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Ministry of Finance
Ministry of Environment
Ministry of Enterprise
Ministry of Infrastructure

Sweden's response to the consultation

This is Sweden's response to the consultation on the draft delegated act (Ref. Ares(2020)6979284 - 20/11/2020) supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council as regards technical screening criteria for climate change mitigation and climate change adaptation. The response is non-exhaustive but aims to highlight the most important redrafts needed, as identified to date, for Sweden to take a positive view of the delegated act. The response is structured as follows: The first section includes general observations and positions related to different thematic areas, after consultation with the Swedish parliament. The second section, Annex 1, includes a more detailed account of positions related to specific economic activities and suggested modifications in the relevant articles of the draft delegated act.

General remarks

Observations

It is important that the taxonomy is fit for purpose and contributes to shifting capital flows towards more sustainable economic activities, and that it does not create barriers for such capital flows by introducing legislation that is not sufficiently anchored in existing sectoral legislation. To avoid double standards, the technical screening criteria for the principle of "do no significant harm" (DNSH) should not go beyond existing EU legislation.

The draft delegated act does not comply with the requirements for technical screening criteria set out in Article 19(1) of the Taxonomy Regulation. For example, the following deviations from the requirements have been identified:

- i. Several areas have been excluded that, based on their relevance in terms of potential contribution to the environmental objectives concerned, should have been included. For example, activities related to paper production, manufacturing of products for production and distribution of electricity, information and communication, food production, and bioenergy with carbon capture and storage.
- ii. Several screening criteria are not neutral with respect to the technology used, for example in the areas of renewable energy, forestry and buildings.
- iii. There is a lack of clarity on how transitional economic activities will be affected by the regular review and amendments of their associated screening criteria provided for in Article 19(5) of the Taxonomy Regulation.
- iv. Since the screening criteria for DNSH contain references to national legislations, of varying quality and with differences in terms of review and monitoring of compliance, European companies risk having to adhere to stricter standards than companies established outside the EU. This would have negative implications for competition and make it more difficult for European companies and industries to finance a green transition.

Swedish positions

1. Sweden supports the overall purpose of the taxonomy. It is important that the taxonomy contributes to the efforts of mitigating climate change. However, the draft delegated act has significant shortcomings in some areas.
2. The draft delegated act will need substantial revisions in the requirements on activities relating to for example forestry and energy.
3. The very detailed requirements of the draft delegated act may result in an increased administrative burden without any real benefit for the climate, and the requirements may instead create adverse incentives for forest owners and farmers, among others. The aim should be to achieve proportionality, thorough impact assessments of, and transparency in the legislation.
4. The taxonomy should contribute to uninterrupted sustainable value chains in for example the bioeconomy – from agriculture and forestry to the production of sustainable biofuels and the end use of the same biofuels.

Forestry

Observations

- The concept “improved forest management” is very problematic. It implies that the main part of the current forestry in Sweden would not be classified as sustainable under the Taxonomy Regulation.
- The proposal seems to steer towards a forest management model that is neither based on the multifunctionality of forests nor the objectives of sustainable use and conservation.
- “Improved forest management” should be replaced by “existing forest management” as proposed by the TEG and defined using Forest Europe’s definition of sustainable forest management.
- The proposal does not fully respect member states’ competence in forest-related issues.
- It can be questioned if the delegated act is only supplementing non-essential elements of the Taxonomy Regulation in this area.
- In addition to creating administrative burdens, the technical screening criteria and the DNSH criteria are unclear and omit necessary information. Therefore, it is not possible to predict the intention of the legislators, resulting in legal uncertainty for the operators.
- The full contribution of sustainable forest management to climate change mitigation, the capacity of forests to act as a “carbon sink” and the substitution aspects (substituting fossil-based materials), has not been sufficiently taken into account. While the draft delegated act recognizes the capacity of forests to act as a carbon sink, it does not recognize the substitution effect.
- An increase in administrative requirements does not contribute to climate change mitigation. It risks having the opposite effect by acting as a disincentive for active management.
- The screening criteria in this area are not aligned with the recast Renewable Energy Directive (EU) 2018/2001 (RED II), as required by the co-legislators in point (a) of Article 10(1) of the Taxonomy Regulation.

Swedish positions

5. The new concept of “improved forest management” should be replaced by existing definitions of sustainable forest management. The proposal should promote measures in line with the objectives sustainable use and conservation.

6. The Commission should adhere to the requirement of the co-legislators that the technical screening criteria should be in line with the RED II.

Energy and transport

Observations

- The screening criteria for renewable energy, used for energy production, transport, manufacturing etc., should to a greater extent build on existing EU legislation with relevance for renewable energy and the energy transition and not go beyond that legislation. The taxonomy must not become counterproductive and counteract efforts to achieve climate neutrality and phase out fossil fuels. The taxonomy should more clearly contribute to the transition to more energy-efficient modes of transport such as rail or ship transport and recognize their contribution to climate change mitigation and future fossil free mobility.
- It is problematic that the taxonomy classifies bioenergy as a transitional economic activity. All types of biofuels that meet the requirements of the sustainability criteria in the recently adopted RED II should also be sustainable in the taxonomy. It is welcome that the proposal contains references to the RED II, but the proposal goes beyond the provisions in the RED II, for example by removing the exemption for small utilities and classifying sustainable biofuels from agriculture as non-sustainable. The proposal should to a much greater extent take into account relevant existing EU legislation.
- All economic activity that includes transportation using renewable fuels according to the RED II should be sustainable also in the taxonomy, analogous with the treatment of heavy vehicles in the Clean Vehicles Directive. The use of a calculation method (“tail pipe”) that excludes biogas and biofuels, which based on a life cycle analysis could have lower emissions than certain battery powered vehicles, is problematic.
- The proposal does not to a sufficient degree build on the criteria used in existing EU environmental legislation to prevent negative environmental consequences of hydropower. The proposed criteria go beyond existing legislation in terms of the requirements on certain types of power plants. The criteria should therefore be designed in such a way that they do not go beyond the requirements for individual hydropower plants set out in the Water Framework Directive and relevant provisions in the Habitats Directive. Otherwise this may hamper member states’ possibilities to

expand wind and solar power production, as the ability of hydropower to balance these intermittent energy sources will grow in importance.

