# A Comparison Between the EU Green Taxonomy and South Africa's Green Taxonomy

**November 2022**

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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the European Union

***A comparison of the EU Green Taxonomy with South Africa's Green Taxonomy***



**ACKNOWLEDGEMENTS**

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**DISCLAIMER**

The present report presents a technical comparison between South Africa Green Finance Taxonomy and the EU Taxonomy with no legal effect. The findings do not represent neither a "common" nor a "single" taxonomy, nor do they represent a view of the equivalence between the two initiatives. This present report will require continuous updating in light of regular reviews of the South African and EU taxonomy. The views and findings expressed in the present report are the author's own.



ISBN: 978-0-621-50663-1

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# Foreword
## A Comparison between the European Union and South Africa Green Taxonomy

There is growing consensus that the existential challenge of our time is to arrest climate change, re-establish respect for nature, and put the world economy on the path of sustainability. The increasing incidence of climate-related disasters means that we must channel more resources towards effective measures to mitigate the effects of climate change. The financial services sector has a major role to play in this regard through investments for impact in social, climate and environmentally friendly projects.

Climate change is a global public good that knows no geographic boundaries, similarly to financial flows. Likewise, climate cooperation should know no geographical boundaries, with global coordination in managing emerging, mega risks which remain critically important. As financial policymakers, we can enable and support the transition to a low carbon economy through developing frameworks that help the sector respond and adjust efficiently. This is within our mandate of financial stability. The green finance taxonomy is one such framework that reduces the costs and uncertainty in classifying a core set of green activities and promotes transparency of information. By following the model adopted by the European Union, we are ensuring that the domestic financial sector is aligned with international best practices and providing international investors with clarity and conviction to invest in South African green projects. Where appropriate, we have made adjustment for country-specific circumstances whilst maintaining the environmental integrity and science-based targets necessary to meet the goals of the Paris Agreement.

This comparison study provides the information to assist policymakers, companies, and financial market participants in understanding the commonalities and divergences between the European Union and the South Africa taxonomies, to ultimately help foster seamless green financial flows between the European Union and South Africa. This is crucial in the context of both the European Union and South Africa achieving the net zero goals by 2050. We hope the report will also contribute to the growing knowledge and body of work around the support required for emerging and developing economies to transition to more resilient and sustainable economies and prepare for climate-driven events and catastrophes.

MR. ENOCH GODONGWANA
**Minister of Finance of South Africa**

Scaling up sustainable finance, not only in the European Union (EU), but in the world more widely, is vital for bridging the Sustainable Development Goals (SDG) financing gap and meeting the Paris Agreement objectives. Considering the scale of the challenges we are facing, public funding will not suffice - private capital must be put to work.

We have a collective responsibility to act fast and shift the finance needed to transition towards a greener, fairer, more sustainable world for the generations to come. Stepping up sustainable finance is also at the heart of the European Union Global Gateway, our strategy for building connections that are more resilient and fostering high-quality infrastructure investments worldwide.

Building a conducive environment for sustainable finance (e.g taxonomies, sustainability related disclosure, green bond standards/labels) is essential to direct private capital where it is the most needed for a green and just transition. Based on its domestic efforts, the European Union stands ready to help partner countries to develop credible and coherent sustainable finance frameworks providing confidence and transparency to domestic and international investors fearing greenwashing, and hence promote cross-border capital flows.

In this context, we commend South Africa for its efforts to scale up sustainable finance. We highly welcome that its green finance taxonomy is science-based and follows European Union good practice. With that, South Africa sets an important regional benchmark.

As the European Union we would like to thank the National Treasury of South Africa for the excellent collaboration in developing this report that will ultimately help foster more conducive environment for sustainable finance. We trust that this assessment of the similarities and commonalities between the European Union and the South African taxonomy will better inform the market - this will be key to mobilise private finance for a just and green transition.

We trust that our joint work will help attract more European Union investors for sustainable projects in South Africa. By working together we can channel capital to where it is most needed. This will, ultimately help to attract private finance for a green and just transition in South Africa.

We stand ready to continue the work on this essential and important topic with South Africa.

SANDRA KRAMER

**Ambassador of the European Union to South Africa**

# Content

# List of Abbreviations

| | |
|---|---|
| CAPEX | Capital Expenditure |
| CGT | Common-Ground Taxonomy |
| CSRD | Corporate Sustainability Reporting Directive |
| DG INTPA | Directorate-General for International Partnerships |
| DNSH | Do no significant harm |
| EU | European Union |
| FDI | Foreign Direct Investment |
| FSCA | Financial Sector Conduct Authority |
| GHG | Greenhouse Gas |
| HLEG | High-Level Expert Group |
| ILO | International Labour Organisation |
| IFC | International Finance Corporation |
| MSS | Minimum Social Safeguard |
| NACE | Nomenclature generale des Activites economiques dans les Communautes europeennes – Statistical Classification of Economic Activities in the European Community |
| NBI | National Business Initiative |
| OECD | Organisation for Economic Cooperation and Development |
| OPEX | Operating Expenditure |
| SA GFT | South Africa Green Finance Taxonomy |
| SA | South Africa |
| SBN | Sustainable Banking Network |
| SC | Substantial Contribution |
| SECO | Swiss State Secretariat for Economic Affairs |
| SIC | Standard Industrial Classification |
| Sida | Swedish International Development Cooperation Agency |
| TAP | Taxonomy Advisory Panel |
| TEG | Technical Expert Group |
| TFEU | Treaty on the Functioning of the European Union |
| TOC | Taxonomy Oversight Committee |
| TSC | Technical Screening Criteria |

# Executive Summary

**Both South Africa and the European Union have introduced a common language and a clear definition of what is 'sustainable' through a taxonomy, a classification of environmentally sustainable economic activities, at the core of their sustainable finance ecosystem.** Sustainable finance taxonomies provide transparency on what can be considered green and, hence, help investors, public authorities and policy makers make informed decisions, avoid green washing, and scale up sustainable investment.

**The purpose of the present report is to provide a comparison between the EU Taxonomy Regulation[1], including the respective EU Climate Delegated Act [2]and South Africa's Green Finance Taxonomy[3] as of September 2022.** The report seeks to outline the similarities and differences between the two taxonomies to bring clarity and transparency to EU and international investors about investments that could be considered green by both the EU and South Africa. This will help reduce transaction and research costs for international and EU investors and hence facilitate cross-border flows between the EU to South Africa for a green and sustainable transition. **The review contains a side-by-side comparison of the key taxonomy elements**, i.e. the high-level principles of both taxonomies, their development process and their governance mechanisms. Moreover, it covers an **in-depth comparison of the technical screening criteria for each economic activity** for the climate change mitigation and adaptation objectives, incl. the substantial contribution (SC), the do-no-significant-harm (DNSH) and Minimum Safeguard criteria (MS).

Both the South African Green Finance Taxonomy (GFT) and the EU's Green Taxonomy are based on their respective climate ambition **to pursue a net-zero economy by 2050 as a core environmental objective. The two taxonomies have a high degree of similarity**. Both taxonomies identify activities that substantially contribute to one of six environmental objectives ((1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems) while ensuring to "do no significant harm" to the other environmental objectives and includes requirements for activities to adhere to minimum safeguards.

The SA GFT is also very similar to the EU Taxonomy **in terms of the criteria specified at the level of individual economic activities**, i.e. in terms of SC (substantial contribution), DNSH (do no significant harm), and MS (minimum safeguards) criteria. Overall, for the SC criteria for both climate objectives, the proportion of activities of the SA GFT that has similar criteria as compared to the EU Taxonomy is 78% (57% for SC to climate change mitigation and 99% for SC to climate change adaptation respectively). **The figure grows to 85%** if one includes economic activities where the SA GFT is more ambitious and/or more detailed.

The DNSH criteria of the SA GFT are similar or more ambitious and/or more detailed than the DNSH of the EU Taxonomy for 64% of the economic activities that substantially contribute to climate change mitigation, and for 86% of matched economic activities that substantially contribute to climate change adaptation, respectively. Regarding the MS, the SA GFT closely follows the EU Taxonomy in that both require companies to implement governance mechanisms that align with international principles and guidelines on labour conventions such as by the International Labour Organisation (ILO) and the Organisation for Economic Cooperation and Development (OECD), multinational enterprises, and business and human rights, with the SA GFT providing further links to national legislation and, hence, details.

