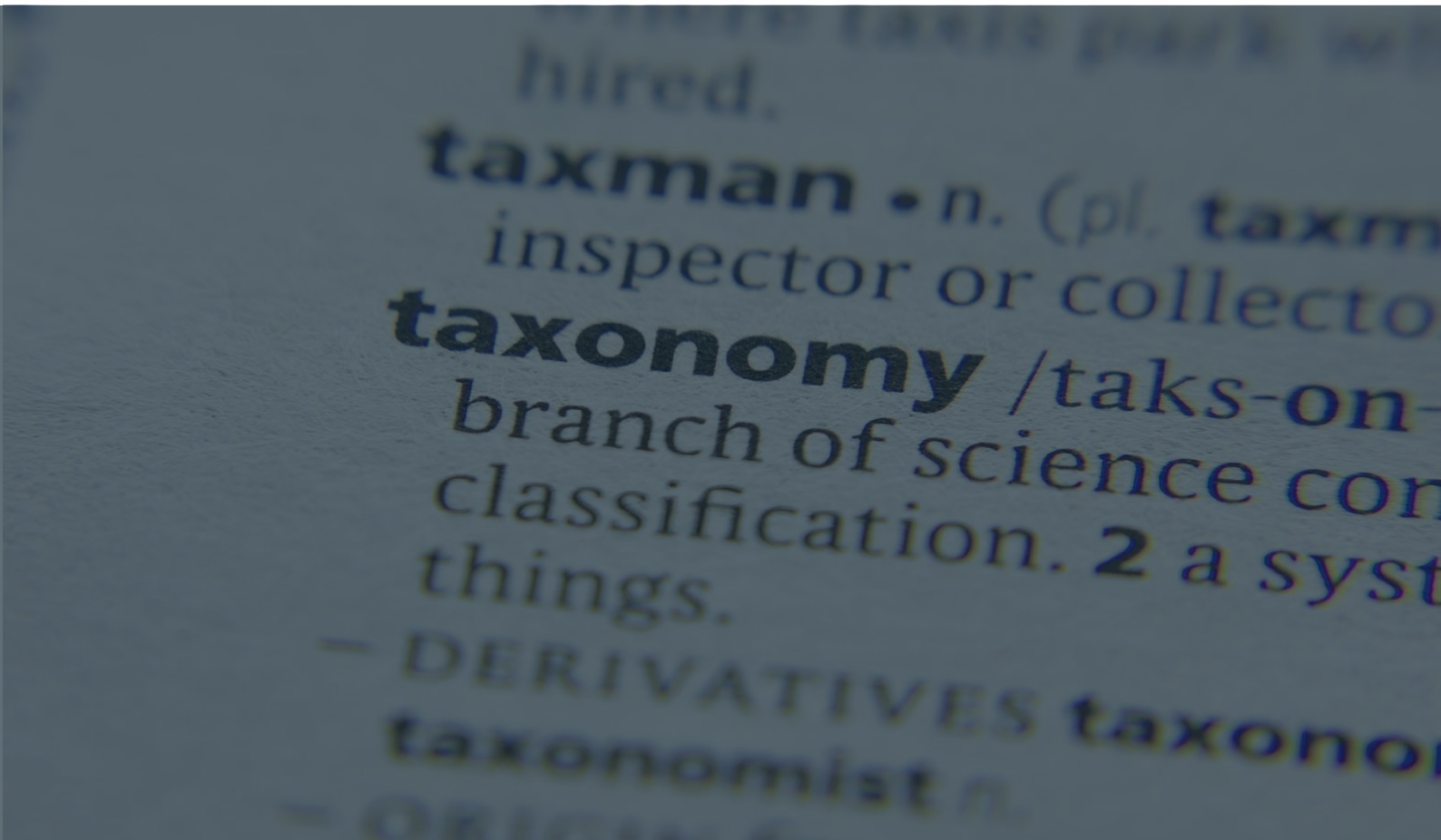


# TIC COUNCIL & FILIANCE GUIDELINES TO ALIGN TAXONOMY-RELATED DISCLOSURES OF TIC COMPANIES



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## GLOSSARY

<b>BEMS</b>	Building Energy Management Systems
<b>CAPEX</b>	Capital Expenditure
<b>DNSH</b>	Do Not Significantly Harm
<b>ETS</b>	Emission Trading System
<b>EVCS</b>	Electric Vehicle Charging Stations
<b>FAO</b>	Food and Agriculture Organisation
<b>GHG</b>	Greenhouse Gases
<b>HVAC</b>	Heating, Ventilation, Air Conditioning
<b>ILO</b>	International Labour Organisation
<b>KPI</b>	Key Performance Indicators
<b>LEI</b>	Low Environmental Impact
<b>MNE</b>	Multinational Enterprises
<b>NACE</b>	Nomenclature of Economic Activities
<b>NFRD</b>	Non-Financial Reporting Directive
<b>OECD</b>	Organisation for Economic Development and Cooperation
<b>OPEX</b>	Operating expense
<b>PMA</b>	Project Management Assistance
<b>SC</b>	Substantial Contribution
<b>SH</b>	Significantly Harm
<b>TIC</b>	Testing, Inspection and Certification
<b>TSC</b>	Technical Screening Criteria
<b>VOC</b>	Volatile Organic Compound

## INTRODUCTION

The purpose of this documents is to define the application criteria for the [European Taxonomy Regulation](#) (EU 2020/852) to the Testing, Inspection and Certification (TIC) sector.