- Corresponding requirements should apply to investments in production outside the EU. In this case, however, a list of criteria similar to that included in the latest proposal of the Commission should be used. This is important to ensure that plants in the EU are not placed at a disadvantage when the assessment of which plants meets the requirements is made. An empty reference to the legislative acts mentioned above will, in practice, not be sufficient as a basis for a regulatory compliance assessment.
- For the purposes of achieving net-zero emissions, hydrogen is one of several important technologies that can contribute to achieve net zero emissions. It is important that EU does not restrict any fossil free power production used in the production of hydrogen or other products. All fossil free electricity from the grid should be able to be used, without any requirements on additional renewable energy production.
- Waste-to-energy is an essential component of the waste hierarchy and should be included.
- Using EEDI to measure all ships will benefit some ship types while others are disadvantaged, for example ro-pax and ships without an EEDI value. It is vital that all major ship types are considered fairly in the taxonomy.

Swedish positions

7. The requirements of the delegated act regarding renewable energy should not go beyond existing EU legislation with relevance for renewable energy and the energy transition.
8. The taxonomy must not be counterproductive in relation to the energy transition or counteract the efforts of transport companies to achieve climate neutrality and phase out fossil fuels.
9. The taxonomy should contribute to a transfer to energy-efficient modes of transport such as rail and ship transport.
10. All fossil free power production, including hydropower and nuclear power play an essential role for meeting the emission reduction target. Hydropower plays a key role in balancing the grid and thereby enabling the expansion of solar and wind power production.
11. The screening criteria should be designed in such a way that they do not go beyond the requirements for an individual hydropower plant

set out in the Water Framework Directive (2000/60/EC) and in the Habitats Directive (92/43/EEC).

12. All types of bioenergy, biofuels and other renewable fuels that meet the requirements of the RED II sustainability criteria should be deemed sustainable in the taxonomy, in accordance with what is stated in the Taxonomy Regulation. Activities involving sustainable bioenergy should not be classified as transitional economic activities.
13. Transports using renewable fuels that are sustainable according to the RED II should be taxonomy-compliant.
14. All fossil free electricity from the grid should be able to be used as being sustainable in the production of hydrogen gas and other products, without requirements for additional renewable power production.
15. Waste-to-energy is an essential component of the waste hierarchy and should be included.

Buildings

Observations

- The proposal raises questions about the consequences for the energy system and the balance when it comes to financing of renovation measures versus construction of new buildings. According to the proposal, an existing building that is built before 31 December 2020 will be classified as sustainable if it is at least in Energy Performance Certificate (EPC) class A.
- As proposed by the TEG, the screening criteria should instead be set so that the energy performance is within a certain share of the most efficient among local stock. The TEG proposal of the top 15 percent is a good starting point. This definition would result in a higher degree of harmonisation since it does not depend on how energy classes are defined and developed in different member states. Using energy classes will not give a fair comparison as they are defined differently in different member states. The proposed solution for existing buildings risks to hamper the desired transition within the EU.
- Further, the screening criteria set out in the draft delegated act should not use reference to EPCs, since the use of EPCs is not mandatory according to the Energy Performance of Buildings Directive (EPBD).

- The screening criteria for construction of new buildings seem to only include the operation of the building, not the carbon footprint of construction.

Swedish position

16. For existing buildings, the screening criteria should be based on the share of the local building stock that is most energy-efficient, rather than the highest energy class.

Agriculture

Observations

- The screening criteria should to a greater extent take into account the diversity of natural conditions and agriculture in EU member states. A significant share of the criteria is designed in a way that makes it impossible and too burdensome for farmers to achieve farm-level compliance. In applicable parts, the criteria should refer to conditions set by the Common Agricultural Policy instead of creating a new duplicate system. There is a lack of clarity in terms of sector-specific consequences and how life cycle aspects are included. The criteria should be applicable to farms of all sizes.
- There is no sector-specific impact assessment, analysis has only been carried out from the perspective of the financial sector, and there is therefore no assessment of the economic effects of the proposed measures in different regions or effects at agricultural level.
- A significant part of the screening criteria is such that there is no possibility or resources at farm level to implement them. The criteria cannot be considered as “easy to use and set in a way that facilitates verification of their compliance” as required by point (k) of Article 19(1) of the Taxonomy Regulation.
- As regards section 3 on the production of material based on farm crops, there are some concerns from a Swedish perspective. The screening criteria reduce the possibility of agriculture to contribute to the transition to a fossil free bioeconomy. The criteria should encourage the use of fossil free and renewable material from the agricultural sector.
- A general view on agriculture and its potential to contribute to the production of biofuels is that it would be inconsistent if biofuels (including crop fuels) that are sustainable according to the RED II legislation would not be sustainable in the taxonomy.

- Screening criteria relating to how land may be used risk making active work around wetlands, pastures and dikes impossible. Those who succeed in making significant contributions to biodiversity would suffer from major constraints on continued operations. Overall, the proposal for screening criteria in the climate area threatens the sustainability work that the taxonomy wants to safeguard.

Swedish positions

17. The diversity of natural conditions and agriculture in EU member states should be better taken into account. It must be possible also for smaller farms to meet the sustainability requirements. It is important that the taxonomy is based on the Common Agricultural Policy, Strategic Plan regulation Annex III, GAEC 1-10, as regards conditions for the environment, climate and animal welfare.

Manufacturing

Observations

- The screening criteria should facilitate transitional economic activity and should not create restrictions for industrial companies that are dependent on fossil free electricity to phase out the use of fossil-based technology. Fossil free electricity production should be sustainable in the taxonomy.

Other areas related to climate mitigation

Observations

- The screening criteria for the sewage sector are at a level that may result in difficulties for future development projects to be regarded as sustainable in this context. The criteria should not be counterproductive.
- The sections on information and digitalisation should be more concrete.

Climate change adaptation

Observations

- The classification of climate-related risks in the draft delegated act follows an existing structure for the assessment of climate-related risks, which is positive. That ambition is also found in the implementing act for the taxonomy proposal where it is stated that the technical screening

criteria should take into account the context- and location-specific nature of adaptation needs and solutions.

