



**SAFEGUARDING RIGHTS IN
THE TRANSPOSITION OF THE
EU ENERGY PERFORMANCE
OF BUILDINGS DIRECTIVE**

**A GUIDANCE FOR THE
DANISH NATIONAL
GOVERNMENT**

April 2026

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IHRB's [Built Environment Programme](#) has been focusing on the right to adequate and affordable housing, labour rights, and built environment decarbonisation in Europe for over six years. Our research and advocacy in this area includes:

- [Advancing Just Transitions in the Built Environment](#) (Building for Today and the Future) - a global research project exploring human rights in the green transition
- City-specific research - examining pathways for just transitions in [Copenhagen](#), [Athens](#), [Lisbon](#), and [Prague](#)
- [Making the Case for Green and Affordable Housing in Europe](#) - demonstrating how capital can be directed toward inclusive, rights-aligned housing solutions
- [Future Green Construction Jobs: Skills and Decent Working Conditions](#) - analysing workforce implications of the renovation wave
- [City Toolkit: The Role of Local Government in Advancing a Just Transition in the Built Environment](#) - highlighting how cities can align social and environmental outcomes.

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- [The Taskforce on Affordable, Sustainable Housing \(TASH\)](#) - aims to transform global real estate investment to align with human rights and planetary boundaries.
- [The Built Environment Just Transitions Accelerator \(BEJTA\)](#) - places workers' rights and housing rights at the heart of decarbonisation in Denmark, Spain, and the UK. BEJTA brings together civil society organisations, policymakers, and front-running businesses to embed the right to adequate housing and labour rights into decarbonisation initiatives, advancing practice, influencing policy, and shaping sector-wide narratives to ensure no one is left behind in the green transition.

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INTRODUCTION

THE EUROPEAN PERFORMANCE OF BUILDINGS DIRECTIVE

The European Performance of Buildings Directive (EPBD) is the EU's main legislative instrument to reduce emissions from the built environment. First adopted in 2002 and recast in 2024, the EPBD significantly strengthens climate ambition through binding minimum energy performance standards, enhanced renovation planning, and measures to address energy poverty. By the end of 2026, Denmark is required to transpose the Directive into national law. This transposition phase is critical in determining whether building decarbonisation delivers not only emissions reductions, but also fair, affordable, and socially inclusive outcomes.

Aim

The transposition of the EPBD into national law provides a critical opportunity to reduce emissions from the built environment, tackling the existential threat of the climate crisis.

Denmark, as a leader in green transition, must ensure its climate ambitions in buildings result in an equitable distribution of benefits and costs, leaving no one behind. This document outlines essential safeguards for the transposition of the EPBD into Danish law, securing a future where the human right to adequate housing is upheld, sustainable homes are affordable for all, workers are protected, and communities thrive. It can be used by policymakers, as well as by communities, labour unions, civil society organisations and businesses engaging with the transposition process.

Transposition and implementation risks

With the built environment sector generating 33% of the EU's energy-related greenhouse gas emissions (EEA 2025), ambitious climate action is urgently needed. The transposition of the EPBD into national legislation represents a critical opportunity.

Numerous organisations have published comprehensive guidance on how EU Member States can ensure the environmental and technical aspects of the EPBD are best transposed into national law. These resources are invaluable for maintaining the climate ambition. However, no comparable guidance exists focusing specifically on the social and just transition elements of the EPBD's national transposition. This gap leaves vulnerable households, workers and businesses in Denmark exposed to the potential negative consequences of climate policies.

To ensure public support for its implementation, and equitable outcomes, it will be critical to embed social safeguards into the process. Without robust protections, the decarbonisation of Denmark's building stock could inadvertently deepen existing inequalities rather than address them. As documented in IHRB's research, a narrow focus on emissions reduction without adequate attention to social impacts could ultimately result in poorly designed energy efficiency policies, which can lead to renoventions (evictions and displacement associated with renovations) and green gentrification, as well as increasing inequality and undermining of labour rights. Ultimately, this will result in 'greenlash' (pushback against green initiatives), implementation delays, financial losses, and missed targets.

