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The European Federation of Building Societies (EFBS) is an association of specialised credit institutions (Bausparkassen) promoting the financing of home ownership. In compliance with the strict legal provisions, Bausparkassen offer contractual savings schemes to their customers and grant them loans secured by mortgages. This way of financing homeownership is very sustainable as it provides for stability and security in the housing market with low banking risk. It works regardless of the financial market. In addition, a substantial part of the Bausparkassen business is to provide loans that are often used to facilitate energy efficient renovations, thus positioning Bausparkassen even more as an important sustainable financial actor.

We welcome the opportunity to participate in the consultation of the European Commission for a new sustainable finance strategy. We also welcome the efforts to advance and strengthen sustainable finance in the EU and beyond. In addition to answering the consultation questions, we have a few comments regarding the specifics of small specialised credit institutions.

Savings contracts and the collective of savers are heavily regulated and dedicated to long-term wealth accumulation and residential use. Savings deposits are essentially limited to private customers. In many countries, these savings contracts therefore qualify for receiving government subsidies for middle- and lower-income groups (e.g. the housing construction premium in Germany). Therefore, and due to the legal focus, the collective idea, the promotional effect, the increase in the home ownership rate among emerging households and the asset accumulation aspect, Bauspar savings should in principle be regarded as sustainable with regard to the "S" of the ESG-criteria. This should be considered when developing the S-criteria.

The loan side is also primarily restricted to private individuals and residential use (new construction, purchase, renovation). Bausparkassen are major financiers of private housing in various EU markets. A significant part of the portfolios are renovation loans, which are used for energy efficiency measures. Bausparkassen also finance new properties built or renovated according to current energy standards and are thus complying with the criteria set out in the Taxonomy Regulation and the report by the technical expert group. Here, however, uniform standards are required for the classification of loans based on available criteria (national building standards, applicability of funding programs, etc.) and, for example, by establishing a central database for energy performance certificates.

It is important to note that the building sector and its renovation make a decisive contribution to reducing CO2 consumption.

In addition, the European Federation of Building Societies would appreciate it if S-criteria were also considered when developing an Eco-label. For example, different areas of the lending business, such as savings, investments, and lending, could be given one label based on different criteria. The introduction of such a uniform label, which covers several aspects at the same time, would contribute to better comparability.