

EU Taxonomy Environmental Delegated Act

WE DATA EUROPE'S CONTRIBUTION TO THE EUROPEAN COMMISSION'S CALL FOR FEEDBACK ON THE DRAFT EU TAXONOMY ENVIRONMENTAL DELEGATED ACT

ALIGNING THE EU TAXONOMY WITH EU WATER EFFICIENCY OBJECTIVES

EU policy is converging on smart and individual water metering as a pillar and enabler of water efficiency. The Water Resilience Strategy, the New European Bauhaus Council recommendations, and the Level(s) framework consistently promote building and dwelling-level water measurement, including submetering, highlighting the need for the EU Taxonomy to reflect this direction.

Embedding individual (smart) water meters within the scope of the EU Taxonomy, including those installed in multi-apartment and multi-purpose buildings, is essential to addressing growing climate-related risks such as water stress and drought, while supporting the sustainable use and protection of water resources, in line with both the Environmental Delegated Act and the Water Resilience Strategy.

Scientific evidence supports this approach: an open-ended study¹ shows that dwellings equipped with **individual smart water meters can reduce consumption by up to 25%**. By providing frequent consumption feedback, direct financial incentives, and enabling rapid leak detection, these technologies empower users to optimise their water use and significantly reduce avoidable losses.

Building on this policy direction and supporting evidence, we propose targeted amendments to the EU Taxonomy Environmental Delegated Act to ensure that individual water metering, particularly at individual dwelling level, is adequately reflected across relevant activities and criteria. These recommendations aim to strengthen the framework's contribution to water efficiency, enhance its internal coherence, and align it with emerging EU policy priorities on sustainable water management.

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¹ Van Loo, Maarten, Steven Broekx, and Katrien Van Hooydonck. 2025. Evaluating the Role of Water Metering and Submetering in Reducing Water Consumption in Buildings. Final Report. Commissioned by WE Data Europe, VITO, available [here](#).

1 OUR RECOMMENDATIONS

1.1 Include (Smart) Water Submetering in the Scope of Activity 2.1

To ensure alignment of the EU Taxonomy framework with the European Water Resilience Strategy, we recommend the Description of the activity and its Technical Screening Criteria to be **amended** as follows:

2.1 Construction, extension, operation, and renewal of water collection, treatment and supply systems	
<u>Description of the activity</u>	<u>Description of the activity</u>
Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources. The economic activity includes abstraction of the water resource, necessary treatment to make the quality of water compliant with the applicable legislation and its distribution to consumers through piped systems. The economic activity does neither cover the manufacturing of equipment for the supply of water nor the abstraction of water resources for irrigation purposes or the desalination of marine or brackish water. The economic activities in this category could be associated with several NACE codes, in particular E36.00 and F42.9, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources. The economic activity includes abstraction of the water resource, necessary treatment to make the quality of water compliant with the applicable legislation and its distribution to consumers through piped systems. <i>The economic activity also includes the deployment and operation of (smart) water metering systems at different levels of the water supply and distribution system, both at the point of supply to the domestic distribution system and within domestic distribution systems at unit level in multi-apartment and multi-purpose buildings.</i> The economic activity does neither cover the manufacturing of equipment for the supply of water nor the abstraction of water resources for irrigation purposes or the desalination of marine or brackish water. The economic activities in this category could be associated with several NACE codes, in particular E36.00 and F42.9, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.
Justification: Including water submetering aligns the EU Taxonomy with the Water Resilience Strategy and ensures consistency by recognising technologies that demonstrably reduce consumption by up to 25% and enable leak detection. It also addresses the current inconsistency whereby only building-level meters are covered despite their more limited impact on efficiency.	