This guidance aims to mitigate against these risks. Drawing on IHRB's research on housing, labour rights, and just transitions in the built environment, as well as the collective expertise of our stakeholders, this document provides concrete, evidence-based recommendations to ensure transposition into national law delivers on both climate ambition and social justice.

Why social safeguards matter for businesses and investors

Embedding social safeguards into law is crucial for creating a stable, attractive, and sustainable market for green investments in the built environment.

Risk mitigation:

- Proactively addressing social impacts reduces reputational damage, legal challenges, operational disruptions, 'greenlash' (e.g., tenant protests, project delays) and potential missed income from tenant turnover or inability to pay;
- Regulation can help level the playing field, and prepare the sector for future legislative changes such as those associated with the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD);
- Regulation can provide long-term certainty. For example, clear principles like housing cost neutrality—whereby rent increases after renovation are linked to energy savings—allow businesses to forecast projected costs for energy renovations and projected income from permitted rent increases, improving the reliability of financial forecasts. With these in place, a clearer case can be made for loans, grants or other financial instruments.

Investment attraction:

- Demonstrates commitment to social equity, making projects more appealing to ESG-focused investors;
- Unlocks access to sustainable finance instruments (e.g., green bonds, social impact investments);
- Aligns with growing demands for responsible and impact investment.

Operational efficiency:

- Clear social standards create a more predictable regulatory environment;
- Reduces friction during project implementation;
- Fair labour practices contribute to a skilled, stable workforce, enhancing productivity and reducing turnover.

Social license to operate:

- Companies that prioritise human rights and community wellbeing secure trust and community acceptance;
- Fosters long-term business viability in the green transition.

Social benefits of integrating these social safeguards:

- Prevents evictions and economic homelessness driven by renovation-related cost increases, protecting housing stability for vulnerable households;
- Improved public health and reduced healthcare costs from better indoor air quality and thermal comfort;
- Reduced energy poverty, freeing up disposable income for essential needs and stimulating local economies;
- A more stable, productive, and socially responsible construction sector, enhancing Denmark's reputation as a green leader;
- Upholds the human right to adequate housing, reinforcing Denmark's international commitments;
- Ensures that the green transition is fundamentally equitable for all residents;
- Reaffirms Denmark's commitment to a robust welfare state;
- Accelerates a truly just transition that leaves no one behind;
- Strengthens social cohesion and aligns with the UN Sustainable Development Goals.

RECOMMENDATIONS FOR NATIONAL LEGISLATION

1. PROTECT THE RIGHT TO ADEQUATE HOUSING

The Right to Adequate Housing is enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR). Denmark has accepted the ICESCR and therefore holds legal obligations to protect this right in its seven components: legal security of tenure (including protection from forced eviction), availability of services, affordability (including protection from unreasonable rent levels), habitability, accessibility, location, and cultural adequacy (Housing Rights Watch 2024).

With respect to the transposition of the EPBD into national law, this includes prioritising public funding for vulnerable and energy-poor households, capping post-renovation rental increases, prioritising in-place renovations, and providing rehousing where displacement is unavoidable.



Protect all tenants

(EPBD Article 17§19: Safeguards for Tenants)

Aim: Implement robust legal frameworks to “address the eviction of vulnerable households caused by disproportionate rent increases following energy renovation of their residential building or building unit” (Article 17(17)) while tackling the split incentive problem whereby landlords lack motivation to invest in renovations because tenants pay energy bills (European Commission 2025, pp. 8, 23).

Recommendations: As noted in the European Commission guidance, the EPBD transposition provides an opportunity to define “a disproportionate rent increase” and to strengthen tenant protections (European Commission 2025, p. 23). This is critical to preventing displacement (also known as ‘renovictions’), particularly common in the private rented sector. IHRB’s Copenhagen study found that energy renovations often lead to displacement when not properly regulated (IHRB 2023).

For example, Member States may decide to introduce caps on rents or on rent increases, as long as this does not prejudice national policies and property law. Rental increase caps should be based on the principle of housing cost neutrality: any rent increases post-renovation must be offset by equal or greater energy savings (IUT 2025). This helps tackle the split incentive by permitting rental increases, but these must, at most, correspond to the demonstrable net energy bill savings for the tenant, as estimated by an independent third party.