**Both taxonomies aim to serve as a science-based classification system, establishing a list of economic activities that can be considered environmentally sustainable based on the same six environmental objectives**. A key purpose of the SA GFT is for South Africa based companies and financial market participants to voluntarily adopt and, hence support in attracting foreign direct investment (FDI) to sustainable investments in the SA economy. It has been specifically designed to take into account and respond to South Africa's socio-economic context and development

[1] EU Taxonomy Regulation (Regulation (EU) 2020/852),

[2] EU Climate Delegated Act (Delegated Regulation (EU) 2021/2139)

[3] First edition, March 2022: https://sustainablefinanceinitiative.org.za/wp-content/downloads/SA-Green-Finance-Taxonomy-1st-Edition-Final-01-04-2022.pdf

needs, while maintaining alignment with international best practices. In developing the Green Finance Taxonomy, South Africa has heavily relied on the EU experience as the foundation for their approach. Therefore, the main differences in terms of detail and ambition of the technical screening criteria between the SA GFT and the EU Taxonomy reflect the differences in national legislation and sectoral specific contexts and priorities.

**In contrast to the EU that requires mandatory disclosure of relevant information in accordance with the EU taxonomy from corporates and financial market participants, SA has not yet introduced mandatory taxonomy-related disclosure requirements but published disclosure guidance.** The accompanying disclosure guidance for the voluntary use of the SA GFT is similar to the key aspects of the taxonomy-related disclosure requirements in the EU as laid down in the respective Delegated Acts[4]. This includes the methodology on determining taxonomy eligibility, taxonomy alignment for different asset classes as well as financial metric reporting of corporates under green revenues and/or under CAPEX/OPEX.

**Both taxonomies cover a similar scope of economic activities across sectors, with some exceptions.** The EU Taxonomy covers 88 economic activities from 9 economic sectors, while the South Africa Green Finance Taxonomy covers only 44 economic activities from 7 economic sectors. The difference in the total number of activities and sectors is due to the consolidation of activities. In addition, some activities of the EU Taxonomy are not included in the SA GFT, such as battery manufacturing and urban transport among others.

**The SA GFT is similar to the EU Taxonomy in terms of SC, DNSH, and MS criteria for both climate change objectives. Overall, the technical screening criteria are similar in both taxonomies for 78% of all matched economic activities** that can be considered to substantially contribute to climate change objectives. In the case of 7% of matched activities, the SA GFT defines TSC that are more ambitious, 3% are less ambitious than those of the EU Taxonomy.

**While the SC criteria for climate change mitigation show some variation between the two taxonomies, the SC criteria for activities contributing to climate change adaptation are highly similar across the SA and EU taxonomies.**

**The TSC defining substantial contribution to climate change mitigation** are similar for 57% of all matched economic activities. South Africa's criteria are more ambitious for 14% of economic activities, e.g. in the water and waste and the energy sectors. Less ambitious criteria have been identified for 23% of economic activities, e.g. in the transportation and construction sectors.

The EU taxonomy defines criteria for certain specific nuclear and gas energy activities that contribute to climate change mitigation under the Taxonomy Regulation. South Africa, in contrast, does not include fossil fuel-related activities and activities related to electricity generation from natural gas and nuclear in its current version of the Green Finance Taxonomy.

**For climate change adaptation SC, the similarity is close to 100% across the different economic sectors.** The SA GFT closely follows the criteria set out in the EU taxonomy for both activities implementing adaptation solutions and enabling activities apart from the insurance activity for which the EU defines specific criteria. Both taxonomies follow similar generic criteria apart for the insurance activity.

**The DNSH criteria exhibit some variations between the two taxonomies in terms of emission thresholds, levels of detail as well as aspects that have been identified for individual economic activities across both taxonomies while the generic DNSH, i.e. those defined for a large set of economic activities, are largely similar**. In the case of the generic DNSH to climate change adaptation criteria, the EU Taxonomy has established more ambitious and more detailed requirements. For instance, it requires entities to undertake a vulnerability assessment for their respective projects and to disclose the credibility of the assessment and the associated adaptation plan.

The SA GFT aligns its minimum safeguard criteria with its elaborate national legislation, e.g. on labour rights and data protection while the EU Taxonomy refers to international standards.

[4] EU Climate Delegated Act (Delegated Regulation (EU) 2021/2139) and Disclosures Delegated Act (Delegated Regulation (EU) 2021/2178).

**The report does not represent a view on the equivalence between the two taxonomies**, nor does it represent an official view on the alignment between the EU and the SA GFT. The report does however serve as an initial assessment of the degree of similarity between the two taxonomies, which will inform future regulatory initiatives around the world, and will hence be instrumental towards the development of coherent sustainable frameworks and towards better integrated sustainable finance markets across the world. Similar initiatives to improve the comparability and future interoperability of taxonomies around the world are being developed, notably the Common Ground Taxonomy by the International Platform on Sustainable Finance (IPSF).

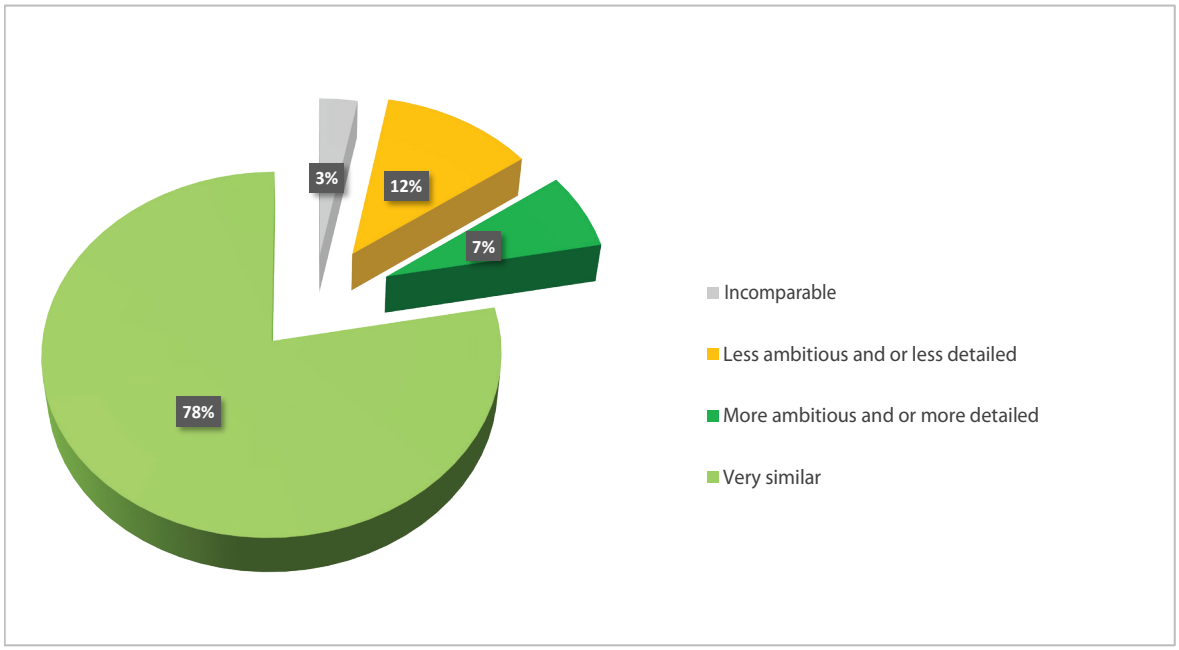



Figure 1: Average proportion of 4 categories for the comparison of TSC of climate change mitigation and climate change adaptation between the South Africa and EU taxonomies

# INTRODUCTION

Sustainable finance policies and regulation have been recognized as necessary measures to finance the transition to a net zero carbon economy and to mobilize capital for sustainable development.