Technical screening criteria	
Substantial contribution to the sustainable use and protection of water and marine resources 1. For the operation of an existing water supply system providing water supply in a sufficient and healthy quality to consumers, and contributing to water resource efficiency, the activity complies with the following criteria: (...)	Substantial contribution to the sustainable use and protection of water and marine resources 1. For the operation of an existing water supply system providing water supply in a sufficient and healthy quality to consumers, and contributing to water resource efficiency, the activity complies with the following criteria: (...) <i>d) in multi-apartment and multi-purpose buildings, where this is technically feasible and cost-efficient, water consumption is metered individually, preferably using smart water meters, in each dwelling or occupiable unit supplied from a shared water connection.</i>
Justification: Requiring individual (smart) metering in multi-apartment buildings strengthens the contribution to water efficiency by providing occupants with actionable consumption data and incentives to reduce use. This reflects established practices in many Member States and supports more effective allocation and management of water resources.	

1.2 Amend the DNSH Criteria of Activity 3.1

To ensure alignment of the EU Taxonomy framework with the New European Bauhaus Council recommendations and the Level(s) indicator 3.1, we recommend the Do no significant harm criteria of Activity 3.1 to be **amended** as follows:

3.1 Construction of new buildings	
Do no significant harm (DNSH) (...) 3) Sustainable use and protection of water and marine resources (...)	Do no significant harm (DNSH) (...) 3) Sustainable use and protection of water and marine resources <i>New multi-apartment and multi-purpose buildings are designed and prepared for the individual measurement of water consumption of each unit.</i> (...)
Justification: Ensuring that new buildings are designed and prepared for the individual measurement of water is a cost-effective, future-proof measure that will facilitate the deployment of smart metering and supports long-term water savings. It aligns with the New European Bauhaus Council recommendations and the Level(s) framework, promoting water-efficient building design.	

1.3 Amend the DNSH Criteria of Activity 3.2

To ensure alignment of the EU Taxonomy framework with the Council Recommendations on the New European Bauhaus and the Level(s) indicator 3.1, we recommend the Do no significant harm criteria of Activity 3.2 to be **amended** as follows:

3.2 Renovation of existing buildings	
Do no significant harm (DNSH) (...)	Do no significant harm (DNSH) (...)
3) Sustainable use and protection of water and marine resources (...)	3) Sustainable use and protection of water and marine resources <i>Multi-apartment and multi-purpose buildings undergoing deep renovation*, as well as when a new domestic distribution system* is installed or the domestic distribution system is replaced or refurbished, are designed and prepared for the individual measurement of water consumption of each unit, preferably using smart water meters.</i> (...) *Deep renovation is defined by Article 2 point 20 of Directive (EU) 2024/1275 as ‘a renovation which is in line with the ‘energy efficiency first’ principle, which focuses on essential building elements and which transforms a building or building unit: (a) Before 1 January 2030, into a nearly zero-energy building (b) From 1 January 2030, into a zero-emission building.’ *Domestic Distribution System is defined by Article 2 point 2 of Directive (EU) 2020/2184 as the ‘pipework, fittings and appliances which are installed between the taps that are normally used for water intended for human consumption in both public and private premises and the distribution network, but only if they are not the responsibility of the water supplier, in its capacity as a water supplier, under the relevant national law.’
Justification: Ensuring that buildings are equipped for the installation of individual metering, preferably using smart water meters, when buildings undergo deep renovations as well as when a new domestic distribution system is installed or the domestic distribution system is replaced or refurbished leverages a key intervention point to improve water efficiency in the existing building stock. This approach is consistent with EU policy guidance and facilitates the deployment of smart water management solutions over time.	

2 ANNEX: DETAILED JUSTIFICATION AND SUPPORTING EVIDENCE

2.1 Include (Smart) Water Submetering in Activity 2.1

2.1.1 Why the current provision is not satisfactory

The amendment to **point 1(c) of the Technical Screening Criteria for Activity 2.1** clarifies that water supply systems should include metering at the point of supply to the domestic distribution system. Alternatively, it also introduces a requirement to establish a plan with clear goals and timelines for its implementation, including existing ones.

