

## Appendix 8: Make Significant Contribution and Do No Significant Harm criteria

### Construction sector

#### 8.1. Construction of new buildings

Sector classification and activity	
Macro-Sector	Construction
KeSIC Code	4100
Description	<ul style="list-style-type: none"> <li>Buildings for which the start of construction commenced on or after a specific date, depending on the relevant permits granted and include general construction and specialized construction activities for buildings and civil engineering works.</li> <li>Relates to construction of all types of residential and non-residential buildings.</li> </ul>
Make Significant Contribution criteria	
Climate change mitigation	
<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>The construction of new buildings shall be designed to promote energy efficiency and minimize carbon emissions throughout the building lifecycle.</li> <li>Use of approved national rating alternative schemes for green building certifications or building regulations and standards shall be used.</li> <li>The organisation responsible for the scheme will be able to apply for official recognition of its scheme by presenting evidence that a specific level of certification/regulation can be considered equivalent (or superior) to the taxonomy mitigation and DNSH threshold for the relevant climatic zone and building type.</li> <li>The official recognition of a scheme is confirmed and identified through inclusion in the relevant metrics and thresholds as an alternative approach in future taxonomy updates.</li> <li>The approved national rating alternative schemes referred in this section shall be granted by the Government Ministry responsible for 'green' buildings.</li> <li>Condition for non-eligibility: to avoid lock-in and undermine the climate mitigation objective, the construction of new buildings designed for the following purpose are not eligible: Extraction, storage, transportation and manufacture of fossil fuels, coal, liquid fuel and gas companies, operational facilities and infrastructure.</li> </ul>	

### **Metrics and thresholds**

- Construction of new buildings for which:
  - For the construction of new buildings qualified for new sustainable funding as of January 2025, the Primary Energy Demand (PED) must be at least 10% lower than the threshold set for nearly zero-energy building (NZEB) requirements in national measures. Energy Performance Certificate (EPC) shall be issued on each energy performance activity carried and certified.
  - For buildings larger than 7500 m<sup>2</sup>, upon completion, the building resulting from the construction must undergo testing for air-tightness and thermal integrity, and any deviation in the levels of performance be disclosed to investors and clients. Robust and traceable quality control processes may be put in place during the construction process as an alternative to thermal integrity testing.
  - For buildings larger than 7500 m<sup>2</sup>, the Life-Cycle Assessment of the building should be carried out disclosed to investors and clients on demand

### **Climate Change Adaptation**

Generic screening criteria for activities Making a Substantial Contribution to climate change adaptation Section 8.2.

### **Do No Significant Harm assessment**

The main potential for significant harm to the other environmental objectives associated with the construction of new buildings is determined by:

- Lack of provisions for disaster and extreme weather resistance, as well as a lack of resilience to unfavourable temperature changes in the future.
- Inefficiencies in water management and use
- Lack of strategy to recycle/ reuse construction and demolition wastes
- Failure to design for disassembly and increased circularity.
- Increased emissions of VOCs and formaldehyde from materials use and operations
- Presence of asbestos and/or substances of very high concern in the building materials.
- Presence of hazardous contaminants in the soil of the building site.
- Inappropriate building location which affects biodiversity value and conservation efforts
- Damage to ecosystems due to poor use of materials and products not sustainably sourced or managed

#### **A) Climate Change Mitigation**

- The building must comply with all applicable mandatory provisions under the Green and Resilient Buildings Regulations and all applicable mandatory regulations under the National Building Code.

#### **B) Climate Change Adaptation**

- Generic DNSH criteria section 8.3.1.

#### **C) Sustainable use of water and marine resources**

- Where installed, the specified water use for the following water appliances are attested by product datasheets and/or a building certification in accordance with the technical specifications laid down per the National Rating Tool used by the building owner.
- To avoid impact from the construction site, activity complies with the criteria set out in the Generic DNSH criteria section 8.3.2.