Policy makers and industry players across the world have recognized the need for a common language and clarity about which activities qualify as 'green' or 'sustainable' to avoid green washing and help investors make informed decisions. The EU's Action Plan on financing sustainable growth has responded to this need, by calling for the creation of the EU Taxonomy - a classification system, establishing a list of environmentally sustainable economic activities to be used by large companies, financial market participants, the EU and its Member States.

The need for financial markets to clarify which economic activities are environmentally sustainable has been further acknowledged by numerous countries outside the EU, who have been inspired by the European model in launching their own taxonomy and regulatory initiatives. South Africa has been the first African country to publish a Green Finance Taxonomy. Its first version was published on 1 April 2022, and is largely inspired by the EU example. In this context, the National Treasury requested the European Commission services (Directorate-General for International Partnerships) to support with an assessment of commonalities and differences between the two taxonomies, to provide clarity, transparency and access to information for EU and international investors and other taxonomy users. Ultimately, the goal is to increase confidence in the market and facilitate cross- border financial flows for a green and just transition in South Africa.

The present report provides a comparison between the EU Taxonomy Regulation (2020/852), incl. the EU Climate Delegated Act (2021/2139) and the South Africa Green Finance Taxonomy[5]. Any recommendations for adjustments are beyond the scope of this report. The report does not represent a view on the equivalence between the two taxonomies, nor does it represent an official view on the alignment between the EU and the SA GFT. The report does however serve as an initial assessment of similarities of the two taxonomies, which might inform future regulatory initiatives around the world, and will hence be instrumental towards the development of coherent sustainable frameworks and towards better integrated sustainable finance markets across the world. Similar initiatives to improve the comparability and future interoperability of taxonomies around the world are being developed are being, notably by the International Platform on Sustainable Finance (IPSF)[6].

The report delves first into a high-level comparison of the governance, development processes and legal background of the two taxonomies followed by an overview of their respective guiding principles, objectives, and a description of their related disclosure requirements. At its core, the report presents a comprehensive assessment of the similarities and divergences between the technical screening criteria for substantial contribution and Do No Significant Harm (DNSH) for both the climate change mitigation and adaptation objectives. It also includes an assessment of overall minimum safeguards across both taxonomies.

The report only focuses on the first EU Climate Delegated Act and does not include the developments of the 2nd EU Climate Delegated Act covering the other environmental objectives as the report takes into consideration the taxonomy developments in South Africa and the EU as of September 2022. The report considers in its overall assessment the recently published EU Complementary Delegated Act which includes, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. Further updates may be required given the rapid pace of these initiatives in both jurisdictions.

[5] First edition, March 2022: https://sustainablefinanceinitiative.org.za/wp-content/downloads/SA-Green-Finance-Taxonomy-1st-Edition-Final-01-04-2022.pdf

[6] The IPSF is a multilateral forum composed of relevant public authorities in charge of developing environmentally sustainable finance policies More information regarding the IPSF is available at: https://finance.ec.europa.eu/sustainable-finance/international-platform-sustainable-finance_en

# Assessment of Similarities and Differences

## Governance and Development Process and Legal Background

### South Africa

In January 2017, the National Treasury convened a Working Group of financial sector regulatory agencies, the South African Reserve Bank and industry associations to develop a framework document on sustainable finance. Drawing on the Working Group's inputs, the National Treasury published a first draft Technical Paper on "Financing a Sustainable Economy" in 2020 for public consultations.

The paper[7] which was finalised in 2021 encouraged several sustainable finance initiatives and further stakeholder engagement to strengthen sustainable finance in South Africa. The paper defines sustainable finance for the South African context and articulates a shared vision for its implementation. According to the paper, sustainable finance ought to contribute to the delivery of the sustainable development goals (SDGs), a just transition to a low carbon and climate resilient economy and financial stability. The development of a taxonomy consistent with international developments was identified as one key action, to build credibility, foster investment and enable effective monitoring and disclosure of performance for a more sustainable economy.

A Steering Committee and Working Groups were established under the Climate Risk Steering Committee hosted by the Banking Association South Africa and chaired by the National Treasury to support the implementation of the Technical Paper recommendations. These Working Groups include a Taxonomy Working Group chaired by the National Treasury to develop South Africa's first green finance taxonomy. The Taxonomy Working Group is comprised

*"The development process of the SA GFT leveraged different elements from existing green taxonomies which were reshaped and adopted to accommodate for South Africa's socio-economic development needs."*

[7] National Treasury (2021): https://sustainablefinanceinitiative.org.za/wp-content/uploads/2021/10/2021101501-Financing-a-Sustainable-Economy.pdf

of representatives from national government, financial sector regulators and the financial services sector[8]. IFC, part of the World Bank Group, through IFC's Green Bond Market Development program, and in partnership with SECO (Swiss State Secretariat for Economic Affairs) and Sida (Swedish International Development Cooperation Agency) provided support to the Taxonomy Working Group. The Group also benefitted from global support from the IFC-facilitated Sustainable Banking and Finance Network (SBFN). The Taxonomy Working Group composition resembles, to some extent, the Technical Working Group (TWG) within the former EU Technical Expert Group on Sustainable Finance (see the following section).

The Taxonomy Working Group under the leadership of the National Treasury selected the National Business Initiative (NBI) and Carbon Trust to carry out research, stakeholder consultation, and to draft on behalf of the Taxonomy Working Group for the first phase of the taxonomy development. NBI is an independent, voluntary coalition of South African and multinational businesses and not-for-profit development organisation launched in 1995 by President Nelson Mandela, that works to address South Africa's most pressing social and environmental challenges. Carbon Trust provides consultancy services for projects ranging across green finance, energy access, climate action, corporate sustainability, energy efficiency, and renewable energy. They were mandated to (i) establish a governance structure and principles for the development and ongoing maintenance of a national sustainable finance taxonomy, and (ii) to develop an initial draft taxonomy for green and climate finance activities, leveraging existing international frameworks.

The development process of the SA GFT leveraged different elements from existing green taxonomies that were reshaped and adopted to take into account South Africa's socio-economic development needs. The EU TEG report on "common design principles for international taxonomy harmonisation" and the EU's first Climate Delegated Act were the bases upon which the SA GFT was built.

The overall principles for developing the SA GFT were laid out very early in the process, and included the following design principles: i) the taxonomy ought to be science-based ii) it should allow for the evaluation of environmental and social contributions at both portfolio and transaction level, and iii) it should have a dynamic governance review system which ensures the usability and practical application of the taxonomy in financial markets and the economy.

The development process of the SA GFT included the integration of national priorities and policies. It also benefitted from a deep engagement with various stakeholders across the financial sector who could test the taxonomy and provide further usability and disclosure guidance. For this reason, the first edition of the SA GFT was developed iteratively as a series of progressively developed taxonomy components and drafts, with stakeholder engagement and validation at key junctures, under the oversight from the Taxonomy Working Group.

Going forward, the **Taxonomy Oversight Committee (TOC)** will oversee the SA GFT and serve as the custodian of the work. The Taxonomy Oversight Committee, chaired by National Treasury, would comprise the relevant public sector entities: South African Reserve Bank, Prudential Authority, Department of Forestry, Fisheries and Environment & the Financial Sector Conduct Authority (FSCA).

In addition, a **Taxonomy Advisory Panel (TAP)**, made up of recognised experts, is to be instated to support in appraising external submissions that are received, and to advise the Oversight Committee more generally. At the time of writing, it is anticipated that a public call for nominations to the Taxonomy Advisory Panel will take place.

This approach is suitable for SA and reflects to a certain extent the different functional roles that different stakeholders play in the EU Taxonomy development and implementation process.

[8] Members of the Working Group: South Africa's Department of Forestry, Fisheries and the Environment (DFFE), Department of Monitoring and Evaluation (DPME), The Financial Sector Conduct Authority (FSCA), The Prudential Authority (PA), The Johannesburg Stock Exchange (JSE), The Banking Association South Africa (BASA), Batseta (Council of Retirement Funds for South Africa), The Association for Savings and Investment South Africa (ASISA), other Representatives from banks and retirement funds.

