CERHA HEMPEL

EU Taxonomy

Technical screening criteria

Sustainable Transformation – Vol #2

General

In the first issue of our *Sustainable Transformation* series, we described the main features of the EU Taxonomy Regulation (Regulation (EU) 2020/852). In this second issue, we will focus on a key component of the EU Taxonomy Regulation: the technical screening criteria.

What are technical screening criteria?

The EU Taxonomy Regulation establishes a set of criteria that enable an economic activity to be classified as environmentally sustainable according to objective criteria. Accordingly, an economic activity must fulfil three requirements to qualify as environmentally sustainable:

1. It must make a substantial contribution to one or more of the six environmental objectives set out in the EU Taxonomy Regulation („*significant contribution*").
2. It must not cause significant harm to one or more of these environmental objectives („*do no significant harm*").
3. It must be carried out in compliance with minimum social safeguards for human rights and occupational safety („*minimum safeguards*").

The first two requirements, which are enshrined as general requirements in the EU Taxonomy Regulation, are fleshed out by extremely detailed technical screening criteria that have been issued in the form of delegated acts by the Commission. They should be seen as dynamic documents that will be adapted from time to time to reflect technical progress and new developments. The Commission will adopt one delegated act for each of the six environmental objectives. The delegated acts for the first two environmental objectives **climate change mitigation** (Annex 1 to Regulation (EU) 2021/2139) and **climate change adaptation** (Annex 2 to Regulation (EU) 2021/2139) already entered into force on 1 January 2022.

Purpose of the technical screening criteria

The technical screening criteria represent the minimum requirements to be met in order for an economic activity to be classified as environmentally sustainable. Technical screening criteria for the economic activities considered thus far by the delegated acts – such as the construction of buildings in the „construction and real estate" sector – enable an assessment to be made as to whether the economic activity in question makes a **substantial contribution** to at least one environmental objective („*substantial contribution*") and whether the economic activity **does not significantly harm** any other environmental objective („*do no significant harm*").

Economic activities that qualify as contributing substantially to one or more environmental objectives are subdivided by the EU Taxonomy Regulation into three categories:

- activities with low emissions that are adapted to climate change,
- enabling activities, and
- transitional activities.

The classification of economic activities as enabling activities (Article 16 of the EU Taxonomy Regulation) or transitional activities (Article 10(2) of the EU Taxonomy Regulation) takes into account those economic activities that would normally not be classified as environmentally sustainable, but which nevertheless contribute to the overall objective of promoting environmental sustainability and therefore should also be deemed to be enabling. Enabling activities are those economic activities that enable another economic activity to achieve its environmental objectives. An example is the manufacture of wind turbines, which ultimately accomplishes the low-emission production of „green" electricity. Transitional activities must contribute to climate change mitigation and make it possible to limit global warming in accordance with the commitments made under the Paris Climate Accord. So far, such activities have only been defined for the environmental goal of climate change mitigation. An example of this would be the reduction of primary energy demand by 30% for the renovation of a property.

Whereas reducing emissions in the case of „climate change mitigation" always brings comparable benefits regardless of location, the situation is different in the case of the second environmental goal of „climate change adaptation", also because the context (e.g. spatial dimension) has to be taken into account to a greater extent.

Accordingly, a substantial contribution to climate change adaptation might be, for example, where a manufacturing facility located on the coast is protected against flooding. An exhaustive list of economic activities has not been formulated for this environmental objective, but principles and control criteria have been established.

Technical screening criteria for the real estate sector

Technical screening criteria have been developed for a total of thirteen sectors, including for the „construction and real estate" sector, and it is these criteria that we will examine in more detail in this issue of our *Sustainable Transformation* series. We will specifically focus on the technical screening criteria relating to the **environmental goals** of **climate change mitigation** and **climate change adaptation** for the following economic activities in the „construction and real estate" sector:

- *„Construction of new buildings",*
- *„Renovation of existing buildings"*
- *„Acquisition and ownership of buildings"*

In addition, there are other technical screening criteria that apply to the following economic activities in the „construction and real estate" sector: *„Installation, maintenance and repair of energy efficiency equipment", „Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", „Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings"* and *„Installation, maintenance and repair of renewable energy technologies"*, but we will not go into these in detail here.