- Work on adaptation to climate change should begin with a risk and vulnerability analysis, and it is positive that this is emphasized. However, to be relevant and effective, this analysis must be carried out for the specific situation and geographical location, otherwise important risks and conclusions might be missed. It is therefore important that the structure or classification used encourages a tailored analysis.
- However, the table in appendix A of the draft delegated act lacks several climate-related hazards that are relevant to Sweden, such as changes in the growing season, changes in phenology and the occurrence of invasive species. It must be clear from the act and in the table in Appendix A that the hazards listed are examples and not an exhaustive classification. This is done in the corresponding table for classification of climate-related hazards in the implementing act for reporting under the Control Regulation (see Regulation COM (EU) 2020/1208, annex 1, footnote 2 which states: The list is not exhaustive.)
- It is unclear from the proposal how ambitious an adaptation solution must be to meet the criterion for substantial contribution, i.e. a physical or non-physical solution that reduces the most important physical climate risks. This lack of clarity might create opportunities for greenwashing. For example: can a non-physical solution mean that an information brochure is produced? Explicit text on requirements for a high level of ambition and clarifying examples would be desirable.
- It is unclear whether questions about the impact of climate change on soil quality and how it i.a. affects the long-term production capacity in agriculture is included in the taxonomy proposal. This is an important issue that should be clearly included in the proposal.
- It is unclear why it has been considered in the taxonomy that the negative impact that an adaptation measure might have on other environmental goals often are classified as not applicable (N/A) even though there seems to be possible linkages.
- The taxonomy is an important piece of the puzzle in building a climate-resilient society. At the same time, there is a lack of an overall societal perspective and objectives in its construction, which risks leading to sub-optimal solutions. Since the DNSH-criteria are the same in the two acts (i.e. the delegated act supplementing the Taxonomy Regulation and the delegated act implementing act for reporting under the Control Regulation) the critique given in this paper for DNSH-criteria in the

mitigation act of course also apply for the annex regarding climate adaptation.

Annex 1

Activity	Why problematic	Suggested alternative, solution or clarification
<i>Agriculture</i>		
1.1 Protection of non-agricultural land with high carbon stock from land use change	These criteria cannot be applied retroactively to production/activities (food and feed production) where such criteria have not previously existed. The RED II criteria designed for bioenergy production are not directly applicable to food and feed production	Non-perennial crops / perennial crops are not grown / livestock production is not undertaken /on land with high carbon stock, namely on land that had one of the following statuses in or after [date of entry into force of the delegated regulation]
1.2 2 Establishment of a Farm Sustainability Plan A Farm	The expected benefits and costs of this article are clearly disproportionate and likely even negative. The costs for the farmer to develop and verify such a plan will be very high. The methods for estimating the GHG emissions are too rough and uncertain to be applicable on farm level.	Delete text
1.1 3 1.2 3 Compliance with essential management practices	The effects of these practices will differ between years, making it even harder to know in advance which should be carried out when in order to comply with the requirement.	
1.1 4 1.2 4 1.3 4	We propose that this paragraph be modified because this	(a) information on the deployment of management practices;

Farm records	information is linked to GHG thresholds, which are not mentioned in DA criteria. Such a calculation would therefore be difficult for individual farms.	
1.1 5 1.2 5 1.3 5 Verification of the yearly records and the Farm Sustainability Plan	To be able to perform a proper verification, the auditor would need deep and broad understanding of the different types of farming under the specific local conditions. Such competence is scarce and would require significant time and demand to be established. In the meantime, this would entail a practical hurdle to farmers interested in classifying as sustainable according to this taxonomy.	Delete text
1.1 DNSH 3) 1.1 DNSH 3) Sustainable use and protection of water and marine resources	The requirement to identify and address water risks in accordance with a plan developed in consultation with stakeholders clearly goes beyond what can be expected from farmers.	
1.1 DNSH 4) 1.2 DNSH 4)	The requirement that organic materials and other wastes are used for agricultural benefit is a clear obstacle for a circular economy if	

	these resources could be used to greater benefit by other sectors, like manufacturing etc.	
1.1 DNSH 5) 1.2 DNSH 5) Pollution prevention and control	<p>A sustainable use of pesticides includes a variety of measures ranging from training of pesticide users, information and awareness raising, testing of application equipment to research on and implementation of integrated pest management. Integrated pest management means careful consideration of all available plant protection methods and subsequent integration of appropriate measures that discourage the development of populations of harmful organisms and keep the use of plant protection products and other forms of intervention to levels that are economically and ecologically justified and reduce or minimise risks to human health and the environment (Directive 2009/128/EC).</p> <p>Professional pesticide users are obliged to implement integrated pest management in</p>	<p>Pesticides are used sustainably, through reducing the risks and impacts on human health and the environment by promoting the use of integrated pest management and of alternative approaches or techniques such as non-chemical alternatives to pesticides according to Directive 2009/128/EC.</p> <p>New Footnote: DIRECTIVE 2009/128/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC</p>

	<p>accordance with Directive 2009/128/EC. This means that chemical pesticides are applied only if needed and only after using different preventive and other alternative crop protection measures. When applying pesticides, priority is given to low-risk products, if available.</p> <p>Only plant protection products authorized according to Regulation (EC) 1107/2009 may be placed on the market and used in the EU.</p>	
<p>1.1 DNSH 6) 1.2 DNSH 6)</p>	<p>The restrictions on use of land of high ecological value need to be reformulated as they currently would work as a disincentive to farm in a way that increases the ecological value of the land. If the farmer is successful s/he will not be allowed to continue. It is also a disincentive to voluntarily establish wetlands, forests or grasslands as that could remove this land from all future use.</p>	
<p>Forestry</p>		<p>Comment: Where the same text is used in other sub-activities under Forestry, both annex I and annex II, the questions and</p>

		comments below refer also to these parts.
1.5 Rehabilitation and restoration of forests – Description of the activity	<i>Where national law does not contain such a definition, the activity meets a definition with broad agreement in the peer-reviewed scientific literature for specific countries.</i>	Question: The concept “broad agreement...” would have to be defined in order to be verifiable. Where and by whom will this be defined? What is the purpose of the limitation to “specific countries”?
1.7 Improved Forest Management (CC Mitigation DA, and the corresponding paragraph in CC Adaptation DA)		This is a new concept never previously mentioned in the EU acquis Replace with “Existing Forest Management” with a clear reference to Forest Europe’s definition of Sustainable forest management as proposed by the TEG. The technical screening criteria should be in line with the sustainability criteria in RED II as decided by the co-legislators in the Taxonomy Regulation (article 10.1). By doing so, the delegated act would also avoid interfering with member states’ competence.
1.7 Description of the activity	<i>The activity is classified under NACE code A2.... Activities are limited to NACE II 02.10, i.e. silviculture and other forestry activities, and 02.30, i.e. gathering of wild growing non-wood products.</i>	Logging, as classified under NACE code A2, is excluded from Improved Forest Management. At the same time, it is stated in subparagraph 2.2 that “Where the plan referred to in point 1 includes wood harvesting and removal for wood-based