## The European Union

In March 2018, the European Commission (EC) adopted an "Action Plan: Financing Sustainable Growth"9 that set out a comprehensive strategy to further connect finance with sustainability. The establishment of a unified classification system for sustainable activities – a taxonomy – was at the heart of this action plan. To prepare the Action Plan, the EC was informed by a High-Level Expert Group which was established in 2016 and was comprised of 20 senior experts from civil society, the finance sector, academia and observers from European and international institutions.

The EU Taxonomy Regulation was adopted on 22 June 2020 and entered into force on 12 July 2020. The Taxonomy Regulation sets out a general framework for the EU taxonomy by setting out six environmental objectives ((1) climate change mitigation; (2) climate change adaptation; (3) the sustainable use and protection of water and marine resources; (4) the transition to a circular economy; (5) pollution prevention and control; (6) the protection and restoration of biodiversity and ecosystems) and four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable: 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; and d. complies with technical screening criteria The technical screening criteria are defined in Delegated Acts that complement the Taxonomy Regulation. In order to assist the Commission in developing the technical screening criteria for environmentally sustainable economic activities substantially contributing to the climate objectives, an EU Technical Expert Group (EU TEG) was established. The EU TEG consisted of 35 members and observers from civil society, academia, business and the finance sector.

To date, under the Taxonomy Regulation, the Commission has adopted a list of environmentally sustainable activities by defining technical screening criteria for climate mitigation and adaptation environmental objectives through a Delegated Act which was published on 9 December 2021 and is applicable since January 2022. A Complementary Delegated Act was published on 15 July 2022 including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. It will be applicable from January 2023.

The continuous development of the EU Taxonomy has been relying on extensive public consultations as well as input from experts from across the economic sectors and civil society. In order to benefit from continuous expert support, Article 20 of the Taxonomy Regulation established a permanent expert group, the Platform on sustainable finance to advise the European Commission on further developing the EU Taxonomy. The Platform was established officially in 2020. Early 2022, the Platform published a report on recommendations for the technical screening criteria on the four remaining environmental objectives. It is further mandated to advise the European Commission on improving the usability of the Taxonomy and on the implementation of its reporting requirements. A second Delegated Act for the remaining objectives (objectives 3-6) is currently being developed by the European Commission. Furthermore, a Delegated Act supplementing Article 8 of the Taxonomy Regulation was published on 10 December 2021 and is applicable since January 2022. It specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. Under the Taxonomy Regulation, the Commission is required to publish a report on the application of the Taxonomy Regulation by July 2022, and subsequently every three years thereafter.

*"The continuous development of the EU Taxonomy relies on extensive public consultations as well as input from experts from across the economy and civil society."*

# Guiding Principles and Objectives

Both taxonomies seek to define environmentally sustainable economic activities as economic activities that pass simultaneously three tests:

i) substantially contribute to at least one of the six environmental goals: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems,

ii) while not doing significant harm to any of the other five environmental objectives and

iii) are carried out in compliance with minimum safeguards.

Our assessment unveils that both taxonomies identify economic activities as environmentally sustainable that either:

i) in their own right already have a level of performance aligned with a net-zero GHG emission pathway to 2050 – Article 10 (1) of the EU Taxonomy Regulation;

ii) activities for which there are no technologically and economically feasible low-carbon alternatives and which support the transition to a climate-neutral economy in a manner that is consistent with "a pathway to limit the temperature increase to 1.5 $^{0}$C above pre-industrial levels – Article 10 (2) of the EU Taxonomy Regulation and

iii) qualify as contributing substantially to one or more of the six environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives. The third type of economic activity is considered green provided that such economic activity does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and it has a substantial positive environmental impact, on the basis of life-cycle considerations.

Where scientific evaluation does not allow a risk to be determined with sufficient certainty, the precautionary principle applies to both the EU and SA Green Taxonomies. In the EU, the precautionary principle is enshrined in legislation in accordance with Article 191 of the Treaty on the Functioning of the European Union (TFEU), whereas in SA this is reflected from a taxonomy development and methodological perspective.

# Disclosure Requirements

## South Africa

The SA GFT does not require either corporates or financial market participants to disclose the extent to which their activities and investments are taxonomy compliant. However, the accompanying disclosure guidance for the SA GFT closely follows the EU Climate Delegated Act (*EU Climate Delegated Act (C/2021/2139)* and EU Delegated Act supplementing Article 8 of the TR (2021/2178) that outline the taxonomy related disclosure requirements. South Africa's guidance follows closely the EU approach on determining taxonomy eligibility, taxonomy alignment for different asset classes as well as financial metric reporting of corporates under green revenues and/or CAPEX/OPEX.

In addition, the Taxonomy Working Group continues to discuss and explore ways on how to support the implementation of the SA GFT and potentially embed it in the country's regulatory framework[9].

## The European Union

In the EU, both financial market participants and large companies (including financial and non-financial undertakings) are required to disclose sustainability aspects on their activities and investments.

[9] See also for further background and updates of the Taxonomy Working Group: https://sustainablefinanceinitiative.org.za/working-groups/taxonomy/

According to the EU Taxonomy Regulation (Article 5 and 7), as of mid-2022 for climate objectives, all financial market participants marketing a product as "environmentally sustainable" or "promoting environmental characteristics", must disclose: 1) the information on the taxonomy environmental objective(s) to which the investment underlying the financial product contributes; and 2) a description of how and to what extent the underlying investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

Article 8 of the Taxonomy Regulation requires companies falling within the scope of the existing Non-Financial Reporting Directive – and the additional companies brought under the scope of the proposed Corporate Sustainability Reporting Directive (CSRD)[10] – to report on the extent to which their activities and investments, including in non-EU countries, are taxonomy-compliant.

The centrepiece of the proposed CSRD is a requirement on companies to report according to European sustainability reporting standards. The European Financial Reporting Advisory Group is currently running a public consultation on draft versions of these standards. The Commission will then adopt the first standards as delegated acts. European reporting standards must be consistent with the EU's legal framework for sustainable finance (in particular the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation). They will also take account of global standards, including the standards currently being developed by the International Sustainability Standards Board.  Other international initiatives

Similar initiatives with the objective to improve comparability and interoperability are being developed, notably by the IPSF[11]. The IPSF Taxonomy Working Group co-chaired by the EU (represented by the European Commission) and China (People's Bank of China) developed a Common Ground Taxonomy (CGT) report [12], resulting from an in-depth comparison exercise that puts forward areas of commonality and differences between the EU and China's green taxonomies[13]. The CGT can be used to improve the comparability and future interoperability of taxonomies around the world[14].

### Other international initiatives

Similar initiatives with the objective to improve comparability and interoperability are being developed, notably in the context of the International Platform on Sustainable Finance (or IPSF)[15]. The IPSF Taxonomy Working Group co-chaired by the EU (represented by the European Commission) and China (People's Bank of China) developed a Common Ground Taxonomy (CGT) report[16], resulting from an in-depth comparison exercise that puts forward areas of commonality and differences between the EU and China's green taxonomies[17]. The CGT can be used to improve the comparability and future interoperability of taxonomies around the world.[18]

[10] The CSRD will amend the existing reporting requirements of the NFRD.

[11] The IPSF is a multilateral forum composed of relevant public authorities in charge of developing environmentally sustainable finance policies to share best practices and compare sustainable finance approaches and tools with a view of making them more comparable and interoperable. This is line with the indications of the G20 Sustainable Finance Working Group (SFWG) to which the IPSF is knowledge partner. As part of the 2021 priorities of the G20 SFWG, the IPSF together with UNDESA have delivered an input paper setting out 7 high level principles and 10 recommendations to enhance comparability and interoperability of approaches to align investments with sustainability goals.

[12]  Common Ground Taxonomy report published on 4 November 2021 and updated in June 2022, available at: https://finance.ec.europa.eu/sustainable-finance/international-platform-sustainable-finance_en#main-steps

[13] The CGT follows a systematic methodology that maps common economic sectors and activities and then compares the technical screening criteria for activities that make a substantial contribution to climate change mitigation. The CGT can be used to improve the comparability and future interoperability of taxonomies around the world.