Denmark’s current legal framework already partially reflects the housing cost-neutrality principle: Lejelovens § 129 caps rent increases for energy-saving works at the level of the tenant’s energy cost savings. However, § 129 does not require tenant agreement, and broader improvement works under § 128 allow rent increases based on the value added to the property – which can far exceed energy savings. Compounding this, the “thorough modernization” loophole (formerly § 5, stk. 2) allows landlords to bypass cost-based rent caps and hike rents to market levels after major renovations. The EPBD transposition must close these gaps by extending the housing cost-neutrality principle to all renovation-related rent increases, not only those classified as energy improvements under § 129, ensuring the “green premium” does not become an eviction notice.

Alternative models exist across Member States: Germany’s limit on the percentage of implementation costs that can be passed on to a tenant (not exceeding 8% each year and €3/m² month for six years), the Walloon region’s rent indexation linked to inflation and energy performance, the Netherlands’ warm rent model (where landlords guarantee indoor temperature rather than energy provision) and the Louer Mieux programme in France, with subsidies and capped rental increases (European Commission 2025, p. 24; ING 2023; Île de France 2022).

Rental increases could also be capped through green leases, leveraging the agreements to divide the costs and benefits of energy efficiency improvements between landlords and tenants (Castellazzi et al., 2017, p. 8). While such mechanisms have been successfully implemented internationally, particularly in the United States and Australia, they remain underutilised in Europe despite their potential. Under such arrangements, landlords could recover renovation costs through rent increases, but these increases should be capped at the tenant’s energy cost savings. The public rental sector should lead by example in adopting green lease provisions (Castellazzi et al., 2017, p. 8). Denmark should also explore pay-as-you-save schemes where renovation costs are recovered through energy bill savings rather than upfront rent increases (BPIE, 2025, p. 95) maintaining overall housing cost neutrality for tenants.

Alongside caps on rental increases, national legislation should include social safeguards for tenants – particularly in the private rental sector – preventing gentrification, displacement and unfair evictions. These include an obligatory mediation procedure between the landlord and the tenant to ensure, through binding obligations, that tenants are not permanently displaced.

The EPBD transposition should also consider potential tenant displacement during the works. In-place renovation should be required as the default wherever feasible and safe. When temporary displacement is unavoidable, owners must work with tenants to secure comparable alternative accommodation at no additional cost, and displaced tenants must have a right of return at rent levels consistent with the cost neutrality principle. For example, while Denmark already mandates rehousing for social housing and municipal urban renewal projects, the EPBD transposition must extend this protection to the private rental sector, requiring private landlords to actively secure comparable housing for tenants during extensive renovations.

Denmark should also examine whether the housing support mechanisms established during Copenhagen's urban renewal process (byfornyelsen) could serve as a model for permanent tenant protection in the context of energy renovations. Under the byfornyelse programme, a special housing subsidy scheme was created to support tenants whose ability to pay was so limited that they would face eviction without additional assistance. This targeted, means-tested approach could be adapted into a permanent mechanism for tenants in non-profit and private rental housing affected by EPBD-mandated renovations, ensuring that no household is displaced solely because of inability to absorb renovation-related costs.

Fund vulnerable households

(EPBD Articles 9§4, 17§3, 17§13: Specific Support for Vulnerable Households; Addressing Energy Poverty)

Aim: Funding must be primarily targeted at households which are both vulnerable and experiencing energy poverty. Establish and adequately fund national schemes for easily accessible grants and subsidies, integrated into existing social support systems, to cover energy efficiency retrofit costs for low-income households and tenants. To ensure greatest value for public money, grants should at first be provided for vulnerable households, particularly those living in the worst-performing buildings.

