

Press Release: Industry teams up to boost building renovation and energy efficiency in CEE

Šamorín, 23rd of May 2023

Two thirds of the 43,6 million dwellings in single- and multi-family houses in Central and Eastern European (CEE) countries are older than 30 years (built before 1989, according to EU Building Stock Observatory) and are to a great extent inefficient. Citizens and societies suffer from high energy bills, low living comfort, severe air pollution and fossil fuel dependency above EU average. To help address these pressing concerns, industry leaders in the building renovation sector DAIKIN, DANFOSS, KNAUF INSULATION, ROCKWOOL, SAINT-GOBAIN, SIGNIFY and VELUX signed a memorandum at the Central and Eastern European Energy Efficiency Forum (C4E Forum) in Slovakia yesterday evening. They commit to work together and take systematic and effective steps to raise the profile of building retrofit and energy efficiency in public policy discussions across CEE countries.

The companies' CEE footprint counts more than 42 thousand employees and 100 production plants. They intend to focus on more systematic and effective engagement in national public policy debates and on making building renovation their priority topic. Citizens and institutions need national governments to adopt public policies to help them overcome number of barriers to renovating their buildings and contributing to the common good of clean air, public health, energy security and decarbonization.

Building renovation can provide healthier, more efficient and cheaper-to-run buildings as well as cleaner air and improved energy security of CEE countries. Moreover, retrofitting buildings provides already today hundreds of thousands of jobs in the CEE region.

Industry supports these claims by expert studies: Insulating residential buildings alone can save on average 44 % of end use energy and 46 % of natural gas according to Buildings Performance Institute Europe. EuroWindow identified that replacing windows can result in potential additional energy savings of up to 15% of total heating needs. Healthy Homes Barometer 2022 showed that one in three Europeans are affected by at least one indoor climate hazard, such as damp and mold, darkness, cold or excess noise. Heat pumps have the potential to avoid over 600 million tons CO₂ emissions in the European building stock, according to EPEE HFC Outlook model prepared by Gluckman Consulting. Ecofys calculated that technical building systems, which include metering, temperature regulation and balancing of heating, cooling and hot water installations, have the potential to generate energy savings up to 30%. Finally, switching all the light points to connected LEDs could reduce annual emissions by 19 million tones CO₂ and energy costs by €16.4 billion in the CEE countries, as outlined by the Green Switch conversion model.

The regional business leaders are committed to raising the profile of building renovation and energy efficiency by providing the necessary personal and financial resources to establish and maintain national associations equipped with the expertise to engage in public debates effectively.

The companies also aim to leverage their expertise and knowledge by inviting other businesses, non-governmental, academic, and public institutions to collaborate and support national and regional initiatives that advocate for building renovation and energy efficiency. The cooperation will focus on

energy efficiency policies, renovation programs and other related aspects in CEE countries, including Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Serbia, Croatia, Slovenia and others.

Quotations of memorandum signatories:

DAIKIN, Tanja Banay, General Manager Strategic Business Unit Commercial CEE: “Accelerating the growth of heat pumps is essential to reduce dependence on fossil fuels. Any type of heat pump provides significant benefits in terms of energy efficiency and CO2 emissions reduction compared to a gas boiler. To achieve a decarbonized building stock in the European Union by 2050, a broad range of heat pumps will be necessary, including affordable air-to-air models, particularly in Central-Eastern-European countries.”

DANFOSS, Adam Jedrzejczak, East Europe Regional President: We observe a one-sided approach focusing solely on the supply of energy, not enough on demand. If we don't curb our demand for energy, the build-out of renewables will not be even near sufficient. We simply will not have enough green energy to meet the demands of a growing population. The technology is available, and energy efficiency solutions can be used today across all sectors, in particular in the building sector. If we don't act now to address the growing demand for energy it will be extremely difficult and more expensive to meet the Paris Agreement goal of staying below 1.5 degrees warming.

KNAUF INSULATION, Radek Bedrna, Managing Director, Eastern Europe and Middle East: “CEE is home to 5 out of 7 EU countries with the highest gas saving potential coming from insulating residential buildings. More than 50 % of gas can be saved in Romania, Bulgaria, Czechia, Slovakia, Hungary. Building owners need stable, long term and motivating government programs to boost renovation.”