[14]  The CGT intends to provide more clarity and transparency about the commonalities and differences between approaches and eventually lower the trans-boundary cost of green investments and scale up the mobilization of green capital internationally.

[15]  The IPSF is a multilateral forum composed of relevant public authorities in charge of developing environmentally sustainable finance policies to share best practices and compare sustainable finance approaches and tools with a view of making them more comparable and interoperable. This is line with the indications of the G20 Sustainable Finance Working Group (SFWG) to which the IPSF is knowledge partner. As part of the 2021 priorities of the G20 SFWG, the IPSF together with UNDESA have delivered an input paper setting out 7 high level principles and 10 recommendations to enhance comparability and interoperability of approaches to align investments with sustainability goals.

[16] Common Ground Taxonomy report published on 4 November 2021 and updated in June 2022, available at: https://finance.ec.europa.eu/sustainable-finance/international-platform-sustainable-finance_en#main-steps.

[17] The CGT follows a systematic methodology that maps common economic sectors and activities and then compares the technical screening criteria for activities that make a substantial contribution to climate change mitigation. The CGT can be used to improve the comparability and future interoperability of taxonomies around the world.

[18] The CGT intends to provide more clarity and transparency about the commonalities and differences between approaches and eventually lower the trans-boundary cost of green investments and scale up the mobilization of green capital internationally.

# Detailed Comparison of Technical Screening Criteria and DNSH

## Methodology and Information Sources

The assessment has benefitted from several resources. First and foremost, we relied on the ***EU Taxonomy Regulation (2020/852)*** and the respective ***EU Climate Delegated Act (C/2021/2800 final) and the South Africa Green Finance Taxonomy (April 2022)***. We have also used important additional documents for background information, kindly provided by the Carbon Trust team, including:

- The Draft Governance Mechanism for the RSA Green Taxonomy[19]
- The SA Green Finance Taxonomy Methodology document[20]
- The Development Process of the SA GFT[21]
- A position paper on the vision for SA's GFT "Starting with Green and Ending with Sustainable"[22]
- The Technical Paper "Financing a Sustainable Economy"[23]
- A compendium of case studies on The SA GFT trial by SA financial market participants.

Several interviews were conducted with members of the Carbon Trust team (Christelle van Vuuren and Tahnee Steyn), the SA Treasury Team (Sarah McPhail and Vukile Davidson) and representatives from IFC (Louise Gardiner) and NBI (Alex McNamara).

The in-depth assessment of the similarities and divergences between the two taxonomies is based on the criteria as set out in the first version of the South Africa Green Finance Taxonomy and the EU Climate Delegated Act (C/2021/2139). Each economic activity in the EU Taxonomy has been matched with the respective activity in the SA GFT, at the corresponding level of aggregation. Sectors and economic activities codes differ slightly between the EU Taxonomy and the South Africa Green Finance Taxonomy on the grounds that the EU adopts the NACE classification system while South Africa employs the SIC classification system.

When comparing the ambition levels of the two taxonomies, we use the following methodology:

We compare the different types of criteria subsequently for each of the matched economic activity where possible. We do not provide a combined assessment of the SC, DNSH and MS criteria for each economic activity. The overall assessment of similarities and differences combines the findings across economic sectors and activities for 1) the substantial contribution and 2) the DNSH criteria. For the minimum safeguard criteria, we provide an assessment of the additional requirements that South Africa included starting from the EU baseline criteria.

**First, we match similar sectors across the two taxonomies to carry out an in-depth comparison by economic activity.** The details of the coverage of economic sectors, the number of matched activities, and unmatched activities are provided in following Tables 2, 3, 4. Within each matched sector, we identify similar activities based on their names and descriptions in the EU Taxonomy and the SA GFT. For some activities one activity in the South African taxonomy can be matched with several activities in the EU one. This is the case, for instance, for "Manufacture of low carbon and resource efficiency technologies" that in the EU Taxonomy also includes specific sectoral activities, e.g. on transport and buildings.

**As a next step, we compare substantial contribution criteria of the SA GFT's activities against those of their matched activities of the EU Taxonomy in quantitative and qualitative terms.** The in-depth comparison translates then into an assessment of three types of criteria comparing South Africa's with the EU Taxonomy: Similar, more ambitious and/or more detailed, and less ambitious and/or less detailed. See below for further details.

[19] As provided by the Carbon Trust Team

[20] Ibid.

[21] Ibid.

[22] Ibid.

[23] Financing a Sustainable Economy

**The technical screening criteria of the climate change adaptation objective follow generic criteria in both taxonomies.** The SA GFT has identified two generic sets of technical screening criteria, which are

i) technical screening criteria for activities implementing adaptation solutions; and

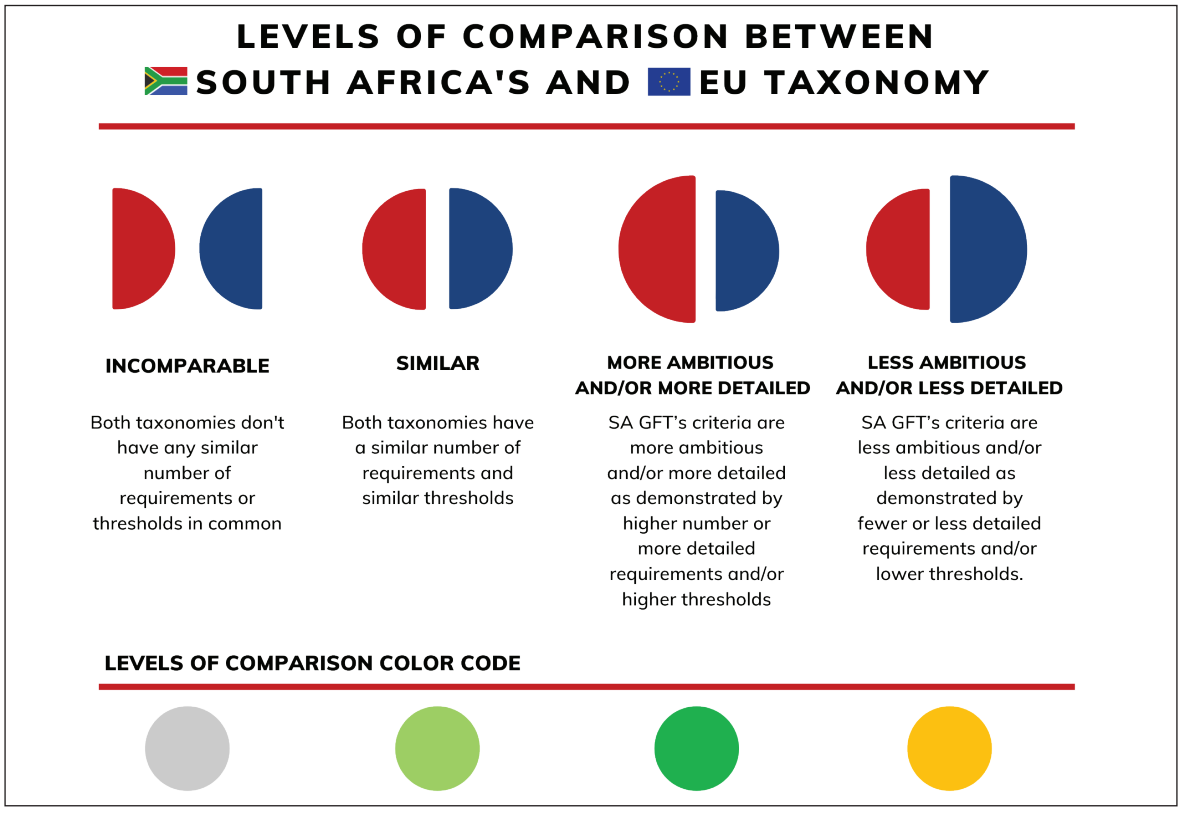
ii) technical screening criteria for enabling activities.