Recommendations: Public support must explicitly prioritise vulnerable households, particularly those in worst-performing buildings, with funding structures reflecting income and EPC status (BPIE 2025, p. 205). Denmark must apply the 'higher impact, higher support' principle (BPIE 2025, p. 201) and the principle that the 'grant only approach' should be reserved for the worst performing households and cases in which access to private finance is limited (Efficient Buildings Europe 2025, p. 83). Guarantee funds should be established for households unable to access bank loans, and support should only go toward deep renovations that genuinely improve living conditions. The Commission recommends considering income ceilings, household composition, and property types when determining eligibility.

Prioritise social housing renovation

(EPBD Article 9: MEPS, Article 2, Annex II)

Aim: Prioritise the energy-efficient deep renovation of existing social, public and affordable housing stock within Denmark's National Building Renovation Plan (NBRP), underpinned by the principle of housing cost neutrality.

Recommendations: Build on Denmark's strong 'tenant democracy' model to ensure equitable access to energy savings and high-quality living conditions. The principle of housing cost neutrality must apply to social and affordable housing. If this cannot be guaranteed, renovations should not take place. This was detailed in the proposed amendments to the Energy Efficiency Directive "Member States may exempt social housing from the obligation to renovate 3% of the total floor area if the renovations are not cost-neutral or would lead to rent increases for people living in social housing that cannot be limited to the equivalent of the economic savings on the energy bill in any way" (IUT 2022; European Parliament 2022).

Remove barriers to collective renovation and ensure resident buy-in

(EPBD Article 2, Annex II, Article 17§19 & Article 17§8: Regulatory Barriers & Safeguards for Tenants)

Aim: To unlock necessary renovations in multi-owner apartment blocks, replace any requirements for unanimity with more democratic, evidence-based, participatory processes.

Recommendations: Current rules requiring unanimity (or near-unanimity) allow individual vetoes to block renovations that benefit the collective. The EPBD transposition should simplify approval procedures and introduce majority-vote provisions (e.g., 51%) for energy renovations, while ensuring legal safeguards for dissenting owners. Member States should follow successful precedents. Estonia requires only 51% approval for renovation decisions, Spain replaced unanimity with majority voting through Law 8/2013 and, in Germany, the WEG reform allows simple majority decisions, with cost-sharing mechanisms that reflect voting participation.

Easier voting must be paired with better engagement and access to information to ensure legitimacy. Denmark already has a strong foundation in its “tenant democracy” model (recognized by IHRB as a key strength) and Tenancy Act. In social housing, rent increases are based on mutual agreement and documented costs.

However, in the private rental sector, the current legal framework does not require mutual agreement for improvements: under Lejelovens § 126, landlords have the right to implement improvements – including energy renovations – without tenant consent, provided the changes do not substantially and permanently alter the identity of the dwelling. Under Lejelovens § 129, landlords can demand a rent increase for energy-saving works, capped at the equivalent of the tenant’s energy cost savings. While this cap limits the financial impact, the lack of a consent requirement means tenants in the private sector have no say in whether renovations proceed or how they are carried out. Denmark should use the EPBD transposition to extend the principle of mutual agreement to the private rental sector, requiring tenant consent for renovation-related rent increases unless the increase is fully offset by demonstrated energy savings verified by an independent third party.

Denmark should build on this to ensure tenants are provided renovation plans and their financial implications, and access to independent, affordable technical advice to assess these before a vote occurs (Efficient Buildings Europe 2025, pp. 22-23). Streamlined voting should not bypass the requirement for genuine tenant dialogue, co-design, and co-decision.

No broad exemptions for the rental sector

(EPBD Article 9§2: No disproportionate exemption for rental residential buildings)

Aim: Tenants deserve equal benefits from the Renovation Wave. Explicitly prohibit broad exemptions for the rental sector from renovation requirements.

Recommendations: Ensure that rented buildings are fully subject to renovation requirements to guarantee tenants benefit from improved conditions and reduced energy poverty. For example, the UK and Scottish Governments have banned landlords from renting out poorly performing homes (GOV UK 2025).

Denmark must establish safeguards to prevent misuse of ‘economic hardship’ exemptions for rental properties where tenants are living in poor conditions. All exemption justifications must be publicly accessible to prevent disproportionate exemptions that undermine renovation goals. Any exemptions granted must be transparently reported and compensated by equivalent energy performance improvements elsewhere in the owner’s building portfolio (Efficient Buildings Europe 2025, p. 37).