It was prepared by two [TIC Council](#) and [Filiance](#) working groups, with the participation of the following members:

- **TIC Council:** Apave, Applus, Bureau Veritas, Intertek, RINA, Saybolt, SGS, Socotec, TÜV SÜD, TÜV Rheinland and UL
- **Filiance:** Apave, Bureau Veritas, Dekra, Qualiconsult, SGS and Socotec

This document aims at setting common guidelines to align Taxonomy-related disclosures of TIC companies. These guidelines may also be presented to third parties appointed to deliver Taxonomy-related assurance services.

Nevertheless, it is important to note that these guidelines are not mandatory for TIC Council members.

## CONTEXT

The [EU's Taxonomy Regulation](#) entered into force in July 2020. It establishes the basis for the EU Taxonomy by setting out four conditions that an economic activity must meet to qualify as contributing substantially to the Regulation's objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

This Regulation aims at channelling finance towards activities that significantly contribute to one or several of the 6 above environmental objectives. Its delegated acts establish the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to one of the Regulation's objectives and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. So far, only the [delegated act on climate mitigation and adaptation](#) have been adopted at EU level. You can find all delegated acts and relevant news under the Taxonomy Regulation [here](#).

Undertakings that must report social and environmental information (according to legislation on Financial and Sustainability Reporting) are subject to obligations under the Taxonomy Regulation.

They shall include in their sustainability report how and to which extent their activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

Taxonomy reports of non-financial undertakings will include: (i) the revenue generated through Taxonomy eligible and aligned activities (ii) corresponding CAPEX and (iii) OPEX. This information will be included in the annual report.

Fulfilling the reporting obligations could be complex given the breadth of services across the various verticals of the TIC sectors.

Currently a significant number of service activities are not recognized as contributing substantially to the environmental objectives of the EU Taxonomy. These activities include notably training, maintenance, technical assistance, inspection, testing, calibration, verification, and certification. Therefore, many TIC activities cannot be reported as Taxonomy-eligible according to the current version of the Regulation and its delegated acts.

This situation was brought to the attention of the European Commission. Even though this situation is acknowledged, the European Commission decided to let the Regulation as designed and to consider including our observations in the upcoming revision of the delegated acts. Meanwhile, like all other companies, the TIC sector companies must develop their non-financial reports according to the requirements of the existing Taxonomy Regulation.

Nevertheless, according to the actual version of the Regulation, several TIC services can still be reported as Taxonomy-eligible directly contributing or enabling other activities to make a substantial contribution to one or more of the environmental objectives.

The present document analyses the Taxonomy Regulation and its delegated acts for climate change mitigation and climate change adaptation, as these are the only ones published so far (this document will be updated when the remaining delegated acts are published). It also lists the specific TIC services that can be considered Taxonomy-eligible.

The present guidelines are endorsed by the TIC Council and Filiance Global Boards. They will only be shared with TIC Council and Filiance members. They will be accompanied by relevant communication material for authorities and policymakers to illustrate our sector's transparency and relevance to the Taxonomy Regulation.



## **SECTION 1**

Information to be disclosed

## A) DISCLOSURES BY NON-FINANCIAL UNDERTAKINGS

Non-financial undertakings shall disclose the following:

- a) the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 (as indicated below)
- b) the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3\* and 9\*\* of the Taxonomy Regulation.

(\*) Article 3 (Criteria for environmentally sustainable economic activities):

- a. contributes substantially to one or more of the environmental objectives
- b. does not significantly harm any of the environmental objectives
- c. is carried out in compliance with the minimum safeguards laid down; and
- d. complies with technical screening criteria.

(\*\*) Article 9 (environmental objectives):

- e. climate change mitigation
- f. climate change adaptation
- g. the sustainable use and protection of water and marine resources
- h. the transition to a circular economy
- i. pollution prevention and control
- j. the protection and restoration of biodiversity and ecosystems.

Estimates and extrapolations are not allowed. Turnovers can be reported for a portion of the period, but it must be indicated. Turnover may be reported for part of the countries where the undertaking operates, if disregarded revenue is insignificant and difficult to retrieve, but it must be indicated.

## B) ELIGIBLE AND ALIGNED ACTIVITIES

The Regulation distinguishes eligible and aligned activities.

A Taxonomy-eligible activity is an activity which contributes substantially to one or more of the environmental objectives. It is listed in the Taxonomy Regulation's delegated acts.

For reporting turnover, assets and processes in the value chain of an activity are only eligible if they are explicitly included in the activity description (Commission Notice – 6.10.2022 – C 385/1 question 8).

