Government Proposal to Parliament for acts amending the Act on Energy Performance Certificates for Buildings and the Construction Act (draft for consultation)

MAIN CONTENT OF THE PROPOSAL

The proposal suggests amending the Act on Energy Performance Certificates for Buildings to bring it to compliance with the requirements of the recast Directive (EU) 2024/1275 on the energy performance of buildings. The proposal would implement the changes required by the Directive to the content of the energy performance certificate for buildings and the related procedures, and would introduce provisions on the renovation passport. Some of the amendments required to implement the Directive would be made to Decrees of the Ministry of the Environment.

In addition, the proposal would make the necessary amendments to the Construction Act to implement the requirements of the Directive concerning life cycle global warming potential. The necessary amendments would be made to the legislation regarding the obligation to prepare a climate report and a list of construction products of the building, to allow the calculation of the building's life-cycle GWP and reporting it as part of the energy performance certificate, as required by the Directive. In addition, the changes required by the Directive would be made to the carbon footprint limit values for new buildings, which Member States must introduce for all buildings from 2030 at the latest.

The Acts are intended to enter into force as soon as possible.

CONTENTS

1 Background and preparatory work

1.1 Background

The Government Proposal is based on Directive (EU) 2024/1275 of the European Parliament and the Council on the energy performance of buildings (hereinafter the *Energy Performance of Buildings Directive*, *EPBD (recast) or the Directive)*. The Energy Performance of Buildings Directive entered into force on 28 May 2024, and it must be implemented by the Member States by 29 May 2026.

The revision of the Energy Performance of Buildings Directive is part of the EU's Fit for 55 package, which aims to reduce EU emissions by at least 55 percent by 2030 and to achieve climate neutrality by 2050. The role of buildings in achieving these goals is significant, as buildings account for 40 percent of total energy consumption and generate 36 percent of energy-related greenhouse gas emissions in the Union. However, 75 per cent of buildings in the Union remain energy inefficient.

The recast Energy Performance of Buildings Directive requires Member States to take a number of measures aimed at reducing greenhouse gas emissions and the final energy consumption of buildings. Regulation (EU) 2021/1119 of the European Parliament and the Council (7) establishes in Union law the objective of economy-wide climate neutrality by 2050 at the latest and sets out a binding Union-wide obligation to reduce net greenhouse gas emissions (that is, emissions after the deduction of removals) by at least 55 per cent below 1990 levels by 2030.

The key instruments of the recast Energy Performance of Buildings Directive are minimum energy performance requirements for buildings and the preparation of a national renovation plan. Furthermore, under the Directive, Member States must implement legislation relating, among other things, to building automation and control systems, technical systems, solar power installations, recharging points for electric vehicles, and bicycle parking. The Directive also requires changes to energy performance certificates for buildings.

The directives that preceded the recast Energy Performance of Buildings Directive have been implemented in Finland through a number of different legislative measures. These include the Act on Energy Performance Certificates for Buildings (50/2013), the Act on the Energy Performance Certificate Information System for Buildings (147/2015), the Act on the Provision of Recharging Infrastructure and Capabilities for Electric Vehicles as well as Automation and Control Systems in Buildings (733/2020) and the Construction Act (751/2023). National regulations relating to the Directive are also set out in a number of lower-level legislative acts, such as Government Decrees and Decrees issued by the Ministry of the Environment. This proposal would implement the requirements of the Energy Performance of Buildings Directive on energy performance certificates.

With regard to the energy performance of buildings, Prime Minister Petteri Orpo's Government Programme states: "Energy consumption in construction will be reduced and the energy efficiency of buildings improved through cost-effective means. Efforts will be made to ensure that the provisions of the EU Energy Performance of Buildings Directive allow for the broadest possible national flexibility. In implementing the EU Energy Performance of Buildings Directive, residents and property owners should not be subjected to unreasonable

obligations. If new obligations are introduced, the Government will ensure that all households have the opportunity to respond to the obligations arising from regulation." (p. 126) Additionally, the government programme emphasises that climate measures will be implemented in a manner that is economically, ecologically, socially and regionally sustainable and just. It is envisaged that Finland will respond to the emission reduction targets and move towards the objective of carbon-neutral and carbon negative without increasing the costs of everyday life or loss of competitiveness. According to the Government Programme, the regulation of construction will be reformed to accelerate timber construction, and export opportunities in the sector will be improved.[1]

The Ministry of the Environment's strategy focuses on the green transition – that is, the transition towards an ecologically sustainable economy and growth that is not based on the over-consumption of natural resources, relying instead on low-carbon solutions and those that promote the circular economy and biodiversity. Construction plays a crucial role in the green transition, which is why initiatives in the property and construction sector on energy efficiency, low-carbon solutions, smart technology and the circular economy are so important. In accordance with the strategy, regulations should be more strongly geared towards low-carbon solutions and the circular economy, so that the life cycle of buildings can become low carbon and material efficient. Building materials should be recycled more efficiently and reused more frequently.[2] The Energy Performance of Buildings Directive includes a new requirement designed to assess the global warming potential (hereinafter *GWP*) of a new building over its entire life cycle. The requirement to calculate the GWP is a step towards wider adoption of low-carbon practices throughout the entire life cycle of buildings and the circular economy.

1.2 Preparation

1.2.1 Preparation of the recast Energy Performance of Buildings Directive

On 15 December 2021, the European Commission adopted a proposal for a recast Directive of the European Parliament and of the Council on the energy performance of buildings (COM(2021) 802 final). The proposal complemented the European Commission's Fit for 55 package of 14 July 2021, through which the EU aims to reduce net greenhouse gas emissions by at least 55 percent by 2030. The proposal was accompanied by a Commission evaluation report on the recast of the Directive (SWD(2021) 453 final). The Government submitted a memorandum to Parliament on the Commission's proposal for a Directive of the European Parliament and of the Council on the energy performance of buildings (recast) (Government memorandum U 26/2022 vp).

The Ministry of the Environment and Finland were actively involved in the negotiations on the recasting of the Directive and emphasised that improving the energy efficiency of the building stock will provide significant environmental and health benefits as well as cost benefits for residents. In addition, Finland stressed that the changes should not result in disproportionate costs for households and businesses. Finland emphasised that individual residential buildings should not be subject to energy savings obligations, but that monitoring should rather be carried out at the national level. During the negotiations, Finland emphasised

[1] *A strong and committed Finland*. Programme of Prime Minister Petteri Orpo's Government, 20 June 2023

[2] A better environment for future generations: The Ministry of the Environment's strategy to 2035

that forcing individual buildings to renovate is not a sensible approach; instead, buildings should be repaired in a timely and cost-effective manner during their life cycle. The outcome of the negotiations was largely in line with Finland's objectives.

1.2.2 Drafting of the Government Proposal

In August 2024, the Ministry of the Environment established a monitoring group to support and monitor the national implementation of the Energy Performance of Buildings Directive (VN/14781/2024). The purpose of the monitoring group was to support the preparation of the draft legislation. The group discussed and provided comments on the draft acts under preparation. The monitoring group made suggestions on how to keep regulation, administrative burdens and bureaucracy to a minimum, despite the new and increased requirements in the Directive. It was also the task of the monitoring group to increase cooperation in the field of real estate and construction and to ensure information exchange and interaction with the persons involved in the preparation of official acts. The monitoring group was divided into three different preparatory groups, which are preparing in more detail the legislative amendments required by the Energy Performance of Buildings Directive. The draft legislations of this proposal were discussed in the preparatory group and the monitoring group in early 2025 and spring 2025, as well as in early 2026.

Sections 18 and 27 of the Act on the Autonomy of Åland (1144/1991) provide for the division of authority between the State and Åland. The amendments to the Energy Performance Certificate Act and the Construction Act proposed here relate to matters which, pursuant to Section 18 of the Act on the Autonomy of Åland, fall within the legislative competence of the Government of Åland, as the proposal concerns building and planning activities and housing production as referred to in paragraph 7 of that section. Therefore, the Åland is responsible for the implementation of the Directive in its territory.

The government proposal was drawn up by the Ministry of the Environment. The government proposal was open for consultation on lausuntopalvelu.fi from x.x.2026 to x.x.2026.

2 Content of the Energy Performance of Buildings Directive regarding energy performance certificates

2.1 Requirements of the Directive on the content of the energy performance certificate

The Energy Performance of Buildings Directive contains provisions on energy performance certificates, specifically in Articles 19–22. In addition, Article 12 regulates the renovation passport. Most of the provisions on the energy performance certificate required by the Directive have already been implemented in Finland's national legislation. However, the Directive requires changes to the content, monitoring and information system of Finnish energy performance certificates. The changes to the current legislation on energy performance certificates required by the Directive are examined in chapter 3, 'Current situation and its assessment'. This chapter discusses the requirements of the Directive regarding energy performance certificates, focusing in particular on the changes required by the recast Directive.

According to Article 19 of the Directive, the energy performance certificate shall include the energy performance of a building expressed by a numeric indicator of primary energy use in kWh/(m2.y), and reference values on energy performance (E-value), in order to make it possible for owners or tenants of the building or building unit to compare and assess its energy performance.

Paragraph 2 of the same Article provides for the content and scale of the energy performance certificate. Annex V to the Directive sets out a model energy performance certificate, and energy performance certificates must comply with this model by 29 May 2026. The certificate shall specify the energy performance class of the building, on a closed scale using only letters from A to G. The letter A shall correspond to zero-emission buildings, and the letter G shall correspond to the very worst-performing buildings in the national building stock at the time of the introduction of the scale. Member States that, on 29 May 2026, already designate zero-emission buildings as 'A0' may continue to use that designation instead of class A. Member States shall ensure that the remaining classes (B to F or, where A0 is used, A to F) have an appropriate distribution of energy performance indicators among the energy performance classes.

Furthermore, Member States may define an A+ energy performance class corresponding to buildings with a maximum threshold for energy demand which is at least 20 % lower than the maximum threshold for zero-emission buildings, and which generates more renewable energy on-site annually than its total annual primary energy demand. For existing buildings renovated to A+ class, Member States shall ensure that the life-cycle GWP is estimated and disclosed in the energy performance certificate of the building.

The calculation of the GWP of new buildings is laid down in Article 7(2) of the Directive, which requires Member States to ensure that the life-cycle GWP is calculated in accordance with Annex III of the Directive and disclosed in the energy performance certificate of the building:

- from 1 January 2028, for all new buildings with a useful floor area larger than 1 000 m^2;
- from 1 January 2030, for all new buildings.

Annex III to the Directive and the European Commission's delegated act supplementing it (C/2025/8723, hereinafter *Delegated Act*)[3] provide more detailed provisions on the calculation of the life-cycle GWP of new buildings. The life-cycle GWP is communicated as a numeric indicator for each life cycle stage expressed as $kgCO_2eq/m^2$ (of useful floor area) calculated over a reference study period of 50 years. The results are presented broken down by life-cycle stage and reported separately for the various components of the carbon footprint.

Article 19 of the Directive also lays down provisions on the visual identity, quality, reliability and affordability of energy performance certificates as well as recommendations to be attached to the energy performance certificate and their substitution by the renovation passport, and on the validity and updating of the energy performance certificate.

[3] COMMISSION DELEGATED REGULATION (EU) amending Annex III to Directive (EU) 2024/1275 of the European Parliament and of the Council as regards the Union framework for the national calculation of life-cycle global warming potential (C/2025/8723)

Under Article 19(3), Member States shall ensure a common visual identity for energy performance certificates within their territory. Furthermore, in accordance with paragraph 4, Member States shall ensure that energy performance certificates are issued in accordance with Article 20(1) and by independent experts on the basis of an on-site visit, which may be carried out, where appropriate, by virtual means with visual checks. The energy performance certificates shall be clear and easily legible, available in a machine-readable format and in accordance with the template in Annex V.

2.2 Recommendations on the energy performance certificate and the renovation passport

Article 19(5) sets out the recommendations to be included in the energy performance certificate. In accordance with 19(5), the energy performance certificate shall include recommendations for the cost-effective improvement of the energy performance and the reduction of operational greenhouse gases emissions and the improvement of indoor environmental quality of a building or building unit, unless the building or building unit already achieves at least energy performance class A. According to the same paragraph, the recommendations included in the energy performance certificate shall cover: (a) measures carried out in connection with a major renovation of the building envelope or technical building system or systems; and (b) measures for individual building elements independent of a major renovation of the building envelope or technical building system or systems.

The recommendations included in the energy performance certificate shall be technically feasible for the specific building and shall provide an estimate for the energy savings and the reduction of operational greenhouse gas emissions. The recommendations shall include an assessment of whether the heating systems, ventilation systems, air-conditioning systems and domestic hot-water systems can be adapted to operate at more efficient temperature settings, such as low temperature emitters for water based heating systems, including the required design of thermal power output and temperature and flow requirements. In addition, the recommendations shall include an assessment of the remaining lifespan of the heating system or air-conditioning system. Where relevant, the recommendations shall indicate possible alternatives for the replacement of the heating system or air-conditioning system, in line with the 2030 and 2050 climate targets, taking into account local and system-related circumstances.

In accordance with Article 19(6), where Member States provide for a renovation passport to be drawn up and issued jointly with the energy performance certificate pursuant to Article 12(3), the renovation passport shall substitute the recommendations pursuant to paragraph 5 of this Article.

2.3 Validity and updating of the energy performance certificate

According to Article 19(13) of the Directive, the validity of the energy performance certificate shall not exceed 10 years. Under the same paragraph, Member States shall ensure that, where a building was issued a energy performance certificate below level C, building owners are invited to a one-stop shop to receive renovation advice on whichever of the following is the earlier: (a) immediately after the energy performance certificate of the building expires; or (b) five years after the issuance of the energy performance certificate.

Furthermore, under paragraph 14 of the same Article, Member States shall make simplified procedures for updating an energy performance certificate available where only individual elements are upgraded, by means of single or standalone measures. According to the same paragraph, Member States shall make simplified procedures for updating an energy performance certificate available where measures identified in a renovation passport are put in place or where a building digital twin, other certified methods, or data from certified tools determining the energy performance of a building are used.

2.4 Requirements of the Directive on the issue and display of energy performance certificates

Article 20 of the Directive sets out the form of energy performance certificates and the procedure for issuing them. Paragraph 6 allows Member States to exclude the categories of building referred to in Article 5(3), points (b), (c) and (e), from the application of paragraphs 1, 2, 4 and 5 of this Article. Points b, c and e of Article 5(3) read as follows:

> b) buildings used for devotion and religious activities;
>
> c) temporary buildings with a maximum period of use of two years, industrial installations, workshops and non-residential farm buildings with low energy demand and non-residential farm buildings used in the sector covered by a national sectoral energy performance contract;
>
> e) individual buildings with a total useful floor area of less than 50 m^2.

Furthermore, pursuant to Article 20(6), Member States which chose to exclude from the obligations of this Article by 28 May 2024, residential buildings which are used or intended to be used for either less than four months of the year or, alternatively, for a limited annual time of use and with an expected energy consumption of less than 25 % of what would be the result of all-year use, may continue to do so.

It is therefore no longer possible, in the wording of the Directive, to exclude Article 5(3)(a) from the scope of the Directive. Furthermore, protected buildings are no longer included in the possibilities for an exemption. Point (a) reads as follows:

> a) buildings owned by the armed forces or central government and used for national defence, except for individual residential premises or office buildings used by personnel of the armed forces and other national defence authorities.

According to Article 20(2) of the Directive, Member States shall require that, when buildings or building units are constructed, have undergone a major renovation, or are sold or rented out, or when rental contracts for buildings or building units are renewed, the energy performance certificate is shown to the prospective tenant or buyer and handed over to the buyer or tenant. Under Article 20(4), Member States shall require that buildings or buildings units which are offered for sale or for rent have an energy performance certificate, and that the energy performance indicator and class of the energy performance certificate of the building or the building unit, as applicable, is stated in online and offline advertisements, including in property search portal websites. Article 20(6) also lays down which categories of buildings may be excluded from certain obligations in relation to energy performance certificates. Member States shall ensure that all energy performance certificates issued are uploaded to the database for the energy performance of buildings.

Article 21 of the Directive concerns the display of energy performance certificates. According to the Article, Member States shall take measures to ensure that, where a building for which an energy performance certificate has been issued in accordance with Article 20(1) is occupied by public bodies and frequently visited by the public, the energy performance certificate is displayed in a prominent place clearly visible to the public. In addition, Member States shall require that in a non-residential building for which an energy performance certificate has been issued in accordance with Article 20(1), the energy performance certificate is displayed in a prominent and clearly visible place. According to the Article, these provisions do not include obligation to display the recommendations.

Article 27 of the Directive provides for independent monitoring systems. In accordance with the Article, Member States shall ensure that independent control systems for energy performance certificates are established in accordance with Annex VI. Member States may establish separate systems for the control of energy performance certificates, renovation passports, smart readiness indicators and reports on the inspection of heating systems, ventilation systems and air-conditioning systems.

2.5 Requirements of the Directive on the affordability of energy performance certificates and the provision of information to building owners on energy performance improvements

According to Article 19(19) of the Directive, the energy performance certificate shall provide an indication as to where the owner or tenant of the building or building unit can receive more detailed information, including as regards the cost-effectiveness of the recommendations made in the energy performance certificate. The evaluation of cost-effectiveness shall be based on a set of standard conditions, such as the assessment of energy savings and underlying energy prices and a preliminary cost forecast. In addition, it shall contain information on the steps to be taken to implement the recommendations, the contact information of relevant one-stop shops and, where relevant, on financial support options. Other information on related topics, such as energy audits or incentives of a financial or other nature and financing possibilities, or advice on how to increase the climate resilience of the building, may also be provided to the owner or tenant of the building or building unit.

Furthermore, in accordance with Article 19(4), Member States shall ensure the quality, reliability and affordability of energy performance certificates and take measures to ensure that energy performance certificates are affordable and shall consider whether to provide financial support for vulnerable households.

2.6 Requirements of the Directive on the control of energy performance certificates

Annex V of the Directive sets out the information shall be displayed on the front page of the energy performance certificate and within it. In addition, the Annex lists the indicators that may be included in the energy performance certificate. Annex VI sets out the independent control systems for energy performance certificates. In accordance with the Annex, Member States shall provide a clear definition of the quality objectives and the level of statistical confidence that the energy performance certificate framework should achieve. The independent control system shall ensure at least 90 % of valid issued energy performance certificates with a statistical confidence of 95 % for the evaluated period, which shall not exceed one year. In addition, Member States shall deploy pre-emptive and reactive measures to ensure the quality of the overall energy performance certificate framework. Those measures may include additional training for independent experts, targeted sampling, obligation to re-

submit energy performance certificates, proportional fines and temporary or permanent bans for experts.

3 Current situation and assessment

3.1 Rating scale of the energy performance certificate, visual identity and information included in the certificate

Energy performance certificates are regulated by the following national legislation:

- Act on Energy Performance Certificates for Buildings (50/2013), hereinafter referred to as the *Energy Performance Certificate Act*,
- Act on the Energy Performance Certificate Information System for Buildings (147/2015), hereinafter referred to as the *Energy Performance Certificate Information System Act*,
- Government Decree on the qualifications of persons issuing energy performance certificate for buildings and the conditions for the simplified energy performance certification procedure (170/2013), and
- Decree of the Ministry of the Environment on Energy Performance Certificates for Buildings (1048/2017).

Finland has used energy performance certificate since 2007, when it was introduced as part of the implementation of the EU's Energy Performance of Buildings Directive. Since 2013, the energy performance certificate has been mandatory for all new buildings with a useful floor area larger than 50 m². The calculation of the energy performance certificate and its content are well-established and, in principle, comply with the requirements of the Energy Performance of Buildings Directive. However, due to the recast directive, some changes to the content of the energy performance certificate are required.

The content of the energy performance certificate is set out in Chapter 3 of the Energy Performance Certificate Act. Under Section 9(1) of the Act, the energy performance of a building is indicated in the energy performance certificate with a symbol that indicates the building's calculated reference value for energy performance (E-value). According to their intended use, buildings are divided into groups that each have their own classification scales. The E-value of a building is calculated by dividing the building's calculated and standardised annual usage of purchased energy, weighted by the energy type coefficient, with its floor area. Furthermore, in accordance with subsection 2 of the same section, the certificate must also state the calculated consumption of purchased energy based on the standardised use of the building, as well as the actual consumption of purchased energy, if this information is available.

Under Section 9(5) of the Energy Performance Certificate Act, the Ministry of the Environment may issue decrees with more detailed provisions on the determination of the floor area for the energy performance certification procedure, the classification scales and symbols used in energy performance certificates, the grouping of buildings for classification

purposes, issuing recommendations and other information to be included in the certificate, as well as the visual identity of the energy performance certificate form. Further provisions have been issued by Decree of the Ministry of the Environment on the energy performance certificate for buildings (1048/2017). Under the Regulation, buildings in Finland are placed into categories A–G on energy performance certificates. The energy performance certificate uses energy performance classification scales specific to the intended use of the building or part of the building, and the letters A–G as symbols for the energy performance classes, as set out in Annex 2 of the Decree.

There is also an additional category H, which refers to the simplified energy performance certification procedure, which is provided for in section 17 of the Energy Performance Certificate Act. Under Section 17 of the Energy Performance Certificate Act, the party responsible for obtaining an energy performance certificate may, to fulfil a measure, obtain a certificate under the simplified energy performance certification procedure, which will be publicly announced. The simplified energy performance certification procedure is possible if the building or property being sold, or a flat or the right of possession thereof in a residential building comprising no more than two residential flats, is of very low value, or if there are other specific and reasonable grounds for using the simplified procedure, such as a sale or lease between close relatives. Further details regarding the simplified energy performance certificate procedure are set out in the Government Decree on the qualifications of persons issuing energy performance certificates for buildings and in the conditions for the simplified energy performance certification procedure. According to the Decree, when assessing the possibility of using the simplified energy performance certification procedure, the value of the building, property or dwelling, or the right of possession thereof, is considered to be very low if the sale price is less than EUR 50,000. Other special reasons for using the simplified procedure include, in addition to sales or leases between close relatives, if the sale or lease of the building, property or dwelling is not announced to the public nor offered for sale or let with an advertisement displayed to the public. The simplified procedure may also be used if the rent for the building, property or dwelling is less than EUR 350 per month. Certificates issued under the simplified procedure are not entered into the energy performance certificate database, nor is their issuance reported; consequently, there is no information available regarding their number. As described above, the legislation currently contains provisions on the simplified procedure and the associated category H, and the intention is to retain these provisions on the grounds of cost-effectiveness, as emphasised by the Directive. The Directive does not recognise such a procedure, and the recast Directive requires the classification scale to be presented using the closed scale of A–G.