Affordable Energy Performance Certificates (EPCs) and renovation passports

(EPBD Articles 19§4, 12§2: Affordability of EPCs and renovation passports)

Aim: Ensure that EPCs and renovation passports are genuinely affordable for low-income households.

Recommendations: Denmark must ensure the affordability of renovation passports, particularly for vulnerable households, through targeted, means-test subsidies, tax incentives, or free provision. This can be achieved by linking renovation passports to existing EPC schemes to reduce costs, using digital tools to streamline assessment processes, and achieving economies of scale through district-level programs.

Renovation passports should be required within 6 months of a building being purchased, with the buyer responsible for shouldering the cost.

Denmark should require EPCs when properties are sold or rented, and display them in rental advertisements and in residential buildings. EPCs for poorly performing buildings (D or below) should only be valid for five years to encourage improvements. Ensure certifiers are properly trained and held legally responsible for inaccurate assessments to maintain quality and trust (Efficient Buildings Europe 2025, p. 26). Denmark should create concrete financial incentives for workforce development, for example by providing grants for existing construction workers to retrain as energy assessors, renovation advisors, and renewable energy system installers, following successful models like Ireland's €500 grants for heat pump installer training (Government of Ireland, 2024).

Align the Social Climate Fund with EPBD goals

(Relevant for EPBD implementation within broader EU Green Deal financing)

Aim: Advocate for strategic alignment of the Social Climate Fund (SCF) with EPBD goals.

Recommendations: Ensure SCF funds are directed towards renovation-based solutions for vulnerable households, rather than general income support, maximising the long-term impact on energy poverty. Denmark must explicitly link SCF allocation to supporting compliance with MEPS for low-income households living in the worst-performing residential buildings (Efficient Buildings Europe 2025, p. 42). This ensures that carbon pricing revenues directly fund deep renovations that achieve long-term energy savings rather than temporary bill support.

Maintain indoor air quality and thermal comfort

(EPBD Articles 1, 5, 7, 8, 13 (§4-5), and Annex I)

Aim: Prevent unintended negative health consequences and create healthy environments for occupants.

Recommendations: Implement clear provisions within new energy efficiency standards for maintaining or improving indoor air quality, thermal comfort, and ventilation. The right to adequate housing includes the right to healthy housing. Denmark must require monitoring devices for indoor air quality in non-residential and renovated residential buildings. All renovation passports must show health and comfort improvements at each stage. Public awareness campaigns should highlight that better homes mean better health, as health impacts are often invisible in energy metrics but critical for human wellbeing (Efficient Buildings Europe 2025, p. 77).

Prevent households from being trapped with fossil fuel heating

(EPBD Articles 11, 13, 17, Annex II)

Aim: Prevent households from being trapped in homes with expensive, polluting heating systems.

Recommendations: Gas and oil heating systems generate carbon emissions, are subject to volatile prices and can harm health through associated indoor air leaks. They must therefore be phased out, for environmental and health reasons (Efficient Buildings Europe 2025, p. 71).

Denmark's policy already prohibits subsidies for new fossil fuel or hybrid heating systems. The challenge now is accelerating the removal of existing ones, which trap families in expensive, unhealthy homes and will require costly replacement. Denmark must expand and fully fund the programs that pay homeowners to remove their fossil fuel systems, such as the Varmepumpepuljen (Heat Pump Fund) and the Afkoblingsordningen (Disconnection Scheme). All renovation plans must include a pathway to clean heating by 2040 and building improvements must be coordinated with heating system changes so systems are properly sized and cost-effective.



2. PROTECT LABOUR RIGHTS IN GREEN CONSTRUCTION

Denmark has committed to uphold the labour rights detailed in the ICESCR and core International Labour Organization (ILO) conventions. In the context of EPBD implementation, this includes enforcing fair wages and working conditions, strengthening protections for vulnerable and migrant workers, limiting subcontracting chains, expanding access to training, and strengthening labour inspection and enforcement mechanisms.