		<p><i>products</i>’. In order to understand, we would appreciate if it could be clarified whether or not logging is compatible with the activity improved forest management.</p> <p>To avoid uncertainty, we suggest making a reference to NACE code A2 as proposed by the TEG.</p>
1.7.1	<i>Forest Management plan or equivalent</i>	This requirement seems to be interfering with member states’ competence in forestry matters. The detailed provisions of forest management are the competence of member states.
1.7.1.1(g)	<i>consideration of social issues (preservation of landscape, consultation of stakeholders);</i>	What kind of consultation is foreseen and in which stage(s) of the management process?
1.7.1.6	<i>...is controlled by the relevant national competent authorities or by an independent third-party certifier such as a forest certification scheme,</i>	Who will bear the costs of controls and associated administration?
1.7.1.2 (d)	<i>the management systems in place complies with the forest sustainability criteria laid down in Article 29(6) of Directive (EU) 2018/2001, and as of the date of its application with the implementing act on operational guidance for energy from forest biomass adopted under Article 29(8) of that Directive,</i>	This requirement does not consider the structure of the RED II and as a consequence widens the scope compared to the RED II.

<p>1.7.2.1 Climate Benefit Analysis</p>	<p><i>The climate benefits analysis establishes a baseline, corresponding to the balance of GHG emissions and removals over a period of 20 years starting at the beginning of the activity</i> [...)</p> <p><i>... area in the absence of the afforestation activity</i></p>	<p>This could be very burdensome especially for small and medium-sized forest-owners. It is not clear to us how this would help making a more substantial contribution to the climate change mitigation in forests compared to established systems in RED II and LULUCF which has the benefit of not burdening individual forest owners with administration. We would prefer to make use of existing structures rather than introducing this requirement.</p> <p>Forestry is typically done on a rotation basis and you could have different rotation cycles in the same forest holding (e.g. different stands with different species or species composition, different soil characteristics). Given that, what would be considered the beginning of the activity improved forest management? (this question also applies to subparagraph a and b) A reference is made to afforestation. However, afforestation is a different economic activity. Does the economic activity improved forest management always begin with an afforestation plan/an afforestation activity?</p>
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1.7.2.2	<i>Where the plan referred to in point 1 includes wood harvesting and removal for wood-based products</i>	See question on “Activity 1.7 Description of the activity”
1.7.2.2	<i>the scope of the analysis includes a consideration of the GHG emissions and removals induced by the production resulting from the planned wood harvesting and removal for wood-based products</i>	Does “production” refer to the timber being the result of a logging activity or does it refer to the substitution effect of the wood-product and/or the carbon-sequestration in harvested wood-products?
1.7.2.2	<i>...unless it is de minimis for the calculation of the climate benefit to exclude this consideration.</i>	What is the threshold or requirement for being considered “de minimis”?
1.7.3.1 Additionality	<i>The demonstration provides evidence ensuring that the activity is not compulsory or customary</i>	The reference to compulsory or customary could be read as indicating that current forest management (eg. reforestation, sustainable forest management etc.) would be unable to fulfill the criteria in the delegated act. Is this a correct interpretation of this paragraph? If so, together with the definition of Improved Forest Management, the consequence would be that that the main part of the current forest management (eg. reforestation, sustainable forest management etc.) would not be classified as sustainable under the Taxonomy. The concept “compulsory” and “customary” would have to be defined in order

		for CAs or certifiers to verify it. Where and by whom will this be defined?
1.7.4 Permanence	<p><i>...ensuring its non-conversion to other land uses.</i></p> <p><i>The operator of the activity commits that future updates to the afforestation plan...</i></p>	<p>Land-use status is regulated in Swedish law but there are also legal procedures by which this status can be changed. Does that effect the national law's compliance with this requirement?</p> <p>This subparagraph makes a reference to an afforestation plan. Would the economic activity improved forest management always begin with an afforestation plan/an afforestation activity?</p>
1.7 DNSH		The criteria would in general need to be further specified to be implementable and transparent from the point of view of the operator of the economic activity. It would also be important to specify how the assessment of the activity will be carried about, by whom and relevant threshold values before the act is adopted.
1.7 DNSH 3. Sustainable use and protection of water and marine resources		Examples of relevant legislation to use as technical screening criteria: Water Framework Directive and Marine Strategy Framework Directive

	<p><i>Water use and protection management plan</i></p> <p><i>...developed in consultation with relevant stakeholders</i></p>	<p>Is it correct that the corresponding criteria for the Member states' management plants in 2000/60/EC are to be included in the individual operator's management plan?</p> <p>Is there a process foreseen/that should be followed to fulfill this criterium?</p>
<p>1.7 DNSH 5. Pollution prevention and control</p>	<p><i>The activity does not use fertilisers</i></p>	<p>Examples of relevant legislation to use as technical screening criteria: Water Framework Directive and Marine Strategy Framework Directive. Birds Directive Habitats Directive</p> <p>To our knowledge there is no ban on the use of fertilizers in the EU acquis. If this is the case, this requirement should be deleted.</p>
<p>1.7 DNSH 6. Protection and restoration of biodiversity and ecosystems</p> <p>And corresponding wording in CC Adaptation</p>	<p><i>Close-to-nature forestry or similar concepts</i></p>	<p>This concept is not previously defined in the EU acquis. It should preferably not be introduced in the acquis via a delegated act. We propose to delete this.</p>