ROCKWOOL, Andrzej Kielar, Managing Director, Central and Eastern Europe: We all need less energy. Most buildings in CEE countries do not meet any energy efficiency standards. There is no other way to change this than through massive thermal modernization of buildings. We cannot expect a miracle to happen, only a consistent action plan in all countries and effective, long-term financial support programs supporting it have to be taken into action. Then we will improve the living standards of the CEE citizens and the whole countries, reduce energy poverty, take care of the climate, economic development and energy security. There are so many positive and obvious results, and yet there are still too many barriers to thermal modernization.

SAINT-GOBAIN, Tomáš Rosák, CEO, Eastern Europe: Buildings and their construction represent nearly 40% of CO2 emissions and 35% of the waste is produced by construction industry in EU. SAINT-GOBAIN shows that it is possible to change it by investing into the projects and technologies which decrease impact of our operations, developing innovative solutions which contribute to the energy efficiency of the buildings, introducing new technologies for recycling and replacing basic raw materials with recycled ones.

SIGNIFY, Eran Görge, CEO, Europe East: While the energy transition accelerates and we aim to electrify transport and home heating, efforts to reduce our existing electricity consumption should be a priority. Lighting is one of the areas where we can significantly improve energy efficiency with relatively little cost and effort, without sacrificing safe and well-lit urban spaces. Energy-saving LED lighting significantly reduces operating costs, is widely available, lasts longer, and is more environmentally friendly than its traditional conventional counterpart.

VELUX, Krisztián Mészáros, Senior Vice President, CEE Region: Latest studies show that fifty million European households live in energy poverty and one in three Europeans are affected by at least one

indoor climate hazard, such as damp and mould, darkness, cold or excess noise. Furthermore, we still face to climate and energy crises and therefore, there is an urgent need for sustainable and affordable buildings for people to thrive at work, at school and at home. It is not only about the governments but also the private companies have to be part of the solutions. We all need to change the way we look at buildings today – moving beyond energy performance, to climate, environment and health.

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About

DAIKIN is a leading provider of heating, cooling, ventilation, air purification and refrigeration technology for residential, commercial and industrial purposes with a wide range of products, solutions and services. The group employs over 89,000 people worldwide. DAIKIN Airconditioning Central Europe is a subsidiary of the DAIKIN Europe N. V. with its headquarters in Vienna, Austria. More than 700 employees and 2,500 partners are responsible for sales and service activities in 16 countries in Central and Eastern Europe. https://www.DAIKIN-ce.com/en_us/about.html

DANFOSS A/S engineers solutions that increase machine productivity, reduce emissions, lower energy consumption, and enable electrification. Our solutions are used in such areas as refrigeration, air conditioning, heating, power conversion, motor control, industrial machinery, automotive, marine, and off- and on-highway equipment. We also provide solutions for renewable energy, such as solar and wind power, as well as district-energy infrastructure for cities. Our innovative engineering dates back to 1933. DANFOSS is family-owned, employing more than 42,000 people, serving customers in more than 100 countries through a global footprint of 95 factories. www.DANFOSS.com

KNAUF INSULATION is one of the world's largest manufacturers of insulation products and solutions with nearly 6,000 employees in more than 40 countries and 28 manufacturing sites in 15 countries. www.knaufinsulation.com

ROCKWOOL manufactures a wide range of stone wool products that help our customers and communities tackle many of today's biggest sustainability and development challenges, from energy consumption and noise pollution to fire resilience, water scarcity and urban flooding. Made from volcanic rocks, stone wool is a natural, endlessly recyclable, versatile material that forms the basis of all our businesses. www.rockwool.com

SAINT-GOBAIN Worldwide leader in light and sustainable construction, SAINT-GOBAIN designs, manufactures and distributes materials and services for the construction and industrial markets. Its integrated solutions for the renovation of public and private buildings, light construction and the decarbonization of construction and industry are developed through a continuous innovation process and provide sustainability and performance. The Group's commitment is guided by its purpose, "MAKING THE WORLD A BETTER HOME". €51.2 billion in sales in 2022. 168,000 employees, locations in 75 countries. Committed to achieving Carbon Neutrality by 2050.

SIGNIFY is the world leader in lighting for professionals and consumers and lighting for the Internet of Things. Our Philips products, Interact connected lighting systems and data-enabled services, deliver business value and transform life in homes, buildings and public spaces. In 2022, we had sales of EUR 7.5 billion, approximately 35,000 employees and a presence in over 70 countries. www.SIGNIFY.com

VELUX Group has created better indoor environments by bringing daylight and fresh air into homes and other buildings all over the world for more than 80 years. The VELUX Group was founded in Denmark and is today present in more than 36 countries. www.VELUX.com

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