Fair labour standards

(EPBD Article 17§12: Workforce development; General enabling framework for the renovation wave, beyond EPBD scope).

Aim: A just transition requires safe and quality jobs for all. Implement and enforce binding legal standards that guarantee fair wages, safe working conditions, and strict adherence to existing Danish collective bargaining agreements for all workers in green building and renovation projects.

Recommendations: The construction sector faces significant labour shortages. Filling jobs remains challenging, due to long-standing deficits of decent working conditions, including high degrees of informality, hazardous conditions, and wage theft, particularly for migrant workers and those in long subcontracting chains (IHRB 2024, FELM 2023). Tackling these long-standing issues, often by working closely with labour unions, is critical to increase the attractiveness of the sector and ensure there are enough qualified workers to deliver the goals of the EPBD (Mella/Werna 2026). Schemes that increase the supply of workers, for example the Greek scheme allowing refugees and asylum-seekers to enter the job market, should also be considered (IOM 2023).

Skills development and training

(EPBD Article 17§12: Skills and training; Article 2 & Annex II: NBRPs)

Aim: Aim for a significant increase in green skills certifications by 2030. Launch comprehensive initiatives for training and upskilling programs to equip the workforce with the necessary green skills.

Recommendations: Skills are central to ensuring renovation quality, and the Commission guidance highlights that financial measures should require renovation measures be implemented by qualified or certified installers (European Commission 2025). Denmark must put in place measures and financing (incl. subsidies) to promote education and training (incl. on occupational health and safety) especially targeting SMEs, microenterprises and underrepresented or marginalised groups (youth, women, and migrants) to foster decent and stable employment opportunities. The Commission encourages leveraging the BUILD UP Skills initiative, which has supported over 100 projects since 2011 and developed national skills strategies in 15 Member States.

The NDRPs are a key opportunity to identify emerging technology and support industry to scale up innovative processes, and training programmes must create clear career pathways from precarious work to stable employment.

Given 94% of Europe's construction sector are microenterprises, Denmark should dedicate a portion of its renovation funding to help SMEs and self-employed contractors access training, certification, and public procurement opportunities. Simplified pre-qualification procedures should be established and funds be guaranteed for small contractors participating in deep renovation programmes. This builds domestic capacity, supports decent work, and prevents market concentration in large firms.

Protect vulnerable workers

(Human rights and labour law, crucial for equitable EPBD implementation)

Aim: Reduce the length of subcontracting chains. Introduce explicit legal safeguards for migrant workers and those deep in subcontracted chains, as these groups are often more susceptible to exploitation.

Recommendations: The construction sector's long and complex subcontracting exacerbates risks of labour abuses for construction workers (ELA 2024, ELA 2023, EU Commission 2024). Denmark should limit subcontracting to one or two tiers and ban temporary work agencies, as done in Oslo (C40, 2025), as well as banning labour intermediaries. The European Federation of Building and Woodworkers has long been advocating for these changes, and the European Parliament is now calling for a limit on subcontracting chains and regulations on labour intermediaries in its draft report, to be adopted in February 2026 (European Parliament 2025).

Denmark should also strengthen enforcement mechanisms (inspections, joint and several liability along the chain), provide accessible grievance channels, and ensure meaningful sanctions with associated remedy.



3. LEVERAGE FINANCING MECHANISMS

Effective access to affordable finance is essential to enable compliance with the EPBD and to ensure that renovation obligations do not disproportionately burden low-income households or small building owners. The recommendations therefore include deploying a mix of grants, preferential loans, guarantees and pay-as-you-save schemes, simplifying administrative procedures through one-stop shops, and prioritising financial support for deep renovations that deliver the greatest energy and social benefits.

Enable innovative funding tools

(EPBD Article 17§7, §9, §11)

Aim: Implement the full range of financing instruments recommended by the European Commission to address barriers to renovation.

