

### **4) Financing**

Underlying all of these obstacles and disincentives for renovation and compliance with existing legislation is always the question of how to pay for it all. Providing European funds and public funds at Member State level is therefore crucial to facilitate greater commitment to deep renovation and energy performance. However, it is equally crucial to use these financial tools to encourage compliance with health and safety precautions regarding asbestos and its ultimate removal, high quality standards in energetic renovation, which are intrinsically linked to the skills and qualifications of the workforce, and as an incentive to provide high quality social housing and alleviating energy poverty.

In practice it is often cost pressures that prevent owners and contractors from complying with existing legislation regarding harmful substances such as asbestos when conducting renovation to improve energy performance in buildings. This effectively leaves workers and inhabitants exposed to asbestos fibres and leaves the problem to be dealt with at a later stage, causing higher costs as the remaining asbestos in buildings will need to be dealt with in the medium term.

Appropriate means for financing asbestos removal is necessary in the context of renovation measures to improve energy performance in buildings. Currently this is not available consistently, and as a result, renovation measures are not carried out or worse, carried out without taking the necessary precautions to deal with asbestos in buildings, which can lead to asbestos exposure for workers and inhabitants.

In its response to the EESC opinion on Freeing Europe from Asbestos, the European Commission already indicated that “EU funding and Member State incentives targeting better energy performance in buildings could be linked to the safe removal of asbestos from those buildings as needed,” and indicated appropriate budget lines including European Regional Development Fund (ERDF), Cohesion Fund (CF), as well as OSH related European Social Fund (ESF) and European Structural Investment Funds (ESIF).

The way in which funds are allocated determines their effectiveness. The outcomes of renovation to improve energy performance depend largely on the skills and qualification of the companies and workforce involved. Yet, cost pressures on owners and companies often prevent the development of skills and qualifications and facilitates social dumping. Financial incentives such as funding from national and European budget lines offer a chance to promote quality employment and stop social dumping establishing allocation criteria that take the performance in this area into account. In this context expanding training opportunities for example through the EU’s Build Up Skills initiative are also necessary to facilitate compliance with quality requirements and improving the prospects of companies and workers.

In order to avoid the negative side effects of renovation on low income households and avoid decreasing the stock of affordable housing, which is already in short supply in Europe today. Funding should be available with a view to incentivising owners to improve energy performance without penalising tenants. Limiting the rent increase by tying it to energy savings or making EU funding available together with public subsidies by Member States can alleviate this obstacle and help create decent living space that fulfills the requirements of the EU’s energy performance policy and a healthy human environment. Social considerations such as this should be taking into account in the distribution of subsidies.

In Member States where funding is already available for improving the energy performance of buildings, we see that these are either insufficient, or under threat of being reduced in the context of financial constraints on public finances. Considering the long term benefits to the European economy in the form of energy savings, better living conditions and quality employment in the construction sector, it is important that crucial investment in this area remains at a high level and is increased wherever possible.