The SA GFT does not specify which set of technical screening criteria each activity belongs to, while the EU Taxonomy does. The EU Taxonomy's generic technical screening criteria can also be classified into the above two categories. Therefore, the assessment focuses on comparing sets of criteria instead of comparing the criteria for each activity. Two of the EU Taxonomy's activities belong to the second set of criteria and are the following: "Close to market research, development and innovation" and "Engineering activities and related technical consultancy dedicated to adaptation to climate change". The remaining activities of the EU Taxonomy have criteria that fall under the first set of criteria. One activity that does not fall under the two sets of generic criteria can be categorised under (a) Financial and insurance activities in the EU Taxonomy and (b) Enabling activities, system resilience & innovation in the SA GFT. As a result, we compare the remaining activities separately with their specific criteria.

**The process for comparing the DNSH criteria is as follows.** Both taxonomies have generic criteria for DNSH to climate change adaptation; DNSH to climate change mitigation; DNSH to sustainable use of water and marine resources; DNSH to pollution prevention; and DNSH to ecosystem protection and restoration. These generic criteria are elaborated in the appendices of the EU Taxonomy and of the SA GFT. Therefore, we compare these generic criteria according to the methodology mentioned below, which is also used to compare all TSC. In cases where an activity has generic DNSH criteria, we apply results of the generic criteria comparisons. In cases where an activity has specific DNSH criteria that are different from generic criteria, we compare the specific criteria in qualitative and/or quantitative terms.

Both taxonomies refer to regulations specific to respective jurisdictions (i.e. the SA GFT refers to South Africa laws while the EU Taxonomy refers to the EU's directives and regulations). A detailed comparison of related laws is out of scope of this study. On the other hand, in cases where both taxonomies refer to international standards such as ISO or to industry standards with specified thresholds and requirements, we specifically compare those thresholds and requirements.

**We have reviewed all substantial contribution criteria and DNSH criteria, and classified four levels comparing South Africa's with the EU Taxonomy**, which include:



**INCOMPARABLE:** this category is applicable to (i) TSC for the Agriculture, forestry and fishing sector and to (ii) the generic DNSH criteria to pollution prevention.

- **TSC for the Agriculture, forestry and fishing sector**: The SA GFT follows the Climate Bonds Initiative's Forestry and Land Conservation & Restoration Criteria and of South African Sustainable Forest Development Policy. It is beyond the scope of this study to compare the SA GFT's criteria in the Forestry sector with that of the EU. Hence, we classify the two TSC as incomparable.

- **The generic DNSH criteria for pollution prevention:** The EU Taxonomy only focuses on control regarding the use and presence of chemicals in its generic criteria for this DNSH while the SA GFT focuses on water and air emissions. As a result, for economic activities that exclusively refer to the generic criteria, we classify the two generic DNSH criteria as incomparable.

**SIMILAR:** both taxonomies have a similar number of requirements and similar thresholds:

- **Reference to local laws or regulation**: For economic activities with criteria that have similar or identical overall criteria and thresholds with reference to respective local laws, we classify the two criteria as similar. An assessment of the details of respective laws and regulations applicable to South Africa and the EU is beyond the scope of this report.

  **Example** - *Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy*: Both taxonomies classify activities as substantially contributing to climate change mitigation if they generate (i) electricity using solar PV technology, (ii) electricity using CSP technology, (iii) electricity from wind power, (iv) electricity from ocean energy, (v) consist in the cogeneration of electricity and heat/cool from solar energy, (vi) or produce heat/cool using solar thermal heating. We do not analyse how each technology is regulated in local laws, but classify the two criteria as similar based on the fact that the TSC for substantial contribution are identical.

- **Reference to international standards and industry standards:** For economic activities with criteria that have identical requirements and thresholds with reference to international standards or industry standards, we then specifically compare them, and if they are similar, we classify the two criteria as similar.

  **Example** - *Manufacturing of cement*: both taxonomies require (i) grey cement clinker where the specific GHG emissions are lower than **0.722 tCO2e** per tonne of grey cement clinker; (ii) cement or alternative hydraulic binder, from grey clinker, where the specific GHG emissions from the clinker and cement or alternative binder production are lower than 0.469 tCO2e per tonne of cement or alternative binder manufactured; and (iii) where CO2 emitted from the manufacturing process is captured, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in respective sections regarding the transportation and storage of underground CO2. Hence, we compare the specific GHG emissions thresholds and classify the two criteria as similar.

**MORE AMBITIOUS AND/OR MORE DETAILED**: the SA GFT's criteria are more ambitious and/or more detailed as demonstrated by higher number or more detailed requirements and/or higher thresholds.

- **Reference to local laws or regulation:** For economic activities in the SA GFT with criteria that have a higher number of requirements we classify the SA GFT criteria as more ambitious. An assessment of the details of respective laws and regulations applicable to South Africa and the EU is beyond the scope of this report.

  **Example**: *Landfill gas capture and utilization:* the two taxonomies refer to local laws regarding methane emissions from the landfill and leakages, and the SA GFT also includes a condition to review the intended incentive to close landfills by 2025 in additional to requirements that both taxonomies mention *(date of the opening of the landfill, gas capture system, the generation of electricity and heat, and monitoring of methane emissions from the landfill and leakages*). Therefore, we conclude the SA GFT's criteria to be more ambitious and/or more detailed.

- **Reference to international standards and industry standards:** For economic activities with criteria that have a higher number or more detailed requirements or higher thresholds, we classify the SA GFT criteria to be of higher ambition.

  **Example** - *Production of electricity, heating and cooling from geothermal:* both taxonomies require life-cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO2e/kWh. The SA GFT also includes a declining threshold to net 0gCO2e/kWh by 2050. Therefore, we conclude the SA GFT's criteria to be more ambitious and/or more detailed.

**LESS AMBITIOUS AND/OR LESS DETAILED:** the SA GFT's criteria are less ambitious and/or less detailed as demonstrated by fewer or less detailed requirements and/or lower thresholds.

- **Reference to local laws or regulation:** For economic activities in the SA GFT with criteria that have a lower number of requirements we classify the SA GFT criteria as less ambitious. An assessment of the details of respective laws and regulations applicable to South Africa and the EU is beyond the scope of this report.

  **Example** - *Anaerobic digestion of bio-waste:* the EU Taxonomy refers to the *Directive (EU) 2018/2001* while the SA GFT refers to the *National Environmental Management Waste Act*. We classify the SA GFT's criteria to be less ambitious and/or less detailed on the grounds that the bio-waste constitution in bio-waste treatment plans as required by the *National Environmental Management Waste Act* is lower than that required by the *Directive (EU) 2018/2001* (70% against 90%).

- **Reference to international standards and industry standards:** For economic activities with criteria that have a lower number or less detailed requirements or lower thresholds, we classify the SA GFT criteria to be less ambitious and/or less detailed.

  **Example** -*Transport of CO2*: Both taxonomies have the same threshold, i.e. the CO2 transported from the installation where it is captured to the injection point does not lead to CO2 leakages above 0.5 % of the mass of CO2 transported. However, the EU Taxonomy has an additional requirement on leak detection systems and a monitoring plan. As a result, we classify the SA GFT's criteria to be less ambitious and/or less detailed.

# Assessment of Technical Screening Criteria and DNSH for Climate Change Mitigation

## Coverage of economic sectors

The EU Taxonomy Climate Delegated Act (published on 4 June 2021) includes 88 economic activities covering 9 sectors that qualify as substantially contributing to climate change mitigation while the South Africa Green Finance Taxonomy (SA GFT), which is based on the Climate Delegated Act, includes 44 economic activities covering 7 economic sectors.

Moreover, the EU Taxonomy, to date, also includes certain electricity and heat generation activities from fossil gas as well as nuclear (a total of 12 economic activities) that were introduced through a Complementary Delegated Act published in July 2022. This has been excluded from the in-depth analysis of criteria by economic activity, as the SA GFT does not currently include these additional activities.