Recommendations: Denmark should expand green renovation financing by offering preferential loan terms for energy renovations, enabling pay-as-you-save schemes where costs are recovered through energy bill savings, providing tax incentives for renovation materials and labour, and establishing guarantee funds to support households unable to access traditional bank loans. These financing instruments should be combined and made accessible through the one-stop shops to address different financial barriers. Denmark should create conditions that incentivise banks to progressively improve the energy performance of buildings in their mortgage portfolios (Efficient Buildings Europe 2025, p. 86), for example by using public funds or guarantees to make retrofit lending commercially attractive. Banks' existing communication channels with clients offer a direct pathway for promoting renovation financing. If public funding – whether national or European – can reduce the risk and improve the business case for retrofit lending, banks are likely to respond positively, as this aligns with their commercial incentives. This approach protects homeowners from mortgage stress caused by high energy bills while building a sustainable market for renovation finance.

While grants remain important for the most vulnerable households, Denmark should prioritise guarantees and upfront liquidity mechanisms as more efficient uses of public capital. Models such as Den Sociale Investeringsfond, which uses public capital to provide upfront financing, offer a promising approach for bridging the affordability gap without increasing debt burdens for low-income households. State guarantees can also reduce risk for banks, lowering the cost of renovation lending. Denmark should also review whether existing financial stability buffers (such as kritisk leje and systemisk buffer requirements) create unintended barriers to renovation lending, and explore regulatory adjustments that could free up bank lending capacity for green retrofits without compromising overall financial stability. Care must be taken, however, to ensure that these mechanisms do not disproportionately increase debt burdens for households that are already financially stretched.

Remove administrative barriers

(EPBD Article 17§2, §8)

Aim: Simplify and streamline administrative procedures to make renovation accessible to all.

Recommendations: Member States should establish a unified digital platform for all renovation financing applications. For those without digital access, in-person assistance should be available through one-stop shops.

Support deep renovations

(EPBD Article 17§16)

Aim: Provide greater support for deep renovations that achieve significant energy savings.

Recommendations: Denmark should ensure that deep renovations achieving zero-emission building standards (or 60% primary energy reduction where ZEB is not feasible) receive priority support through higher funding rates, simplified procedures, and dedicated technical assistance. Support levels should increase based on the energy performance improvement achieved, following successful models from other EU countries such as France's MaPrimeRénov, Germany's Bundesförderung, and Vienna's Wohnfonds Wien (European Commission 2025, pp. 18-19).



4. INCLUSION AND GOVERNANCE

Inclusive governance is critical to ensuring that the EPBD is transposed and implemented in a socially fair and effective manner. This includes meaningful participation, the establishment of inclusive and accessible one-stop shops, equitable design of penalties, and safeguards against displacement.

Inclusive governance and civil society participation

(EPBD Article 2 & Annex II: Fairness and Participation)

Aim: Ensure civil society organisations shape the transposition of the EPBD and the rollout of the renovation wage through inclusive governance mechanisms.

Recommendations: Tenants and workers must be at the heart of the EPBD transposition process. This requires involving civil society organisations, tenant unions, resident movements, low-income groups, labour unions, and workers in the transposition process and in the drafting of the associated policies and regulations, with opportunities for public debate and public feedback.

Denmark must co-develop and periodically review the National Building Renovation Plan with these CSOs – particularly labour and tenant unions – who should be part of an independent advisory board to monitor social fairness and ensure compliance with human rights standards.

Establish inclusive one-stop shops

(EPBD Article 18: One-stop shops)

Aim: The EPBD mandates the creation of one-stop shops to provide households with coordinated, end-to-end support for building renovation. Denmark must ensure its National Building Renovation Plans include measures to ensure these are genuinely inclusive and actively support vulnerable and energy-poor households.

Recommendations: Building on the BetterHome Initiative, Denmark must establish physical one-stop shops to ensure meaningful support for all citizens, including those with limited digital literacy. These facilities must provide integrated services: independent technical advice, financial guidance and application support, legal and tenancy advice (particularly for tenants), connections to qualified contractors, post-renovation quality checks, and dispute resolution.. Staff must be trained to support vulnerable populations and provide interpretation for non-Danish speakers, and one-stop shops must support collective decision-making in apartment buildings (Efficient Buildings Europe 2025, pp. 91-95).