#### **D) Ecosystem protection and restoration**

- The new construction must not be built on protected natural areas, such as land designated as UNESCO World Heritage and Critical Biodiversity Areas (CBAs), or equivalent as defined by Environmental Management and Co-ordination (Conservation of Biological Diversity and Resources, and Access to Genetic Resources and Benefits Sharing) Regulations 2006, UNESCO and / or the International Union for Conservation of Nature (IUCN) under the following categories:
  - Category Ia: Strict Nature Reserve
  - Category Ib: Wilderness Area
  - Category II: National Park
- Buildings that are associated supporting infrastructure to the protected natural area, such as visitor centres, museums or technical facilities are exempted from this criterion.
- The new construction must not be built on arable or greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the IUCN Red List.
- At least 50% of all timber products used in the new construction for structures, cladding and finishes must have been either recycled/reused or sourced from sustainably managed forests as certified by third-party certification audits performed by accredited certification bodies.
- Buildings' design must prioritise avoidance of environmental impacts to sensitive landscapes and include hard surfaces and building exterior maintenance practices that reduce the environmental impact and improve ecological value.

#### **E) Pollution prevention**

- It is ensured that building components and materials do not contain asbestos and the use of chemicals adhere to the Environmental Management and Co-ordination Act 1999 (ACT NO 8 OF 1999), Environment Management and Coordination (Toxic and Hazardous Industrial Chemicals and Materials Management) Regulations 2018, and the Occupational Health and Safety Act 2007. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m<sup>3</sup> of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m<sup>3</sup> of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3523 or other comparable standardised test conditions and determination methods.

#### **F) Sustainable resource use and circularity**

- The building should minimise waste from construction or destruction going to landfill and maximise reuse and/or recycling of materials.
- Under this green building's definition, at least 50% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material) generated on the construction site must be prepared for re-use or sent for recycling or other material recovery, including backfilling operations that use waste to substitute other materials.

- Disposal of waste must be compliant with the requirements of the Sustainable Waste Management Act 2022.
- Building designs and construction techniques support circularity and demonstrate, with reference to ISO 20887 or other standards for assessing the ease of disassembly for reuse of materials or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.
- Building design that provides for recycling during operation is required.

## 8.2. Building renovation

Sector classification and activity	
Macro-Sector	Construction
KeSIC Code	4100
Description	Renovation of existing buildings (residential and non-residential). This relates to activities under KeSIC code.
Make Significant Contribution criteria	
Climate change mitigation	
<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>The renovation of existing buildings to improve their energy performance makes a substantial contribution to climate change mitigation by reducing energy consumption and GHG emissions for the remaining operational phase of the buildings, and by avoiding emissions that would be associated with the construction of new buildings. The detailed technical screening criteria for MSC climate change mitigation are similar for renovation as for new build, given that the same end performance is the objective. Additional DNSH details apply for renovations.</li> <li>Condition for non-eligibility: to avoid lock-in and undermining the climate mitigation objective, the renovation of buildings occupied for the purpose of extraction, storage, transportation or manufacture of fossil fuels is not eligible.</li> <li>Use of alternative schemes as proxies, established schemes such as 'green building' certifications or building regulations and standards may be used as alternative proof of eligibility. The organisation responsible for the scheme will be able to apply for official recognition of its scheme by presenting evidence that a specific level of certification/regulation can be considered equivalent (or superior) to the taxonomy mitigation and DNSH threshold for the relevant climatic zone and building type. The official recognition of a scheme is confirmed and identified through inclusion in the relevant metrics and thresholds as an alternative approach in future taxonomy updates (as relevant).</li> </ul> <p><b>Metrics and thresholds</b></p> <ul style="list-style-type: none"> <li>The building renovation complies with the applicable requirements for major renovations. Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %.</li> </ul>	
Climate Change Adaptation	
Generic screening criteria for activities Making a Substantial Contribution to climate change adaptation Section 8.2.	
Do No Significant Harm assessment	

The main potential for significant harm to the other environmental objectives associated with the renovation of existing buildings is determined by:

- Lack of resistance to extreme weather events (including flooding), and lack of resilience of to future temperature increases in terms of internal comfort conditions.
- Excessive water consumption due to inefficient water appliances and/or poor water use amenities design.
- Landfill and/or incineration of construction and demolition waste that could be otherwise recycled/reused.
- A failure to operationalise strategic national waste management practices.
- Failure to design for disassembly and increased circularity.
- Through materials use and operations, increased emissions of VOCs and formaldehyde.
- Presence of asbestos and/or substances of very high concern in the building materials.
- Presence of hazardous contaminants in the soil of the building site.
- Inappropriate building location: impacts on ecosystems if built on greenfield and especially if in a conservation area or high biodiversity value area.
- Indirect damage to ecosystems due to the use of materials and products originating from virgin sources that are not sustainably managed (refers to forestry and mining, for instance)