Application of technical screening criteria

The EU Taxonomy Regulation is aimed at individual economic activities carried out by undertakings and not at undertakings as a whole. This has the advantage that an undertaking can gradually take steps to adapt the individual parts of its business.

If an economic activity meets the requirements imposed on it (significant contribution to climate mitigation or climate adaptation, demonstrated by compliance with the technical screening criteria, no significant harm to the other five environmental objectives and compliance with the minimum social safeguards), it should be classified as environmentally sustainable within the meaning of the EU Taxonomy Regulation. As a consequence, the sales revenue, capital expenditure (CapEx) and operating expenditure (OpEx) associated with this economic activity may be determined and reported for the company. These three indicators are also at the heart of the new reporting requirements.

According to the recommendations of ESMA (the European Securities and Markets Authority), information must be provided in the non-financial statements for each relevant economic activity with regard to the identification of the significant contribution to one (or more) of the EU environmental objectives, the assessment of the absence of adverse effects on the other environmental objectives, and compliance with the minimum level of protection. Where an economic activity significantly contributes to achieving more than one environmental objective, information should be provided on how double counting has been avoided. For instance, this can be achieved by splitting, including underlying assumptions.

New building
Climate change mitigation

Description: Development of building projects for residential and non-residential buildings for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis (classified in particular under NACE codes F41.1 and F41.2).

Technical screening criteria
1. Substantial contribution to climate change mitigation („substantial contribution")
• The primary energy demand (PED), which defines the energy performance of the building resulting from the construction, must be less than 36.9 kWh/m² for a residential building and 75.6 kWh/m² for a non-residential building per year.
• Upon completion of a building larger than 5000 m² (the surface area is calculated based on the International Property Measurement Standards [IPMS] of the International Property Measurement Standards Coalition), the building resulting from the construction undergoes testing for air-tightness and thermal integrity (EN 13187 and EN 13829). Any deviations in the efficiency set at the design stage or defects in the building envelope must be disclosed. Where robust and traceable quality control processes are in place during the construction process, this is acceptable as an alternative to thermal integrity testing.
• For buildings larger than 5000 m², the life-cycle global warming potential (GWP) is calculated and disclosed.

2. Do no significant harm	
Climate change adaptation	The economic activity complies with the criteria set out in Appendix A to Annex 1. The climate risk and vulnerability assessment evaluates and identifies the negative impacts of climate risks on the economic activity and identifies adaptation solutions that reduce them. Climate-related hazards are listed demonstratively and are subdivided into chronic (e.g. heat) and acute (e.g. landslide) hazards. The scope of the assessment is proportionate to the lifespan of the economic activity.
Sustainable use and protection of water and marine resources	Where installed, the specified water use for wash hand basin taps, kitchen taps, showers, toilers and urinals are attested by product datasheets, a building certification or a product label, in accordance with the technical specifications laid down in Appendix E to Annex 1 (except for installations in residential building units). To avoid impact from the construction site, the economic activity complies with the criteria set out in Appendix B to Annex 1 (Generic Criteria for DNSH to Sustainable Use and Protection of Water and Marine Resources).
Transition to a circular economy	At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding soil and stones) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators must limit waste generation in processes related to construction and demolition, taking into account the best available techniques and using selective demolition to enable removal. Reuse and recycling is facilitated by the selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and capable of being dismantled to enable reuse and recycling.
Pollution prevention and control	The economic activity complies with the criteria set out in Appendix C to Annex 1 (Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals). Building components and materials used in the construction that may come into contact with occupiers emit less than 0.06 mg of formaldehyde per m^3 of material or component and less than 0.001 mg of other carcinogenic volatile organic compounds. Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.
Protection and restoration of biodiversity and ecosystems	The economic activity complies with the criteria set out in Appendix D to Annex 1 (an environmental impact assessment has been carried out in accordance with the Austrian Environmental Impact Assessment Act 2000 or a decision has been taken in a procedure before the competent authority as to whether a project must be subject to an environmental impact assessment at all). In addition, the new building is not constructed on: a. arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to in the EU LUCAS survey; b. greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List; c. land matching the definition of „forest“ as set out in Section 1a of the Austrian Forestry Act 1975.