A Taxonomy-aligned activity is a Taxonomy-eligible activity which complies with specific technical screening criteria (**TSC criteria**):

- has a substantial contribution to the environmental objective (**SC criteria**) defined for each contributing activity in the Taxonomy Annexes.
- does not significantly harm any of the other environmental objective (**DNSH criteria**).  
DNSH criteria from the activities to which TIC services are associated to, only apply when they are relevant (Draft Commission Notice – 10.12.2022 – question 9).
- is carried out in compliance with minimum safeguards (eg. ILO, OECD MNE guidelines, International Bill of Human Rights)

## C) ENABLING ACTIVITIES

The definition of enabling activities is given in article 16 of the Taxonomy Regulation.

An economic activity shall qualify as contributing substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity:

- a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets.

- b) has a substantial positive environmental impact, on the basis of lifecycle consideration.

Certain TIC services can consequently be recognized as Taxonomy-eligible when they contribute substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution.

### D) DISCLOSURE RULES

For 2022 and 2023 Taxonomy reporting, the key performance indicators shall only cover climate change mitigation and climate change adaptation objectives. The key performance indicators covering the other environmental objectives should be reported in 2024, once the corresponding delegated acts are adopted.

Information disclosed in accordance with this Regulation shall cover the annual reporting period from the previous calendar year of the date of disclosure.

Non-financial undertakings shall include all additional disclosures accompanying the key performance indicators in the same parts of the non-financial statement that contains those indicators or shall provide cross-references to the parts of the non-financial statements that contain those indicators.

### E) REVENUE DISCLOSURE

Definition is given in Taxonomy Regulation Annex 1, Section 1.1.1 (Reference C(2021) 4987)

The turnover referred to in paragraph 1 shall be presented in tabular form. It is recommended to use the template set out in Annex II to the Regulation.

The proportion of revenue eligible and non-eligible, aligned, and non-aligned must be reported.

**ANNEX II - Templates for the KPIs of non-financial undertakings**

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year N

Economic activities (1)	Codes (2)	Absolute turnover (3) CURRENCY	Proportion of turnover (4) %	Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)							Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) Percent	Taxonomy-aligned proportion of turnover, year N-1 (19) Percent	Category (enabling activity or) (20) E	Category ‘(transitional activity)’ (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Bio diversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Bio diversity and ecosystems (16) Y/N							
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																						
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																						
Activity 1 <sup>2</sup>			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	%		E				
Activity 2			%	%	%	%	%	%	%	Y	Y		Y	Y	Y	%						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			%	%	%	%	%	%	%							%						
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																						
Activity 1			%																			
Activity 3			%																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			%																			

### F) CAPEX DISCLOSURE

Definition is given in Taxonomy Regulation Annex 1, Section 1.1.2 (Reference C(2021) 4987).

The CAPEX plan (...) shall meet the following conditions:

- a) the plan aims either to expand the undertaking’s Taxonomy-aligned economic activities or to upgrade Taxonomy-eligible economic activities to render them Taxonomy-aligned within a period of five years
- b) the plan shall be disclosed at economic activity aggregated level and be approved by the management body (...).

Where the relevant technical screening criteria are amended before the completion of the CAPEX plan, non-financial undertakings shall:



- either update the plan within two years to ensure the economic activities referred to in point (a) are aligned with the amended technical screening criteria upon the completion of the plan
- or restate the numerator of the CAPEX KPI.

The updating of plan shall restart the period referred to in point (a). The period referred to point (a) (...) can exceed five years only where a longer period is objectively justified by specific features of the economic activity and the upgrade concerned, with a maximum of 10 years.”

It is recommended to use the CAPEX reporting template set out in Annex II to the Regulation.

## **G) OPEX DISCLOSURE**

Definition is given in Taxonomy Regulation Annex 1, Section 1.1.3 (Reference C(2021) 4987).

The denominator (total OPEX) shall cover direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Where the operational expenditure is not material for the business model of non-financial undertakings, those undertakings shall:

- a) be exempted from the calculation of the numerator of the OPEX KPI in accordance with point 1.1.3.2 of delegated act, Annex I and disclose that numerator as being equal to zero
- b) disclose the total value of the OPEX denominator calculated in accordance with point 1.1.3.1 of delegated act, Annex I
- c) explain the absence of materiality of operational expenditure in their business model.

It is recommended to use the OPEX reporting template set out in Annex II to the Regulation.

## **H) ENTRY INTO FORCE**

From 1 January 2022:

- Non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and the qualitative information relevant for this disclosure. Indicators is reported for 2021. Comparison with 2020 is not required.

From 1 January 2023:

- The key performance indicators of non-financial undertakings for Taxonomy-eligible and -aligned activities (Turnover, CAPEX, OPEX), including any accompanying information to be disclosed pursuant to Annex I and II of this Regulation. Indicators will be reported for 2022. Comparison with 2021 is required.
- Taxonomy activities for climate mitigation and adaptation delegated acts are extended to gas and nuclear sectors.

From 1 January 2024 (it may be reported to January 2025):

- Taxonomy reporting will be extended to the 4 other environmental objectives.
- Indicators will be reported for 2023. Comparison with 2022 will be required.

From 1 January 2025:

- Taxonomy may be extended to the SH (Significantly harm) and LEI (Low Environmental impact) activities.

NB: companies that are not subject to the NFRD must start reporting from January 1st 2026 onward (reporting in 2026 on 2025 data).