<p>1.7 DNSH 6. Protection and restoration of biodiversity and ecosystems</p> <p>And corresponding wording in CC Adaptation</p>	<p><i>g) ensuring the diversity of associated habitats and species linked to the forest</i></p>	<p>Examples of relevant legislation to use as technical screening criteria:</p> <p>Birds Directive Habitats Directive</p>
<p>1.7 DNSH 6. Protection and restoration of biodiversity and ecosystems</p> <p>And corresponding wording in CC Adaptation</p>	<p><i>b) ensuring the diversity of stand structures and maintenance of enhancing of mature stage stands and dead wood</i></p>	<p>Examples of relevant legislation to use as technical screening criteria:</p> <p>Birds Directive Habitats Directive</p>
<p>CC Adaptation</p> <p>1.7 Improved Forest Management</p> <p>Description of the activity</p>	<p><i>(b) favour nature-based solutions</i></p>	<p>This concept is not previously defined in the EU acquis. It should not be introduced in the acquis via a delegated act. We propose to delete this.</p>
<p><i>Manufacturing</i></p>		
<p>3.13 Manufacture of organic basic chemicals</p>	<p>There is a contradiction to the sustainability criteria that have been agreed in the Renewable Energy Directive II (2018/2001)</p> <p>Alignment with RED II on both feedstock inclusion and sustainability criteria</p>	<p>Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals.</p>

	<p>should be sought for the following activities:</p> <p>Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals.</p>	
3.16 Manufacture of plastics in primary form	<p>Alignment with RED II on both feedstock inclusion and sustainability criteria should be sought for the following activities:</p> <p>Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form.</p> <p>Plastic from renewable feedstock generates less GHG emissions over the life cycle due to the zero emissions from fossil fuels when incinerated. If this is included in the Commission Recommendation for calculating life cycle GHG emissions, there is no problem, but otherwise these circumstances should be added.</p>	<p>Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form.</p>
3.3 Manufacture of low carbon technologies for transport	<p>Unreasonable to exclude all other solutions than electric and hydrogen cars, based on tailpipe emissions.</p>	<p>Revise text to include all vehicles with high GHG performance based on LCA analysis.</p>

3.4 Manufacture of energy efficiency equipment for building		Add: o) Central heating systems, boilers for renewable fuels (pellets and efficient wood boilers).
3.8 Manufacture of iron and steel DNSH states the following: The activity manufactures one of the following: (a) iron and steel with greenhouse gas emissions ¹⁷⁸ lower than the following values applied to the different manufacturing process steps: (i) hot metal = [xxx179] tCO ₂ e/t product; (ii) sintered ore = [xxx180] tCO ₂ e/t product; (iii) coke (excluding lignite coke) = [xxx181] tCO ₂ e/t product; (iv) iron casting = [xxx182] tCO ₂ e/t product; (v) electric arc furnace (EAF) high alloy steel = [xxx183] tCO ₂ e/t product; where xxx179—xxx183 states: [The median value of the data collected in the	The methodology of ETS benchmarks is not able to evaluate the environmental impact of the activities of the steel industry as it does not consider the interconnected processes that make up the steel production value chain. Those benchmarks were only set for allocation of free allowances. Not reasonable to exclude (or not mention) technology and alternative production routes that are not based on known (coal-based) routes, and corresponding intermediates such as hot metal. E.g. hydrogen-based direct reduction technology, does not produce hot metal (as it refers specifically to the blast furnace production route for iron and steel), but reduces GHG emissions between 80-95% for the finished steel product compared to a blast furnace production route.	The criteria should include a lifecycle perspective, to incorporate both the steel value-chain and the use of steel in other value chains. The European steel industry have suggested using the EN 19694-2 standard for this purpose, in order to calculate emissions in a comparable way. This is also mentioned in the TEG report, but it is missing in the Commission proposal. The delegated act still needs to include a provision that addresses the transformation efforts of companies which have an investment plan including mitigation measures. Therefore, the provision from TEG report which foresees eligibility for companies which have “mitigation measures that are incorporated into a single investment plan within a determined time frame that outlines how each of the measures in combination with others will in combination enable the activity to meet the threshold” should not be deleted. In supporting companies which have such investment plan, the Commission would give a

<p>context of establishing the EU ETS industrial benchmarks for the period of 2021-2026.] Which could imply that alternative manufacturing technologies for iron and steel that do not utilize process steps (i)-(vi), is excluded from being characterized as sustainable.</p>		<p>“strong signal to manufacturing sector to ambitiously improve energy efficiency and reduce emissions”.</p> <p>It should be clarified under Recital 13 of the delegated act, that steel production, by “nature of the manufactured products...can make a substantial contribution to avoidance or reduction of greenhouse gas emissions in other sectors”. Since, “The enabling manufacturing activities should focus on the manufacturing of products that are necessary for those economic activities and sectors to be carried out,” it is clear that a sustainable reduction of greenhouse gas emissions in the transport, energy, infrastructure, construction and consumer goods sectors cannot be achieved without steel. The enabling role of steel as key mitigation enabler in multiple value chains should be considered, using an appropriate Life Cycle Approach (LCA). Examples of steel applications qualifying as enabling activities such as the steel used in the batteries for electric vehicles, the use of high strength steels to improve material efficiency, steel for</p>
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		<p>railway lines or wind turbines.</p> <p>Clearer formulations that clarify alternative technology for iron and steel is included. Such alternatives are described article 10(2) namely activities that:</p> <p>(b) does not hamper the development and deployment of low-carbon alternatives; and</p> <p>(c) does not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.</p> <p>Prioritize alternatives where the total GHG emissions for the finished product is lower than the combined GHG emissions of current best practice manufacturing steps needed to produce the product conventionally.</p>
3.9 Manufacture of hydrogen	The threshold of 2.256 tCO ₂ eq/tH ₂ is set at such a low level that not even all renewable energy sources, with certainty, are below the threshold.	<p>Use the criteria from the TEG report:</p> <p>“Direct CO₂ emissions from manufacturing of hydrogen: 5.8 tCO₂e/t Hydrogen in alignment with energy thresholds in the taxonomy.</p> <ul style="list-style-type: none"> • Electricity use for hydrogen produced by electrolysis is at or lower than 58 MWh/t Hydrogen 207 • Average carbon intensity of the electricity produced that is used for hydrogen manufacturing is at or below 100 gCO₂e/kWh (Taxonomy threshold for