According to the Directive, Member States shall ensure a common visual identity for energy performance certificates on their territory. In addition, Annex V provides for the information contained in the energy performance certificate. In Finland, the visual identity of the energy performance certificate is laid down by decree of the Ministry of the Environment.

The Energy Performance Certificate Act or other legislation does not currently include an obligation to indicate a building's full life cycle carbon foot or handprint as part of the energy performance certificate; rather, this is a new requirement introduced by the recast directive.

3.2 Preparation, acquisition, use and validity of the energy performance certificate

Under Section 2 of the Energy Performance Certificate Act, the owner of a building is responsible for ensuring that the energy performance certificate is obtained for the building and that the certificate or the information contained therein is used in the circumstances specified in this Act, unless otherwise provided. If the responsibility for the maintenance of the building has been given to the building's custodian by law, agreement or otherwise, that responsibility lies with the custodian.

Section 3 of the Energy Performance Certificate Act lays down limits for buildings subject to the obligation to obtain and use an energy performance certificate as follows: 'The obligation of section 2 to obtain and use an energy performance certificate applies to buildings in which energy is used to maintain indoor climate conditions appropriate to the intended use of the premises.

However, the provisions in subsection 1 shall not apply to:

1) buildings referred to in section 37(2), points 3–7 of the Construction Act; (751/2023);

2) a holiday dwelling building which is not used for the purpose of providing accommodation;

3) a building occupied by the Defence Administration with or without confidential information.

In some respects, the current restrictions laid down in Section 3 of the Act on Energy Performance Certificates for Buildings go further than what the recast Directive allows. The recast directive would not, for example, allow the current exemption from the obligation to obtain an energy performance certificate to be extended to buildings used by the defence administration with classified information. The recast Energy Efficiency Directive no longer allows protected buildings to be excluded from the requirement to issue an energy performance certificate. Article 20 of the Directive sets out the form of energy performance certificates and the procedure for issuing them. An energy performance certificate must be obtained for new buildings (Section 5 of the Energy Performance Certificate Act) and when a building is sold or leased (Section 6 of the Energy Performance Certificate Act).

Section 7 of the Energy Performance Certificate Act provides for the display of the energy performance certificate. Under subsection 1, where a public authority or institution provides public services in premises open to the public, the floor area of which in a single building exceeds 250 square metres, either the original or a copy of the energy performance efficiency scale contained in the valid energy performance certificate for the building must be clearly displayed to the public. Under subsection 2, if a building not referred to in subsection 1 contains premises open to the public on a regular basis with a floor area of more than 500 square metres and an energy performance certificate has been issued for the building, the obligation laid down in subsection 1 shall apply.

Under Article 20(1) of the Directive, Member States shall ensure that a digital energy performance certificate is issued for: (a) buildings or building units when they are constructed, when they have undergone a major renovation, when they are sold, when they are rented out to a new tenant, or for which a rental contract is renewed; and (b) existing buildings owned or occupied by public bodies. A large share of public buildings already have an energy performance certificate, but not all of them.

Under Article 19(14), Member States shall make simplified procedures for updating an energy performance certificate available where only individual elements are upgraded, by means of single or standalone measures. Member States shall make simplified procedures for updating an energy performance certificate available where measures identified in a renovation passport are put in place or where a building digital twin, other certified methods, or data from certified tools determining the energy performance of a building are used. The current regulations do not contain any provisions for simplified procedures to update energy performance certificates, as intended in the Directive. It is also worth noting that the energy performance certificate database does not perform the calculations for energy performance certificates; instead, this is done with separate applications. Minor changes to certificates can therefore only be made using these specific applications.

Under Section 23 of the Energy Performance Certificate Act, the person who issues an energy performance certificate shall retain the preparatory documents, calculations and other information produced or obtained for the purpose of issuing the certificate, as well as details of the observations made at the property covered by the certificate. The issuer shall keep a record of the certificates they have issued. The documents, records and certificates shall be retained for at least 12 years.

3.3 Recommendations for improving energy efficiency

Under Section 9(3) of the Energy Performance Certificate Act, an energy performance certificate shall include recommendations for measures that can cost-effectively improve the energy efficiency of a building, unless the building is new or a building for which such measures cannot be identified. The certificate may also provide other information on the energy and environmental characteristics of the building.

In accordance with 19(5) of the Directive, the energy performance certificate shall include recommendations for the cost-effective improvement of the energy performance and the reduction of operational greenhouse gases emissions and the improvement of indoor environmental quality of a building or building unit, unless the building or building unit already achieves at least energy performance class A. The recommendations included in the energy performance certificate shall cover: (a) measures carried out in connection with a major renovation of the building envelope or technical building system or systems; and (b) measures for individual building elements independent of a major renovation of the building envelope or technical building system or systems. The information to be included in the energy performance certificate is currently set out in more detail in the Ministry of the Environment’s Decree on Energy Performance Certificates for Buildings.

The recommendations included in the energy performance certificate shall be technically feasible for the specific building and shall provide an estimate for the energy savings and the reduction of operational greenhouse gas emissions. They may provide an estimate of the repayment periods or costs and benefits over the economic life-cycle of the building, along with information on financial incentives, administrative and technical assistance, and financial benefits widely associated with achieving the reference values. Paragraphs 8 and 9 of Article 19 also set out additional requirements for recommendations concerning the information provided on heating and ventilation systems.

In accordance with Article 19(6), where Member States provide for a renovation passport to be drawn up and issued jointly with the energy performance certificate pursuant to Article 12(3), the renovation passport shall substitute the recommendations pursuant to paragraph 5. The current energy performance certificate does not include the renovation passport. Under the proposal, the renovation passport could be obtained as an annex to the energy performance certificate.

3.4 Control of energy performance certificates

Chapter 6 of the Energy Performance Certificate Act provides for control and the processing, storage and disclosure of data. Under Section 18 of the Act, overall responsibility for compliance oversight for this Act is given to the Ministry of the Environment. The Ministry of the Environment oversees the activities of the certifying body. The Centre for State-subsidised Housing Construction shall supervise compliance with this Act and any provisions and regulations issued by virtue of it. A proportion of the energy performance certificates issued each year shall be inspected. Inspections shall focus on the accuracy of the certificate's source data, the calculation of energy quantities, and the savings recommendations.

In future, the energy performance certificate shall also include information on the GWP in accordance with this proposal, which would mean that inspections and monitoring would also cover GWP data. A new requirement would be to check that the GWP is correctly included in the energy performance certificate. In practice, oversight would be limited to ensuring that the person who issued the energy performance certificate has stated the GWP data correctly in the certificate. This would mean ensuring that the person issuing energy performance certificate has transposed the data directly from the building's climate report to the energy performance certificate, without calculating or altering it, so that it corresponds to the figures presented in the climate report. The part of the building control authority would be to oversee the preparation of the climate report and the accuracy of the information therein. In the case of a class A+ building undergoing renovation, the supervisory authority would need to verify that the party undertaking the construction project has ensured that the calculations were carried out in accordance with the national low-carbon assessment method and that the results are reported on the energy performance certificate.

Under Section 19 of the Act, the Centre for State-subsidised Housing Construction, or an official or public servant designated thereby, shall, notwithstanding any provisions on confidentiality, be entitled to obtain from the owner of the building or any other person responsible for obtaining the certificate, the issuer of the energy performance certificate or another authority, the information and documents necessary for oversight of compliance with this Act and the provisions and regulations issued by virtue of it, as well as documents relating to the assignment. This information must be provided free of charge by other authorities. Under Section 20 of the Act, the Centre for State-subsidised Housing Construction, or an

official or public servant appointed thereby, shall have the right to enter any area, flat or other premises to which access is necessary for the oversight purposes referred to in this Act, and to carry out inspections there in connection with such oversight to ascertain whether the correctness of the information used as the basis for issuing the certificate. However, inspections may not be carried out in premises used as permanent living spaces. The Ministry of the Environment may issue regulations that set out more detailed provisions on the number of energy performance certificates to be inspected and the specific procedures for carrying out such inspections.

Section 24 of the Energy Performance Certificate Act regulates the orders and prohibitions that may be issued as part of oversight measures. If the owner of a building or any other person responsible for an obligation under this Act fails to fulfil their obligations or otherwise acts in contravention of this Act or the provisions issued by virtue of it, the Centre for State-supported Housing Construction shall require the matter to be rectified and set a deadline for such a rectification. If the matter is not rectified within the specified deadline, the Centre must issue a warning to the party concerned and set a new deadline. If the situation is not rectified within the specified deadline, the Centre must issue an appropriate order or prohibition for the circumstances. In the event of a serious or material breach, the Centre may reinforce an order or prohibition by imposing a conditional fine or by issuing a notice of enforced compliance or enforcement or suspension, as provided for in the Act on Conditional Fines (1113/1990). If the Centre for State-Subsidised Housing Construction finds that the energy performance certificate of the building is materially incorrect, it shall prohibit the use of the certificate. In such cases, the Centre may require the issuer of the energy performance certificate to replace the incorrect certificate with a new certificate or, alternatively, have another person issue a new energy performance certificate. The cost of the new certificate shall be borne by the issuer of the energy performance certificate who issued the incorrect certificate.

3.5 Availability and validity of energy performance certificates and the most vulnerable persons

According to Article 19(10) of the Directive, the energy performance certificate shall provide an indication as to where the owner or tenant of the building or building unit can receive more detailed information, including as regards the cost-effectiveness of the recommendations made in the energy performance certificate. The evaluation of cost-effectiveness shall be based on a set of standard conditions, such as the assessment of energy savings and underlying energy prices and a preliminary cost forecast. In addition, it shall contain information on the steps to be taken to implement the recommendations, the contact information of relevant one-stop shops and, where relevant, on financial support options. Other information on related topics, such as energy audits or incentives of a financial or other nature and financing possibilities, or advice on how to increase the climate resilience of the building, may also be provided to the owner or tenant of the building or building unit. Climate resilience can be understood as the capability of a building to withstand the changes caused by climate change.

Paragraph 4 of this Article requires Member States to ensure the quality, reliability and affordability of energy performance certificates. Member States shall take measures to ensure that energy performance certificates are affordable and shall consider whether to provide financial support for vulnerable households.

In Finland, the estimated prices for energy performance certificates are as follows: From EUR 200 to EUR 300 (new detached house), from EUR 300 to EUR 400 (old detached house) and from EUR 600 to EUR 1 500 (block of flats, depending on size and access to information). Prices are also roughly the same in other Member States, such as Sweden and Norway. Issuing an energy performance certificate can therefore be considered affordable, as one can also help reduce the energy costs of the building.

Under Article 19(13), the validity of the energy performance certificate shall not exceed 10 years. Under Section 8 of the Energy Performance Certificate Act, an energy performance certificate is valid until it is replaced by a new certificate, but for no longer than ten years from the date of issue.

Under the Directive, Member States shall ensure that, where a building was issued a energy performance certificate below level C, building owners are invited to a one-stop shop to receive renovation advice on whichever of the following is the earlier: (a) immediately after the energy performance certificate of the building expires; or (b) five years after the issuance of the energy performance certificate. The current system does not include a system for such a summons. If the certificate were to fall below class C, the intention would be to propose adding text to the energy performance certificate regarding how to contact the energy efficiency advisory service (Motiva). It would be difficult to send invitations afterwards, create such a system, and identify the owner.

3.6 Issuers of the energy performance certificate

Chapter 4 of the Energy Performance Certificate Act sets out provisions concerning the issuer of the energy performance certificate and their operations. The Act sets out provisions concerning the qualifications of the issuer of energy performance certificates, the validity of such qualifications, the general conditions for the operations, the verification of the qualifications, and the appointment of the certifying body. The Government Decree on the qualifications of the person issuing an energy performance certificate for buildings and on the conditions for the simplified energy performance certification procedure (170/2013) lays down the requirement level for the task of issuing an energy performance certificate and the necessary qualification or professional experience.

Section 25 of the Energy Performance Certificate Act provides for the prohibition of issuing certificates and the revocation of the appointment. Under Section 24(1) of the Act, if the person issuing the energy performance certificate does not meet the qualification requirements laid down in the Act or otherwise acts in a material or serious manner in violation of this Act and the provisions issued by virtue of it when issuing energy performance certificates, or when reporting, disclosing, archiving or storing certificate data, and has been asked to rectify the situation under Section 24 and has been issued a warning but fails to rectify the situation within the specified deadline, the Centre for State-supported Housing Construction shall impose a ban on issuing certificates to the issuer. Such a ban may be accompanied by a conditional fine, as provided for in Section 24(1). According to Section 24(2), if the certifying body fails to comply with the provisions on the assessment of competence in its operations, no longer meets the conditions of appointment or the arrangements or conditions laid down in the Ministry of the Environment's decision on appointment, or ceases operations and, despite a warning issued by the Ministry of the Environment, fails to remedy the causes of the warning within a reasonable period, the Ministry must revoke the appointment.

3.7 Climate report, construction product catalogue and carbon footprint limit values for buildings

The new Construction Act (751/2023) was passed by Parliament on 1 March 2023 and adopted on 21 April 2023. The main change compared to the Land Use and Building Act (132/1999) was the transposition of climate change mitigation into the construction legislation. The Construction Act laid down new essential technical requirements for the life cycle and low-carbon performance of buildings. Section 38 of the Construction Act includes a new essential technical requirement on the obligation to prepare a building's climate report and a catalogue of constructions products. Section 38a of the Act, in turn, sets out the limit values for the carbon footprint. Current legislation lays out a requirement to calculate and report the carbon footprint and carbon handprint of a new building from 2026 onwards; however, these are not included in the energy performance certificate, but instead in the climate report at the final inspection stage. In accordance with Section 38, the carbon footprint and carbon handprint of the building and the construction site shall be reported in the climate report to be prepared for the final inspection under section 122 for the following new buildings:

1) terraced house
2) residential building block
3) office building and health centre
4) commercial buildings, department stores, shopping centres, wholesale and retail trade buildings, market halls, theatres, opera, concert and conference buildings, cinemas, libraries, archives, museums, art galleries and exhibition venues
5) tourist accommodation buildings, hotels, residential homes, senior housing, residential care homes and medical care institutions
6) educational buildings and kindergartens
7) sports hall
8) hospital
9) storage buildings, transport buildings, swimming pools and ice rinks with a net heated area of more than 1,000 square metres.

To obtain GWP data for energy performance certificates for a wider range of new buildings than is currently the case, there is a need to extend the scope of Section 38 of the Construction Act in stages, in accordance with the Directive. Climate reports for 2028 should be prepared for all other buildings as well, provided their useful floor area exceeds 1,000 square metres. From 2030, the obligation would extend to all new buildings, including detached single-family houses. The Directive does not include a requirement for a list of construction products, but there is an intent for a similar extension to the climate report.

In accordance with Article 7 of the Directive, all Member States shall introduce limit values for new buildings from 2030. Therefore, the current scope of limit values in section 38a of the Construction Act should be extended in accordance with the proposal. Under the Act, if a climate report is not prepared, it is not possible to demonstrate that the limit value is met; therefore, in this respect, it would also be necessary to extend the obligation to prepare a climate report and a catalogue of constructions products. The Government Decree on the carbon footprint limit values for a new building entered into force in early 2026 and does not yet cover all buildings as currently required by the Directive.

The importance of the design phase is emphasised when it comes to a building's low carbon footprint: the decisions that have the greatest impact on a building's low carbon footprint and costs are made during the design phase. The importance of planning is also emphasised in European Commission Delegated Act (C/2025/8723, hereinafter *Delegated Act*)[4]: Member States must ensure that the life-cycle GWP is assessed before construction begins and is calculated greater detail after the building is completed. Therefore, the life-cycle GWP should be calculated or estimated in the design stage, before construction begins, as this is when the greatest impact can be made on the building's low carbon footprint and changes to the building plans are still possible. However, it is up to the Member States to decide how to ensure the assessment of the building's GWP in the planning phase, either through the construction permit process or by other means. Section 38 of the current Act clearly emphasises that it is the duty of anyone undertaking a construction project to take this into account as early as the design stage.

4 Proposals and their impacts

4.1 Main proposals

The recast Energy Performance of Buildings Directive introduces significant changes to energy performance certificates. Its aim is to accelerate the energy efficiency improvement of the building stock and the reduction of emissions towards carbon neutrality by 2050.

There would be changes to the buildings subject to the obligation to obtain and use an energy performance certificate. The scope of the obligations would be extended to include protected buildings and residential buildings intended for holiday use that are intended to be used for more than four months out of a year. Insofar as residential buildings intended for holiday use are occupied for less than four months a year, they would continue to be exempt from the requirement to obtain an energy performance certificate.

Under the proposal, an applicant for a construction permit would be required to attach an energy performance certificate to the permit application if the permit is for a new building, a major renovation of a building as referred to in section 14(2) of the Construction Act, or an extension to a building that increases the useful floor area significantly. The certificate should also be updated prior to commissioning. However, it would not be necessary to display an energy performance certificate if there is no requirement to obtain one under Section 3.

A public body as referred to in section 3(17) of the Energy Efficiency Act (1429/2014) shall ensure that any building owned or occupied by the body has a valid energy performance certificate when this Act comes into force. According to the proposal, if an energy performance certificate has been issued for a building, it would have to be displayed in a prominent, clearly visible location on the building.

[4] COMMISSION DELEGATED REGULATION (EU) amending Annex III to Directive (EU) 2024/1275 of the European Parliament and of the Council as regards the Union framework for the national calculation of life-cycle global warming potential (C/2025/8723)

Under the proposal, the owner of a building would be required to ensure that, when selling, leasing or renewing a lease for the building, a part of the building or a flat, or the right to occupy them, the valid energy performance certificate for the building or said part of it is made available to the prospective buyer or tenant. In addition, sales and rental advertisements should include the property's energy efficiency indication and energy efficiency rating (E-value).

The energy performance certificate will include more information about the building's energy use, such as the proportion of renewable energy and the building's own renewable energy production. The energy performance certificate does not just examine energy consumption during the building's operational life, but increasingly takes into account emissions throughout the building's entire life cycle. Energy performance certificates would be required to include a building's life cycle CO_2 emissions, not just its energy consumption. In addition, energy performance certificates should include more information on the building's smart systems, such as automation and control. The energy performance certificate should include the issuer's recommendations for cost-effective improvements to the energy efficiency of the building or part thereof, to reduce greenhouse gas emissions from its use and to improve the quality of the indoor environment, unless the building or part thereof already meets the requirements of at least energy efficiency class A0 or if the recommendations are set out in the renovation passport.

Furthermore, in the case of a new building, the issuer of the energy performance certificate should ensure that the GWP data from the climate report is included as such in the energy performance certificate during the final inspection of the building. In the case of a renovated building with an A+ energy efficiency rating, the party undertaking the construction project must ensure that the carbon footprint and carbon handprint of the building and the construction site are calculated and included in the energy performance certificate by the time of the final inspection at the latest.

The proposal would introduce the renovation passport, a voluntary annex to the energy performance certificate, which would provide the building owner with a long-term renovation plan to improve energy efficiency. The issuer of the energy performance certificate could also issue the renovation passport. If the qualification entitling a person to issue the energy performance certificate lapses, they would also no longer be permitted to issue the renovation passport, as it is a part of the energy performance certificate.

As set out in the proposal, it would also be possible to assess a building's characteristics virtually if the energy performance certificate is updated under the simplified procedure of Section 11b, if the energy performance certificate for a new building is updated, or if there is another specific reason for updating it virtually. A virtual site visit must provide the same information as an on-site visit. However, when preparing the renovation passport, a virtual site visit would not be permitted.

In addition, provisions on updating energy performance certificates through a simplified procedure would be added to the Act. It would be possible to update the energy performance certificate during its validity, provided that the update is based solely on changes to the initial data, if: 1) the changes would only apply to individual elements of a building component or system and be based on individual or separate measures; 2) measures identified in the renovation passport would be introduced; 3) a digital twin of the building, other certified methods, or information from certified instruments would be used to determine the energy

performance of the building. Updating the certificate under the simplified procedure would not change the validity of the energy performance certificate.

Under the transitional provisions of the proposal, an energy performance certificate issued under the Energy Performance Certificate Act (487/2007) may not be used to fulfil the obligations laid down in sections 5a, 6 and 7 after this Act enters into force. Furthermore, an issuer of the energy performance certificate who has been certified under the Act on Energy Performance Certificates for Buildings (50/2013) prior to the entry into force of this Act should, for the duration of their certification, also be regarded as a qualified issuer of energy performance certificates under this Act, and should therefore also be authorised to issue renovation passports.

The proposal suggests amending the provisions on low-carbon building standards in sections 38 and 38a of the Construction Act to harmonise these standards with the GWP requirements set out in Article 7 of the recast Directive on the Energy Performance of Buildings. It would therefore mainly involve the implementation of the Directive's new GWP requirements. According to Article 7 of the Directive, the GWP of a new building must be displayed in the energy performance certificate for buildings with a useful floor area of more than 1 000 m2 from 1 January 2028. This requirement extends to all new buildings on 1 January 2030. For this reason, it is proposed that the obligation to issue a climate report and to prepare a list of construction products be extended accordingly. A similar extension is proposed for the scope of the limit values, as the Directive requires that they apply to all buildings from 2030. It is proposed to include the carbon footprint and carbon handprint data for a building as a content requirement for the energy performance certificate, it will become mandatory to include them in the energy performance certificate in accordance with the Directive from 1 January 2028. The proposal would also extend the obligation to prepare the list of construction products. The obligation to draw up a list of construction products is not a result of the Directive, but is based on section 38 of the Construction Act. It would be appropriate to prepare a list of construction products for those buildings for which a climate report is required.

Under the European Commission's delegated act, Member States may decide to exclude from the obligation to calculate the life-cycle GWP and the limit values the categories of buildings which they exclude from the obligation to have an energy performance certificate. On this basis, it is proposed that the scope of the task be narrowed and clarified so that the obligations to prepare a climate report, a list of construction products, and the carbon footprint limit values would not apply to new buildings for which an energy performance certificate is not required. Buildings directly related to defence purposes would also be excluded from the scope of the limit values. Furthermore and for clarity, a provision would be added stating that the obligations would not apply to changes in intended use.