#### **A) Climate Change Mitigation**

- The measures adopted to improve the resilience of the building must not increase the rates of operational carbon emissions of the building. Exceptions are allowed if it can be demonstrated that increase in emissions is necessary to carry out the measures, and there is a positive trade-off.
- To avoid lock-in and undermining the climate mitigation objective, the renovation of buildings designed for the purpose of extraction, storage, transportation, or manufacture of fossil fuels is not eligible for the Taxonomy. Such use cases to be phased out and buildings repurposed as appropriate, for which renovations to improve performance as detailed above ought to be undertaken.
- Buildings' design must accommodate support for alternative transportation modes appropriate to the intended users of the building.

#### **B) Climate Change Adaptation**

- Generic DNSH criteria section 8.3.1.

#### **C) Sustainable use of water and marine resources**

- Where installed, the specified water use for the following water appliances are attested by product datasheets, a building certification, in accordance with the technical specifications laid down per EDGE Water Efficiency measures
- An IFC EDGE Level 1 certification is acceptable for demonstrating this DNSH requirement is met.
- To avoid impact from the construction site, activity complies with the criteria set out in Generic DNSH criteria section 8.3.2.

#### **D) Ecosystem protection and restoration**

- N/A

#### **E) Pollution prevention**

- It is ensured that building components and materials do not contain asbestos and the use of chemicals adhere to the Environmental Management and Co-ordination Act 1999 (ACT NO 8 OF 1999), Environment Management and Coordination (Toxic and Hazardous Industrial Chemicals and Materials Management) Regulations 2018, and the Occupational Health and Safety Act 2007. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m<sup>3</sup> of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m<sup>3</sup> of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3523 or other comparable standardised test conditions and determination methods .

**F) Sustainable resource use and circularity**

- The building should minimise waste from renovation waste going to landfill and maximise reuse and/or recycling of materials.
- Under this green building's definition, at least 50% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material) generated on the construction site must be prepared for re-use or sent for recycling or other material recovery, including backfilling operations that use waste to substitute other materials.
- Disposal of waste must be compliant with the requirements of the Sustainable Waste Management Act 2022.
- Building renovation plans and techniques support circularity and demonstrate, with reference to ISO 20887 or other standards for assessing the ease of disassembly for reuse of materials or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.

### 8.3. Individual measures and professional services

Sector classification and activity	
Macro-Sector	Construction
KeSIC Code	43
Description	Individual measures and professional services. This relates to activities under KeSIC codes 43 Specialised construction activities.
Make Significant Contribution criteria	
Climate change mitigation	
<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>Individual measures contribute to climate change mitigation by reducing energy use and carbon emissions for the operational phase of the building. Professional services are a necessary support and validation mechanism, especially for building renovation. The investment linked to the individual measure(s) must be aimed at improving energy performance and/or reduction of carbon emissions. The motivation can be demonstrated through an energy audit, an Energy Performance Certificate (EPC) or any other transparent and proportionate method.</li> </ul> <p><b>Metrics and thresholds</b></p> <ul style="list-style-type: none"> <li>There are no defined metrics across the individual measures and professional services.</li> </ul> <p>The following individual measures are eligible if compliant with minimum requirements set for individual components and systems in the applicable national regulations.</p> <ul style="list-style-type: none"> <li>Addition of insulation to the existing envelope components, such as external walls, roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (mechanical fixings, adhesive).</li> <li>Replacement of existing windows with new energy efficient windows.</li> <li>Replacement of existing external doors with new energy efficient doors.</li> <li>installation and replacement of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating and cooling services, with highly efficient technologies;</li> <li>Replacement of inefficient boiler or stove with highly efficient condensing boiler.</li> </ul> <p>The following individual measures are eligible if specific requirements are met:</p> <ul style="list-style-type: none"> <li>Replacement of old pumps with efficient circulating pumps g. Installation of efficient LED lighting appliances and systems.</li> <li>Installation of low water and energy using kitchen and sanitary water fittings which comply with national technical specifications and, in case of shower solutions, mixer showers,</li> </ul>	



shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the market.