		electricity production, subject to periodical update).”
<i>Energy</i>		
4.7 Electricity generation from gaseous and liquid fuels 4.19. Cogeneration of heat/cool and power from gaseous and liquid fuels and 4.23. Production of heat/cool	There is risk for double regulation of bioenergy. The Commission will regulate production of electricity, heat and cold from liquid and gaseous fuels and mention that the regulation is <i>not exclusive to natural gas, oil or other refined products</i>	The Commission must clarify in text that biofuels and biogas are excluded from activities 4.7, 4.19 and 4.23. Change “ <i>not exclusive to natural gas, oil or other refined products</i> ” to “ <i>only natural gas, oil or other refined fossil products</i> ”
4.8 Electricity generation from bioenergy, 4.20. Cogeneration of heat/cool and power from bioenergy, 4.24 Production of heat/cool from bioenergy (Mitigation)	The Commission will go beyond provisions in RED II. All existing biomass plants regardless of their size shall apply sustainability criteria set in RED II and climate savings criteria set in the taxonomy. According to RED II only plants smaller than 20 MW shall apply sustainability criteria and only new plants after 2021 must apply climate gas savings criteria.	The Commission must have its own legislation as a starting point and refer to RED II. Remove point 1, 2 and 4 (under 4.8, 4.20 and 4.24) and instead add the following: <i>Agricultural and forest biomass used in the activity complies with the criteria laid down in Article 29 in the RED II.</i>
4.8 Electricity generation from bioenergy, 4.20. Cogeneration of heat/cool and power from bioenergy, 4.24. Production of heat/cool from bioenergy	Bioenergy is considered a transitional technology. According to section 9.1 research, development and innovation on transitional activities shall not be defined as sustainable activities.	Bioenergy must be seen as a long-term renewable energy source and not as transitional. Change <i>transitional activity</i> to <i>long-term renewable energy source</i> . This goes for all bioenergy production and activities in chapter 4.

(Mitigation)		
4.9 Transmission and distribution (Mitigation)	Criteria are set on emission levels of connected production facilities. Transmission and distribution system operators are not allowed to limit connection to grid users on the basis on (for instance) emission levels. The proposal is in violation with existing regulation. Thus, the capacity to fulfil the criteria is outside the control of the grid operator.	All references to emission levels in bullet 2, 3 and 4 should be removed.
4.13 Manufacture of biogas and biofuels for use in transport	<p>Page 126 in Annex I:</p> <p>There is a contradiction to the sustainability criteria that have been agreed in the Renewable Energy Directive II (2018/2001)</p> <p>“The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.”</p> <p>In line with Article 290 TFEU “delegated acts are legally binding acts that enable the Commission to supplement or amend</p>	<p>“The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.”</p> <p>1. “High indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high-carbon stock is observed in accordance with Commission Delegated Regulation (EU) 2019/807... are not used in the activity for the manufacture of biofuels for use in transport”.</p> <p>2. The greenhouse gas emission savings from the</p>

	<p>non-essential part of EU legislative acts, e.g. in order to define detailed measures...”1. However, the exclusion of crop-based biofuels is a significant legislative change and would override a legislative act e.g. RED II, already adopted via ordinary legislative procedure.</p> <p>1. “Food-and feed crops are not used in the activity for the manufacture of biofuels for use in transport”. The text goes beyond Renewable Energy Directive II (2018/2001), (RED II) and has no support from the newly published energy outcome report. It would be inconsistent to have the RED II legislation defining and supporting sustainable biofuels (including crop-based ones) and the sustainable finance policy excluding the same biofuels.</p> <p>2. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport are at least 65 % in relation to the GHG saving methodology and the relative fossil fuel</p>	<p>manufacture of biofuels and biogas for use in transport are laid down in Article 29, para. 10 of Directive (EU) 2018/2001) following the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001.</p>
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	comparator set out in Annex V to Directive (EU) 2018/2001.	
<i>Water supply, sewerage, waste management and remediation</i>		
5.1 Construction, extension and operation of water collection, treatment and supply systems	5.1 a. The average energy consumption of the system is not a fair and comparable criterion for countries with a hilly topography and where people live far apart, since pumping for distribution is the dominant factor for energy consumption.	
	5.1 b. Choosing a rating method (ILI) at this stage foregoes the Drinking Water Directive (DWD). According to the DWD other rating methods could be used such as SELL that takes costs into account (the economically optimal level). It is good that the length of the water supply network is included. ILI 1.5 is a very low value. It would be reasonable to aim for ILI 2.5 - 2.	

5.2 Renewal of water collection, treatment and supply systems	5.2 a This criterion is written for systems with poor maintenance. It may be difficult to fulfil this criterion for systems where the maintenance has been good.	10% would be a reasonable level.
	5.2 b See also the comment above. It is difficult to see how a reduced leakage could be measured in the part of the network that is renewed. There is a risk that renewal is avoided if the criteria is set too high.	There is a need for more flexible criteria for renewal so that there is a possibility to improve even though the starting status in terms of energy and leakage is good.
5.3 Construction, extension and operation of waste water collection and treatment	5.3.1 The ambition is good but advanced treatment of micropollutants may require extra energy consumption. The criteria could be counterproductive for sustainability regarding micropollutants.	There could be an exception or separate criteria for energy used for treatment of micropollutants.
	5.3.2 The energy use of the system is calculated in kWh per cubic meter waste water is not an appropriate performance indicator.	The indicator should instead be calculated as the performance indicator energy use in kWh per connected person equivalent. The performance indicator will otherwise point in a non-sustainable direction when used in point 5.4
	5.3.3 This is a good criterion but could be	The criterion should be applicable for WWTP with