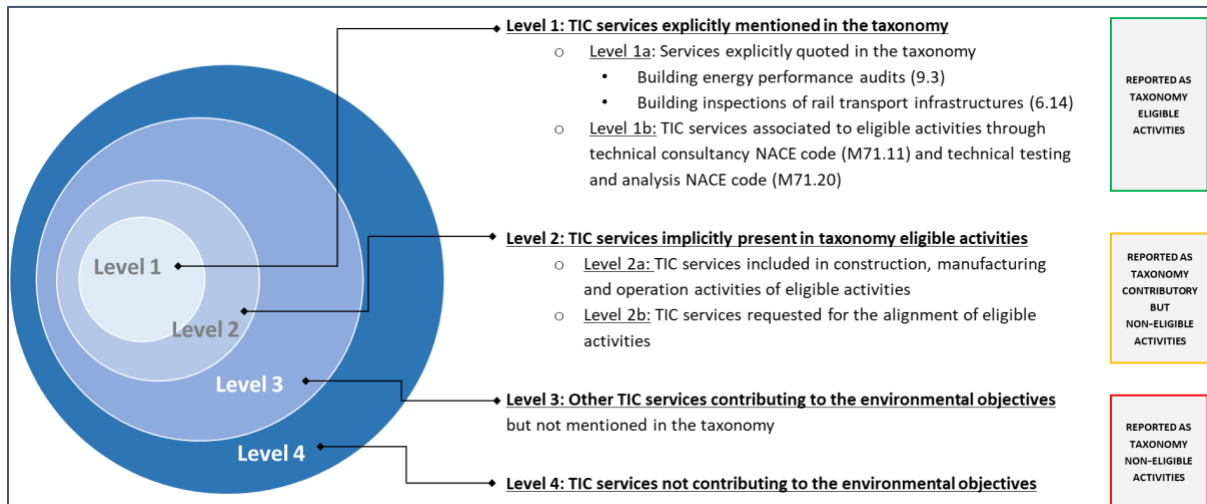
## SECTION 2

TIC services classification methodology

The current version of the [Taxonomy delegated acts](#), published in June 2021, for climate change mitigation (Annex I) and climate change adaptation (Annex II) mention properly neither services in general, nor TIC services in particular.

The aim of this section is to clarify the TIC sector position regarding the activities that should be considered as Taxonomy-eligible.

Consequently, TIC services are classified in 4 categories according to their level of eligibility to the Taxonomy.



Only Level 1 activities are eligible to the Taxonomy. They shall be reported using the Taxonomy template for non-financial undertakings presented in section 1-e, page 7 of the present guidelines.

Level 2 activities are not eligible to the Taxonomy, because they are not explicitly mentioned in the activity description, as it is explained in the Commission Notice reference 2022/C 385/01, dated 06/10/2022. Even though Level 2 activities are not eligible, it is possible to report them as Taxonomy contributory activities, if precisating that they are not eligible and if not using the Taxonomy report template to avoid confusion.

Level 3 activities are not considered as eligible to Taxonomy, despite its contribution to climate change mitigation or adaptation.

Activities eligible to climate change mitigation and to climate change adaptation must only be reported once. To avoid double counting, it is recommended to report them in climate change mitigation section.

## **SECTION 3**

### **Eligible TIC services**

TIC services explicitly listed in the Taxonomy  
(Levels 1a & 1b)

TIC services contributing substantially to climate change mitigation (Annex I)<sup>1</sup>

## LEVEL 1A: TIC SERVICES LISTED IN THE TAXONOMY

### 1. Infrastructure for rail transport (ref 6.14)

- Activity: Construction, modernization, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical, and other analytical testing of all types of materials and products.
- TIC services eligible to Taxonomy:
  - Services delivered to electrified rail infrastructure
    - Technical control and safety inspections
    - Project management and asset management
  - Rail component and structure tests

### 2. Professional services related to energy performance of buildings (ref 9.3)

- Activity: Professional services related to energy performance of buildings
- TIC services eligible to Taxonomy:
  - Energy performance audits of buildings
  - Green building services
  - Energy management system certification for buildings
  - Dedicated trainings linked to the improvement of energy performance of buildings
  - Evaluation and optimisation of energy performance

## LEVEL 1B: TIC SERVICES ASSOCIATED TO CONTRIBUTING ACTIVITIES

This section refers to eligible activities associated to M71, M71.1, M71.1.2, or M71.2 NACE codes for TIC services.

### 1. Infrastructure for personal mobility, cycle logistic (ref 6.13)

- Activity: construction, modernization, maintenance, and operation of personal mobility dedicated pedestrians and bicycles (pavement, bike lanes, pedestrian zones, electrical charging, and hydrogen refuelling installations for personal mobility devices).
- TIC services eligible to Taxonomy:
  - Technical control of personal mobility infrastructures (road, bridges, and tunnels)
  - Safety inspection of electrical charging installations for bicycles
  - Electrical charger inspections

### 2. Infrastructure enabling low-carbon road transport and public transport (ref 6.15)

- Activity: construction, modernization, maintenance, and operation of infrastructure that is required for zero tailpipe CO<sub>2</sub> operation of zero-emission road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.
- TIC services eligible to Taxonomy:
  - Electrical vehicle charging station (EVCS) inspections
  - Electrical urban transport infrastructure control and PMA
  - Hydrogen fuelling station inspections