It is also proposed that the scope of the limit values should be clarified so that, where a building has multiple uses in deviation from the general rule, each category of use must individually fall below its specific limit value. The main purpose of this amendment is simply to clarify the scope of the limit values; it would not, in itself, alter the original purpose for which the limit values were set. In light of the above, it is also proposed that the power to issue decrees be clarified so that, instead of referring to a single limit value, reference is made to limit values.

According to the delegated act, the assessment should primarily use data available under the Construction Products Regulation and data available under ecodesign and energy labelling

legislation, and only secondarily use other types of data, such as information from national emissions databases or environmental product declarations. Therefore, it is proposed to amend the section to only allow the use of data in accordance with the assessment method in the assessment. Detailed provisions on the foundation of the assessment method and the priority principle would be laid down in the Decree of the Ministry of the Environment on the climate report and list of construction products for buildings (1027/2024).

4.2 Principal impacts

4.2.1 Economic impact

Energy performance certificates for buildings are a well-established part of the Directive on the Energy Performance of Buildings and have been used in Finland for several years now. The proposed amendments to energy performance certificates will not change the content or issuance of the certificates in a way that would have a significant economic impact.

The economic impact of the proposed amendments to the Energy Performance Certificate Act would be moderate overall. The amendments would not significantly increase the prices of energy performance certificates or create extensive new obligations. New costs would be one-off and would apply only to specific categories (protected buildings, certain holiday homes, public buildings), and would be small in relation to the total value of the property.

4.2.1.1 Impacts on households

The proposed amendments to the Energy Performance Certificate Act would not result in significant new costs for households. The scope of information included in the energy performance certificate would expand, but the expected cost impact would remain moderate. For example, information on the proportion of renewable energy generated on-site or on greenhouse gas emissions during operation would be newly required information, but as these are based on the building's technical data, including them would not require households to provide any additional information (the calculation is part of the certification process). The changes would improve consumer protection and the transparency of the energy efficiency system. New information would help households to assess their property's energy costs and environmental impacts.

The prices of energy performance certificates are expected to remain largely at current levels: around EUR 200–400 for newer detached houses, EUR 300–400 for older detached houses, and EUR 600–1 500 for residential building blocks. Extending the scope of energy performance certificate requirements (e.g. to protected buildings) would not significantly alter these costs, as the calculation criteria for the certificates would not change radically under the reform. A simplified update procedure would reduce costs slightly, as, for example, minor changes would not require a fully new certificate.

In some cases, the cost of the energy performance certificate may also be reduced. This applies in particular to when a building is located in a remote area and the previously mandatory on-site inspection could be substituted with a virtual site visit. This procedure would reduce travel costs and could therefore lower the overall cost of the energy performance certificate.

Furthermore, it would become mandatory to present the energy performance certificate when applying for a construction permit in the case of a large-scale renovation or significant extension of a building. However, in these cases, issuing an energy performance certificate is often already part of the plans for the renovation project, which means that the cost is minor in the grand scheme of things.

However, the reforms would have targeted effects, in particular on properties for which the energy performance certificate becomes a new obligation, and on properties that may want to use the optional renovation passport. The reform will remove certain exemptions, meaning that a certificate will be required for protected buildings and certain holiday homes (used for more than four months a year), among others. In this respect, households would incur a one-off cost.

However, the renovation passport is optional. Obtaining one would entail costs for households. Renovation passports are not issued yet, but the cost could be comparable to that of obtaining an energy performance certificate for a detached house. The passport sets out recommendations for long-term renovation planning, but does not impose any obligations, i.e. it does not directly impose a mandatory financial burden on households. The renovation passport should be viewed as a tool to guide investment. Even though it is subject to a fee, it could scale up the design of repair construction and reduce long-term costs.

Under Article 7 of the recast Energy Performance of Buildings Directive, the obligation to calculate the GWP and limit values will apply to all buildings from 2030. This means that the carbon footprint data must be calculated and included in the energy performance certificate at that time for detached single-family houses as well. The term ‘detached single-family house’ refers to a small residential building, such as a detached house or a part of a link-detached house. In addition, it will become necessary to lay down an applicable carbon footprint limit value for them in preparation for 2030. Individual residents or shareholders of residential building blocks and terraced houses are already subject to the low-carbon obligations under the Construction Act, so this proposal would not change their position.

According to the proposal, the obligation to prepare a climate report and the list of construction products in a new construction project will only slightly increase the costs of building detached houses from 2030. According to a report by the Finnish Green Building Council, the cost of commissioning a carbon footprint assessment for a detached house through an external consultant is a few hundred euros[5], but the final price of the climate report is determined by market forces. In practice, the obligation for households to prepare the climate report would mean that these reports would need to be submitted as part of the final inspection for detached house projects. The majority of small houses built in Finland are delivered by house manufacturers. Most house builders already calculate the carbon footprint of the detached houses they build and see climate data as useful for marketing purposes. On this basis, it can be assumed that, in the context of purchasing a detached house supplied by a house manufacturer, a climate report would have little impact on households. In the rare cases where a household were to undertake the construction project on its own and not use a house manufacturer, this could result in additional costs of a few hundred euros, as estimated in the aforementioned report by the Finnish Green Building Council. However, this increase would be marginal compared to other construction costs, so the requirement for a climate report

[5] Finnish Green Building Council, Impact Assessment on the Preparation of a Climate Report for a Construction Project 2020.

would not increase the barrier to build detached houses. Carbon footprint data is directly transferable from the climate report to the energy performance certificate. In this regard, the aim is to harmonise the presentation of the data as far as possible, which would make it easy to provide such data.

As cost estimates for detached houses are generally based on bills of material, most of the data required in the list of construction products is already available. The additional workload involved in compiling the catalogue would be minimal, as it would be created as part of the building's BIM-based, low-carbon design process. Therefore, the obligation to prepare a list of construction products does not raise the barrier for building a small house either.

Under the proposal, new buildings for which an energy performance certificate is not required would be excluded from the scope of the requirements for the climate report and the list of construction products. For households, it would be relevant that the obligations are not extended to small houses of less than 50 square metres or to a holiday dwelling buildings which are not used for the purpose of providing accommodation.

4.2.1.2 Impact on companies

The scope extension of the energy performance certificate requirements will increase costs for some businesses. According to the proposal, in the case of a building owned or occupied by a public body, it would be necessary to obtain an energy performance certificate, which would entail a one-off cost. The amount would depend on the building, with an estimated cost in the range of EUR 600 to EUR 1 500 per building. Public and business owners will be required to obtain more certificates than before, as the obligations extend to protected buildings, major renovations or significant extension projects, among other things, but the costs would be relatively small compared to the total maintenance costs of the buildings.

The added content would not create a new financial burden for businesses. New information in the energy performance certificate (e.g. the proportion of renewable energy, emissions during operation) could be added without the need for further reports. The requirement to display the energy performance certificate would not incur costs for businesses.

The renovation passport is optional for business owners. Companies could use the passport as a strategic tool, but it would not be a mandatory cost. The cost of a renovation passport is estimated to be between EUR 1,000 and EUR 3, 000, depending on the building.

A simplified update procedure would reduce administrative costs for businesses and allow for minor updates without the need for a new certificate, using virtual visits. Cost savings are particularly evident for companies that frequently carry out repairs or improve their maintenance procedures.

The expanded scope of the energy performance certificate, its new content requirements and the preparation of renovation passports will increase the workload for the issuers of energy performance certificates. This will have some impact on employment, estimated around at least a few person-years for the whole market on an annual basis.

According to the proposal the obligations to prepare a climate report and a list of construction products would be extended to all buildings with a useful floor area of more than 1,000 square metres from 2028, and to all new buildings (excluding buildings that are exempt from the

certification requirement) from 2030. However, a expanding the scope of the obligations to draw up a climate report and a list of construction products would have minimal impact on the costs incurred by businesses, as a number of buildings used for business activities will already be covered by the obligations from 2026, such as commercial buildings, office buildings, department stores, shopping centres, wholesale and retail trade buildings, market halls, theatres, museums, art galleries, tourist accommodation buildings and hotels as well as storage buildings, transport buildings, swimming pools and ice rinks with a net heated area of more than 1,000 square metres. However, insofar as the obligations do extend to new buildings, the costs incurred by companies for preparing a climate report are generally minor in the scope of a full construction project. According to the report of the Finnish Green Building Council, the cost of preparing a climate statement is approximately between EUR 2,000 and EUR 6,000 depending on the building and the author of the report. In practice, the price of the climate report will be determined by market forces. However, the development of data modelling practices is expected to enhance the calculation process and reduce the cost of compiling a climate statement from previous estimates. [6]

Under the proposal, the scope of limit value controls would be extended to all new buildings from 2030 (excluding buildings for which an energy performance certificate is not required). The binding nature of calculating emissions in buildings encourages the companies to develop construction products, services and methods that allow for lower life cycle CO2 emissions and the development of design solutions supporting low-carbon construction. Limit value regulation is seen as expediting the production of low-emission building materials and increasing the production of renewable energy, leading to the development of building materials and energy production solutions in the sector.[7]

4.2.1.3 Impact on public finances

The proposal would extend the obligations of public bodies to obtain energy performance certificates. According to the proposal, all buildings owned or occupied by a public body should have a valid energy performance certificate, regardless of whether the building is being sold or rented. This requirement would most of all apply to government agencies, public authorities and other public bodies that may own or operate in buildings without a current certificate. The cost would depend on the size of the building and the availability of information, among other things, but can be estimated to be around EUR 500–2,000 per building. However, the overall cost impact on the public budgets is likely to be minimal, as many public sector organisations are already subject to a certification requirement and the energy performance certificate is a one-off document that is valid for 10 years.

The most significant cost would arise from the overhaul of the energy performance certificate database, but these costs would then be assessed in more detail in a separate government bill that sets out the specific provisions for the information system. In addition to the system overhaul costs, there would be ongoing maintenance and coordination costs. Naturally, it would be important to ensure that adequate guidance is provided (Motiva) so that households, among others, understand the implications of the changes and make use of the simplified

[6] Finnish Green Building Council, Impact Assessment of Preparing a Climate Statement for a Construction Project, 2020.

[7] Finnish Environment Institute, Climate impact assessment of the comprehensive reform of the Land Use and Building Act, 2021

procedure. There would be a greater need for guidance and communications, at least in the early stages of the regulation.

The proposed amendments to the low-carbon characteristics of buildings would not have a significant impact on public finances.

4.2.1.4 Impacts on the local economy

The proposal would extend the obligations of public bodies to obtain energy performance certificates. According to the proposal, all buildings owned or occupied by a public body should have a valid energy performance certificate, regardless of whether the building is being sold or rented. These bodies would include municipal bodies or other public authorities that exercise public power under law, perform administrative tasks or provide services, such as the police, the courts or the municipal council.

Furthermore, the extension of the requirements for energy performance certificates will have an impact on local government finances, insofar as the requirement applies to listed buildings within the municipality, for example. In addition, certificates would also be required more frequently as part of repairs and extensions. The cost would depend on the size of the building and the availability of information, among other things, but can be estimated to be around EUR 500–2,000 per building. For local authorities, this would mean a slight increase in costs, but a minor overall impact, as the majority of the building stock is already subject to these requirements.

If a building has an energy performance certificate, it will have to be displayed in a clearly visible place. The requirement would apply to public buildings owned or used by the local authority (e.g. libraries, schools, swimming halls). However, the cost of this would be minimal. The cost impacts of the amendments to the Energy Performance Certificate Act on local authorities' own construction projects would be minimal, as there are no proposed changes to construction practices.

The oversight would only entail modest additional administrative costs. Naturally, inspections would have to be carried out on a slightly larger number of buildings. Similarly, the building control authority would be required, at the construction permit stage, to check that an energy performance certificate is attached to the permit application, and that it is updated before the building is commissioned. There would only be a slight increase in the workload, with no new resource requirements.

The proposed amendments to the Construction Act on low-carbon characteristics of buildings would not lead to significant new costs for the local economy in municipalities. However, the proposed extension of the obligation to prepare the climate report and the list of construction products will only cause a slight increase in the administrative costs of municipal building control authorities. The extension of the reporting obligation in 2028 would have only a minor impact on the efficiency and costs of the permit procedure. The extension of the obligation to prepare the climate report and the list of construction products in 2030 would have some impact on the efficiency and costs of the permit process, particularly as the obligations would also apply to detached houses. The costs arise from the building control authority's obligation to inspect a wider range of buildings to ensure that the required climate report and list of construction products have been prepared and that the carbon footprint remains below the limit value. For example, thousands of detached houses are built every year. At the current

rate of construction (2024-2025), the number of new single-family housing projects is around 3,800 houses per year, which is very low.

Instead, it is proposed that certain restrictions be imposed on the scope of application, which in turn would help to reduce costs and streamline the construction permit process. According to the proposal, the climate report and list of construction products would not be required if the building is exempt from the requirement to obtain an energy performance certificate. The proposal would limit the scope of buildings (Categories 1–9 in Section 38) to, for example, new temporary buildings. Examples could include, on a case-by-case basis, prefabricated teaching buildings and day-care centres. Similarly, buildings with a floor area of under 50 square metres would be exempt from the obligations.

The carbon footprint and carbon handprint of the building and its site should be displayed for energy class A+ renovation projects. This energy class has not been adopted yet, and it is therefore difficult to estimate how many renovation projects would receive energy class A+. In 2024, only about 160 of the buildings undergoing major renovation had reached class A. Class A+ buildings are required to have an E-value that is 20 per cent lower than value for class A , and the amount of renewable energy generated must exceed the building's total annual primary energy demand. It can therefore be assumed that only a few dozen of the renovated properties will achieve energy class A+, so the impact on the local authority's finances will be negligible.

The municipality's own costs as a property owner and as the party undertaking construction projects may rise slightly insofar as a climate report and a list of construction products must be prepared for new municipal buildings. Most buildings are already subject to these requirements, such as educational establishments, day-care centres, sports halls and hospitals, so the impact can nevertheless be considered to be minimal. The scope of the 2028 regulations would extend to include all other buildings with a useful floor area of over 1 000 m² for which an energy performance certificate must be issued. Examples of these buildings include certain outbuildings, industrial buildings and maintenance buildings. From 2030 , the scope will extend to include all buildings for which an energy performance certificate must be issued, regardless of their size. This means that the requirement to prepare a climate report and a list of construction products would apply to small swimming halls and storage buildings, among others.

4.2.1.5 Impacts on the economy

The proposed amendments to the Energy Performance Certificate Act would have a minimal impact on the economy, as the energy performance certificate is already established, the amendments would be limited in scope (updates to content, clarifications of procedures), would impose no new major obligations, and the cost of energy performance certificates would remain unchanged. The proposed amendments would not affect the cost structure of the real estate sector in a way that would impact the broader national economy.

There would only be a minor impact on the economy from the increases in public sector expenditures. The proposal could introduce minor benefits in terms of steering investment in energy efficiency, as the amendments would improve the comparability of energy efficiency and provide greater incentives for consumers and businesses to carry out energy-efficiency improvements. The energy performance certificate does not in itself save energy, but it guides investment towards measures that reduce energy consumption, reduce dependence on energy

imports, and support cost-efficiency in the energy sector. However, this impact is not expected to be significant, as the certificate is already established and no major new obligations are being proposed.

The amendments would not have a significant enough impact on costs in the residential construction or property sectors to impact the national economy. The proposals would not have a significant impact on investments or construction costs, as the changes would not significantly alter the calculation method for energy performance certificates, would not lead to significant additional reporting costs for construction projects, and would not alter the market mechanisms relating to property values.

The proposed amendments to the Construction Act concerning low-carbon construction would not have a significant impact on the national economy. Regulations on low-carbon construction will be established in 2026; the amendments set out in this proposal are mainly about the implementation of the Directive. Regulating for the low-carbon performance of a building can be seen as having a generally positive impact on the development of low-carbon solutions in Finland, on the mobilisation of desirable investments and on competitiveness, in a context where clean and sustainable construction already affects construction work globally at all levels. The development of low-carbon building materials has great potential. Finland is the largest exporter of construction products per capita in Europe.

The proposed 2030 addition of the obligation to prepare the climate report and list of construction products for detached single-family houses would mean that the climate report would be produced on an annual basis for around 6,600 detached single-family houses. Therefore, the average cost of preparing climate reports for all detached houses would be around EUR 1.3 million per year, assuming that each assessment costs a few hundred euros on average.[8] The annual costs for preparing the list of construction products would be slightly lower. However, the majority of detached single-family houses are delivered directly from the house manufacturer or as turnkey projects, allowing the same climate report and list of construction products to be used for several different buildings with minor modifications, significantly reducing the cost of the report. The impact on the national economy is therefore likely to be significantly smaller than above.

4.2.2 Impact on the activities of public authorities

The workload of local building control authorities will increase slightly, but the overall impact will be minimal. An energy performance certificate would be required for a slightly wider range of new buildings, as well as for large-scale renovation projects and significant extension projects. Measures should be taken to ensure, among others, that the requirement for visibility is met in public buildings.

[8] The figure of 6,600 is merely an indicative estimate, as there is quite a wide year-on-year variation in the number of detached houses built. For example, at the current rate of construction (2024-2025), the number of new single-family housing projects is around 3,800 houses per year, which is historically low. The figure of 6,600 here is likely to be closer to the mark when estimating the number of projects by 2030. It is estimated that the cost of producing a climate report and a material specification (replaced with the simpler list of construction products) for a prefabricated house is on average a few hundred euros. The price estimate is based on a study carried out by the Green Building Council Finland (FIGBC) in 2020 entitled ‘Impact assessment of the climate report for construction projects’.

The Centre for State-subsidised Housing Construction would also incur additional oversight-related costs. The requirement to obtain an energy performance certificates for large-scale renovation projects and public buildings would increase the number of energy performance certificates issued annually, which would be subject to verification. Furthermore, the need for oversight would increase, as energy performance certificates would have to be displayed in an increasing number of properties. The amount of information contained in the energy performance certificate would increase, which would lead to a greater number of data fields that require verification and more calculations to check. As a result of these changes, the annual workload of the Centre for State-supported Housing Construction is estimated to increase by approximately one person-year.

The proposed amendments to the Construction Act concerning low-carbon construction would not have a significant impact on the operations of public authorities. The 2030 extension of the obligation to prepare climate reports and catalogues of construction products and the inclusion of more buildings within the scope of limit value control will slightly increase the workload of municipal building control authorities. The increase in workload would also have a slight impact on the efficiency and costs of the permit process. The costs arise from the building control authority's obligation to inspect a wider range of buildings to ensure that the required climate report and list of construction products have been prepared and that the values remain below the limit.

4.2.3 Effects on employment

The proposed changes could have minor positive effects on employment in the market for services, as the changes would slightly boost demand for energy performance certificates, the preparation of renovation passports and the need for energy advice. The impact on the national economy would be positive but minor, focusing on the growth of energy performance certificate and expert services.

The extension of the obligations to prepare the climate report and a list of construction products in accordance with the proposal would not significantly increase employment in Finland. The greatest impact on employment would stem from the requirement to prepare climate reports for detached houses from 2030 onwards, which is estimated to create a need for 5–10 person-years of work. When preparing a climate report for detached houses, it is possible to use a climate report already drawn up for similar house designs, thereby keeping the actual workload to a minimum.

4.2.4 Environmental impacts

The objective of the energy performance certificate is to provide information on the level of the energy performance of the building for comparing buildings and to make recommendations for cost-effective improvements to energy performance in the existing building stock. The aim of displaying and providing energy performance certificates to buyers or tenants, stating the energy class in sales and rental advertisements, and displaying the certificate is to ensure that consumers can reliably compare the energy performance of different buildings. The energy performance certificate itself does not improve energy efficiency, but it aims to ensure that sellers and landlords pay attention to energy performance efficiency and take steps to improve it.

Energy performance certificates improve the visibility and quality of information on the energy performance of buildings and enhance the transparency and comparability of that information. Easily comparable data will boost the attractiveness of sustainable energy solutions. It will allow consumers to better able to identify low-carbon or self-sufficient buildings. In addition, extended content of the energy performance certificates and new renovation passports would encourage households and businesses to make energy efficiency improvements that reduce energy consumption and fossil emissions.

The renovation passport would promote cost-effective and impactful energy-efficiency improvements. It would allow the phasing of repairs in a way that achieves significant energy savings and emission reductions. Concurrently, it would encourage technically timely and cost-effective renovations that deliver greater environmental benefits.

While an energy performance certificate does not in itself improve a building's energy performance, it turns energy performance into a factor that boosts market value; energy-efficient solutions (heat pumps, solar power, better insulation) are seeing wider adoption and consumer awareness is growing. It would have a positive overall impact, as it could reduce the energy consumption and CO2 emissions of the building stock in the long term, as well as transitioning the building stock towards a more low-emission direction on market terms.

The obligation to calculate the GWP and the carbon footprint limit values set out in Article 7 of the Directive will drive a large proportion of new buildings constructed in Europe each year towards low-carbon solutions: both low-carbon construction materials and the building's energy consumption would improve its low-carbon life-cycle. Limit values can be used to manage a building's carbon footprint throughout its life cycle, particularly at the beginning and end – that is, the manufacture of construction materials, construction, and the prevention and recycling of construction waste. However, limit values for the carbon footprint of new buildings have already been introduced in Finland in 2026 to cover the majority of new buildings. The limit values will be tightened for the first time in Finland in 2029, with the aim of achieving greater impact. For this reason, the amendments of this proposal regarding the scope of the climate report and the list of construction products for 2028 would only have a minor impact on the achievement of the original greenhouse gas emission reduction targets set out in the Construction Act.[9]

The limit values must be updated before 2030 so that the remaining buildings are also included within their scope in accordance with the Directive. The magnitude of the positive climate impacts of the amendments of this proposal will depend essentially on the chosen carbon footprint limit values and the rate at which they are updated. The scale of the impacts is impossible to predict, but it is worth noting that detached houses, among others, are already quite low-carbon, as they are often built from wood. Consequently, the obligation to produce a climate report and to remain below the limit value set for detached houses do not significantly reduce climate emissions from construction.