While we welcome the extension of this planning requirement to existing water supply systems, the amendment **does not cover water submetering in multi-unit buildings**. As currently phrased, the criteria focus on metering at the building entry point and do not extend to individual dwellings, despite the significant contribution of submetering in driving water efficiency and leakage reduction.

The **Water Resilience Strategy**² and its **Guiding Principles on Water Efficiency First**³ recommends that “*water consumption should be metered individually for each building and, in the case of condominiums, for each individual apartment.*” Recognising the contribution of smart water metering to improve water efficiency and more accurate monitoring of water flows across all sectors, the Strategy also announces a **Smart Metering for All initiative** to be launched by the end of 2026.

To remain aligned with these upcoming developments, we recommend that the EU Taxonomy Environmental Delegated Act anticipates this evolution.

In multi-unit buildings, a single collective contract is typically held with the water supplier, and submeter readings are used to allocate water costs among occupants. As a result, individual occupants do not have a direct contractual relationship with the water utility. The point of supply to the domestic distribution system, as defined by the Drinking Water Directive⁴, is located at the boundary between the public water network and the building’s internal distribution system. In practice, in multi-unit buildings, this corresponds to the main water meter at the entrance of the building. **Consequently, individual (smart) water meters installed within dwelling or occupied units fall outside the current scope of the EU Taxonomy.**

This situation creates a **major inconsistency**: main water meters, which measure the overall water consumption of a multi-unit building, but do not provide occupants with frequent information on their individual consumption or enable the detection of leaks within each dwellings, are considered within scope of the EU Taxonomy, whereas **individual (smart) water meters, despite their demonstrated contribution to water efficiency, are excluded.**

This gap becomes particularly clear when compared with the EU Taxonomy Climate Delegated Act⁵, notably Section 7.5 (Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings), which recognises smart meters for heating, cooling, gas and electricity as key drivers of efficiency. This provides a strong opportunity to further enhance the coherence of the framework by also recognising the proven contribution of individual water meters to delivering substantial water savings.

² COM(2025) 280 final, available [here](#).

³ Commission Recommendation (EU) 2025/1179, available [here](#).

⁴ Directive (EU) 2020/2184, available [here](#).

⁵ Commission Delegated Regulation (EU) 2021/2139, available [here](#).

2.2 Amend Activity 3.1 and 3.2 to ensure building designs enables individual (smart) water metering

2.2.1 Why the current provision is not satisfactory

The Do No Significant Harm (DNSH) criteria for Activity 3.1 (Construction of new buildings) and Activity 3.2 (Renovation of existing buildings) promote water efficiency during the use phase of non-residential buildings by setting maximum water consumption limits for appliances.

However, they miss a simple opportunity to foster water efficiency during the use-phase of residential buildings as well: ensuring that the design of **new buildings** and **buildings undergoing deep renovations**, as well as when a new domestic distribution system is installed or the domestic distribution system is replaced or refurbished, **enables the individual measurement of water consumption, preferably using smart water meters**.

In multi-apartment and multi-purpose buildings, designing systems so that **each unit is served by a dedicated water branch** ensures that individual metering technically feasible and makes buildings ready for smart water metering in the future.

The Council Recommendations for the New European Bauhaus⁶, promoting a water efficient built environment, specifically recommends that “***new buildings, as well as those undergoing major renovation, are designed and prepared for smart measurement and management of water to ensure water savings***”, in line with the Guiding Principles on Water Efficiency First.

Furthermore, the Level(s) Indicator 3.1 on use-stage water consumption⁷ promotes design approaches that combine water-efficient sanitary devices and fittings with a **building-level metering strategy**, including the deployment of submetering, to support building managers and occupants in optimising water use and facilitating accurate consumption reporting.

To ensure consistency with these policy developments, we recommend that the EU Taxonomy Environmental Delegated Act integrates these principles to strengthen the contribution of the building sector to water efficiency.

⁶ COM(2025) 1027 final, available [here](#).

⁷ Level(s) indicator 3.1: Use stage water consumption user manual: introductory briefing, instructions and guidance (Publication version 1.1), available [here](#).

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