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<sup>1</sup> The lists of "TIC services eligible to Taxonomy" reported as second bullet of the economic activities are not exhaustive

### **3. Infrastructure enabling low carbon water transport (ref 6.16)**

- Activity: construction, modernization, operation, and maintenance of infrastructure that is required for zero tailpipe CO<sub>2</sub> operation of vessels or the port's own operations, as well as infrastructure dedicated to transshipment.
- TIC services eligible to Taxonomy:
  - Technical control of infrastructure enabling low carbon water transport
  - Safety statutory inspections of infrastructure enabling low carbon water transport

### **4. Installation, maintenance, and repair of energy efficiency equipment (ref 7.3)**

- Activity: Individual renovation measures consisting in installation, maintenance, or repair of energy efficiency equipment.
- TIC services eligible to Taxonomy:
  - HVAC installation/equipment periodical inspections
  - Technical control of energy efficiency works
  - Refrigerant fluid expert certification

### **5. Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (ref 7.4)**

- Activity: Installation, maintenance, and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.
- TIC services eligible to Taxonomy:
  - Electrical inspection and calibration services of vehicle chargers located in buildings and parking attached to buildings

### **6. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (ref 7.5)**

- Activity: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.
- TIC services eligible to Taxonomy:
  - Electrical inspection of BEMS controlling energy performance of buildings
  - Calibration of measuring equipment of energy performance of buildings

### **7. Installation, maintenance, and repair of renewable energy technologies (ref 7.6)**

- Activity: Installation, maintenance, and repair of renewable energy technologies, on-site.
- TIC services eligible to Taxonomy:
  - Control and inspection of wind, hot water, and photovoltaic solar projects

TIC services contributing substantially to climate change adaptation  
(Annex II)<sup>2</sup>

### **LEVEL 1A: TIC SERVICES LISTED IN THE TAXONOMY**

#### **1. Engineering activities and related technical consultancy dedicated to adaptation to climate change (ref 9.1)**

- Activity: Engineering activities and related technical consultancy dedicated to adaptation to climate change.
- TIC services eligible to Taxonomy:
  - Technical assistance to climate change adaptation
  - Urban planning services

### **LEVEL 1B: TIC SERVICES ASSOCIATED TO CONTRIBUTING ACTIVITIES**

No activity reported as eligible.

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<sup>2</sup> Only economic activities classified as enabling activities in accordance with article 11 of the Taxonomy Regulation EU 2020/852 are reported as eligible activities (FAQ #5 from EU commission dated 2 February 2022).



## **SECTION 4**

### **Contributory TIC services**

TIC services implicitly present in taxonomy eligible activities  
(Levels 2a & 2b)



## **LEVEL 2A: TIC SERVICES INCLUDED IN CONSTRUCTION, MANUFACTURING AND OPERATION ACTIVITIES OF ELIGIBLE ACTIVITIES**

The present section covers the TIC services that are by nature included eligible activities. It mainly concerns construction, manufacturing, operation, and maintenance activities.

Example: the construction of a power plant includes inspection services which are implicitly reported as eligible activities by the constructor, even though the inspection is subcontracted to an inspection company.

### **1. TIC services included in eligible CONSTRUCTION activities**

- Design review of construction projects
- Technical control of construction works
- Project management of construction programs

#### **a. Section 7: Construction and real estate activities**

- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings

#### **b. Section 4: Energy**

- 4.1 solar photovoltaic facilities
- 4.2 concentrated solar power facilities
- 4.3 wind power facilities
- 4.4 ocean energy technologies
- 4.5 hydropower facilities
- 4.6 geothermal energy facilities
- 4.7 renewable gas and liquid fuel facilities
- 4.8 bioenergy facilities
- 4.9 transmission and distribution facilities
- 4.10 electricity storage facilities
- 4.11 thermal energy storage facilities
- 4.12 hydrogen storage facilities
- 4.15 infrastructures for distribution of heat
- 4.17 cogeneration from solar energy
- 4.18 cogeneration from geothermal
- 4.19 cogeneration from renewable gas
- 4.20 cogeneration from bioenergy
- 4.21 heat production from solar thermal
- 4.22 heat production from geothermal
- 4.23 heat production from renewable gas
- 4.24 heat production from bioenergy
- 4.25 heat production from waste
- 4.27 new nuclear power plants, for the generation of electricity or heat
- 4.28 Electricity generation from nuclear energy in existing installations
- 4.29 Electricity generation from fossil gaseous fuels
- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
- 4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

#### **c. Section 5: Water supply, sewerage, waste management and remediation**

- 5.1 water collection, treatment and supply
- 5.3 wastewater collection and treatment
- 5.6 anaerobic sewage sludge treatment
- 5.7 bio waste anaerobic digestion
- 5.8 bio-waste composting
- 5.9 processing non-hazardous waste

5.11 transport of CO<sub>2</sub>

**d. Section 6: Transport**

6.17 low carbon airports

**2. TIC services included in eligible MANUFACTURING activities**

- Equipment inspection and testing
- Project management of manufacturing programs