	<p>modified. Emissions of N₂O can be the single biggest climate footprint from waste water treatment plants (WWTP). Too much energy saved in nitrogen removal may create huge amounts of extra produced N₂O.</p>	<p>more than 10 000 people connected. The criterion should include both for methane CH₄, and for Nitrous oxide N₂O.</p>
5.4 Renewal of waste water collection and treatment	<p>5.4.1 and 2 It needs to be noted that if discharge authorisations become more stringent e.g. if requirements on nitrogen removal or advanced treatment of micropollutants are introduced, it is a prerequisite that more energy can be used.</p>	
	<p>5.4.3 The wrong performance indicator is used. With the performance indicator kWh per m³ it is very easy to have 10% less energy use per m³ by introducing 10% more water into the waste water system.</p>	<p>It should instead be calculated as the performance indicator energy use in kWh per connected person equivalent.</p>
5.7 Anaerobic digestion of bio-waste	<p>Alignment with RED II on both feedstock inclusion and sustainability criteria should be sought for the following activities:</p> <p>5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average</p>	<p>5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops</p>

	average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops.	
5.9 Material recovery from non-hazardous waste	That the activity converts at least 50 %, in terms of weight into secondary raw materials might be too low to be considered sustainable. Especially having the targets in the Waste Framework Directive in mind.	Same wording but with a higher percentage.
6.3 Urban, suburban and road passenger transport <i>TSC</i> mitigation states The direct (tailpipe) CO ₂ emissions of the vehicles are zero only. Hence vehicle using renewable energy is excluded.	Not reasonable to exclude technology that can have a lower LCA-impact than battery vehicles. Article 10 in the regulation states: <i>An economic activity shall qualify as contributing substantially to climate change mitigation ... by: (a) generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001.</i>	Use TEG criteria and allow low-emission vehicles and advanced biofuels, according to RED Annex IX or criteria in Directive (EU) 2019/1161” <i>a vehicle of category M3, N2 or N3 using alternative fuels as defined in points (1) and (2) of Article 2 of Directive 2014/94/EU of the European Parliament and of the Council (*), excluding fuels produced from high indirect land-use change-risk feed stock for which a significant expansion of the production area into land with high-carbon stock is observed in accordance with Article 26 of Directive (EU) 2018/2001 ...</i>
<i>Transport</i>		
6.6 Freight transport services by road	Transport services by road are not a transitional activity as it	Point 3 <i>Vehicles are not dedicated to transporting fossil fuels</i> should be removed.

<p><i>Description of the activity</i> Operation of vehicles designated as category N2⁴⁴⁵ or N3⁴⁴⁶ for freight transport services by road. The activity is classified under NACE codes H49.4.1, H53.10, H53.20 and N77.12 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. That activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852.</p>	<p>is used for handling biofuels. Biofuels are an effective way to reduce emissions as you can use existing infrastructure and vehicles. Biofuels are not transported separate from fossil fuels on the contrary they use the same logistics chain.</p>	
<p>6.10 Sea and coastal freight water transport. <u>And</u> 6.11 Sea and coastal passenger water transport</p> <p>TSC mitigation 1d states: “/... vessels have an attained Energy Efficiency Design Index (EEDI), value 10% below</p>	<p>Not all ships have an EEDI value, some of these will very well meet the ambitions set out in article 10.2 (a) of the regulation being operators that have performance <i>levels that correspond to the best performance in the sector.</i></p> <p>In addition, the shipping sector is hugely diverse and</p>	<p>It is suggested to add a footnote to allow for vessels without an EEDI value to be included (and to somewhat increase the readability of the text), as suggested below:</p> <p>“/... the vessels that have an attained Energy Efficiency Design Index (EEDI), value 10% below the EEDI requirement¹ <u>for the specific ship type</u></p>

<p>the EEDI requirements applicable on 1 January 2022¹;</p>	<p>there is ongoing work to further develop relevant metrics for different types of ships. With this in mind a possibility to use comparable metrics should be added to complement the suggested TSC to include the “top performers”, as indicated in the regulation article 10.2.</p>	<p>applicable on 1 January 2022;</p> <p>Footnote: <u>¹Vessels without an attained EEDI value may comply by meeting an equivalent internationally accepted standard.</u></p>
<p>6.10 Sea and coastal freight water transport. <u>And</u> 6.11 Sea and coastal passenger water transport</p> <p>TSC mitigation 1b states: “/...hybrid vessels use at least 50% of zero direct (tailpipe) emission fuel mass or plug-in power for their normal operation;”</p>	<p>For two reasons: a) There is no reason to exclude renewable fuels for shipping (and at the same time include electricity from fossil sources). Article 10 in the regulation states: <i>“An economic activity shall qualify as contributing substantially to climate change mitigation ... by: (a) generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001.../”.</i> Furthermore, renewable fuels are explicitly included in 10.1a of the regulation, and should not be excluded in the delegated act.</p>	<p>It is suggested to</p> <p>a) allow the use of renewables by adding a footnote to TCS 1b, see below. b) For the period up until 2025 allow operators to performing among the best performance in the sector by reducing the level (50% to 25%) in the TSC criteria 1b, as indicated below:</p> <p>“/...hybrid vessels use at least 50% <u>25%</u> of zero direct (tailpipe) emission¹ fuel mass or plug-in power for their normal operation;</p> <p>Footnote: <u>¹For fuels meeting the requirements of article 29 in directive 2018/2001 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 on the promotion of the use of energy from renewable sources the tail pipe emissions shall be considered as zero.</u></p>

	<p>b) The 50% level will at present exclude almost all ships (around 99%), leaving only a few routes over very short distances and mainly within Member States. This in particular since, the operators reaching just above 25% has greenhouse gas emission levels that correspond to the best performance in the sector, in accordance with article 10.2 (a) of the regulation.</p>	
<p>6.10 Sea and coastal freight water transport. And 6.11 Sea and coastal passenger water transport</p> <p>TSC mitigation 1c states: “/...only where it can be proved that the vessels are used exclusively for provision of coastal services designed to enable modal shift of freight currently transported by land to sea, the vessels have direct (tailpipe)</p>	<p>The texts should be changed in regard to three points:</p> <p>a) There is no reason to exclude renewable fuels for shipping (and at the same time include electricity from fossil sources). Article 10 in the regulation states: <i>“An economic activity shall qualify as contributing substantially to climate change mitigation ... by: (a) generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001.../”</i></p>	<p>It is suggested to</p> <p>a) allow the use of renewables by adding a footnote to TCS 1c, see below.</p> <p>b) It is suggested to add the term short sea shipping, as suggested below.</p> <p>c) A reference should be made to the EEDI guidelines containing data for the calculation of emissions, as proposed below:</p> <p>“/...only where it can be proved that the vessels are used exclusively for provision of coastal <u>and short sea services</u> designed to enable modal shift of</p>