The proposal also provides for limits to the obligations for preparing the climate report and the list of construction products and to the scope of limit values, so that these obligations would not apply to new buildings that are not required to obtain an energy performance certificate.

[9] In the Government proposal (HE 139/2022), it has been suggested that limit value control has the potential to reduce and avoid some hundreds of thousands of tonnes of greenhouse gas emissions annually, depending on the level of the carbon footprint limit values of buildings used in the guidance.

This clarification would narrow the scope. At the same time, it would be possible to slightly streamline this procedure by removing the burden associated with preparing the climate report and the list of construction products. However, this restriction would not result in a significant narrowing of the scope, as the categories of use defined in the amendment to the Construction Act, which enters into force in early 2026, do not generally cover new buildings that do not require an energy performance certificate. Therefore, it is only of minor importance to the achievement of the original greenhouse gas emission reduction targets of the Construction Act.

4.2.5 Other impacts

The Government Proposal has not been identified as having gender impacts.

5 Other options for implementation

5.1 Alternatives and their impacts

Energy performance certificates are already largely in line with the recast Directive, and there is little room for flexibility. Under the recast directive, Member States may exempt certain categories of buildings from the requirements of an energy performance certificate. Under Article 20(6) of the Directive, Member States may exclude the categories of building referred to in Article 5(3), points (b), (c) and (e), from the application of paragraphs 1, 2, 4 and 5 of the Article. In Article 5(3), these points apply to:

b) buildings used as places of worship and for religious activities;

c) temporary buildings with a time of use of two years or less, industrial sites, workshops and non-residential agricultural buildings with low energy demand and non-residential agricultural buildings which are used by a sector covered by a national sectoral agreement on energy performance;

e) stand-alone buildings with a total useful floor area of less than 50 m².

The recast Energy Efficiency Directive no longer allows protected buildings to be excluded from the requirement to issue an energy performance certificate. Therefore, an energy performance certificate must be drawn up for protected buildings according to the proposal. Issuing an energy performance certificate would not undermine the objectives of protection.

Furthermore, the Directive does not allow the exemption of a building occupied by the Defence Administration with or without confidential information. However, the proposal does not include amendments in this respect, continuing to exempt these buildings from the obligation to obtain an energy performance certificate. The exemption would be based on Article 346(1)(a) of the Rome Treaty, which provides that a Member State is not obliged to disclose information if that is considered contrary to its essential security interests.

Furthermore, under the Directive, Member States which chose to exclude from these obligations by 28 May 2024 residential buildings which are used or intended to be used for either less than four months of the year or, alternatively, for a limited annual time of use and with an expected energy consumption of less than 25 % of what would be the result of all-year

use, may continue to do so. Finland has such an established exclusion under Section 3(2)(2) of the Energy Performance Certificate Act: a holiday dwelling building which is not used for the purpose of providing accommodation. Under the proposal, holiday dwellings would continue to be exempt from the climate report obligation, but subject to certain clarifications required by the Directive. This proposal would specifically opt for an approach whereby the four-month period would be the decisive trigger for the obligation to prepare the report. In principle, there is another option for a starting point that could also be chosen: *for a limited annual time of use and with an expected energy consumption of less than 25 % of what would be the result of all-year use*, but this would not be as clear for the perspective of oversight. What is meant by 'expected energy consumption of less than 25 % of what would be the result of all-year use' would remain unclear.

The aim of this proposal is to lay down more detailed provisions on new energy classes. This would mean the introduction of energy classes A0 and A+, the adoption of which can be decided on the national level. The purpose of the introduction of class A0 is mainly to clarify the differences in the classification of the different versions of certificate. Class A+ allows forward-thinking operators to highlight their building's superior energy efficiency. At the national level, it would be possible to use the letter A to denote the energy class of a zero-emission building. There is no significant difference between these options.

Making the renovation passport mandatory is also a matter for national discretion. In this proposal, the renovation passport is presented as an optional measure. Under the proposal, issuer of the energy performance certificate would be able to issue a renovation passport without any additional qualifications.

The mandatory and optional information to be displayed on the energy performance certificate is set out in Annex V to the Directive. In accordance with the Government Programme, it has been concluded that the changes to the previous certificate are minor. It would be possible to increase the information displayed in the certificate, which would increase the workload required of the issuer of the certificates and thus also the costs incurred.

There is little room discretion for Member States in the Directive regarding the calculation and reporting obligations of the GWP with regard to the calculation and reporting obligation, nor regarding the introduction of limit values, particularly in the scope. Under the delegated act, Member States may, contrary to the language of the Directive, decide to exclude from the obligation to calculate the life-cycle GWP the categories of buildings which they exclude from the obligation to have an energy performance certificate pursuant to Article 20(6) of the Directive.

An essential point in Annex III to the Directive is the indication that national methods may be used: 'Where a national calculation tool or method exists, or is required for making disclosures or for obtaining building permits, that tool or method may be used to provide the required disclosure. Other calculation tools or methods may be used if they fulfil the minimum criteria established by the Level(s) common EU framework'. Annex III to the Directive and its supplementing delegated act lay down precise minimum requirements to be taken into account in national low-carbon assessment methodology. The delegated act provides some room for national discretion regarding the national low-carbon assessment method, but lays down the main principles.

5.2 Means planned or implemented by other Member States

It is not yet known in detail how other Member States intend to implement the requirements related to the energy performance certificate and the renovation passport. Information on other Member States' plans is intended to be included in this proposal following public consultation, to the extent that such information is available.

There is more information on the regulatory frameworks for low-carbon buildings. A regulatory framework on low-carbon buildings is already in use in slightly different ways in Sweden, Denmark, the Netherlands, France, Norway and parts of Belgium. In Finland, the climate report and limit values will come into force in early 2026. In Finland, these requirements will apply to the majority of new buildings. However, the obligation of the Directive to calculate the GWP will extend to all Member States in 2028, at which point it will initially apply to new buildings with a useful floor area of more than 1,000 square metres, and extend to all new buildings in 2030. Controls on the carbon footprint limit values of new buildings must be introduced by the Member States by 2030 at the latest.

There are currently no Member States with currently valid regulations that would oblige mandatory GWP calculation for all new buildings to the extent covered by the Directive. Nor are all buildings in any Member State subject to limit value controls. There have been some exemptions made the scope of the requirements in the countries where the obligations are in force. For example, Denmark only applies the limit value controls to buildings for which an energy performance certificate is issued. No Member State currently requires the life-cycle GWP data to be included in energy performance certificates.

In Denmark, limit value controls were introduced in 2023. The initial limit values were applied to all new buildings over 1,000 m^2, for which an energy performance certificate is also issued. The initial limit values were set in 2023 to a level which, according to Danish estimates, 90 per cent of conventional buildings would fall below. In this case, the common limit value that was set for all building types was 12.0 $kgCO_2e/m^2$/year. The plan is that by 2025, one in three new buildings would be low-carbon compared to 2023. In 2025, this target is three out of four and in 2029, as many as nine out of ten.

French regulations on low-carbon buildings are also based on carbon footprint limit values for buildings, which are set to be gradually tightened. The low-carbon regulation (RE2020) was adopted in 2021 and entered into force in 2022. When France first introduced the limit value requirement in January 2022, it applied only to residential buildings. However, the requirement has since been extended to office buildings, primary and secondary education buildings, and other small projects. Studies are currently being carried out on extending the scope to include other buildings, such as commercial buildings, restaurants and day-care centres.

The Dutch regulation is based on a limit value for the environmental impact of buildings, which the buildings must not exceed. Limit value-based control has been used in the Netherlands since 2018 and tightening of the limit value is next expected in 2026. This requirement applies to new residential buildings and office buildings with a floor area of at least 100 m^2

Among other countries, at least Sweden, Estonia and Iceland have made progress in planning their limit values:

- The Swedish climate report currently contains a reporting obligation for the start of the life cycle of the building, but without yet applying the limit values. Sweden plans to adopt the limit values on the schedule provided for in the EPBD.

- Similarly, Estonia plans to introduce carbon footprint values in accordance with the directive in 2030. However, Estonia is expected to publish a law related to climate reporting in the course of 2025. The obligation to prepare the climate report would initially apply only to new buildings with a floor area of more than 1,000 square metres, but the scope would be expanded later to also apply to smaller buildings.

- In Iceland, climate reports for buildings will become mandatory on 1 September 2025, and limit values for the carbon footprint of buildings are scheduled to be introduced in 2028, although no further details on these plans are currently available.

- In Norway, mandatory calculation of carbon footprint came into force in summer 2022. The requirement to calculate the carbon footprint concerns commercial buildings and blocks of flats, as well as major renovations. Single family houses are therefore excluded from the scope. There is no control of limit values in Norway.

6 Feedback

[to be completed after the statements are submitted]

7 Provision-specific rationale

7.1 The Act on Energy Performance Certificates and Renovation Passports for Buildings

The title of the Act would be amended to include a reference to the renovation passport. The renovation passport will henceforth be a voluntary but essential part of the energy performance certificate; therefore, to emphasise its importance and for the sake of legislative clarity, the term ‘renovation passport’ should also appear in the title of the Act.

Section 1 *Purpose and scope of the Act* Subsection 2 of this section would be amended to include a reference to the renovation passport. No other changes to the section would be made.

Section 3. *Buildings subject to the obligation to obtain and use an energy performance certificate. Subsection 1* would not be amended. However, amendments would be made to *subsection 2*, which would have an impact on the buildings subject to the obligation to obtain and use an energy performance certificate.

According to *subsection 2(1)*, the provisions of subsection 1 would not apply to the buildings referred to in points 1 to 6 of section 37(2) of the Construction Act (751/2023). The buildings referred to in points 1 to 6 of section 37(2) of the Construction Act, for which an energy performance certificate would not be required, would be as follows:

1) a building with a useful floor area of less than 50 square metres;

2) a residential building for holiday accommodation intended for use for less than four months per year;

3) a temporary building with a maximum period of use of two years;

4) an industrial or workshop building;

5) a non-residential farm building with low energy demand or used in a sector covered by a national sectoral energy performance contract;

6) a building used for worship and religious activities.

The recast Energy Efficiency Directive no longer allows protected buildings to be excluded from the requirement to issue an energy performance certificate. It is therefore proposed to amend *subsection 2* so that protected buildings currently excluded from the obligation to obtain an energy performance certificate are added to the scope of the obligation by removing the current reference in subsection 2(1) to section 37(2)(7) of the Construction Act. Protected buildings would benefit from having an energy performance certificate, even if they are excluded from the scope of the minimum energy performance standards. Issuing an energy performance certificate would not compromise the conservation objectives of these buildings.

Under the proposal, the current Section 3(2)(2) of the Energy Performance Certificate Act would be replaced by a reference to Section 37(2)(2) of the Construction Act (as set out in the amendment package): a residential building for holiday accommodation intended for use for less than four months per year.

The provision concerning defence buildings would not be amended. Defence buildings would therefore continue to be excluded from the scope of the Energy Performance Certificate Act; i.e. in accordance with Section 3(2)(2), the obligation would not apply to buildings occupied by the Defence Administration with or without confidential information. The Directive does not allow for such an exemption, but the exemption would be based on Article 346(1)(a) of the Rome Treaty, which provides that a Member State is not obliged to disclose information if that is considered contrary to its essential security interests.

Exemptions made in this section shall also have a significant impact on the scope of other obligations. For example, the obligation under Section 38 of the Construction Act to prepare the climate report and the list of construction products, and the limit values referred to in Section 38a are specifically linked to the obligation to obtain an energy performance certificate, in accordance with the European Commission's delegated act and guidelines. When there is an exemption to the obligation to obtain an energy performance certificate, the exemption also applies to the obligations to prepare a climate report and a list of construction products, as well as to apply the limit values.

Section 5 *Energy performance certificate in construction permit applications.* According to *subsection 1*, the applicant for a construction permit must include an energy performance certificate with their construction permit application under section 42 of the Construction Act when the permit concerns:

1) a new building for which an energy performance certificate must be obtained under this Act;

2) a major renovation of a building as referred to in section 14(2) of the Construction Act; or

3) an extension of a building with a significant increase in the useful floor area of the building.

The energy performance certificate would be prepared in the construction permit stage and, in accordance with *subsection 1* the certificate would be submitted as an annex to the construction permit application. To obtain a construction permit, an energy performance certificate shall be submitted to the building control authority.

An energy performance certificate must be submitted with the construction permit application if the building in question is a new building for which an energy performance certificate must be obtained in accordance with *Section 1(1)(1)* of the Act on Energy Performance Certificates for Buildings. If the building in question is a new building for which an energy performance certificate would not be required under Section 3, it would not be necessary to submit one with the permit application.

Under the recast Directive, a new energy performance certificate must be obtained for a building when it undergoes a major renovation (Article 20(1)(a)). Under the proposal, an energy performance certificate would have to be drawn up for a building when it undergoes a major renovation under section 14(2) of the Construction Act, or when the building is extended in such a way that its usable floor area increases significantly. In accordance with Section 14(2) of the Construction Act, a major renovation refers to a renovation where the total cost of reconstruction costs related to the building envelope or technical building systems exceeds 25 % of the value of the building, excluding the value of the building land.

'Usable floor area' refers to the heated net floor area as defined in the Construction Act. A significant increase in useful floor area would be assessed on a case-by-case basis. Section 7 of the Decree of the Ministry of the Environment on Energy Performance Certificates for Buildings (1048/2017) defines a 'significant part' of a building as follows: 'A part of a building is considered significant within the meaning of section 4(1) of the Act on Energy Performance Certificates if its heated net floor area is at least ten per cent of the total heated net floor area of the building and the heated net floor area exceeds 50 square metres.' Similarly, a building extension could be considered significant if an extension of more than 50 m² (more than 10%) is built to a 100 m² detached house, an extension of at least 50 m² is built to a 200 m² detached house, or an extension of more than 100 m² (more than 10%) were added to a 1000 m² commercial building. As a general rule, the extension should be over 50 m2, regardless of the size of the building, since buildings with a usable area of less than 50 m2 would otherwise be exempted from the obligation to obtain an energy performance certificate. This would also be in line with the scope of the Decree of the Ministry of the Environment on the energy efficiency of new buildings, which applies to the extension of a building with a useful floor area of less than 50 square metres only to the extent that the building and its extensions exceed 50 square metres (Section 1).

According to *subsection 2*, the energy performance certificate should be replaced with a certificate supplemented or revised by the issuer before the building is commissioned if the certificate is incomplete or the more accurate information becomes available in the course of the project. In practice, the energy performance certificate of a new building must always be supplemented before commissioning. For example, the GWP data is only included on the certificate at the final inspection stage. It is also necessary to update the energy performance certificate with the building's permanent unit identifier, as the identifier is not available at the construction permit stage. This would ensure the integrity of building data, which is also an important condition of the database requirements set out in the recast Energy Performance of Buildings Directive. A building would be deemed to be commissioned once it has been

approved for use in a final inspection in accordance with section 122(1) of the Construction Act or in a partial final inspection in accordance with section 123(1) of the Construction Act.

According to *subsection 3*, an energy performance certificate would not be required where the permit concerns a building under points 1–3 of subsection 1, which are exempt from the obligation to obtain the energy performance certificate, or in the case of alterations to a building or a change in the intended use.

The proposal would not amend the power to issue decrees in the section; it would remain as it is. According to *subsection 4*, further provisions on the information required in the energy performance certificate may be laid down by decree of the Ministry of the Environment at the construction permit application stage and before the building is commissioned.

Section 5a. *Energy performance certificate for a public building.* It is also proposed to add a new Section 5a to the Act, which would lay down the obligation for public bodies to obtain an energy performance certificate. Under the proposal, a public body as referred to in section 3(17) of the Energy Efficiency Act (1429/2014) would be required to ensure that any building it owns or uses has a valid energy performance certificate, unless the building in question is one which is exempt from the obligation to obtain an energy performance certificate.

According to section 3(17) of the Energy Efficiency Act, 'public bodies' means national, regional or local authorities and entities financed and managed directly by those authorities, but not having an industrial or commercial character. The proposal would implement the obligation under Article 20(1)(b) of the Directive to issue an energy performance certificate for existing buildings owned or operated by public bodies. Therefore, public buildings must have a valid energy performance certificate at the time the Act enters into force, regardless of whether the building is being renovated, sold or rented.

The Directive does not set a specific compliance deadline with the obligation to obtain the energy performance certificate for public buildings, so the deadline would follow the general implementation requirement of the Directive: the obligation applies from the date on which a Member State has transposed the provisions into national law, but no later than 29 May 2026.

Section 6. *Energy performance certificates for sales and lettings.* As in the current Act, Section 6 would lay down the obligation to obtain an energy performance certificate when a building is sold or leased. *Subsection 1* would be amended to require the building owner to ensure that an energy performance certificate is also presented when a lease agreement is renewed, as required by the recast Energy Performance of Buildings Directive (Article 20(1a)). The renewal of the lease agreement would mean the signing of a new agreement with the same tenant, such as when the previous fixed-term agreement is about to expire. Renewing a lease agreement would mean entering into a completely new term of the agreement with the tenant, rather than, for example, exercising an option in the lease agreement or increasing or decreasing the rent – in other words, changing the value of the individual agreement. According to *subsection 1*, a publicly displayed advertisement on the sale or letting of a property should state not only the energy efficiency label for the property as well as the reference value for energy efficiency (E-value), as required by the Directive.

Furthermore, the sentence, according to which the energy performance certificate must be provided to the buyer or tenant, either in the original or in a copy, would be removed from the

provision. Energy performance certificates are now often issued in electronically, which means that a separate provision regarding their format would no longer be necessary.

No amendments are proposed to *subsection 2*.

Section 7. *Display of the energy performance certificate.* As in the current Act, Section 7 would provide for the display of the energy performance certificate. The section would be amended to require the display of the issued energy performance certificate in a clearly visible, public location for non-residential buildings. This obligation would apply to buildings owned by both public bodies and other operators. The provision would implement Article 21(1) and (2) of the Directive. Recommendations on the energy performance certificate or the renovation passport would not have to be displayed, only the energy performance certificate.

The aim is to allow the building's users and visitors to easily see its energy efficiency. *Display in a prominent place where it is clearly visible* would mean that the energy performance certificate must be displayed in a location where users or visitors of the building can easily see and read it without having to specifically look for it. Such a location could be near the entrance, such as next to the main entrance or in the entrance lobby, the notice board in the lobby if there is a lobby in the building, the waiting area, or a public notice board. The reception desk or customer service point, where customers inevitably go, or the lift lobby if the building has one, could also be places where the certificate would be prominent without having to look for it specifically. What would be key is that the certificate is not kept, for example, in a back room of the office area, where customers do not go. The certificate should be clearly legible, i.e. large enough and positioned at an appropriate height.

Section 9. *Information contained in the energy performance certificate.* This section would lay out the information to be included on the front page of the energy performance certificate, as well as other mandatory content. The purpose of this provision would be to ensure that the energy performance certificate provides a clear, comparable and user-friendly overview of a building's energy efficiency, energy consumption and environmental impact. The provision would comply with the requirements of the Energy Performance of Buildings Directive, in particular the content requirements for energy performance certificates set out in Annex V. According to *subsection 1*, the issuer of the energy performance certificate is responsible for ensuring that the front page of the certificate contains the following information in accordance with this section.

According to *point 1 of subsection 1*, the front page of the energy performance certificate would include information on the energy performance of the building. The energy performance of a building would be presented as the placement of the calculated E-value on the classification scale. The E-value is a calculated figure for the final energy consumption, based on a building's standardised use and weighted by energy form coefficients. Dividing it with the usable floor area allows the comparison of buildings with one another, regardless of their intended use. Classification scales for each intended use are necessary because different types of buildings consume energy in different ways due to their nature. This would promote comparability and consistency.

According to *point 2 of subsection 1* of the section, the front page of the energy performance certificate would have to include information on the annual final energy usage by type of energy (kWh/m^2/year), which allows users of the building to see the calculated consumption

according to the different types of energy and to understand what types of energy are consumed by the building.

According to *point 3 of subsection 1*, the front page of the energy performance certificate should contain information on the share (in percentages) of on-site generation of renewable energy. The purpose of this information is to demonstrate the building's self-sufficiency and its impact on energy consumption and greenhouse gas emissions. The information would be particularly useful in monitoring the carbon neutrality objectives of buildings.

According to *point 4 of subsection 1*, the front page of the energy performance certificate would contain information on the greenhouse gas emissions generated from the use ($kgCO_{2E}/(m^2/a)$). Including this data would increase the informative nature of the energy performance certificate on the environmental impacts. This would be in line with the Directive's requirement to consider the climate impact over the entire life cycle of buildings.

According to *subsection 2*, the content of the energy performance certificate must also cover the other mandatory information specified in Annex V to the Directive. The certificate should contain information on the actual consumption of purchased energy, if available. Actual consumption of purchased energy is often a tangible indicator for users, as it corresponds to the consumption paid to energy suppliers. Presenting this information would make it easier for consumers to make decisions based on the certificate. It would also allow for a comparison between calculated and actual consumption values, which supports the transparency of the certificate. Naturally, the energy performance certificate could also contain the information laid out as voluntary under the Directive.

In addition, it would also be necessary to include the cost-effective recommendations of the issuer on improving energy efficiency, reducing emissions and enhancing indoor environmental quality in the energy performance certificate. These recommendations should be genuinely feasible. Naturally, these recommendations do not need to be displayed for matters that the issuer has not observed. It is very possible that cost-effective recommendations are not identified for all buildings, particularly if they are new, which does not allow their inclusion on the energy performance certificate. Furthermore, when making recommendations, the issuer should naturally remain mindful of not compromising the objectives of protection for protected buildings, for example. The recommendations are a key part of the control of energy performance required by the Directive and support the achievement of building renovation objectives. Exemptions from the requirement to issue recommendations would apply to buildings that already have an energy efficiency rating of at least A0, or to buildings for which the recommendations are included in the renovation passport. These exemptions would avoid duplicate administrative burdens.

Subsection 4 of the section would grant the mandate to issue detailed decrees on technical and calculation matters to the Ministry of the Environment. The need for such clarifications is justified because the energy performance certificate system requires the harmonisation and updating of detailed calculation methods in terms of calculation criteria, starting data, area specifications, classification scales, drafting recommendations and certificate forms among others. Laying these down in decrees would enable flexible and technically up-to-date regulation, which can be updated as necessary in line with amendments to the Directive or technological developments without the need for legislative changes.