**a. Section 3: Manufacturing**

3.1 Renewable energy technologies  
3.2 Equipment for production and use of hydrogen  
3.3 Low carbon technologies for transport  
3.4 Batteries  
3.5 Energy efficiency equipment for buildings  
3.6 Other low carbon technologies  
3.7 Cement  
3.8 Aluminium  
3.9 Iron and steel  
3.10 Hydrogen  
3.11 Carbon black  
3.12 Soda ash  
3.13 Chlorine  
3.14 Organic basic chemicals  
3.15 Anhydrous ammonia  
3.16 Nitric acid  
3.17 Plastic in primary form

**3. TIC services included in eligible OPERATION activities**

- Periodical quality and safety inspections
- Specific training related to plant operation and maintenance

**a. Sections 4: Energy**

4.1 solar photovoltaic facilities  
4.2 concentrated solar power facilities  
4.3 wind power facilities  
4.4 ocean energy technologies  
4.5 hydropower facilities  
4.6 geothermal energy facilities  
4.7 renewable gas and liquid fuel facilities  
4.8 bioenergy facilities  
4.9 transmission and distribution facilities  
4.10 electricity storage facilities  
4.11 thermal energy storage facilities  
4.12 hydrogen storage facilities  
4.15 infrastructures for distribution of heat  
4.16 electric heat pumps  
4.17 cogeneration from solar energy  
4.18 cogeneration from geothermal  
4.19 cogeneration from renewable gas  
4.20 cogeneration from bioenergy  
4.21 heat production from solar thermal  
4.22 heat production from geothermal  
4.23 heat production from renewable gas

- 4.24 heat production from bioenergy
- 4.25 heat production from waste
- 4.27 new nuclear power plants, for the generation of electricity or heat
- 4.29 electricity generation from fossil gaseous fuels
- 4.30 high-efficiency co-generation of heat/cool and power from fossil gaseous fuels
- 4.31 production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

**b. Section 5: Water supply, sewerage, waste management and remediation**

- 5.1 water collection, treatment and supply
- 5.3 wastewater collection and treatment
- 5.6 anaerobic sewage sludge treatment
- 5.7 bio waste anaerobic digestion
- 5.8 bio-waste composting
- 5.9 processing non-hazardous waste
- 5.10 infrastructure for landfill gas capture and utilisation
- 5.11 transport of CO<sub>2</sub>

**c. Section 6: Transport**

- 6.1 passenger interurban rail transport
- 6.2 freight rail transport
- 6.3 urban and suburban transport, road passenger transport
- 6.4 personal mobility cycle logistic
- 6.5 transport by motorbikes, passenger cars
- 6.6 freight transport by road
- 6.7 inland passenger water transport
- 6.8 inland freight transport
- 6.10 sea and costal freight transport
- 6.11 sea and costal passenger water transport
- 6.17 low carbon airports

## **LEVEL 2B: TIC SERVICES REQUESTED FOR THE ALIGNMENT OF ELIGIBLE ACTIVITIES**

The present section lists the independent third-party verification, audit, or certification services that are required by the Taxonomy to allow eligible activities to be aligned. These TIC services are requested through the SC (substantial contribution) or DNSH (do no significant harm) criteria. They should be reported by the eligible activities in their OPEX figures.

### **1. Verification of compliance with SC and DNSH criteria**

SC requirement: Within two years after the beginning of the activity and every 10 years thereafter, the compliance of the activity with the substantial contribution to climate change mitigation criteria and the DNSH criteria are verified by either (a) the relevant national competent authorities or (b) an independent third-party certifier, at the request of national authorities or the operator of the activity, for the following activities:

- a. Afforestation (Ref 1.1)
- b. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event (ref 1.2)
- c. Forest management (ref 1.3)
- d. Conservation of Forestry (ref 1.4)
- e. Restoration of Wetlands (ref 2.1)

### **2. Verification of GHG emissions savings**

**SC requirement:** Quantified life cycle GHG emission savings must be verified by an independent third party, for the following activities:

- a. Manufacture of other low carbon technologies (ref 3.6):
- b. Manufacture of hydrogen (ref 3.10)
- c. Data-driven solutions for GHG emissions reductions (ref. 8.2)

### 3. Verification of GHG emissions

**SC requirement:** Quantified life cycle GHG emissions must be verified by an independent third party, for the following activities:

- a. Manufacture of Chlorine (ref 3.13)
- b. Manufacture of Organic Basic Chemicals (ref 3.14)
- c. Manufacturing of Plastics in Primary Forms (ref 3.17)
- d. Electricity generation from hydropower (ref 4.5)
- e. Electricity Generation from Geothermal Energy (4.6)
- f. Electricity generation from renewable non-fossil gaseous and liquid fuels (ref 4.7)
- g. Cogeneration of heat/cool and power from geothermal energy (ref. 4.18)
- h. Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels (ref. 4.19)
- i. Production of heat/cool from geothermal energy (ref. 4.22)
- j. Production of heat/cool from renewable non-fossil gaseous and liquid fuels (ref. 4.23)
- k. Close to market research, development and innovation (9.1)
- l. Research, development and innovation for direct air capture of CO<sub>2</sub> (9.2)