<p>emissions calculating using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI)</p>	<p>b) It is suggested to refer to Short Sea Services/ Shipping (SSS) since this term is more generally used, se e.g. the commission communication on short sea shipping. In addition, SSS is an integrated part of the EU transports goal of reducing 60% of greenhouse gas emission generated by transport and <u>by 2030 the shift of 30% of road freight over 300 km to other modes.</u></p> <p>EEDI for ships constitutes an index value (only) and it needs to be clarified that the actual emission values are to be found in the IMO guidelines to the EEDI.</p>	<p>freight currently transported by land to sea, the vessels have direct (tailpipe) emissions¹ using <u>the emission calculation factors set out in the guidelines to, calculated</u> the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI).../”</p> <p>In addition, it could be considered adding a concrete value instead of making a reference to article 11 regulation 2019/1242.</p> <p>Footnote: ¹<u>For fuels meeting the requirements of article 29 in directive 2018/2001 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 on the promotion of the use of energy from renewable sources the tail pipe emissions shall be considered as zero.</u></p>
<p>6.14 Infrastructure for rail transport</p>	<p>The proposed changes regarding what is to be considered sustainable infrastructure would significantly decrease the possibility to include transport related infrastructure such as train stations and depots. This would pose a significant risk of limiting investments in a sustainable electrified</p>	<p>Clarify 6.14 with additional sentences (<i>italic bold</i>) in description and technical screening as suggested below: The activity is classified under NACE codes F42.12; F42.13; F71.1, F71.20 and F43.21 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.</p>

	<p>rail transport system, which is fundamental in the transition towards a sustainable society. Furthermore, in section 6.16 regarding infrastructure for water transport, the activity description includes several activities such as pleasure ports that are not covered by the specified NACE codes. This clarification should also be stated in section 6.14.</p> <p>Infrastructure for rail transport, to include fundamental transport related infrastructure such as train stations and depots.</p> <p>As the purpose of the EU Taxonomy is to define activities and investments that contribute to the transition towards a sustainable world in line with the Paris agreement, the intention could not possibly be to exclude train stations and depots which are prerequisites to increase sustainable rail transport.</p>	<p><i>Other fundamental infrastructure supporting transport activities not covered by NACE codes above such as train stations and train depots are also eligible.</i></p> <p><i>Technical screen criteria</i></p> <p>1 (c) infrastructure and installations are dedicated to the transfer of passengers from other modes to rail, <i>where the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions</i></p>
<p>6.17 Low carbon airport infrastructure</p> <p><i>Description of the activity</i></p> <p>Construction and operation of</p>	<p>The proposed sustainability criteria for low-carbon airport infrastructure are inconsistent with the full scope of taxonomy-eligible sustainable</p>	<p>(a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO2 emissions <i>or low-carbon aviation fuels: electricity charging and refuelling of</i></p>

<p>infrastructure that is required for zero tailpipe CO₂ operation of aircraft or the airport's own operations, as well as for provision of fixed electrical ground power and preconditioned air to stationary aircraft.</p>	<p>(aviation) fuels (biofuels for ground operations and SAFs for airplanes) in the draft delegated act.</p> <p>The infrastructure dedicated to the operation of aircraft run on sustainable fuels should be included in the activity of constructing and operation of low carbon infrastructure.</p>	<p><i>sustainable aviation fuels, biojet fuels, and hydrogen.</i></p>
<p><i>Construction and real estate activities</i></p>		
<p>7.1 Construction of new buildings</p>	<p>The reference to a flow based voluntary label (6 l/s) needs to be changed. There is ongoing work on harmonised labelling under the Energy Labelling regulation (EU) 2017/1369 that should be taken into consideration. SE position is that a function-based labelling is necessary to not sub optimise energy use form taps.</p>	<p>The criteria should refer to the top classes in the national/regional voluntary labelling until an EU harmonised label is in place.</p>
<p>7.1-3</p>	<p>The functional requirements of a system (the essential property requirements) must be considered when energy saving criteria are set. Minimum flows need to be set for the drains to</p>	

	work. If the waterflows are reduced it can inhibit transport flows.	
7.3 Installation, maintenance and repair of energy efficiency equipment, b) replacement of existing windows with new energy efficient window. c) replacement of existing external doors with new energy efficient doors	The criteria do not appear to take necessary account of buildings' cultural value. Considerable energy efficiency improvement can also be achieved through adequate renovation, not solely replacement.	b) replacement of existing windows with new energy efficient window, <u>or adequate renovation of existing windows.</u> c) replacement of existing external doors with new energy efficient doors, <u>or adequate renovation of existing external doors</u>
7.7 Acquisition and ownership of buildings – Technical screening criteria 1: For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A.	Using reference to EPC is unfortunate: not all MS apply EPCs, and those MS that do, <u>define EPCs in different ways.</u> The rationale behind the preceding TEG proposal (that COM now has deviated from), i.e. to refer to the top 15% most efficient among local building stock, was to ensure an accurate and fair comparison between MS with a clear calculation basis compared to using the EPCs. Further, the criteria set out in DA/level 2 should not use reference to EPCs, since the use of EPCs is not mandatory according to the Energy performance of	SE proposes that the criterion should be changed (back) to the TEG proposal, i.e.: For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A <u>energy performance that is within the top 15% most efficient among local building stock.</u>

	<p>buildings directive (EPBD)/level 1.</p> <p>Moreover, the current criteria for existing buildings is stricter than what is defined for new buildings (activity 7.1), which discourages investment in existing buildings, in favour of building new ones where the requirements are lower.</p>	
<i>Professional, scientific and technical activities</i>		
9.1 Research, development and innovation (Mitigation)	<p>1. Research related to enabling or transitional activities (Article 10.1 (i) and 10.2 in the Taxonomy Regulation) is excluded, although such technologies may be essential in many decarbonization pathways.</p> <p>3. Research, development and innovation projects are realized before full-scale commercialization of new solutions, therefore quantified lifecycle information is not a realistic approach. In general targeting to lower emissions would be ok.</p>	<p>Remove: “with the exception of activities considered as transitional and enabling activities in accordance with Articles 10(1), point (i), and 10(2) of Regulation EU 2020/852,”</p> <p>Remove: Life-cycle GHG emissions are calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party</p>