Section 9a. *Reporting of life-cycle carbon footprint and carbon handprint data in the energy performance certificate.* In accordance with Article 7 of the Directive, a requirement to include information on the life-cycle global warming potential in the energy performance certificate would be added to the section. According to *subsection 1*, in the case of a new building or a building that has undergone renovation to achieve energy efficiency class A+, the energy performance certificate must include information on the carbon footprint of the building and the construction site, broken down by life-cycle stages, as well as the carbon handprint, broken down by its constituent elements. If the work involved a significant extension to the building or other large-scale renovation, other than the renovation of a building with energy efficiency class A+ as mentioned above, the GWP data would not need to be included in the energy performance certificate. The division of data into different stages and components of the life cycle would be further laid down by decree of the Ministry of the Environment.

According to *subsection 2*, the GWP data for new buildings should be based on the climate report referred to in section 38 of the Construction Act. In practice, this would mean that the issuer of the energy performance certificate would have to ensure that the information contained in the climate report is included verbatim in the energy performance certificate at the final inspection stage of the building. The issuer of the energy performance certificate would therefore not be the one to calculate the GWP figures in the case of a new building, but would simply transpose them from the climate report to the energy performance certificate. In some cases, however, the issuer of the energy performance certificate may also be the one who prepares the climate report.

In accordance with Article 19 of the directive, for existing buildings renovated to A+ class, Member States shall ensure that the life-cycle GWP is estimated and disclosed in the energy performance certificate of the building. The aim of this would be to ensure that the life-cycle greenhouse gas emissions generated in the renovation work are also considered in the most energy-efficient buildings. According to *subsection 3*, the GWP data for buildings renovated to A+ class should be based on the national low-carbon assessment methodology referred to in section 38 of the Construction Act. Anyone undertaking a construction project should ensure that the carbon footprint and carbon handprint are calculated and disclosed in the energy performance certificate by the time of the final inspection of the building at the latest. This would mean, for example, that the issuer of the energy performance certificate could calculate the GWP data on behalf of the client undertaking the construction project, in the case of a renovated building of energy efficiency class A+. A separate assessment would be necessary, as the Construction Act does not require a climate report to be prepared for buildings undergoing major renovation. The carbon footprint and the carbon handprint should be calculated using the low-carbon assessment method for buildings, which is provided for in more detail in the Decree of the Ministry of the Environment on the climate report and the list of construction products (1027/2024). The basic principle should be that the carbon footprint of a building that has been renovated to A+ energy class should be assessed in terms of the life-cycle stages following the renovation. Therefore, the low-carbon assessment would not be carried out retrospectively for these projects.

Section 10. *Determination of energy quantities.* This provision would lay down the obligation of the issuer of the energy performance certificate to determine the calculated parameters describing the building's energy efficiency, as well as the calculation principles to be followed therein. The aim of the provision would be to ensure that the issuance of energy performance certificates is based on a nationally harmonised, comparable and technically reliable

procedure. However, this proposal does not include major changes to the definition of energy quantities, but rather seeks to harmonise terminology with the recast Energy Performance of Buildings Directive.

According to *subsection 1*, the issuer of the energy performance certificate should determine the E-value of the building and the calculated annual final energy use based on standardised coefficients. This would be an estimate of the total annual energy consumption that is calculated under standard operating conditions, not on the basis of actual use. A standardised procedure ensures that the E-value of different buildings are comparable.

According to *subsection 2*, the E-value of a building would be determined by weighting the calculated annual final energy consumption based on standard use with the energy type coefficients laid down under the Construction Act. Energy type coefficients compensate for differences in the generation, transmission and emission effects between different types of energy. These factors allow the E-value to reflect a building's overall energy impact from the perspective of primary energy and to treat different heating and energy solutions in a technology-neutral manner. Further provisions on the energy type coefficients factors may be laid down by government decree.

According to *subsection 3*, energy quantities should be determined by applying the more detailed calculation provisions issued under section 37 of the Construction Act. Section 37 of the Construction Act provides for the power to issue more detailed technical provisions on the calculations, which may concern calculation methods, initial values, climate conditions, usage profiles, internal loads and building type-specific assumptions. This reference provision would ensure that the issuer of the energy performance certificate uses up-to-date parameters approved by the authorities, rather than their own values or ones applied on a case-by-case basis.

According to *subsection 4* of the section, further provisions on the determination of the E-value and calculated annual final energy based on standardised use can be laid down by decree of the Ministry of the Environment.

Section 11. *Assessing the characteristics of the building.* A new subsection 2 would be added to the section, which would provide for virtual site visits. At the same time, the current subsection 2 would become subsection 3, and the current subsection 3 would become subsection 4.

A virtual site visit would involve a tour or presentation of the building via a remote connection. It should take place through a real-time video link. A virtual site visit must provide the same information as an on-site visit. The issuer of the energy performance certificate could authorise another person to carry out the video recording, or the video recording could be carried out by the building owner. However, the site visit would still be the issuer's responsibility, even if they had authorised a third-party videographer. It would also be the issuer's responsibility to ensure that the information and findings obtained correspond to an on-site inspection. It would be advisable to keep the recorded virtual site visit for future reference. However, when preparing the renovation passport, a virtual site visit would not be permitted, as the directive only allows virtual visits when preparing only the certificate.

It is necessary to restrict virtual site visits to specific situations, as gathering information about a building virtually is, by its very nature, more difficult than an on-site visit. For example, it is

not possible to virtually observe all relevant sensory aspects, such as the freshness of the indoor air or unusual temperature conditions, which may be important for making recommendations. A virtual site visit will not be possible in all cases; instead, in accordance with *subsection 2*, it may only be carried out in cases where: 1) the energy performance certificate is updated under the simplified procedure of Section 11b; 2) the energy performance certificate for a new building is updated; or 3) there is another specific reason for updating it virtually.

The circumstances in which the simplified procedure may be applied are listed in Section 11b. For example, a virtual visit could be used if the changes only concern individual elements of a building component or system and are based on individual or separate measures. It would be reasonable to allow the energy performance certificate for a new building to be updated on the basis of a virtual inspection, as the systems and the U-values of new buildings, among others, are often well known, and there has been no need to provide recommendations for improvements, nor have any been made. In addition, there could be an applicable *specific reason*, such as the fact that there are no qualified issuers of energy performance certificates in the region and the costs of an on-site visit would be considerably high.

Section 11a. *Renovation passport.* This section would provide for a renovation passport within the meaning of Article 12 of the Energy Performance of Buildings Directive. According to the Directive, a renovation passport means a tailored roadmap for the deep renovation of a specific building in a maximum number of steps that will significantly improve its energy performance. The same would be defined in *subsection 2* in reference to the step-by-step plan established for a specific building's major renovation that would significantly improve its energy performance.

According to *subsection 1*, the owner of a building could choose to obtain the renovation passport as an annex to the new energy performance certificate. In this context, a 'new energy performance certificate' would refer to an energy performance certificate issued after the entry into force of this Act. If the owner wants to obtain a renovation certificate for an energy performance certificate issued before this Act came into force, they must first have someone issue a new energy performance certificate after the Act has come into force, to which the renovation passport can then be attached. The preparation of the passport would take place in conjunction with the preparation of the energy performance certificate, which slightly reduces the administrative burden and ensures that the renovation passport is based on the same up-to-date initial data as the energy performance certificate. According to *subsection 1*, a renovation certificate should be drawn up by a qualified issuer of energy performance certificates. A qualified issuer of energy performance certificates is authorised to issue energy performance certificates, which the renovation passport would be one component of. A qualified issuer of energy performance certificates may meet either the basic or the higher qualification requirements, as stipulated in the Government Decree on the qualifications of issuers of the energy performance certificate and the conditions for the simplified energy performance certificate procedure (170/2013). The renovation passport would therefore be prepared by a person with sufficient knowledge of building energy efficiency and the ability to assess and calculate comprehensive packages of measures that have a significant impact on a building's energy consumption.

There would be a justification to extend the scope of the examination for issuers of energy performance certificates so that it will also specifically cover aspects related to the renovation passport. The examination for issuers of energy performance certificates could include an

additional section on the renovation passport and questions would demonstrate familiarity with both how to prepare the renovation passport and its background.

According to *subsection 2*, the content of the renovation passport should be based on the mandatory and voluntary information provided for in Annex VIII to the Energy Performance of Buildings Directive. These include the current state of the building, a technical description of the renovation measures, the impact of the measures on energy saving, cost and carbon dioxide, and the schedule of the renovations.

In *subsection 3*, it is proposed that more detailed provisions on the competence of the issuer of the passport could be laid down by government decree. In addition, it is proposed that power to issue decrees be added to *subsection 4* of the Act on the Energy Performance Certificate, whereby the Ministry of the Environment could issue more detailed regulations on the preparation of the energy performance certificate and the issuing of recommendations, as well as on its content, format and form.

Section 11b. *Updating the energy performance certificate under the simplified procedure.* This section is intended to provide for the possibility of updating an energy performance certificate using the simplified procedure. The simplified procedure would allow an updated energy performance certificate to be issued more quickly and at a lower cost where there are only small, separate changes being made in a building that relate to energy efficiency, which would not change the basis for the energy calculation of the building as a whole. The purpose of this provision would be to simplify the procedure in situations where reliable initial data on a building's energy performance can be used and where it is not appropriate to prepare a completely new energy performance certificate. Its advantage would be that there would not be a need to calculate the energy performance certificate from scratch; instead, the existing certificate could simply be updated to reflect the changes in initial data. The simplified procedure could only be used if it were possible to reliably assess the impact of the measure. The simplified procedure would not mean that it would be possible to bypass other legal obligations under the law, such as site visits, as these would still have to be fulfilled. However, according to the proposal, it would allow for site visits to be virtual under the simplified procedure to update the energy performance certificate, which is laid down in this section.

Under *subsection 1* an energy performance certificate could be updated during its period of validity through a simplified procedure, whereby the certificate is updated only in respect of changes to the building's details in the situations specified in points 1–3 of subsection 1 of this section.

According to *subsection 1(1)*, the use of the simplified procedure would be possible if the changes only concern individual elements of a building component or system and are based on individual or separate measures. In practice, this provision would mean that an updated and up-to-date energy performance certificate could be issued for a building under a simplified procedure if only minor, limited alterations have been made to the building which do not affect the energy calculation for the building as a whole, but only a specific part of it. The fact that the alterations are based on individual or separate measures would, in practice, mean that the alteration could only be carried out on a small part of the building or system (replacement of a single door or system) or that the measures are separate, i.e. they do not constitute a large-scale or comprehensive renovation or a complete overhaul of the system. For example, this

would be a replacement of one door now and the heat pump a little later, but without renovating the entire façade or the system.

The use of the simplified procedure would only be permitted on the basis of *point 1* when the alterations are small and separate and do not affect the calculation criteria for the total energy consumption of the building on a large scale. An example of when this procedure could be applied could involve the replacement of a single window with a more energy-efficient one, whilst the building's other energy-related features remain unchanged. In this case, the window's U-value would be updated on the energy performance certificate, along with its impact on the energy calculation. Another example could be related to the replacement of an individual ventilation unit, in which the old unit is replaced with a new one with a better annual efficiency ratio, but the components of the ventilation system or the overall building technology would not otherwise change. This could also be linked to the replacement of one part of the heating system. Such a situation could be one where the burner in an oil-fired boiler is replaced with a new, more efficient one, without an update to the heating system as a whole. In that case, there would be a minor change to the E-value, which can be easily incorporated into the calculations. Similarly, the situation could be related to the addition of a single additional layer of wall insulation, but not to the entire building. This would be a limited impact, as only part of one façade is insulated, rather than the entire building envelope.

It would not be possible to apply the simplified procedure on the basis of *point 1* if the work does not concern a single element but, for example, involves the replacement of all windows, which would have a significant impact on the building's energy efficiency. Replacement of the entire heating system with, for example, a geothermal system would also have a significant impact on the building's energy rating. Furthermore, this approach would not be suitable in the case of comprehensive additional insulation on all sides of the building, which would have a significant impact on the overall heat loss through the building envelope. The fact that it would not be possible to apply the simplified procedure on the basis of subsection 1(1) does not mean that the application of the procedure could not be justified on the basis of the other points of the subsection.

According to *subsection 1(2)*, the simplified procedure could be used when measures identified in the renovation passport are implemented in the building and it is possible to reliably assess the impacts of them on the energy performance of the building. The aim of the renovation passport is to document planned and completed energy performance measures, and therefore it could justifiably be used to update the information in the existing energy performance certificate. The procedure could not be applied on the basis of *point 2* if it is not possible to reliably assess the impact in case the measures have not been recorded in advance in the renovation passport, or if the recorded measures, such as architectural, extensive building technology or ventilation alterations, are described inaccurately in the passport. Such an inaccuracy could arise from to the fact that the technical specifications (e.g. U-values, efficiency ratios) are missing from the certificate, in which case the procedure could not be applied on the basis of *point 2*.

A situation in which the simplified procedure could be applied under *point 2* might, for example, arise where the energy performance certificate contains an entry that relates to window replacements: 'in 2030, old double-glazed windows (U-value 2.6) will be replaced with new more energy-efficient triple-glazed windows (U-value 1.0)'. In this case, the technical energy improvement of the windows and their impact on energy consumption could be calculated fairly precisely. The measure would have to be documented in the renovation

passport. Another example where the procedure could be applied on the basis of *point 2* might relate, for instance, to the installation of additional insulation on external walls. The renovation passport should include the following entry: 'In 2028, 100 mm of mineral wool will be added to the external walls, improving the U-value from 0.40 to 0.17 W/m²K.' In such a situation, it would be possible to use the simplified procedure, as the effect of additional insulation on heat loss could be calculated accurately because the measure is named in the energy performance certificate with its documented values. In practice, this update would mean the addition of a new U-value for the wall to the energy calculations, and the energy performance certificate would be updated without needing a comprehensive new assessment. A third example could be related to the replacement of a heating system. The renovation passport should include: 'The old oil-fired heating system is replaced with a ground-source heat pump with a SCOP of 3.5.' In this case, it would be possible to reliably estimate the efficiency of the heating system and the change in energy consumption with standard values. Therefore, the data from the passport could be used to calculate the new energy consumption directly and update the energy performance certificate without the need for a full baseline calculation.

Subsection 1(3) would provide for the possibility to use a digital twin of the building, other certified methods, or data from certified instruments to determine the energy performance. Using these data sources would improve the accuracy of the calculations, which would also make the calculations themselves more reliable, as they would be based on actual, measured data. The energy class might also be a more realistic representation, which would benefit the owner of the property. It would allow updates to be carried out more quickly and at a lower cost, as there would be no need to collect the initial data again.

A condition for applying the simplified procedure under *point 3* would be for the methods and tools used to meet the requirements laid down for them and to provide a sufficiently reliable basis for the assessment of energy performance. A Building Information Model (BIM) may have been prepared for the building, which would provide detailed information on the U-values of the walls and roof, the actual surface areas and types of glazing of the windows, and the actual specifications of the ventilation equipment, among other things. Therefore, there would not be a need to measure or revise said information when updating the energy calculations, as it would be sufficient to update the model and base the calculation directly on it.

Certified measurement methods or equipment would refer, for example, to measuring instruments, systems or software whose accuracy and reliability have been verified to comply with the requirements. This could, for example, be a smart thermostat or an energy consumption monitoring system that is certified and active in the building. Similarly, this could involve an indoor air quality measurement, which would provide accurate data on the performance of the ventilation system, or thermal imaging surveys carried out using a certified method to identify heat loss. In accordance with *point 3*, these types of methods could be used to update the energy performance certificate without the need to re-examine all initial data.

According to *subsection 2*, updating the certificate under the simplified procedure would not change the validity period of the energy performance certificate. Updating the certificate would therefore not automatically start a new period of validity. It would be an update to the content of the certificate to reflect the new improvements to the building, but its validity would be unchanged from that of the original certificate.

It would be desirable, despite not being explicitly required in the proposal, that the update should, wherever possible, be carried out by the same issuer who prepared the original energy performance certificate. This would ensure that the issuer has access to the original calculation and initial data and an overview of the building. This would help to prevent the risk of an energy performance certificate being updated on the basis of incomplete source data or without sufficient knowledge of the context.

Section 13 *Validity of the qualification.* A new *subsection 2* would be added, stipulating that the issuer of the energy performance certificate may not prepare a renovation passport if the validity of their qualification for preparing the energy performance certificate has expired. Preparing a renovation passport requires a thorough understanding of how to assess a building's energy efficiency; therefore, a renovation passport should not be prepared if the energy performance certificate issuer's qualification has expired.

7.2 Act amending the Construction Act

Section 38 *Low-carbon buildings*. The recast Directive on the energy performance of buildings (EPBD) introduces guidance on the low-carbon performance of buildings throughout their life cycle as a new factor. The calculation of the life-cycle global warming potential (GWP) of new buildings is laid down in Article 7(2) of the Directive, which requires Member States to ensure that the life-cycle global warming potential is calculated in accordance with Annex III of the Directive and disclosed through the energy performance certificate of the building:

- from 1 January 2028, for all new buildings with a useful floor area larger than 1 000 m^2;
- from 1 January 2030, for all new buildings.

In light of the above, it is proposed to amend *section 38(1)(9)* of the Act so that the climate report and the list of construction products is required from the beginning of 2028 for all buildings other than those referred to in points 1 to 8, except for detached single-family houses, which would only be subject to the obligations from 2030 onwards under the transitional provision. 'Detached single-family house' would refer to a small residential building as defined in Section 4 of the Decree of the Ministry of the Environment on the Energy Efficiency of a new building (1010/2017) in use category 1a-1c: a separate detached house and a building that is part of a chain house.

However, as regards the buildings covered by point 9, the provision would be applied in stages based on the size of the buildings, as set out in the proposal. Based on the proposed transitional provision, at the beginning of 2028, the scope of the obligations to draw up the climate reports and list of construction products would be extended to cover storage buildings, transport buildings, swimming halls and ice rinks with a net heated area of more than 1 000 square metres as well as other buildings of more than 1 000 square metres. These would include, for example, heated halls, maintenance buildings, rescue department buildings and certain outbuildings. In addition, the scope would also include modular buildings that require an energy performance certificate. From 2030, the limit on usable floor area set out in point 9 (1 000 square metres) would be removed in accordance with the transitional provision, which means that the obligation to prepare a climate report and a list of construction products would be extended to all other buildings. Staggered size-based application would only apply to buildings that covered by point 9.

Subsection 1 would refer to the usable area instead of heated net area. This would be a definitional change related to the Energy Performance of Buildings Directive, which uses the term 'useful floor area' in Article 7, which regulates the GWP. 'Useful floor area' would refer to the sum of the floor areas heated on the useful floor area calculated on the basis of the inner surfaces of the exterior walls surrounding the floors (net heated area A_{net} (m^2)).

Under the delegated act, Member States may decide to exclude from the obligation to calculate the life-cycle GWP the categories of buildings which they exclude from the obligation to have an energy performance certificate pursuant to Article 20(6) of the Directive. These exemptions from the obligation to obtain an energy performance certificate are set out in the Act on Energy Performance Certificates for Buildings (50/2013). On this basis, it is proposed to amend *subsection 2* so that the obligation to prepare a climate report would not apply to a new building for which there is no obligation to obtain an energy performance certificate on the basis of said Act. The clarification would narrow the scope of application and make it more precise. However, this restriction would not result in a significant narrowing of the scope, as the categories of use defined in the amendment to the Construction Act (897/2024), which enters into force in early 2026, do not generally cover new buildings that do not require an energy performance certificate.

It is proposed to clarify the scope of *subsection 2* so that the obligation to prepare a climate report would also not apply to changes in the intended use of a building. This addition would be made on the basis of the feedback received during the consultation on the limit value regulation. The aim is to clarify the application of the requirements and limit values of climate reports and list of construction products when, for example, holiday homes or office buildings are converted into residential buildings. This would not constitute a change that affects the scope, as changes in intended use normally involve various repair and alteration works, to which the requirements for a climate report and the list of construction products do not currently apply. This clarification would ensure that misunderstandings do not hinder efforts to make more efficient use of existing stock through changes in their intended use.

The importance of the design phase is emphasised when it comes to a building's low carbon footprint: the decisions that have the greatest impact on a building's low carbon footprint and costs are made during the design phase. The European Commission's delegated act also emphasises the importance of planning. Under the delegated act, Member States must ensure that the life-cycle GWP is estimated before the building's construction is started and calculated after the building is completed. Therefore, the life-cycle GWP should be calculated or estimated in the design stage, before construction begins, as this is when the greatest impact can be made on the building's low carbon footprint and changes to the building plans are still possible. However, it is up to the Member States to decide how to ensure the assessment of the building's GWP in the planning phase, either through the construction permit process or by other means. *Subsection 1* stipulates that anyone undertaking a construction project must ensure that the building is a low-carbon design. The duty of care should naturally include a low-carbon assessment of the building at the design stage. In this respect, the existing duty of care would meet the same purpose as that pursued by the European Commission in the delegated act: the aim is to ensure that the low-carbon assessment of the building is carried out as early as possible in the project and to draw the attention of the party undertaking the construction project to the carbon footprint requirements in the planning stage. The duty of care referred to in *subsection 1*, which applies to the party undertaking a construction project, would also cover the construction of a low-carbon building. It is therefore important to monitor the low carbon emissions during the course of the construction. The prevailing

practice for construction projects where the entity applying for a building permit has set voluntary carbon footprint targets is to take them into account from the early stages of the design work, and the calculation of the carbon footprint is then specified as construction and specific design progresses.

In accordance with *subsection 1*, the climate report shall be submitted to the building control authority only at the final inspection stage, once the building has been completed. The preparation of a climate report only after completion of the project is justified for the reason that by the time of the final inspection, accurate information on the quantities and quality of materials used in the building and on the carbon footprint of the products used in the project will be available. In such a case, the final results of the calculation would be as close as possible to those of the actual situation.