### 4. Verification of quantified life cycle GHG emissions

- a. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle (4.26)
- b. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies (4.27)
- c. Electricity generation from nuclear energy in existing installations (4.28)
- d. Electricity generation from fossil gaseous fuels (4.29)
- e. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels (4.30)
- f. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system (4.31)

### 5. Volatile Organic Compound (VOC) Certification

**SC requirement:** Appropriate leak detection systems are applied, and a monitoring plan is in place, with the report verified by an independent third party for:

- a. Transport of CO<sub>2</sub> (ref 5.11)

### 6. Data storage energy management certification

**SC requirement:** Energy management of data storage is verified by an independent third party and audited at least every three years for:

- a. Data processing, hosting and related activities (ref. 8.1)

TIC services contributing substantially to climate change adaptation (Annex II)<sup>3</sup>

## **LEVEL 2A: TIC SERVICES LISTED IN THE TAXONOMY**

### **1. Libraries, archives, museums and cultural activities (ref 13.2)**

- Activity: Libraries, archives, museums and cultural activities includes the activities of libraries and archives, the operation of museums of all kinds, botanical and zoological gardens, the operation of historical sites and nature reserves activities. These activities also include the preservation and exhibition of objects, sites and natural wonders of historical, cultural or educational interest, including world heritage sites. These activities exclude sports and amusement and recreation activities such as the operation of bathing beaches and recreation parks.
- TIC services eligible to Taxonomy:
  - Monitoring of climate change risks for historical monuments.

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<sup>3</sup> Only economic activities classified as enabling activities in accordance with article 11 of the Taxonomy Regulation EU 2020/852 are reported as eligible activities (FAQ #5 from EU commission dated 2 February 2022).



## **SECTION 5**

Aligned TIC services  
(Level 1 & 2)

## Alignment criteria

A Taxonomy-aligned activity is a Taxonomy-eligible activity which:

- complies with the technical screening criteria (TSC) defined for each contributing activity in the Taxonomy Annexes:
  - a. Substantial contribution (SC) to climate change mitigation or adaptation
  - b. Do no significant harm (DNSH) on any of the other environmental objectives
- is carried out in compliance with minimum **safeguards**

When SC and DNSH criteria apply to the eligible activities and not to the TIC services attached to the eligible activity. It is sometime not possible to apply them in-extenso to the TIC services.

TIC sector consequently uses the following rules to define the SC and DNSH criteria applicable to TIC services:

### 1. **SC (Substantial contribution)**

- SC requirements from the activities to which TIC services are associated to, apply to TIC services.

### 2. **DNSH (Do No Significant Harm)**

- DNSH criteria from the activities to which TIC services are associated to, only apply to TIC services when they are relevant, as recommended by EU Commission FAQ dated December 19, 2022.
- DNSH criteria, defined in Appendix A (Generic criteria for DNSH to Climate change mitigation) apply to TIC services for the activities described in Annex I.

### 3. **Minimum safeguards**

TIC companies must implement procedures to ensure the alignment with the [OECD Guidelines for Multinational Enterprises](#) and the [UN Guiding Principles on Business and Human Rights](#), including the principles and rights set out in the eight fundamental conventions identified in the [Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work](#) and the International Bill of Human Rights (Article 18).

Minimum safeguards include 4 pillars:

- **Human rights**: must be covered by TIC company Human Rights policy.
- **Corruption**: is covered by TIC company code of ethics, which conforms to TIC Council commitments and is audited by independent external auditors.
- **Fair competition**: is covered by TIC company code of ethics, which conforms to TIC Council commitments and is audited by independent external auditors.
- **Tax payment**: TIC companies should communicate transparently on their tax structure

Companies must not have been sentenced by a criminal court or shall present the actions implemented to prevent same situations to occur again.

## 1. Alignment criteria (SC & DNSH) for Level 1a TIC services (9.3 Professional services related to energy performance of buildings)