Renovation of existing buildings
Climate change mitigation

Description: Construction and civil engineering works or preparation thereof (classified in particular under NACE codes F41 (Construction of buildings) and F43 (Specialised construction activities)).

An economic activity in this category is a transitional activity (as referred to in Article 10(2) of the EU Taxonomy Regulation) where it complies with the following technical screening criteria.

Technical screening criteria	
1. Substantial contribution to climate change mitigation	
• The building renovation complies with the requirements laid down in the respective country's building code applicable to major renovations. The overall energy efficiency of the building or of the renovated part complies with the cost-optimal levels of minimum energy performance requirements. This threshold is a primary energy demand of 44 kWh/m² for a residential building and 84 kWh/m² for a non-residential building per year. • Alternatively, it leads to a reduction of primary energy demand of at least 30%.	
2. Do no significant harm	
Climate change adaptation	The economic activity complies with the criteria set out in Appendix A to Annex 1. The climate risk and vulnerability assessment evaluates and identifies the negative impacts of climate risks on the economic activity and identifies adaptation solutions that reduce them. Climate-related hazards are listed demonstratively and are subdivided into chronic (e.g. heat) and acute (e.g. landslide) hazards. The scope of the assessment is proportionate to the lifespan of the economic activity.
Sustainable use and protection of water and marine resources	Where installed as part of the renovation works, the specified water use for wash hand basin taps, kitchen taps, showers, toilers and urinals are attested by product datasheets, a building certification or a product label, in accordance with the technical specifications laid down in Appendix E (except for installations in residential building units).
Transition to a circular economy	At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding soil and stones) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators must limit waste generation in processes related to construction and demolition, taking into account the best available techniques and using selective demolition to enable removal. Reuse and recycling is facilitated by the selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and capable of being dismantled to enable reuse and recycling.
Pollution prevention and control	The economic activity complies with the criteria set out in Appendix C to Annex 1 (Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals). Building components and materials used in the building renovation that may come into contact with occupiers emit less than 0.06 mg of formaldehyde per m³ of material or component and less than 0.001 mg of other carcinogenic volatile organic compounds. Measures must be taken to reduce noise, dust and pollutant emissions during construction or maintenance works.

Protection and restoration of biodiversity and ecosystems	Not specified

Acquisition & ownership of buildings
Climate change mitigation

Description: Buying real estate and exercising ownership of that real estate (classified in particular under NACE code L68).

Technical screening criteria	
1. Substantial contribution to climate change mitigation	
• For buildings built before 31 December 2020, the building has an Energy Performance Certificate of at least class A (maximum PED of 80 kWh/m² per year). As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational primary energy demand and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. • For buildings built after 31 December 2020, the building meets the criteria for a new building (falling below the PED threshold of 36.9 kWh/m² per year for a residential building, thermal integrity testing in accordance with EN 13829 for an area greater than 5,000 m², etc.) that are relevant at the time of the acquisition. • Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW), it is efficiently operated through energy performance monitoring and assessment.	
2. Do no significant harm	
Climate change adaptation	The climate risk and vulnerability assessment evaluates and identifies the negative impacts of climate risks on the economic activity and identifies adaptation solutions that reduce them. Climate-related hazards are listed demonstratively and are subdivided into chronic (e.g. heat) and acute (e.g. landslide) hazards. The scope of the assessment is proportionate to the lifespan of the economic activity.
Sustainable use and protection of water and marine resources	Not specified
Transition to a circular economy	Not specified
Pollution prevention and control	Not specified
Protection and restoration of biodiversity and ecosystems	Not specified

New building
Climate change adaptation

Description: Development of building projects for residential and non-residential buildings for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis (classified in particular under NACE codes F41.1 and F41.2).

Technical screening criteria

1. Substantial contribution to climate change adaptation

1. The economic activity has implemented physical and non-physical solutions („adaptation solutions“) that substantially reduce the most important physical climate risks that are material to this economic activity.
2. The physical climate risks that are material to the economic activity have been identified from those listed in Appendix A to Annex 2 by performing a robust climate risk and vulnerability assessment with the following steps:
   a. screening of the economic activity to identify which physical climate risks from the list in Appendix A to Annex 2 may affect the performance of the economic activity during its expected lifetime;
   b. where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to Annex 2, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;
   c. an assessment of adaptation solutions that can reduce the identified physical climate risk.