Our analysis of criteria by economic activities is, hence, based on the matching of 42 out of 44 economic activities of the SA GFT with 70 out of 88 economic activities covered by the EU Climate Delegated Act.

| Sector in the EU Taxonomy | Number of economic activities | Sector in the SA GFT | Number of economic activities |
|---|---|---|---|
| Forestry | 4 | Agriculture, forestry, and fisheries | 1 |
| Manufacturing | 17 | Industry | 9 |
| Energy | 25 | Energy | 12 |
| Water supply, sewerage, waste management and remediation | 12 | Water and waste | 12 |
| Transport | 17 | Transportation | 4 |
| Construction and real estate | 7 | Construction | 4 |
| Information and communication | 2 | ICT | 2 |
| Environmental protection and restoration activities | 1 | | |
| Professional, scientific and technical activities | 3 | | |

Table 2: The number of matched economic activities by sector

In contrast to the EU Taxonomy, the SA GFT does not cover the following sectors:

(i) Environmental protection and restoration and
(ii) Professional, scientific and technical activities.

According to the SA GFT, the criteria for "Professional, scientific and technical activities" will be developed in the future[24]. On "Environmental protection and restoration", as of June 2022, the SA GFT obtained stakeholder feedback and intends to develop SA-specific standards taking into account that "Land use, restoration, and environmental protection" is closely determined by specific conditions of local biomes. Furthermore, the current SA GFT has recognised and defined a macro-sector for enabling activities (related to value chains and service provision) for environmental protection. South Africa considers the classification of value chain and service provision activities related to environment protection under 'enabling activity' to be more suited, sufficiently broad, and inclusive for the domestic context.

To streamline and reduce the document length, the SA GFT has consolidated economic activities across sectors. Approximately 45% of the EU Taxonomy activities are consolidated in the SA GFT. For instance, the SA GFT merges four economic activities (Afforestation; Rehabilitation and restoration of forests, including reforestation and natural

[24] First edition, March 2022: https://sustainablefinanceinitiative.org.za/wp-content/downloads/SA-Green-Finance-Taxonomy-1st-Edition-Final-01-04-2022.pdf. Appendix G

forest regeneration after an extreme event; Forest management; and Conservation forestry) in the Forestry sector of the EU Taxonomy into one economic activity of Forestry and Land Rehabilitation.

The two economic activities that are not matched with the EU Taxonomy are (i) Direct Air Capture of $CO_2$, and (ii) Capture of Greenhouse Gas Emissions. The same is true for those activities covered by the EU Complementary Delegated Act covering certain nuclear and gas activities as described above.

Furthermore, the EU taxonomy covers specific nuclear and gas energy activities in line with EU climate and environmental objectives and will help accelerating the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future. The SA GFT, in contrast, does not include any nuclear or gas-related energy activities.[25] Thus, the activities cannot be matched.

Table 3 shows the number of matched activities across sectors between the two taxonomies. Table 4 shows activities from the EU Taxonomy that are not matched with any activities of the SA GFT; hence, they are excluded from the comparison.

| Sector (in the SA GFT) | | The number of matched activities | |
|---|---|---|---|
| | | EU Taxonomy | SA GFT |
| | Agriculture, forestry, and fisheries | 4 | 1 |
| | Industry | 15 | 9 |
| | Energy | 21 | 12 |
| | Water and waste | 10 | 10 |
| | Transportation | 12 | 4 |
| | Construction | 6 | 4 |
| | ICT | 2 | 2 |

Table 3: The number of matched activities by sector

| No. | EU Taxonomy's activity | Sector | |
|---|---|---|---|
| 1 | Restoration of wetlands | Environmental protection and restoration activities | |
| 2 | Manufacture of equipment for the production and use of hydrogen | Manufacturing | |
| 3 | Manufacture of batteries | Manufacturing | |
| 4 | Electricity generation from renewable non-fossil gaseous and liquid fuels | Energy | |
| 5 | Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels | Energy | |
| 6 | Production of heat/cool from renewable non-fossil gaseous and liquid fuels | Energy | |
| 7 | Manufacture of biogas and biofuels for use in transport and of bioliquids | Energy | |
| 8 | Renewal of water collection, treatment and supply systems | Water supply, sewerage, waste management and remediation | |
| 9 | Renewal of waste water collection and treatment | Water supply, sewerage, waste management and remediation | |

[25] Commission Delegated Regulation (EU) 2022/1214

| | | | |
|---|---|---|---|
| 10 | Urban and suburban transport, road passenger transport | Transport | |
| 11 | Operation of personal mobility devices, cycle logistics | Transport | |
| 12 | Retrofitting of inland water passenger and freight transport | Transport | |
| 13 | Sea and coastal freight water transport, vessels for port operations and auxiliary activities | Transport | |
| 14 | Sea and coastal passenger water transport | Transport | |
| 15 | Retrofitting of sea and coastal freight and passenger water transport | Transport | |
| 16 | Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | Construction and real estate | |
| 17 | Close to market research, development and innovation | Professional, scientific and technical activities | |
| 18 | Research, development and innovation for direct air capture of CO2 | Professional, scientific and technical activities | |
| 19 | Professional services related to energy performance of buildings | Professional, scientific and technical activities | |

Table 4: EU Taxonomy's activities not covered by the SA GFT

# Summary

## A. Substantial contribution criteria

Overall, for the SC criteria, the proportion of activities of the SA GFT that has similar or more ambitious and/or more detailed criteria as compared to the EU Taxonomy is 85% (71% for SC to climate change mitigation and 99% for SC to climate change adaptation respectively). Figures 1 and 2 show the proportion of four categories for the comparison of TSC of both climate change mitigation and climate change adaptation, and of climate change mitigation only.

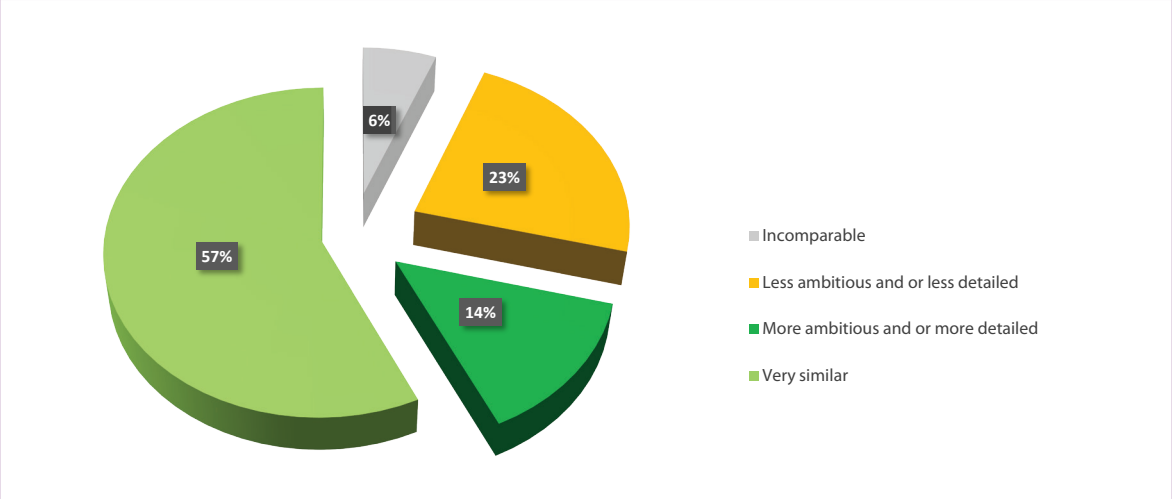



Figure 2: Proportion of 4 categories for the comparison of TSC of climate change mitigation

**Higher ambitions have been mostly identified for economic activities in the energy sector, lower ambitions for economic activities in transportation and construction sectors.** In the energy sector, there are 7 economic activities in which criteria of the SA GFT are more ambitious and/or more detailed than those in the EU Taxonomy as they **include declining thresholds** towards zero emissions. In the transport sector, for instance, in contrast to the EU taxonomy, the SA GFT does not include requirements for certain types of vehicles, such as for passenger cars or urban and suburban transport. For the construction of new buildings or renovation of existing ones, for example, the SA GFT allows for three levels of energy performance, incl. below net zero level. The EU, in comparison, only allows for net zero energy performance of buildings to be considered taxonomy-compliant.

## B. DNSH criteria

Similar to the SC criteria, the DNSH criteria show some variation between the two taxonomies (Figure 3).