The following individual measures are eligible:

- Installation of zoned thermostats, smart thermostat systems and sensing equipment, e.g., motion and day light control.
- Installation of Building Management Systems (BMS) and Energy Management Systems (EMS).
- Installation of charging stations for electric vehicles.
- Installation of smart meters for gas, heat, cool and electricity.
- Installation of façade and roofing elements with a solar shading, solar reflectivity or solar control

The following individual measures are eligible if installed on-site as building services:

- Installation of solar photovoltaic systems (and the ancillary technical equipment).
- Installation of solar hot water panels (and the ancillary technical equipment).
- Installation of instant showers.
- Installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heating and cooling.
- Installation of wind turbines (and the ancillary technical equipment).
- Installation of solar transpired collectors (and the ancillary technical equipment).
- Installation of thermal or electric energy storage units (and the ancillary technical equipment).
- Installation of High Efficiency Micro CHP (combined heat and power) plant
- Installation of heat exchanger/recovery systems.

The following professional services are eligible:

- Technical consultations (energy consultants, Green Star accredited professionals, EDGE experts, energy simulation, project management, production of EPC, dedicated training, etc.) linked to the individual measures mentioned above.
- Accredited energy audits and building performance assessments (EDGE auditors).
- Energy Management Services.
- Energy Performance Contracts.
- Energy Services provided by Energy Service Companies (ESCOs)

## **Climate Change Adaptation**

Generic screening criteria for activities Making a Substantial Contribution to climate change adaptation Section 8.2.

## **Do No Significant Harm assessment**

The main potential for significant harm to the other environmental objectives associated with individual measures is determined by:

- Excessive water consumption due to inefficient water appliances.
- The handling of building components that are likely to contain substances of concern (e.g. asbestos containing materials) and of any hazardous construction and demolition waste arising from the building renovation;
- Ensuring the future possibility of reusing and recycling building component and materials through careful selection of components/materials that prioritises recyclable materials and avoids hazardous substances.

**A) Climate Change Mitigation**

- N/A

**B) Climate Change Adaptation**

- Any potential risks to the good status or the good ecological potential of bodies of water, including surface water and groundwater, or to the good environmental status of marine waters from the researched technology, product or other solution are evaluated and addressed.

**C) Sustainable use of water and marine resources**

- N/A

**D) Ecosystem protection and restoration**

- It is ensured that building components and materials do not contain asbestos and the use of chemicals adhere to the Environmental Management and Co-ordination Act 1999 (ACT NO 8 OF 1999), Environment Management and Coordination (Toxic and Hazardous Industrial Chemicals and Materials Management) Regulations 2018, and the Occupational Health and Safety Act 2007.

**E) Pollution prevention**

- In case of addition of thermal insulation to the existing building envelope: a building survey must be carried out in accordance with national legislation by a competent specialist with training in asbestos surveying and in identification of other materials containing substances of concern. Any stripping of lagging that contains or is likely to contain asbestos, breaking or mechanical drilling or screwing and/or removal of insulation board, tiles and other asbestos containing materials shall be carried out by appropriately trained personnel, with health monitoring before, during and after the works, in accordance with national legislation.

**F) Sustainable resource use and circularity**

- N/A

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

Sector classification and activity	
Macro-Sector	Construction
KeSIC Code	4100
Description	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
Make Significant Contribution criteria	
Climate change mitigation	
Installation, maintenance or repair of charging stations for electric vehicles.	
Climate Change Adaptation	
Generic screening criteria for activities Making a Substantial Contribution to climate change adaptation Section 8.2.	
Do No Significant Harm assessment	
<p><b>A) Climate Change Mitigation</b></p> <ul style="list-style-type: none"> <li>The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels.</li> </ul> <p><b>B) Climate Change Adaptation</b></p> <ul style="list-style-type: none"> <li>Generic DNSH criteria section 8.3.1.</li> </ul> <p><b>C) Sustainable use of water and marine resources</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul> <p><b>D) Ecosystem protection and restoration</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul> <p><b>E) Pollution prevention</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul> <p><b>F) Sustainable resource use and circularity</b></p> <ul style="list-style-type: none"> <li>N/A</li> </ul>	

Activities eligible in the KGFT first edition but without technical screening criteria developed:

## **8.5. Sustainable cities/resilient infrastructure**

### **Description of economic activity**

Contributions to the design, development and manufacture of sustainable cities and resilient infrastructure.

## **8.6. Spatial Planning**

### **Description of economic activity**

Architectural and engineering activities and related technical consultancy.