   The climate risk and vulnerability assessment is proportionate to the scale of the economic activity and its expected lifespan, such that:

   a. for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;
   b. for all other economic activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the economic activity, including, at least, 10 to 30 year climate projections scenarios for major investments.
3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.
4. The adaptation solutions implemented:
   a. do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;
   b. favour nature-based solutions or rely on blue or green infrastructure to the extent possible;
   c. are consistent with local, sectoral, regional or national adaptation plans and strategies;
   d. are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met;
   e. where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that economic activity.

2. Do no significant harm

Climate change mitigation	The building is not dedicated to the extraction, storage, transport or manufacture of fossil fuels. For buildings built after 31 December 2020, the primary energy demand, which defines the energy performance of the building resulting from the construction, does not exceed the threshold set for nearly zero-energy buildings of 41 kWh/m^2 for residential buildings and 84 kWh/m^2 for non-residential buildings per year. The energy performance is certified using an as built energy performance certificate.

Sustainable use and protection of water and marine resources	Where installed, the specified water use for wash hand basin taps, kitchen taps, showers, toilers and urinals are attested by product datasheets, a building certification or a product label, in accordance with the technical specifications laid down in Appendix E to Annex 2 (except for installations in residential building units). To avoid impact from the construction site, the economic activity complies with the criteria set out in Appendix B to Annex 2 (Generic Criteria for DNSH to Sustainable Use and Protection of Water and Marine Resources).
Transition to a circular economy	At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding soil and stones) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators must limit waste generation in processes related to construction and demolition, taking into account the best available techniques and using selective demolition to enable removal. Reuse and recycling is facilitated by the selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and capable of being dismantled to enable reuse and recycling.
Pollution prevention and control	The economic activity complies with the criteria set out in Appendix C to Annex 2 (Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals). Building components and materials used in the building renovation that may come into contact with occupiers emit less than 0.06 mg of formaldehyde per m^3 of material or component and less than 0.001 mg of other carcinogenic volatile organic compounds. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.
Protection and restoration of biodiversity and ecosystems	The economic activity complies with the criteria set out in Appendix D to Annex 2 (e.g. an environmental impact assessment has been carried out in accordance with the Austrian Environmental Impact Assessment Act 2000 or a decision has been taken in a procedure before the competent authority as to whether a project must be subject to an environmental impact assessment at all). The new building is not constructed on: a. arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to in the EU LUCAS survey; b. greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List; c. land matching the definition of „forest“ as set out in Section 1a of the Austrian Forestry Act 1975.

Renovation of existing buildings
Climate change adaptation

Description: Construction and civil engineering works or preparation thereof (classified in particular under NACE codes F41 (Construction of buildings) and F43 (Specialised construction activities)).

Technical screening criteria

1. Substantial contribution to climate change adaptation

1. The economic activity has implemented physical and non-physical solutions („adaptation solutions“) that substantially reduce the most important physical climate risks that are material to this economic activity.
2. The physical climate risks that are material to the economic activity have been identified from those listed in Appendix A to Annex 2 by performing a robust climate risk and vulnerability assessment with the following steps:
   a. screening of the economic activity to identify which physical climate risks from the list in Appendix A to Annex 2 may affect the performance of the economic activity during its expected lifetime;
   b. where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to Annex 2, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;
   c. an assessment of adaptation solutions that can reduce the identified physical climate risk.

   The climate risk and vulnerability assessment is proportionate to the scale of the economic activity and its expected lifespan, such that:

   a. for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;
   b. for all other economic activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the economic activity, including, at least, 10 to 30 year climate projections scenarios for major investments.
3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.
4. The adaptation solutions implemented:
   a. do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;
   b. favour nature-based solutions or rely on blue or green infrastructure to the extent possible;
   c. are consistent with local, sectoral, regional or national adaptation plans and strategies;
   d. are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met;
   e. where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that economic activity.

2. Do no significant harm

Climate change mitigation	The building is not dedicated to the extraction, storage, transport or manufacture of fossil fuels.
Sustainable use and protection of water and marine resources	Where installed as part of the renovation works, the specified water use for wash hand basin taps, kitchen taps, showers, toilers and urinals are attested by product datasheets, a building certification or a product label, in accordance with the technical specifications laid down in Appendix E (except for installations in residential building units).