Climate change mitigation Taxonomy Annex I	Eligible revenue	Aligned revenue	
	Revenue generated by services from below activity	Portion of eligible revenue of services complying with below TSC	
	Activity	Substantial Contribution (SC) to climate mitigation	DNSH criteria
<b>Level 1a - TIC services listed in the Taxonomy regulation</b>			
Infrastructure for rail transport (ref. 6.14)	<p>TIC services delivered to rail transport infrastructures, such as but not limited to:</p> <p>a) Technical control and safety inspections b) Project management c) Testing of rail component and structure</p> <p><b>TIC eligible services:</b>  <b>Services delivered to rail infrastructures:</b>            a) Regulatory technical control and safety inspections            b) Project management and asset management            c) Rail component and structure tests</p>	<p>1. Activities comply with one of the following criteria:</p> <p>a) Infrastructure is either:</p> <ul style="list-style-type: none"> <li>. Electrified trackside infrastructure and associated sub-systems</li> <li>. New and existing trackside infrastructure where there is a plan for electrification</li> <li>. Until 2030, existing trackside infrastructure and associated subsystems that are not part of TEN-T network</li> </ul> <p>b) Infrastructure and installation dedicated to transshipping freight</p> <p>c) Infrastructure and installation dedicated to the transfer of passengers from rail</p> <p>2. Infrastructure is not dedicated to transport or storage of fossil fuels</p> <p><b>Impact on TIC services: No</b></p>	<p>a) potential climate physical risks on projects are identified and mitigated</p> <p>b) water use and protection management plans are developed for project with water degradation risks</p> <p>c) at least 70% of project construction waste is prepared for reuse</p> <p>d) measures are taken to reduce noise, dust and pollutant where appropriate</p> <p>e) an environmental impact assessment has been completed</p> <p><b>Impact on TIC services: Not relevant. Refer to appendix A</b></p>
Professional services related to energy performance of buildings (ref. 9.3)	<p>Professional TIC services related to energy performance of buildings</p> <p><b>TIC eligible services:</b>            o Energy performance audits of buildings            o Green building services            o Energy management system certification for buildings            o Dedicated trainings linked to the improvement of energy performance of buildings            o Evaluation and optimization of energy performance</p>	<p>The activity consists in one of the following:</p> <ul style="list-style-type: none"> <li>. Technical consultations linked to the improvement of energy performance of buildings</li> <li>. Accredited energy audits and building performance assessments</li> <li>. Energy management services</li> <li>. Energy performance contracts</li> <li>. Energy services provided by energy service companies</li> </ul> <p><b>Impact on TIC services: No</b></p>	<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of Appendix A by performing a robust climate risk and vulnerability assessment.</p> <p><b>Impact on TIC services: Yes</b></p>

## 2. Alignment criteria (SC & DNSH) for other TIC services

- Comply with SC criteria of the activity, the TIC service is applied to
- Conform to Appendix A, for DNSH of Annex I related services
- No DNSH criteria for Annex II related services



## APPENDIX A: GENERIC CRITERIA FOR DNSH TO CLIMATE CHANGE ADAPTATION

### I. Criteria

The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment with the following steps:

- (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix 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 Section II of this Appendix, 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 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 activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios<sup>320</sup> consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

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<sup>321</sup>, scientific peer-reviewed publications, and open source<sup>322</sup> or paying models.

For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.

- . <sup>320</sup> Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.
- . <sup>321</sup> Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, <https://www.ipcc.ch/reports/>.
- . <sup>322</sup> Such as Copernicus services managed by the European Commission.

For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations. The adaptation solutions implemented 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; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions<sup>323</sup> or rely on blue or green infrastructure<sup>324</sup> to the extent possible.

### II. Classification of climate-related hazards<sup>325</sup>

	<b>Temperature-related</b>	<b>Wind-related</b>	<b>Water-related</b>	<b>Solid mass-related</b>
<b>Chronic</b>	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water stress	
<b>Acute</b>	Heat wave	Cyclone, hurricane, typhoon	Drought	Avalanche
	Cold wave/frost	Storm (including blizzards, dust and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
			Glacial lake outburst	

- <sup>323</sup> Nature-based solutions are defined as ‘solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions’. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services. (version of [adoption date]: <https://ec.europa.eu/research/environment/index.cfm?pg=nbs> ).
- <sup>324</sup> See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe’s Natural Capital (COM/2013/0249 final).
- <sup>325</sup> The list of climate-related hazards in this table is non-exhaustive, and constitutes only an indicative list of most widespread hazards that are to be taken into account as a minimum in the climate risk and vulnerability assessment.



## **SECTION 6**

Not eligible TIC services, though contributing  
to environmental objectives  
(Level 3)

## LEVEL 3: TIC SERVICES CONTRIBUTING SUBSTANTIALLY, BUT NOT LISTED IN THE TAXONOMY

### 1. **Forest management (ref 1.3)**

Activity: Forest management as defined by national law. Where national law does not contain such a definition, forest management corresponds to any economic activity resulting from a system applicable to a forest that influences the ecological, economic, or social functions of the forest. Forest management assumes no change in land use and occurs on land matching the definition of forest as set out in national law, or where not available, in accordance with the FAO definition of forest.

Contributing TIC services, but not eligible to Taxonomy:

- Wood responsible origin certification

### 2. **Underground permanent geological storage of CO<sub>2</sub> (ref 5.12)**

Activity: Permanent storage of captured CO<sub>2</sub> in appropriate underground geological formations.

Contributing TIC services, but not eligible to Taxonomy:

- Industrial inspection, project management and asset management of carbon storage

### 3. **Acquisition and ownership of buildings (ref. 7.7)**

Activity: Buying real estate and exercising ownership of that real estate.

Contributing TIC services, but not eligible to Taxonomy:

- Assessment of energy performance

### 4. **Climate-related certifications and training other from those reported in level 2b**

Activity: certification and training on management systems

Contributing TIC services, but not eligible to Taxonomy:

- ISO 14001 certifications
- ISO 26000 technical assistance
- Training for ISO 5001, 14001 and 26000
- EU ETS (Emission Trading Scheme) verification / certification
- ISO 50001 certifications

### 5. **GHG emission measurement and reduction other from those reported in level 2b**

Activity: Technical assistance to help reduce CO<sub>2</sub> emissions

Contributing TIC services, but not eligible to Taxonomy:

- GHG emission measurement
- GHG emission reduction certification