According to the delegated act, Member States should establish a clear hierarchy of the input data to be used in the life-cycle GWP calculation to ensure its accuracy and reliability. Such a hierarchy would mean that the life-cycle GWP calculation should prioritise the use of carbon footprint data issued under Regulation (EU) 2024/3110, which lays down harmonised rules for the marketing of construction products, and the Ecodesign Directive (2009/125/EC) and related acts ((EU) 2024/1781, (EU) 2017/1369) and secondarily, data from the national emissions database referred to in Section 15 of the Construction Act or other environmental performance data in accordance with the assessment method, such as data from environmental product declarations. To establish a hierarchy, it is proposed that the reference in *subsection 2* be amended so that the reference to the national database is removed from the Act. The intention is that the Decree of Ministry of the Environment on the climate report of buildings and the list of construction products should set out the data used in the calculation in greater detail; consequently and in accordance with *subsection 2*, the assessment should use the input data specified in the calculation method. This matter is discussed in more detail regarding the decree in the section on secondary legislation, in paragraph 8. In accordance with Annex III to the Directive, data regarding specific construction products calculated in accordance with Regulation (EU) No 305/2011 of the European Parliament and of the Council shall be used when available. This would also form the basis for an amendment to the decree. The Government Proposal to Parliament for the Construction Act and related Acts (HE 139/2022) and the Government Proposal to Parliament for an Act amending the Construction Act and certain related Acts (HE 101/2024) have set out the provision-specific rationale in more detail for the conditions on the basis of which other information could be considered compliant with the calculation methodology.

As a clarification, the power to issue decrees in *subsection 4* of this section would be amended with language on the ability to lay down more detailed provisions on the calculation of low-carbon performance in special situations. The calculation method and reporting of results are described in more detail in the section on secondary legislation.

Section 38a *Carbon footprint limit value.* According to Article 7(5) of the Directive, by 1 January 2027, Member States shall publish and notify to the Commission a roadmap detailing the introduction of limit values on the total cumulative life-cycle GWP of all new buildings and set targets for new buildings from 2030, considering a progressive downward trend, as well as maximum limit values, detailed for different climatic zones and building typologies. Those maximum limits shall be in line with the Union’s objective of achieving climate neutrality.

According to *subsection 1*, the carbon footprint of a building should not exceed the limit value laid down for each intended use category of buildings in accordance with section 38, points 1–9. The scope of the limit values would be extended in the same way as the climate report obligation, as the provision refers to sections 38(1) to (9): any amendments made to sections 38(1) to (9) of the Act would have a direct impact on the scope of the limit values. The amendments to this section would apply to new buildings for which a construction permit application has been submitted on or after 1 January 2028, except for detached single-family houses, to which the provisions would apply from 1 January 2030 on the basis of the transitional provision. In 2028 and 2029, the limit values would not apply to all buildings with a usable floor area of over 1 000 m^2, but only to those for which limit values have been laid down in the Government Decree.

In most cases, buildings only have one intended use, in which case the limit value set for that category must be complied with. However, there are buildings that contain sections with other intended uses, such as commercial buildings that may include flats or offices. For this reason, it is proposed to specify *subsection 1* with a clarification of the provision according to which a building that contains elements with different intended uses, no element should exceed the limit laid down for its intended use. A provision on the level of an Act would clarify the procedure in situations where a building has multiple uses. The allocation of the results of the climate report to different intended uses is provided for in section 22 of the Decree of the Ministry of the Environment (1027/2024). According to said section, where the net area of a space in a building is less than 10 % of the total net area of the building or the net area of the space included in the building is less than 50 m², the space in the building may be included in the largest category of use. An example of this could be a large office building with a restaurant attached. If the restaurant covers less than 10 per cent of the building's total net floor area, it could be classified as part of the office space.

Notwithstanding the fact that the wording of Article 7 of the Directive refers to all new buildings, Member States have the option, on the basis of the delegated act and the guidance on limit values, to exclude from the scope of the limit values those buildings for which an energy performance certificate is not required in the Member State. On this basis, it is proposed that a specification is added to *subsection 2*, clarifying the scope and stipulating that the limit value would not apply to a new building or part thereof falling within the scope of section 38(1) to (9) of the Act for which there is no obligation to obtain an energy performance certificate. The proposed specification of the scope would mean that the limit values would not apply to, for example, small houses with a smaller-than 50 square metre area, buildings used for worship and religious practice, temporary buildings (2 years) or farm buildings intended for certain non-residential purposes. A precise definition would be part of the Act on Energy Performance Certificates for Buildings (Section 3).

In addition, it is proposed that a provision be added to *subsection 2* stipulating that the threshold would not apply to new buildings referred to in section 38 (1) to (9), where such a building is a new building or part thereof that is classified as state property belonging to the Defence Forces or otherwise serve state and is directly related to defence purposes. In addition to the fact that a building intended for defence purposes or its use may involve classified information, there may be a good justification to not apply the limit values for buildings that serve a direct defence purpose. According to the proposal, the limit values would not need to be applied to buildings with a direct defence purpose, regardless of whether they contain classified information or not. The aim of this exclusion is to consider the specific characteristics of properties used by the Defence Forces as well as the security and readiness

requirements for buildings that serve a direct defence purpose. The Finnish Defence Forces' building stock includes a number of specialised buildings whose design and construction must consider their key characteristics, such as the readiness requirements arising from their primary purpose as well as durability and safety requirements, which may impact the carbon footprint but are difficult to compare with conventional construction. A key consideration in the design of Defence Forces buildings is their capability to withstand various threats and function effectively in a crisis, which places specific demands on structures and materials. Special cases regarding the calculations include space requirements arising from needs related to emergencies, diesel-generated backup power, and technical requirements relating to the weapons effects. Depending on the circumstances, such buildings could include, for example, office buildings, health centres, residential buildings, educational buildings, sports halls and hospitals, as well as warehouse buildings with a heated net floor area of more than 1 000 square metres. For example, from the perspective of the limit values, barracks are comparable to residential institutions, but their layout and intended use differ significantly from those of conventional residential buildings. Furthermore, areas used by the defence forces often constitute a single administrative property, and it may not be possible to clearly define, for example, the plot of land on which a building stands for the purposes of calculating the carbon footprint of the building site. A building site may contain several above-ground and underground buildings or building elements. In addition, technical building systems may be shared among several buildings. The limit values would also not apply to buildings under the management of the defence forces. For example, the administrative branch of the Ministry of Defence is only a tenant at the premises it uses, and therefore does not assume the role of party undertaking a project in construction projects. Defence Properties Finland, which operates within the administrative branch of the Ministry of Finance, is responsible for the design and construction processes.

It is proposed to clarify in *subsection 2* that the limit value would also not apply to changes in intended use. Changes in intended use normally involve various repair and alteration works, to which the limit values are not intended to apply in any case.

A minor clarification is proposed for *subsection 4*, relating, for instance, to the fact that a building may have several different intended uses. It is proposed that language in the power to issue decrees be amended so that more detailed provisions on the limit values for the carbon footprint of a new building may be laid down by Government decree from the singular limit value. This amendment would not entail a change to the original plan, but would merely clarify that a building may be subject to several limit values at once in situations where different parts of the building serve different purposes.

8 Secondary legislation

[The draft decrees are attached to the request for comments. The draft decrees and their main explanatory notes will be included as an annex to the final government proposal.]

8.1 Decree of the Ministry of the Environment amending the Decree on energy performance certificates for buildings

This decree is intended to set out the content and format of both the energy performance certificate and the renovation passport in greater detail. For the most part, the information and format requirements would be presented, as at present, in the annexes to the decree.

In addition, it is the intention that Finland adopts energy class A0 for zero-emission buildings in accordance with the Directive. This would help distinguish new or renovated zero-emission buildings from those with energy class A under the 2018 energy performance certificate model, which do not meet the requirements for zero-emission buildings.

Furthermore, it is proposed, in accordance with the requirements of the Directive, to define an A+ energy performance class corresponding to buildings with a maximum threshold for energy demand which is at least 20 % lower than the maximum threshold for zero-emission buildings, and which generates more renewable energy on-site annually than its total annual primary energy demand. The new A+ class could highlight buildings that are more energy efficient than other new buildings.

The introduction of the A0 class would help to distinguish and clarify the classes in different certificate models. The new A0 class for zero-emission buildings would be distinguished from the A category for nearly zero-energy buildings in the 2018 energy performance certificate template. The A+ class would provide pioneering developers with access to an even higher energy efficiency class.

The decree would be issued on the basis of the powers to issue decrees contained in the Act on the Energy Performance Certificate of Buildings (50/2013) and this proposal, as follows:

- section 4(2), under which more detailed provisions could be laid down when a part of a building that is essentially different in terms of its intended use can be considered to be significant;
- section 5(3), under which more detailed provisions could be laid down regarding the information required in the energy performance certificate at the construction permit application stage and before the building is commissioned;
- section 9(3), under which more detailed provisions could be laid down concerning the content of the energy performance certificate, the calculations involved in drawing up the certificate and the input data used for those calculations, the definition of the floor-area in the energy performance certification procedure, the classification scales and symbols used in energy performance certificates, the grouping of buildings for classification purposes, the issuing of recommendations and other information to be included in the certificate, as well as the energy performance certificate form;
- section 9a(4), under which more detailed provisions could be laid down regarding the reporting of a building's carbon footprint and carbon handprint data in the energy performance certificate;
- section 10(2), under which more detailed provisions could be laid down on the calculation of the E-value and calculated consumption of purchased energy based on standardised use;

- section 11(3), under which more detailed provisions could be laid down regarding the determination of the amount of energy required for standardised use in relation to building components and technical systems;
- section 11a(4), under which more detailed provisions could be laid down concerning the preparation of the renovation passport and the issuing of recommendations, as well as the content, format and form thereof.

8.2 Decree of the Ministry of the Environment amending the Decree of the Ministry of the Environment on the Climate Report and the List of Construction Products for Buildings

In accordance with Article 7 of the EPBD, Member States shall ensure that the life-cycle global warming potential is calculated in accordance with Annex III of the Directive. Annex III has been supplemented with a delegated act of the European Commission (C/2025/8723). The requirements and framework conditions contained in the Annex shall be taken into account in the national low-carbon assessment methodology. This means that the Decree of the Ministry of the Environment on the climate report and the list of construction products for buildings must be amended to correspond to the requirements and framework conditions based on the Directive. The amendment must be carried out in the same time frame as the other implementations required by the Directive. The requirements to be taken into account and the framework conditions to be observed include:

- The life-cycle GWP is communicated as a numeric indicator for each life cycle stage expressed as $kgCO_2eq/m^2$ (of useful floor area) calculated over a reference study period of 50 years.
- The data selection, scenario definition and calculations shall be carried out in accordance with EN 15978 (EN 15978:2011 Sustainability of construction works. Assessment of environmental performance of buildings. Calculation method) and taking into account any subsequent standard relating to the sustainability of construction works and the calculation method for the assessment of environmental performance of buildings.
- The scope of building elements and technical equipment is as defined in the Level(s) common EU framework for indicator 1.2.
- Data regarding specific construction products calculated in accordance with Regulation (EU) No 305/2011 of the European Parliament and of the Council shall be used when available.

The delegated act was published at the end of 2025. It has an impact on national regulations in relation to the following, among others:

- life-cycle stages to be included in the calculation of the life-cycle GWP of the building;
- the parts and products of the building to be included in the GWP calculation;
- data used in the GWP calculation.

In addition, a hierarchy of the data used for the GWP calculation is to be introduced in the Decree in accordance with the delegated act. The Decree would be amended to base the GWP calculation of a new building primarily on the following:

1) product-specific information obtained on the basis of Regulation (EU) 2024/3110 of the European Parliament and of the Council of 27 November 2024 laying down harmonised rules for the marketing of construction products and repealing Regulation (EU) No 305/2011 (*Construction Products Regulation*);

2) product-specific information obtained on the basis of Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products (*Ecodesign Directive*);

3) product-specific information obtained on the basis of Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (*Ecodesign Regulation*);

4) product-specific information obtained on the basis of Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 establishing a framework for energy labelling and repealing Directive 2010/30/EU (*Energy Labelling Regulation*).

In accordance with Annex III of the Energy Performance of Buildings Directive, data regarding specific construction products calculated in accordance with Regulation (EU) No 305/2011 of the European Parliament and of the Council (1) shall be used when available. The new Construction Products Regulation came into force in January 2025. For example, under the Construction Products Regulation, information should be obtained from declarations of performance and declarations of conformity prepared on the basis of either harmonised product standards or European Technical Assessment documents. However, it should be kept in mind that it will likely be several years before information on the carbon footprints of products begins to be made available under the Construction Products Regulation. Furthermore, the Regulation does not cover all categories of construction products, although it does cover the majority of them. The European Commission's intention is to establish an EU Construction Products Database or System to facilitate access to product information (in particular the Declaration of Conformity, the Declaration of Performance and the Instructions for Use), but preparation for this is also expected to take years. It will also take the time for accurate product-specific information to be obtained on the basis of the ecodesign legislation. To the extent that the data referred to in points 1 to 4 above are not available for the GWP calculation or are not suitable or compatible with it, the data from the national emissions database referred to in section 15 of the Construction Act or other data on environmental characteristics determined using a generally accepted common methodology, such as environmental declarations, could be used for the calculation on a secondary basis.

The Parliament’s response to the amendment package to the Construction Act includes the following statement (EV 190/2024 vp): ‘The Parliament shall require the Government to examine without delay, in cooperation with the key stakeholders, the introduction of scenario methodologies for local greenhouse gas emissions of district heating’. During 2025, the Ministry of the Environment, in collaboration with the Finnish Energy Industries, the Ministry of Economic Affairs and Employment, and the Finnish Environment Institute, has examined the possibilities of using grid-specific emission factors in the calculation of emissions during the useful life of buildings. The aim is to enable the use of grid-specific emission factors for district heating during 2026. The inclusion of grid -specific life-cycle emission data for district

heating in the National Emissions Database has been selected as a solution option. In this case, the calculation could use the grid-specific emission value found in the emissions database until the emission value matches the national average emission scenario for district heating. Thereafter, the values from the national emissions scenario could be used in the calculation until the assessment period ends. This would not require any amendments to the decree or the explanatory memorandum.

At the same time, amendments are to be made to the Climate Report Decree concerning special circumstances, which are set out in more detail in the Government Decree on limit values for the carbon footprint of new buildings (2/2026). Under Section 5 of the Limit Values Decree, it is permissible to deviate from the limit values in so-called special circumstances where it proves particularly difficult to design and construct a building that complies with the limit values. Such circumstances may arise from, for example, the location of the building, planning regulations or the height of the building. The low-carbon assessment method for buildings is set to be revised before 2029, at which point provisions on special circumstances are due to come into force. The intention is that anyone undertaking a construction project should ensure that the cause, number and justification for any special circumstance that requires breaking the limit values are included in the climate report. If, in a special circumstance as referred to in Section 5(2) of the Limit Value Decree, it is necessary to exceed the limit value by more than five per cent, the party undertaking the construction project should ensure that the building control authority is also provided with a justification for the necessity of the larger carbon footprint as a result of the special circumstance. The excess should be calculated based on the increased material consumption resulting from the special circumstance and the resulting increase in the carbon footprint. Depending on the special circumstance, the extent to which the limit value is exceeded could be calculated either by determining the additional carbon footprint caused by individual building components or structural solutions, or by comparing the project with a similar project that does not have the specific feature(s). The intention is that the calculation setting out the reasons for exceeding the limit value should be submitted to the building control authority at the earliest possible stage, but no later than at the final inspection stage, as part of the climate report. The role of the building control authority would be to verify that the calculations have been carried out, that any exceedance is duly justified, and that the exceedance of the limit value remains within the permitted limits. The limit value should not be exceeded by more than the calculated increase in the building's carbon footprint resulting from special circumstance.

It is also intended to add provisions to the Climate Report Decree regarding the assessment of the GWP of a building that has undergone a major refurbishment and achieved an A+ energy efficiency class. This amendment would be made to allow the introduction of the A+ energy class in Finland, as defined in the Energy Efficiency Directive. In accordance with Article 19 of the Energy Efficiency Directive, for existing buildings renovated to A+ class, Member States shall ensure that the life-cycle GWP is estimated and disclosed in the energy performance certificate of the building.

The carbon footprint of a building that has been renovated to A+ energy efficiency class should be assessed by adding together the emissions from the renovation project and the subsequent life-cycle stages for the area covered by the works. The low-carbon assessment would not be carried out retrospectively, but would only include the renovation and subsequent life-cycle stages of the building. This would mean that, as far as the renovation products are concerned, the works would only cover the building components that are included in the scope of the work. For example, a structural energy efficiency renovation of a

residential block of flats made of concrete elements could cover the outer envelope of the concrete element, outer wall insulation and windows, as well as greenhouse gas emissions from the manufacture, transport and installation of new products due to the replacement of the ventilation system. Following this stage, the operational stage and post-operational stage of the extensively renovated building would be treated for calculation purposes in the same way as a new building. An assessment of the climate impact of the operational phase of the renovated building would be carried out for the first 50 years.

The decree would be issued pursuant to the power to issue decrees contained in section 9a of this proposal and section 38 of the Construction Act, as follows:

- further provisions may be laid down regarding the reporting of a building's carbon footprint and carbon handprint data in the energy performance certificate;

- further provisions may be laid down on the methodology for assessing the low-carbon performance of a building, the data to be used for the assessment and the reporting of the input data and results of the assessment, the preparation of the climate report and the list of construction products.

8.3 Government Decree on carbon footprint limit values for new buildings.

According to Article 7(5) of the Directive, by 1 January 2027, Member States shall publish and notify to the Commission a roadmap detailing the introduction of limit values on the total cumulative life-cycle GWP of all new buildings and set targets for new buildings from 2030, considering a progressive downward trend, as well as maximum limit values, detailed for different climatic zones and building typologies. Those maximum limits shall be in line with the Union's objective of achieving climate neutrality.

The limit value decree, which came into force in early 2026, covers the majority of buildings, but not all of them. In the initial stage (from 2026 onwards), the limit values do not apply, for example, to detached single-family houses or, in the case of buildings with a usable floor area of less than 1 000 m^2, to swimming halls, ice rinks, heated storage facilities or transport buildings. Implementation of the Directive requires that the Limit Values Decree be amended in time before 2030 so that the limit values are extended to cover all new buildings, except for those for which an energy performance certificate is not required. Further provisions on the limit values are laid down under section 38a of the Construction Act, under which further provisions on the carbon footprint limit value for a new building may be laid down by Government decree.

To comply with the requirements of the Directive, preparations will also begin in 2026 for a roadmap to be adopted as a Government resolution. It is natural to decide on this matter by way of a policy decision, particularly as the limit values are laid down by Government decree. The road map is intended to describe a pathway for new low-carbon buildings between 2030 and 2050 that would be in line with Finland and the EU's goal of achieving climate neutrality. That decision could provide guidance and direction for the gradual review and preparation of limit values.

9 Entry into force

The Energy Performance of Buildings Directive must be transposed into national law by 28 May 2026. For this reason, the proposed Acts are intended to enter into force as soon as possible. Under the proposal, the amendments to the Energy Performance Certificate Act would, in principle, apply immediately upon the Act coming into force; for example, Section 3 concerning buildings subject to the obligation to obtain and use an energy performance certificate, Section 5a concerning energy performance certificates for public buildings, Section 6 concerning energy performance certificates during sales and rentals, Section 7 concerning the display of energy performance certificates, Section 11 concerning the determination of characteristics, and Section 11b concerning the updating of energy performance certificates under the simplified procedure.

However, the proposal would specify that sections 5 and 10 thereof would apply to a building for which the processing of construction permit application is initiated after the entry into force of the Act. If the construction permit application had been submitted before the entry into force of this Act, the provisions preceding the entry into force of the Act would apply until the commissioning of the building. In practice, the provision would mean that an energy performance certificate under this Act should be attached to the construction permit application for new buildings under section 5, but also for renovations and extensions for which a permit is requested after the entry into force of the Act. Section 10 of the proposal provides for the determination of energy quantities, in respect of which the provisions in force at the time the construction permit application is submitted must be complied with.

Sections 9 and 11a of this Act would apply to new energy performance certificates that are prepared after the entry into force of this Act. For example, compliance with the display requirement or the energy performance certificate requirement for public bodies would not mean that an existing energy performance certificate would need to be updated immediately after the Act enters into force simply because it does not contain all the information required by this amendment. Similarly, the additional information requirements set out in section 9 would not apply if the planning application for a new building was submitted before this Act entered into force. The renovation passport provided for in Section 11a may only be obtained as an annex to a new energy performance certificate issued under this Act.

Under the transitional provisions, the obligation referred to in Section 9a of the Act to include information on the carbon footprint and carbon handprint of a building and its site throughout its lifecycle in the energy performance certificate would apply to new buildings in stages, depending on their size under the transitional provision. In the first stage, the obligation under section 9a of the proposal would apply to new buildings with a usable floor area of more than 1 000 square metres for which an energy performance certificate must be obtained, and for which construction permit application is submitted to the building control authority between 1 January 2028 and 31 December 2029. From 2030, the obligation would extend to all buildings for which an energy performance certificate has to be obtained. In the case of a building renovated to the A+ energy efficiency class, Section 9a would apply, as appropriate, immediately upon the Act coming into force.

The purpose of the provisions described above would be to ensure predictability and legal certainty for construction projects and to prevent retroactive effects on already pending

permits. The new provisions above would apply to applications submitted after the Act enters into force, whereas the previous provisions would apply to applications submitted before the Act enters into force until the building is commissioned. This is an established solution in construction legislation that prevents situations in which projects would have to be subject to changed regulation in the middle of the permit or construction process.

This Act would contain amendments that would have to be applied to existing buildings as soon as the Act enters into force. These include the obligation on public bodies to obtain an energy performance certificate (Section 5a) or to make an existing energy performance certificate available for inspection (Sections 6 and 7). Under the proposal, energy performance certificates issued under the Act (487/2007) would no longer be valid for fulfilling the obligations laid down in sections 5a, 6 and 7 once the Act enters into force; instead, a new certificate would have to be obtained where necessary. However, the provision would allow energy performance certificates issued under the Act (50/2013), prior to its entry into force, to remain valid for their original period of validity. This would prevent unnecessary costs and administrative burdens for building owners and operators. The purpose of the provision is to ensure that only the most recent energy performance certificates are used to fulfil the obligations.