Transition to a circular economy	At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding soil and stones) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators must limit waste generation in processes related to construction and demolition, taking into account the best available techniques and using selective demolition to enable removal. Reuse and recycling is facilitated by the selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and capable of being dismantled to enable reuse and recycling.
Pollution prevention and control	The economic activity complies with the criteria set out in Appendix C to Annex 2 (Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals). Building components and materials used in the construction that may come into contact with occupiers emit less than 0.06 mg of formaldehyde per m^3 of material or component and less than 0.001 mg of other carcinogenic volatile organic compounds. Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.
Protection and restoration of biodiversity and ecosystems	Not specified

Acquisition & ownership of buildings
Climate change adaptation

Description: Buying real estate and exercising ownership of that real estate (classified in particular under NACE code L68).

Technical screening criteria

1. Substantial contribution to climate change adaptation

1. The economic activity has implemented physical and non-physical solutions („adaptation solutions“) that substantially reduce the most important physical climate risks that are material to this economic activity.
2. The physical climate risks that are material to the economic activity have been identified from those listed in Appendix A to Annex 2 by performing a robust climate risk and vulnerability assessment with the following steps:
   a. screening of the economic activity to identify which physical climate risks from the list in Appendix A to Annex 2 may affect the performance of the economic activity during its expected lifetime;
   b. where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to Annex 2, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;
   c. an assessment of adaptation solutions that can reduce the identified physical climate risk.

   The climate risk and vulnerability assessment is proportionate to the scale of the economic activity and its expected lifespan, such that:

   a. for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

b. for all other economic activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the economic activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.

4. The adaptation solutions implemented:

   a. do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities;
   b. favour nature-based solutions or rely on blue or green infrastructure to the extent possible;
   c. are consistent with local, sectoral, regional or national adaptation plans and strategies;
   d. are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met;
   e. where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that economic activity.

2. Do no significant harm	
Climate change mitigation	The building is not dedicated to the extraction, storage, transport or manufacture of fossil fuels. For buildings built before 31 December 2020, the building has an energy performance certificate of at least class C (maximum PED of 220 kWh/m^2 per year). As an alternative, the building is within the top 30% of the national or regional building stock expressed as operational primary energy demand and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings completed after 31 December 2020, the primary energy demand, which defines the energy performance of the building resulting from the construction, does not exceed the threshold set for nearly zero-energy buildings of 41 kWh/m^2 for residential buildings and 84 kWh/m^2 for non-residential buildings per year. The energy performance is certified using an as built energy performance certificate.
Sustainable use and protection of water and marine resources	Not specified
Transition to a circular economy	Not specified
Pollution prevention and control	Not specified
Protection and restoration of biodiversity and ecosystems	Not specified

Definitions

Energy performance certificate:

The energy performance certificate (EPC) is a certificate that states the energy performance of a building. However, it does not contain a guarantee for a specific energy consumption. That will depend on the individual usage behaviour.

Class	A++	A+	A	B	C	D	E	F	G
PED_{LC} [kWh/m² per year]	60	70	80	160	220	280	340	400	>400

Enabling activities (Article 16 of the EU Taxonomy Regulation):

This refers to economic activities that enable another economic activity to achieve its environmental objectives. An example is the manufacture of wind turbines, which ultimately accomplishes the low-emission production of „green" electricity.

Nearly zero-energy buildings:

A building with a very high energy performance. Nearly zero or very low energy demand should be met to a very significant extent by energy obtained from renewable sources, including energy from renewable sources generated on-site or nearby.

Primary energy demand:

Primary energy demand (PED) describes the total energy demand of a building for heating, ventilation and hot water, including electricity demand. In addition, this indicator takes into account the „upstream chain" of the sources of energy used (extraction, processing, transport, etc.). For instance, a house heated with oil has a higher primary energy demand than the same house heated with wood, even if it has the same level of insulation.

Transitional activity (Article 10(2) of the EU Taxonomy Regulation):

Transitional activities must contribute to climate change mitigation and make it possible to limit global warming in accordance with the commitments made under the Paris Climate Accord. So far, such activities have only been defined for the environmental goal of climate change mitigation. An example of this would be the reduction of primary energy demand by 30% for the renovation of a property.

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