Denmark should adopt the recommended criteria for density of one-stop shops, and consider exceeding it (particularly the recommendation of 1 per 80,000 inhabitants) in deprived areas. As required by the Directive, all owners of buildings with EPCs below C must receive invitations to these one-stop shops. These invitations should be extended to tenants, who often face additional barriers. Proactive outreach will ensure they learn about available support, access it, and help convince landlords to undertake renovation works. One-stop shops can also provide mediation between tenants and landlords.

Ensure equity in penalties

(EPBD Article 9§7)

Aim: Ensure equity in the design of penalties for renovation non-compliance under MEPS.

Recommendations: Explicitly consider the financial situation of low-income homeowners when setting penalties, including their ability to afford EPCs and advisory services needed to understand compliance requirements.

Safeguard against financialisation harms

(EPBD Article 17: Financial support frameworks)

Aim: Ensure green finance serves affordable housing and vulnerable households.

Recommendations: Require transparency in how green bonds and sustainability loans are used, with mandatory reporting on affordability impacts and tenant outcomes. Banks receiving public support must commit to lending minimum amounts to social housing and low-income homeowners. Green finance agreements must prohibit renovation practices and require that renovation benefits are shared with tenants, not just property owners. Given research showing 75% of real estate firms ignore affordability in sustainability reports (WBA 2024), Denmark should require all real estate sector ESG reporting to include affordability metrics and tenant welfare indicators.



5. MONITORING, ENFORCEMENT AND ACCESS

Robust monitoring and enforcement are necessary to ensure that social safeguards embedded in EPBD transposition are effective in practice. Recommendations include systematic monitoring of social impacts and energy poverty, accessible enforcement and grievance mechanisms for tenants and workers; and tailored communication and outreach to ensure that all households can understand and access renovation requirements and support.

Measure and report on social impact and energy poverty

(EPBD Article 9§4, Annex II: Monitoring Social Impacts; EPBD Article 2, Annex II: Fairness considerations in NBRPs, Addressing Energy Poverty)

Aim: National Building Renovation Plans must include robust methodologies and reporting on social impact.

Recommendations: Develop clear methods to track social impact, which should be reported in NBRP alongside energy efficiency improvements.

Reporting should include disaggregated indicators including: housing quality improvements (indoor air quality, thermal comfort); access to renovation support by vulnerable groups; tenant complaint rates; reported renovations / displacements; changes in rental affordability; worker wages; safety incidents; and measurable energy poverty reduction. Data must be publicly accessible, updated annually and independently audited every three years.

Establish enforcement and grievance mechanisms

(EPBD Article 17§19 & Article 28: Penalties and Enforcement)

Aim: Create accessible enforcement mechanisms with real recourse for affected tenants and workers.

Recommendations: Establish an independent office or ombudsperson for renovation disputes with power to investigate complaints about disproportionate rent increases, displacement, or worker exploitation. Provide free legal aid for tenants challenging renovation attempts. Set meaningful penalties for non-compliance with social safeguards, with fines directed to a fund supporting vulnerable households. Implementation success depends on civil society involvement in monitoring compliance and ensuring these mechanisms are genuinely accessible to those who need them most.

Tailored communication and outreach

(EPBD Annex II: Fairness Considerations)

Aim: Make renovation information and support genuinely accessible to all.

Recommendations: Launch a national outreach campaign using simple, inclusive communication formats to reach low-literacy, migrant, and elderly households. All materials should be available in multiple languages and distributed via community hubs, social housing offices, labour and tenant unions, and local NGOs. This ensures that no household misses out on support because of language or literacy barriers.

CONCLUSION

Denmark has the opportunity to lead by example, demonstrating that ambitious climate action in the building sector can and must ensure ambitious climate actions go hand-in-hand with social justice to avoid backlash, de-risk implementation and create a stable, attractive and sustainable retrofit sector. By embedding these safeguards into the EPBD transposition, Denmark can ensure that the renovation wave delivers its emission reductions, protects vulnerable communities, creates decent work and ultimately improves lives.



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