Furthermore, for the sake of clarity, it is proposed that provisions be laid down regarding the status of energy performance certificate issuers who became qualified before the Act entered into force. Under this provision, they would continue to be regarded as qualified issuers under this Act for the duration of their current qualification, in which case they would, in accordance with the proposal, also be deemed to have the right to prepare renovation passports. The purpose of the provision would be to safeguard the position of experts already operating in the market and to ensure the availability of renovation passports from the entry into force of the Act. As the preparation of a renovation passport requires, in part, the same expertise as required for an energy performance certificate, familiarity with the subject would be deemed to have been met during the transitional period on the basis of prior qualifications.

The amendment to the Construction Act would, in turn, apply to new buildings for which an construction permit application is submitted to the building control authority on or after 1 January 2028. For a building for which an application for a construction permit was pending at the time of entry into force of this Act, the provisions in force at the time of entry into force of this Act shall apply.

The transitional provisions would lay down the entry into force of the obligation to draw up the climate report and the list of construction products referred to in section 38 of the Construction Act in more detail. According to the proposal, the obligation to prepare the climate report and the list of construction products would apply from 1 January 2028 to all new buildings referred to in section 38(1)(1) to (9) except for detached single-family houses (point 1), to which the obligations would apply from 1 January 2030. For detached single-family houses, the obligations would apply to a new building for which the construction permit application has been initiated on or after 1 January 2030. A later date for the entry into force of the regulations for detached single-family houses would support the proportionate implementation of the regulations and reduce the burden on detached single-family houses during the initial phase of the regulations.

The transitional provision also proposes that more detailed provisions be laid down regarding the phased entry into force of the obligations in respect of the buildings referred to in section

38(1)(9). For buildings under point 9, the obligation to prepare a climate report and a list of construction products would apply between 1 January 2028 and 31 December 2029 only where the building's usable floor area exceeds 1 000 m². The obligations would apply to all buildings under point 9 from 1 January 2030, regardless of the size of the building, as required by the Directive. For the other categories in points 1 to 8, there would not have been a corresponding phased application on the basis of size, which would only apply to buildings in point 9. The fact that the obligations would apply between 1 January 2028 and 31 December would mean that the obligations apply to new buildings of over 1 000 m² for which a construction permit application was submitted between 1 January 2028 and 31 December 2029.

In addition, the transitional provisions propose that the entry into force of the amendments to Section 38a concerning limit values be subject to further regulation. In their case, the regulations would enter into force on 1 January 2028, except for detached single-family houses, for which the limit values would not apply until 1 January 2030. Delaying the entry into force of the regulations on detached single-family houses would reduce the administrative burden on small-scale construction during the transition period and give those involved in the detached single-family house sector sufficient time to adapt to the new procedures and tools.

Changes to the low-carbon assessment method for buildings would come into force on 1 January 2028, which would mean that for the first two years (2026 and 2027), climate reports would be prepared as stipulated in the current Act and the decrees issued under it.

10 Implementation and monitoring

The Ministry of the Environment will monitor the impact of the proposal on the energy performance certificates of buildings and the issuers thereof. The Ministry for the Environment will take the necessary legislative and other measures if the need arises.

11 Relationship to the Constitution and legislative process

Under section 20(1) of the Constitution, nature and its biodiversity, the environment and cultural heritage are the responsibility of everyone. Public authorities must seek to safeguard everyone's right to a healthy environment and the opportunity to influence decision-making that concerns their living environment. The purpose of the energy performance certificate for buildings is to promote energy efficiency in buildings and the use of renewable energy in buildings by making it easier to compare the energy performance of different buildings. Energy performance certificates for buildings are one of the tools of the Energy Performance of Buildings Directive, which aims to improve the energy performance of buildings and thereby help to mitigate climate change.

Energy performance certificate legislation imposes obligations on building owners to obtain and display an energy performance certificate for their buildings. The cost of having the certificate issued is fairly low in the grand scheme of things. The protection of property referred to in Section 15 of the Constitution shall not be restricted in such a way that it would, for example, impact the owner's freedom to use their property or otherwise be problematic in

the light of the Constitutional Law Committee's established interpretation practice (e.g. PeVL 6/2010vp).

The currently proposed legislative amendments for energy performance certificates would not introduce changes to the certification system that would affect the enjoyment of fundamental rights and that would need to be examined from the perspective of the conditions for restricting fundamental rights.

In some respects, the restrictions laid down in Section 3 of the Act on Energy Performance Certificates for Buildings go further than what is allowed in Article 20 of the Directive. According to Article 20(6), Member States may exclude the categories of building referred to in Article 5(3), points b (buildings used as places of worship and for religious activities), c (temporary buildings with a maximum period of use of two years, industrial installations, workshops and non-residential farm buildings with low energy demand and non-residential farm buildings used in the sector covered by a national sectoral energy performance contract); and e (stand-alone buildings with a total useful floor area of less than 50 m2), from the application of paragraphs 1, 2, 4 and 5 of Article 20. The recast Energy Efficiency Directive no longer allows protected buildings to be excluded from the requirement to issue an energy performance certificate. Based on this, the proposal would extend the obligation to prepare the energy performance certificate to protected buildings.

Neither would the recast Directive allow the current exemption to be extended to buildings used by the defence administration with classified information. However, no amendment is proposed to the provisions concerning defence properties, which would mean that defence properties would continue to be excluded from the scope of the Energy Performance Certificate Act, despite Article 20 of the Directive not allowing for this. In accordance with point (a) of Article 346(1) of the Rome Treaty, a Member State shall not be obliged to supply information the disclosure of which it considers contrary its essential security interests. It would clearly be contrary to security interests for an energy performance certificate to include information relating, for example, to equipment, configuration, layout, devices or defence preparedness. The effect of this restriction would be that a building used by the defence administration, which contains or is associated with classified information, would also not be required to undergo a climate report, as, under the proposal, the scope of the obligation to prepare a climate report would be excluded, as permitted by the delegated act, from buildings for which an energy performance certificate is not required. The same restriction would also apply to the application of the carbon footprint limit values. Buildings with a direct defence purpose often involve classified information. If a building is intended for defence purposes, it would not be appropriate to include specific details in the climate report or list of construction products regarding, for example, its location, energy consumption and the materials used.

It should be noted that Section 24(10) of the Act on the Openness of Government Activities (621/1999) provides the following on confidential documents held by public authorities: Unless specifically provided otherwise, the following official documents shall be secret are those concerning military intelligence, the supply, formations, locations or operations of the armed forces, the inventions, facilities, installations and systems used in the armed defence of the country or other defence, the other matters significant to the defence of the country, as well as defensive preparations, unless it is obvious that access will not violate or compromise the interests of defence.

Article 7(5) of the recast Energy Performance of Buildings Directive states that the limit values for the life-cycle carbon footprint apply to all new buildings. However, the European Commission has specified in the delegated act that a Member State may exclude from the scope of the limit value those new buildings for which an energy performance certificate is not required. As stated above, the Directive would not allow for any restriction on the application of the limit values to a building used by the defence administration which contains, or is associated with, classified information. It should be kept in mind that compliance with the limit values could not be verified without a climate report and a list of construction products, and it would clearly be contrary to security interests for the climate report and catalogue to contain extensive information regarding, for example, the materials used, equipment, configuration, layout, devices or other defence preparations.

In addition to the fact that a building intended for defence purposes or its use may involve classified information, it is essential to exempt such buildings from the limit values to safeguard national security, particularly in the case of buildings with a direct defence purpose. For this reason, it is proposed that a restriction be introduced to the scope of application of the limit values, whereby the carbon footprint limit values would not apply to buildings or parts thereof that form part of the state property portfolio of the Defence Forces or that otherwise serve the state and are directly related to defence purposes. Therefore, according to the proposal, the limit values would not need to be applied to buildings with a direct defence purpose, regardless of whether they contain classified information or not. The aim of this exclusion is to consider the specific characteristics of properties used by the Defence Forces as well as the security and readiness requirements for buildings that serve a direct defence purpose. The Finnish Defence Forces' building stock includes a number of specialised buildings whose design and construction must consider their key characteristics, such as the readiness requirements arising from their primary purpose as well as durability and safety requirements, which may impact the carbon footprint but are difficult to compare with conventional construction. A key consideration in the design of Defence Forces buildings is their capability to withstand various threats and function effectively in a crisis, which places specific demands on structures and materials. Special cases regarding the calculations include space requirements arising from needs related to emergencies, diesel-generated backup power, and technical requirements relating to the weapons effects. Depending on the circumstances, such buildings could include, for example, office buildings, health centres, residential buildings, educational buildings, sports halls and hospitals, as well as warehouse buildings with a heated net floor area of more than 1 000 square metres. For example, from the perspective of the limit values, barracks are comparable to residential institutions, but their layout and intended use differ significantly from those of conventional residential buildings. Article 4(2) of the Treaty on the Functioning of the European Union (TFEU) states that the Union shall respect the essential functions of the State, in particular those aimed at safeguarding territorial integrity, maintaining public order and ensuring national security. In particular, national security remains the sole responsibility of each Member State. As described above, this restriction is necessary to ensure national security. The restriction applies only to buildings that serve a direct defensive purpose. The restriction can therefore be regarded as precise, clearly defined and proportionate.

The Directive does not recognise such a procedure, and the recast Directive requires the classification scale to be presented using the closed scale of A–G. However, as stated in Article 1 of the Directive, the Directive promotes the improvement of the energy performance of buildings and the reduction of greenhouse gas emissions from buildings within the Union, with a view to achieving a zero-emission building stock by 2050, *taking into account the*

outdoor climatic conditions, the local conditions, the requirements for indoor environmental quality, and cost-effectiveness. In Finland, there are many buildings for which it is not cost-effective to obtain an energy performance certificate based on their value. Under current legislation, the value is low if, for example, the sale price of a building is less than EUR 50 000 or, in the case of the rental of a flat, the rent is less than EUR 350 per month. In addition to the fact that, for example, a building being sold may be of very little value, a simplified procedure would also be justified for other special reasons, such as in cases involving a sale or lease between close relatives. The legislation currently contains provisions on the simplified procedure and the associated class H, and there are no plans to propose amendments to them solely on the grounds of cost-effectiveness, as emphasised in Article 1 of the Directive.

For the above reasons, the proposals meet the requirements of the Constitution, and the Acts may be adopted in accordance with the ordinary legislative procedure.

Resolution

Due to the existence of provisions in the Energy Performance of Buildings Directive, which are proposed for implementation by law, the following proposals are submitted for adoption:

Legislative proposals

1.

Act

amending the Energy Performance Certificate Act

In accordance with the decision of Parliament,

Section 6(3) of the Act on Energy Performance Certificates for Buildings (50/2013) *is repealed*,

the title of the Act, section 1(2), section 3(2), section 5, section 6(1), section 7, section 9 and section 10 *are amended*, as they appear in section 3(2), section 5 and section 9 of Act 755/2017 and section 10 of Acts 755/2017 and 753/2023,

a new section 5a, a new section 9a, a new subsection 2 of section 11, as set out in Act 755/2017, so that the current subsections 2 to 3 become subsections 3 to 4; a new section 11a

and a new section 11b, and a new subsection 2 of section 13, so that the current subsection 2 becomes subsection 3; *are added* to the Act as follows:

Act

on the Energy Performance Certificate and Renovation Passport for Buildings

Section 1

Purpose and scope of the Act

— —

This Act provides for energy performance certificates and renovation passports for buildings, as well as for the preparation, acquisition and use thereof. This Act also provides for the control of the building's energy performance certificate and renovation passport and the penalties for violation of the regulations.

Section 3

Buildings subject to the obligation to obtain and use an energy performance certificate

— —

However, the provisions in subsection 1 shall not apply to:

1) buildings referred to in section 37(2), points 1–6 of the Construction Act (751/2023);

2) a building occupied by the Defence Administration with or without confidential information.

Section 5

Energy performance certificate when applying for a construction permit

The applicant for a construction permit must include an energy performance certificate with their construction permit application under section 42 of the Construction Act when the permit concerns:

1) a new building for which an energy performance certificate must be obtained under this Act;

2) a major renovation of a building as referred to in section 14(2) of the Construction Act; or

3) an extension of a building with a significant increase in the useful floor area of the building.

The certificate shall be replaced with a certificate supplemented or revised by the issuer before the building is commissioned if the certificate is incomplete or the more accurate information becomes available in the course of the project. A building is deemed to be commissioned once it has been approved for use in a final inspection in accordance with section 122(1) of the Construction Act or in a partial final inspection in accordance with section 123(1) of the Construction Act.

The energy performance certificate shall not be required where the permit concerns a building under points 1–3 of subsection 1, which are exempt from the obligation to obtain the energy performance certificate, or in the case of alterations to a building or a change in its intended use.

Further provisions on the information required in the energy performance certificate may be laid down by decree of the Ministry of the Environment at the construction permit application stage and before the building is commissioned.

Section 5a

Energy performance certificate for a public building

A public body as referred to in section 3(17) of the Energy Efficiency Act (1429/2014) shall be required to ensure that any building it owns or uses has a valid energy performance certificate, unless the building is exempt from the obligation to obtain an energy performance certificate.

Section 6

Energy performance certificate for sales and lettings

The owner of the building shall ensure that when selling, renting or renewing the lease agreement for the building, a part of the building as referred to in section 4(1) or a flat, or the right to occupy them, a valid energy performance certificate for the building or part thereof is made available to any prospective buyer or tenant, and the publicly displayed advertisement includes the energy efficiency label and the energy efficiency rating (E-value).

— —

Section 7

Display of the energy performance certificate

If a building other than a residential building has a valid energy performance certificate, it shall be displayed in a clearly visible location on the building.

Section 9

Information contained in the energy performance certificate

The issuer of the energy performance certificate shall ensure that the front page of the certificate contains the following information:

1) the energy efficiency of the building, expressed as the position of the building’s calculated energy efficiency reference value (E-value) on the classification scale. Buildings shall be divided into groups according to their intended use, each of which have their own classification scales. The E-value of a building shall be calculated by dividing the building’s calculated and standardised annual usage of purchased energy, weighted by the energy type coefficient, with its floor area;

2) calculated annual final use of energy by energy type (kWh/m^2/year);

3) share of renewable energy generated on-site compared to the energy consumption of the building (%);

4) greenhouse gas emissions from use ($kgCO_{2E}/(m^2/a)$).

In addition, the certificate shall include other information as laid down in Annex V to Directive (EU) 2024/1275 of the European Parliament and of the Council on the energy

performance of buildings. The certificate shall contain information on the actual consumption of purchased energy, if available (kWh/m^2/year). The energy performance certificate shall include recommendations identified by the issuer on cost-effective improvements to the energy efficiency of the building or part thereof, for reducing greenhouse gas emissions from its operation, and for improving the quality of the indoor environment. However, the recommendations are not required if the building or part of it already meets the requirements of at least energy efficiency class A0, or if the recommendations are included in the renovation passport.

If the energy performance certificate is issued for a part of a building, the provisions set out above regarding the building as a whole shall apply to that part of the building.

Further provisions can be laid down by Decree of the Ministry of the Environment concerning the content of the energy performance certificate, the calculations involved in drawing up the certificate and the input data used for those calculations, the definition of the floor-area in the energy performance certification procedure, the classification scales and symbols used in energy performance certificates, the grouping of buildings for classification purposes, the issuing of recommendations and other information to be included in the certificate, as well as the energy performance certificate form;

Section 9a

Reporting of life-cycle carbon footprint and carbon handprint data in the energy performance certificate

In the case of a new building or a building that has undergone renovation to achieve energy efficiency class A+, the energy performance certificate shall include information on the carbon footprint of the building and the construction site, broken down by life-cycle stages, as well as the carbon handprint, broken down by its constituent elements.

In the case of a new building, the information in subsection 1 shall be based on the climate report referred to in section 38 of the Construction Act. The issuer of the energy performance certificate shall ensure that the data from the climate report is included as such in the energy performance certificate during the final inspection of the building.

In the case of a building renovated to energy efficiency class A+, the information in subsection 1 shall be based on the national low-carbon assessment methodology referred to in section 38 of the Construction Act. The party undertaking the construction project shall ensure that the carbon footprint and carbon handprint of the building and the construction site are calculated and included in the energy performance certificate by the time of the final inspection at the latest.

Further provisions may be laid down by decree of the Ministry of the Environment regarding the reporting of a building’s carbon footprint and carbon handprint data in the energy performance certificate.

Section 10

Determination of energy quantities

The issuer of the energy performance certificate shall determine the E-value of the building and the calculated annual final energy use based on standardised use, taking into account the technical systems of the building and the characteristics of the building elements. The E-value of a building shall be determined by weighting the calculated annual final energy use based on standard use with the energy type coefficients laid down under the Construction Act. The

quantities of energy shall be determined by applying the detailed calculation provisions laid down under section 37 of the Construction Act.

Further provisions on the determination of the E-value and calculated annual final energy use based on standardised use may be laid down by decree of the Ministry of the Environment.

Section 11

Assessing the characteristics of the building

— —

Site visits to assess a building's characteristics may be carried out virtually when the energy performance certificate is updated under the simplified procedure of Section 11b if the energy performance certificate for a new building is updated, or if there is another specific reason for updating it virtually. A virtual site visit shall provide the same information as an on-site visit. However, when preparing the renovation passport, a virtual site visit shall not be permitted.

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Section 11 a

Renovation passport

The owner of the building may obtain a renovation passport as an annex to the new energy performance certificate. The renovation passport shall be prepared by a qualified issuer of energy performance certificates.

The passport shall include a detailed, phased plan that is prepared specifically for the building, setting out long-term renovations that will significantly improve the energy efficiency of the building. The content of the renovation passport shall be based on the mandatory and voluntary information provided for in Annex VIII to the Energy Performance of Buildings Directive.

Further provisions on the qualifications of an issuer of renovation passport may be issued by government decree.

Further provisions may be laid down by decree of the Ministry of the Environment on the preparation of the renovation passport and the issuing of recommendations, as well as the content, format and form thereof.

Section 11b

Updating the energy performance certificate under the simplified procedure

The energy performance certificate may be updated during its period of validity in a simplified procedure, in which the certificate is updated only for the changed data of the building, if:

1) the changes relate only to individual elements of a building component or system and are based on individual or separate measures;

2) the update is based on the implementation of measures specified in the renovation passport; or

3) the update uses a digital twin of the building, another certified method, or data from certified instruments to determine the energy performance of the building.

Updating the energy performance certificate under the simplified procedure shall not change the validity of the energy performance certificate.

Section 13

Validity of the qualification

— —

The issuer of the energy performance certificate may not issue a renovation passport if the validity of the qualification required to issue the energy performance certificate has expired.

— —

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This Act enters into force on [day] [month] 20[year].

However, sections 5 and 10 shall apply to a building for which the processing of a construction permit application becomes pending after the entry into force of the Act. If the processing of a construction permit application had begun before the entry into force of this Act, the provisions preceding the entry into force of the Act shall apply until the commissioning of the building.

Sections 9 and 11a shall apply to new energy performance certificates prepared after the entry into force of this Act.

The GWP calculation and reporting obligation laid down in section 9a of this Proposal shall apply to a new building in a tiered manner based on size, as follows:

1) the obligation shall apply to new buildings with a usable floor area of more than 1 000 square metres for which an energy performance certificate must be obtained, and for which construction permit application is submitted to the building control authority between 1 January 2028 and 31 December 2029;
2) the obligation shall apply to any new building for which an energy performance certificate must be obtained and for which a construction permit application is submitted on or after 1 January 2030.

In the case of a building renovated to energy efficiency class A+, section 9a shall apply immediately upon the entry into force of the Act, regardless of the building's size, if the energy performance certificate is required for the building.

The energy performance certificate issued under the Energy Performance Certificate Act (487/2007) may not be used to fulfil the obligations laid down in sections 5a, 6 and 7 after this Act enters into force; instead, the energy performance certificate shall be:

1) a valid energy performance certificate issued prior to the entry into force of this Act under the Act on Energy Performances Certificate for Buildings (50/2013), for its period of validity; or

2) a new valid energy performance certificate issued after the entry into force of this Act.

An issuer of the energy performance certificate who has been qualified under the Act on Energy Performance Certificates for Buildings (50/2013) before 1 January 2027 shall, for the duration of their qualification, also be regarded as a qualified issuer of energy performance certificates under this Act, and shall therefore also be authorised to issue renovation passports.

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2.

Act

amending the Construction Act

In accordance with the decision of Parliament,

section 38(1), (2) and (4) and section 38a(1), (2) and (4) of the Construction Act (751/2023), as they appear in Act 897/2024, are *amended* as follows:

Section 38

Low-carbon buildings

Parties undertaking a construction project shall ensure that the building is designed and constructed as a low-carbon building in a way that is commensurate with its intended use. The carbon footprint and carbon handprint of the building and the construction site shall be reported in the climate report to be prepared for the final inspection under section 122 for the following new buildings:

1) detached single-family house and terraced house

2) residential building block

3) office building and health centre

4) commercial buildings, department stores, shopping centres, wholesale and retail trade buildings, market halls, theatres, opera, concert and conference buildings, cinemas, libraries, archives, museums, art galleries and exhibition venues

5) tourist accommodation buildings, hotels, residential homes, senior housing, residential care homes and medical care institutions

6) educational buildings and kindergartens

7) sports hall

8) hospital

9) building not covered by points 1–8.

The obligation to prepare a climate report shall not apply to any new building or part thereof referred to in subsection 1 for which an energy performance certificate is not required under the Act on Energy Performance Certificates for Buildings (50/2013). Neither shall the obligation to prepare a climate report apply to renovation and alteration works in the building, changes in the intended use, the addition of space included in floor area, or to the extensions of buildings. The assessment of the carbon footprint and carbon handprint shall cover the life cycle of the building. The assessment shall be based on the low-carbon assessment methodology for buildings and on the initial data defined therein.

— —

Further provisions may be laid down by decree of the Ministry of the Environment on the methodology for assessing the low-carbon performance of a building, the data to be used for the assessment and the reporting of the input data and results of the assessment, the preparation of the climate report, calculations in special circumstances, and the list of construction products.

Section 38a

Carbon footprint limit value

The carbon footprint of new buildings shall not exceed the limit value laid down for each category of intended use of the buildings referred to in section 38, points 1–9. If a building contains parts serving different purposes, no part may exceed the limit laid down for its category of use. Compliance with the carbon footprint limit value of buildings shall be demonstrated by the climate report to be prepared for the final inspection in accordance with section 122.

Limit values shall not apply to new buildings or parts thereof that are classified as state property belonging to the Defence Forces or otherwise serve the state and are directly related to defence purposes, nor to buildings or parts thereof for which an energy performance certificate is not required. Neither shall the limit value apply to renovations and alterations, changes in the intended use, the addition of space included in floor area and the extension of buildings.

— —

More specific provisions on the carbon footprint limits of a new building may be laid down by government decree.

This Act enters into force on [day] [month] 20[year].

This Act shall apply to new buildings for which an construction permit application is submitted to the building control authority on or after 1 January 2028. For a building for which a construction permit application was pending at the time of entry into force of this Decree, the provisions in force at the time of entry into force of this Act shall apply.

The obligation to prepare the climate report and a list of construction products, as set out in section 38 of this proposal, shall apply from 1 January 2028 to new buildings referred to in points 1 to 9 of subsection 1, with the exception, however, of detached single-family houses referred to in point 1, for which the obligation shall not apply until 1 January 2030.

A new building referred to in section 38(1)(9) of this proposal shall be subject to the obligation to prepare the climate report and a list of construction products in a tiered manner based on size, as follows:

1) between 1 January 2028 and 31 December 2029, the obligations shall only apply to buildings covered by point 9 with a useful floor area of more than 1 000 square metres;
2) the obligations shall apply to buildings that fall under point 9 from 1 January 2030.

The amendments to section 38a of this Proposal shall apply from 1 January 2028, except for detached single-family houses as referred to in point 1, to which they shall apply from 1 January 2030.

Helsinki day Month 20xx

Prime Minister

First name Last name

Minister of ... First name Last name
Annexes
Parallel text

1.

Act

amending the Energy Performance Certificate Act

In accordance with the decision of Parliament,

section 6(3) of the Act on Energy Performance Certificates for Buildings (50/2013) *is repealed*,

the title of the Act, section 1(2), section 3(2), section 5, section 6(1), section 7, section 9 and section 10 *are amended*, as they appear in section 3(2), section 5 and section 9 of Act 755/2017 and section 10 of Acts 755/2017 and 753/2023,

a new section 5a, a new section 9a, a new subsection 2 of section 11, as set out in Act 755/2017, so that the current subsections 2 to 3 become subsections 3 to 4; a new section 11a and a new section 11b, and a new subsection 2 of section 13, so that the current subsection 2 becomes subsection 3; *are added* to the Act as follows:

Existing Act	*Proposal*
Act	**Act**
on the Energy Performance Certificate for Buildings	**on the Energy Performance Certificate *and Renovation Passport* for buildings**
Section 1	Section 1
Purpose and scope of the Act	*Purpose and scope of the Act*
This Act provides for energy performance	This Act provides for energy performance

Existing Act	*Proposal*
certificates for buildings, their preparation, acquisition and use, the supervision thereof, and the penalties for breaches of these provisions.	certificates *and renovation passports* for buildings, as well as for the preparation, acquisition and use thereof. This Act also provides for the *control of the building's energy performance certificate and renovation passport* and the penalties for violation of the regulations.
Section 3	Section 3
Buildings subject to the obligation to obtain and use an energy performance certificate	*Buildings subject to the obligation to obtain and use an energy performance certificate*
— — — — — — — — — — — — — — —	— — — — — — — — — — — — — — —
However, the provisions in subsection 1 shall not apply to: 1) buildings referred to in section 37(2), points 3–7 of the Construction Act; (751/2023); 2) *a holiday dwelling building which is not used for the purpose of providing accommodation;* 3) a building occupied by the Defence Administration with or without confidential information.	However, the provisions in subsection 1 shall not apply to: 1) buildings referred to in section 37(2), points *1–6* of the Construction Act (751/2023); 2) a building occupied by the Defence Administration with or without confidential information.
Section 5	Section 5
Energy certificate for new building	***Energy performance certificate when applying for a construction permit***
When applying for a construction permit in accordance with section 42 of the Construction Act for new construction, the energy performance certificate indicates the estimated energy performance of the building. The certificate shall be replaced by a completed or refined certificate before the building is occupied if the certificate is incomplete or the information becomes more accurate as the project progresses. A building shall be deemed to have been put into service when it has been approved for entry into service in a final inspection pursuant to section 122(1) of the Construction Act. However, the provisions of subsection 1 shall not apply to the renovation or alteration of a building or to the extension of a building	*The applicant for a construction permit must include an energy performance certificate with their construction permit application under section 42 of the Construction Act when the permit concerns:* *1) a new building for which an energy performance certificate must be obtained under this Act;* *2) a major renovation of a building as referred to in section 14(2) of the Construction Act; or* *3) an extension of a building with a significant increase in the useful floor area of the building.* *The certificate shall be replaced with a certificate supplemented or revised by the*

Existing Act	*Proposal*
or to the change of its intended use. Further provisions on the information required in the energy performance certificate may be laid down by decree of the Ministry of the Environment at the construction permit application stage and before the building is commissioned.	*issuer before the building is commissioned if the certificate is incomplete or the more accurate information becomes available in the course of the project. A building is deemed to be commissioned once it has been approved for use in a final inspection in accordance with section 122(1) of the Construction Act or in a partial final inspection in accordance with section 123(1) of the Construction Act.* *The energy performance certificate shall not be required where the permit concerns a building under points 1–3 of subsection 1, which are exempt from the obligation to obtain the energy performance certificate, or in the case of alterations to a building or a change in its intended use.* Further provisions on the information required in the energy performance certificate may be laid down by decree of the Ministry of the Environment at the construction permit application stage and before the building is commissioned.
	Section 5a
	Energy performance certificate for a public building
new section	*A public body as referred to in section 3(17) of the Energy Efficiency Act (1429/2014) shall be required to ensure that any building it owns or uses has a valid energy performance certificate, unless the building is exempt from the obligation to obtain an energy performance certificate.*
Section 6	Section 6
Energy performance certificate for sales and lettings	*Energy performance certificate for sales and lettings*
When selling or letting a building, a part of a building referred to in section 4(1) or a flat, or the right to occupy them, a valid energy performance certificate for the building or said part thereof must be made available to	*The owner of the building shall ensure that* when selling, renting *or renewing the lease agreement* for the building, a part of the building as referred to in section 4(1) or a flat, or the right to occupy them, a valid

Existing Act	*Proposal*
the prospective buyer or tenant during the viewing. The energy performance certificate must be provided to the buyer or tenant, either as an original or a copy.	energy performance certificate for the building or part thereof is made available to any prospective buyer or tenant, *and the publicly displayed advertisement includes the energy efficiency label and the energy efficiency rating (E-value).*
— — — — — — — — — — — — — — —	— — — — — — — — — — — — — — —
Any publicly displayed advertisement for the sale or letting of a property must include the energy performance label for the property in question, unless the circumstance referred to in point 2 applies.	subsection 3 is repealed
Section 7	Section 7
Display of the energy performance certificate	*Display of the energy performance certificate*
When a public authority or institution provides public services in premises open to the public, the floor area of which in a single building exceeds 250 square metres, either the original or a copy of the energy performance efficiency scale contained in the valid energy performance certificate for the building must be clearly displayed to the public. If a building not referred to in subsection 1 contains premises open to the public on a regular basis with a floor area of more than 500 square metres and an energy performance certificate has been issued for the building, the obligation laid down in subsection 1 shall apply.	*If a building other than a residential building has a valid energy performance certificate, it shall be displayed in a clearly visible location on the building.*
Section 9	Section 9
Information contained in the energy performance certificate	*Information contained in the energy performance certificate*
The energy performance of a building is indicated in the energy performance certificate with a symbol that indicates the building's calculated reference value for energy performance (*E-value*). According to their intended use, buildings are divided into groups that each have their own classification	*The issuer of the energy performance certificate shall ensure that the front page of the certificate contains the following information:* 1) the energy efficiency of the building, expressed as the position of the building's calculated energy efficiency reference value

Existing Act	*Proposal*
scales. The E-value of a building is calculated by dividing the building's calculated and standardised annual usage of purchased energy, weighted by the energy type coefficient, with its floor area.	(*E-value*) on the classification scale. Buildings shall be divided into groups according to their intended use, each of which have *their* own classification scales. The E-value of a building shall be calculated by dividing the building's calculated and standardised *annual usage of purchased energy, weighted by the energy type coefficient, with its floor area;* 2) *calculated annual final use of energy by energy type (kWh/m^2/year);* 3) *share of renewable energy generated on-site compared to the energy consumption of the building (%);* 4) *greenhouse gas emissions from use (kgCO_{2E}/(m^2/a)).*
In addition, the certificate shall state the calculated net consumption of purchased energy based on the standardised use of the building. Actual consumption of purchased energy shall be reported if said information is available.	*In addition, the certificate shall include other information as laid down in Annex V to Directive (EU) 2024/1275 of the European Parliament and of the Council on the energy performance of buildings. The certificate shall contain information on the actual consumption of purchased energy, if available (kWh/m^2/year). The energy performance certificate shall include recommendations identified by the issuer on cost-effective improvements to the energy efficiency of the building or part thereof, for reducing greenhouse gas emissions from its operation, and for improving the quality of the indoor environment. However, the recommendations are not required if the building or part of it already meets the requirements of at least energy efficiency class A0, or if the recommendations are included in the renovation passport.*
If the energy performance certificate is issued for a part of a building, the provisions set out above regarding the building as a whole shall apply to that part of the building. The Ministry of the Environment may issue decrees with more detailed provisions on the determination of the floor area for the energy performance certification procedure, the classification scales and symbols used in energy performance certificates, the grouping of buildings for classification purposes, issuing recommendations and other information to be included in the certificate, as well as the visual identity of the energy	If the energy performance certificate is issued for a part of a building, the provisions set out above regarding the building as a whole shall apply to that part of the building. Further provisions may be laid down by Decree of the Ministry of the Environment *concerning the content of the energy performance certificate, the calculations involved in drawing up the certificate and the input data used for those calculations,* the definition of the floor-area in the energy

Existing Act	*Proposal*
performance certificate form.	performance certification procedure, the classification scales and symbols used in energy performance certificates, the grouping of buildings for classification purposes, the issuing of recommendations *and* other information to be included in the certificate, as well as the energy performance certificate form.
	Section 9a
	Reporting of life-cycle carbon footprint and carbon handprint data in the energy performance certificate
new section	*In the case of a new building or a building that has undergone renovation to achieve energy efficiency class A+, the energy performance certificate shall include information on the carbon footprint of the building and the construction site, broken down by life-cycle stages, as well as the carbon handprint, broken down by its constituent elements.* *In the case of a new building, the information in subsection 1 shall be based on the climate report referred to in section 38 of the Construction Act. The issuer of the energy performance certificate shall ensure that the data from the climate report is included as such in the energy performance certificate during the final inspection of the building.* *In the case of a building renovated to energy efficiency class A+, the information in subsection 1 shall be based on the national low-carbon assessment methodology referred to in section 38 of the Construction Act. The party undertaking the construction project shall ensure that the carbon footprint and carbon handprint of the building and the construction site are calculated and included in the energy performance certificate by the time of the final inspection at the latest.* *Further provisions may be laid down by decree of the Ministry of the Environment regarding the reporting of a building's*

Existing Act	*Proposal*
	carbon footprint and carbon handprint data in the energy performance certificate.
Section 10	Section 10
Determination of energy quantities	*Determination of energy quantities*
The issuer of the energy performance certificate shall determine the E-value of the building and the calculated consumption of purchased energy use based on standardised use, taking into account the technical systems of the building and the characteristics of the building elements. The E-value of a building shall be determined by weighting the calculated consumption of purchased energy based on standard use with the energy type coefficients laid down under the Construction Act. When determining energy quantities, the further calculation provisions laid down under the Construction Act may be applied in the manner specified in the decree of the Ministry of the Environment.	The issuer of the energy performance certificate shall determine the E-value of the building and the calculated *annual final energy use* based on standardised use, taking into account the technical systems of the building and the characteristics of the building elements. The E-value of a building shall be determined by weighting the calculated *annual final energy use* based on standard use with the energy type coefficients laid down under the Construction Act. *The quantities of energy shall be determined by applying the detailed calculation provisions laid down under section 37 of the Construction Act.*
Further provisions on the determination of the E-value and calculated consumption of purchased energy based on standardised use may be laid down by decree of the Ministry of the Environment.	Further provisions on the determination of the E-value and calculated *annual final energy use* based on standardised use may be laid down by decree of the Ministry of the Environment.
Section 11	Section 11
Assessing the characteristics of the building	*Assessing the characteristics of the building*
— — — — — — — — — — — — — — — —	— — — — — — — — — — — — — — — —
new subsection 2	*Site visits to assess a building's characteristics may be carried out virtually when the energy performance certificate is updated under the simplified procedure of Section 11b if the energy performance certificate for a new building is updated, or if there is another specific reason for updating it virtually. A virtual site visit shall provide the same information as an on-site visit. However, when preparing the renovation passport, a virtual site visit shall not be permitted.*
— — — — — — — — — — — — — — — —	— — — — — — — — — — — — — — — —

Existing Act	*Proposal*
	Section 11 a *Renovation passport*
new section	*The owner of the building may obtain a renovation passport as an annex to the new energy performance certificate. The renovation passport shall be prepared by a qualified issuer of energy performance certificates.* *The passport shall include a detailed, phased plan that is prepared specifically for the building, setting out long-term renovations that will significantly improve the energy efficiency of the building. The content of the renovation passport shall be based on the mandatory and voluntary information provided for in Annex VIII to the Energy Performance of Buildings Directive.* *Further provisions on the qualifications of an issuer of renovation passport may be issued by government decree.* *Further provisions may be laid down by decree of the Ministry of the Environment on the preparation of the renovation passport and the issuing of recommendations, as well as the content, format and form thereof.*
	Section 11b *Updating the energy performance certificate under the simplified procedure*
new section	*The energy performance certificate may be updated during its period of validity in a simplified procedure, in which the certificate is updated only for the changed data of the building, if:* 1) *the changes relate only to individual elements of a building component or system and are based on individual or separate*

Existing Act	*Proposal*
	measures; 2) *the update is based on the implementation of measures specified in the renovation passport; or* 3) *the update uses a digital twin of the building, another certified method, or data from certified instruments to determine the energy performance of the building.* *Updating the energy performance certificate under the simplified procedure shall not change the validity of the energy performance certificate.*
Section 13	Section 13
Validity of the qualification	*Validity of the qualification*
new subsection 2	— — — — — — — — — — — — — — — — *The issuer of the energy performance certificate may not issue a renovation passport if the validity of the qualification required to issue the energy performance certificate has expired.* — — — — — — — — — — — — — — — —
	_____
	This Act enters into force on [day] [month] 20[year]. *However, sections 5 and 10 shall apply to a building for which the processing of a construction permit application becomes pending after the entry into force of the Act. If the processing of a construction permit application had begun before the entry into force of this Act, the provisions preceding the entry into force of the Act shall apply until the commissioning of the building.* *Sections 9 and 11a shall apply to new energy performance certificates prepared after the entry into force of this Act.* *The GWP calculation and reporting obligation laid down in section 9a of this Proposal shall apply to a new building in a tiered manner based on size, as follows:* *1) the obligation shall apply to new buildings with a usable floor area of*

Existing Act	*Proposal*
	more than 1 000 square metres for which an energy performance certificate must be obtained, and for which construction permit application is submitted to the building control authority between 1 January 2028 and 31 December 2029; *2) the obligation shall apply to any new building for which an energy performance certificate must be obtained and for which a construction permit application is submitted on or after 1 January 2030.* *In the case of a building renovated to energy efficiency class A+, section 9a shall apply immediately upon the entry into force of the Act, regardless of the building's size, if the energy performance certificate is required for the building.* *The energy performance certificate issued under the Energy Performance Certificate Act (487/2007) may not be used to fulfil the obligations laid down in sections 5a, 6 and 7 after this Act enters into force; instead, the energy performance certificate shall be:* 1) *a valid energy performance certificate issued prior to the entry into force of this Act under the Act on Energy Performances Certificate for Buildings (50/2013), for its period of validity; or* 2) *a new valid energy performance certificate issued after the entry into force of this Act.* *An issuer of the energy performance certificate who has been qualified under the Act on Energy Performance Certificates for Buildings (50/2013) before 1 January 2027 shall, for the duration of their qualification, also be regarded as a qualified issuer of energy performance certificates under this Act, and shall therefore also be authorised to issue renovation passports.*

Existing Act *Proposal*

2.

Act

amending the Construction Act

In accordance with the decision of Parliament,

section 38(1), (2) and (4) and section 38a(1), (2) and (4) of the Construction Act (751/2023), as they appear in Act 897/2024, are *amended* as follows:

Existing Act

Section 38

Low-carbon buildings

Parties undertaking a construction project shall ensure that the building is designed and constructed as a low-carbon building in a way that is commensurate with its intended use. The carbon footprint and carbon handprint of the building and the construction site shall be reported in the climate report to be prepared for the final inspection under section 122 for the following new buildings:

1) terraced house
2) residential building block

Proposal

Section 38

Low-carbon buildings

Parties undertaking a construction project shall ensure that the building is designed and constructed as a low-carbon building in a way that is commensurate with its intended use. The carbon footprint and carbon handprint of the building and the construction site shall be reported in the climate report to be prepared for the final inspection under section 122 for the following new buildings:

1) *detached single-family house and* terraced house

Existing Act

3) office building and health centre
4) commercial buildings, department stores, shopping centres, wholesale and retail trade buildings, market halls, theatres, opera, concert and conference buildings, cinemas, libraries, archives, museums, art galleries and exhibition venues
5) tourist accommodation buildings, hotels, residential homes, senior housing, residential care homes and medical care institutions
6) educational buildings and kindergartens
7) sports hall
8) hospital
9) storage buildings, transport buildings, swimming pools and ice rinks with a net heated area of more than 1 000 square metres.

The obligation to prepare a climate report does not apply to renovation and alteration works, the addition of space included in floor area, or to the extensions of buildings. The assessment of the carbon footprint and carbon handprint shall cover the life cycle of the building. The assessment shall be based on the low-carbon assessment methodology for buildings as well as on the data from the national emissions database or other environmental performance data in accordance with the assessment methodology.

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Further provisions may be laid down by decree of the Ministry of the Environment on the methodology for assessing the low-carbon performance of a building, the data to be used for the assessment and the reporting of the input data and results of the assessment, the preparation of the climate report and the list of construction products.

Section 38a

Proposal

2) residential building block
3) office building and health centre
4) commercial buildings, department stores, shopping centres, wholesale and retail trade buildings, market halls, theatres, opera, concert and conference buildings, cinemas, libraries, archives, museums, art galleries and exhibition venues
5) tourist accommodation buildings, hotels, residential homes, senior housing, residential care homes and medical care institutions
6) educational buildings and kindergartens
7) sports hall
8) hospital
9) *building not covered by points 1–8.*

The obligation to prepare a climate report shall not apply to *any new building or part thereof referred to in subsection 1 for which an energy performance certificate is not required under the Act on Energy Performance Certificates for Buildings (50/2013). Neither* shall the obligation to prepare a climate report apply to renovation and alteration works in the building, *changes in the intended use,* the addition of space included in floor area, or to the extensions of buildings. The assessment of the carbon footprint and carbon handprint shall cover the life cycle of the building. The assessment shall be based on the low-carbon assessment methodology for buildings *and on the initial data defined therein.*

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Further provisions may be laid down by decree of the Ministry of the Environment on the methodology for assessing the low-carbon performance of a building, the data to be used for the assessment and the reporting of the input data and results of the assessment, the preparation of the climate report, *calculations in special circumstances,* and the list of construction products.

Section 38a

Existing Act

Carbon footprint limit value

The carbon footprint of new buildings shall not exceed the limit value laid down for each category of intended use of the buildings referred to in section 38, points 1–9. Compliance with the carbon footprint limit value of buildings shall be demonstrated by the climate report to be prepared for the final inspection in accordance with section 122. The limit value does not apply to renovations and alterations, the addition of space included in floor area and the extension of buildings.

The limit value for the carbon footprint of a building shall be based on the energy and material consumption over the whole life cycle of the building and shall not include the carbon footprint of the construction site nor the carbon handprint of the building or construction site.

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Further provisions on the carbon footprint limit value of new buildings may be laid down by government decree.

Proposal

Carbon footprint limit value

The carbon footprint of new buildings shall not exceed the limit value laid down for each category of intended use of the buildings referred to in section 38, points 1–9. *If a building contains parts serving different purposes, no part may exceed the limit laid down for its category of use.* Compliance with the carbon footprint limit value of buildings shall be demonstrated by the climate report to be prepared for the final inspection in accordance with section 122.

Limit values shall not apply to new buildings or parts thereof that are classified as state property belonging to the Defence Forces or otherwise serve the state and are directly related to defence purposes, nor to buildings or parts thereof for which an energy performance certificate is not required. Neither shall the limit value apply to renovations and alterations, *changes in the intended use,* the addition of space included in floor area and the extension of buildings.

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Further provisions on the carbon footprint *limit values* of new buildings may be laid down by government decree.

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This Act enters into force on [day] [month] 20[year].

This Act shall apply to new buildings for which an construction permit application is submitted to the building control authority on or after 1 January 2028. For a building for which a construction permit application was pending at the time of entry into force of this Decree, the provisions in force at the time of entry into force of this Act shall apply.

The obligation to prepare the climate report and a list of construction products, as set out in section 38 of this proposal, shall

Existing Act	*Proposal*
	apply from 1 January 2028 to new buildings referred to in points 1 to 9 of subsection 1, with the exception, however, of detached single-family houses referred to in point 1, for which the obligation shall not apply until 1 January 2030. *A new building referred to in section 38(1) (9) of this proposal shall be subject to the obligation to prepare the climate report and a list of construction products in a tiered manner based on size, as follows:* *1) between 1 January 2028 and 31 December 2029, the obligations shall only apply to buildings covered by point 9 with a useful floor area of more than 1 000 square metres;* *2) the obligations shall apply to buildings that fall under point 9 from 1 January 2030.* *The amendments to section 38a of this Proposal shall apply from 1 January 2028, except for detached single-family houses as referred to in point 1, to which they shall apply from 1 January 2030.*