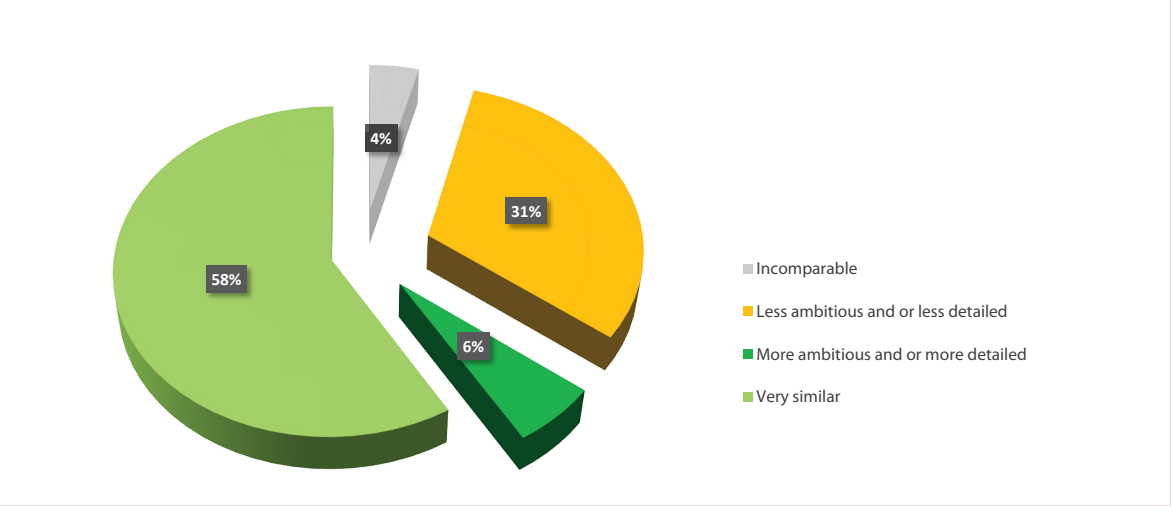



Figure 3: Proportion of 4 categories for DNSH comparison all matched activities contributing to climate change mitigation

Below are comparisons of generic criteria for DNSH for economic activities that substantially contribute to climate change mitigation. The generic DNSH criteria to sustainable use and protection of water and marine resources, pollution prevention and ecosystem protection and restoration also apply to activities defined for climate change adaptation.

i) **DNSH to climate change adaptation**: The classification of climate-related hazards (Temperature related; Wind-Related; Water-related; and Solid mass- related) is the same in both taxonomies; and both do not include secondary hazards resulting from climate-related hazards such as chemical, biological, ecological and epidemiological hazards. However, the practical execution of the EU Taxonomy requires higher level of detail. Specifically, the SA GFT requires an assessment of investments into activities with an expected lifespan of less than 10 years by using downscaling of climate projections at least. This assessment is required by the EU Taxonomy to be at the smallest appropriate scale. In addition, the implementation of adaptation solutions is clearly required by the EU Taxonomy to be performed before the start of operations while the SA GFT only requires the implementation within five years from the start of the activity for activity upgrading or altering existing assets or processes. Therefore, the SA GFT's criteria is at this stage less ambitious and/or less detailed than the EU Taxonomy's.

ii) **DNSH to sustainable use and protection of water and marine resources**: In the generic criteria, each taxonomy refers to corresponding and applicable laws while both still have the same general criteria and requirements on achieving good water status and good ecological potential and developing a water use and protection management plan. Hence, the SA GFT has a similar level of ambition as the EU Taxonomy. Table 10 compares specific DNSH criteria for different economic activities.

iii) **DNSH to pollution prevention**: The EU Taxonomy only focuses on control regarding the use and presence of chemicals in its generic criteria for this DNSH, while the SA GFT focuses on water and air emissions. As a result, for economic activities that exclusively refer to the generic criteria, we could not conclude the comparison category.

iv) **DNSH to ecosystem protection and restoration**: Both require an Environmental Impact Assessment (EIA) to be completed as well as mitigation and compensation measures for protecting the environment. Moreover, appropriate screening and necessary mitigation measures are required by both taxonomies. Hence, we conclude the two taxonomies' criteria to be similar.

The comparison of specific DNSH criteria for individual economic activities follows in the sections below.

# In-depth assessment

## A. Agriculture, forestry, and fisheries

SA technical screening criteria in the agriculture, forestry, and fisheries sector are significantly different from the EU one, to suit South African law and regulations. The SA GFT applies the Climate Bonds Initiative's (CBI) Forestry and Land Conservation & Restoration Criteria and the South African Sustainable Forest Development Policy. It is beyond the scope of this study to compare the SA GFT's criteria in the Forestry sector with that of the EU Taxonomy. First, there are vast differences in the nature of biodiversity and ecosystem between the two regions. Second, the CBI Criteria and the EU Taxonomy Technical Screening Criteria follow a different methodology. For an activity to be certified under the CBI's Forestry Criteria, it must meet the following three requirements:

a. Mitigation component;
b. Resilience component; and
c. Free, Prior, and Informed Consent (FPIC).

Each component has sub-requirements mostly determined by the Forestry Stewardship Council (FSC) or the Programme for the Endorsement of Forest (PEFC) certification. Although the EU Taxonomy allows audits to be performed together with any forest certification, other requirements remain incomparable if not specified in greater detail in the SA GFT. Hence, the sector's requirements are considered to have major divergences as compared with the requirements set out in the EU Taxonomy. Requirements on audit (10-year interval disclosure audited by an independent third-party certifier and/or competent authorities) and on climate benefit analysis methodology (consistent with the 2019 Refinement to the 2006 IPCC Guidelines) are the same.

## B. Industry

**Summary of TSC assessment:** For 13 out of 15 of matched economic activities, the criteria across the two taxonomies are similar. There is one SA GFT activity, the manufacture of low carbon technologies for transport that has more ambitious and/or more detailed criteria than those of the EU Taxonomy. Criteria and requirements of the other activity are less ambitious and/or less detailed than those of the EU Taxonomy. For several manufacturing activities such as for aluminium or steel, the SA GFT requires that "*mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions*". In this case, according to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue the capex (investment into the activity) is considered to be taxonomy compliant. This recognition principle is similar to that of the EU Delegated Act supplementing Article 8 of the Taxonomy Regulation (Disclosures Delegated Act) although the EU Taxonomy does not explicitly mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy.

**Summary of DNSH assessment:** For DNSH to pollution prevention, the criteria are similar, but for the DNSH to sustainable resource use and circularity, all three activities of the SA GFT have less ambitious and/or less detailed criteria than those of the EU Taxonomy.

Table 5 and 6 provide a comparison of the two taxonomies in the Industry sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Manufacture of low carbon and resource efficiency technologies | Manufacture of renewable energy technologies |  **SIMILAR** | Both have the same criteria |
| Manufacture of low carbon and resource efficiency technologies | Manufacture of low carbon technologies for transport |  **MORE AMBITIOUS AND/ OR MORE DETAILEDS** | **SA:** Declining threshold for all water transport: until 31 December 2025, all hybrid vessels using at least 50% of zero direct (tailpipe) CO2 emission fuel mass or plug-in power for their normal operation;<br>**EU**: Declining thresholds for water transport vary within the category. Some are the same as those in SA taxonomy, and some have lower thresholds allowing for more qualified vehicles.<br>• inland passenger water transport vessels: until 31 December 2025, a hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>• inland freight water transport vessels: 50 % lower than the average reference value for emissions of CO2 defined for heavy duty vehicles (vehicle subgroup 5-LH)<br>• sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities:<br>▪ until 31 December 2025, all hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>▪ until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO2 emissions 50 % lower than the average reference CO2 emissions value defined for heavy duty vehicles (vehicle subgroup 5-LH);<br>▪ until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources; sea and coastal passenger water transport vessels:<br>▪ until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>▪ until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources. |
| Manufacture of low carbon and resource efficiency technologies | Manufacture of energy efficiency equipment for buildings |  **LESS AMBITIOUS AND/ OR LESS DETAILED** | ▪ Windows: SA criterion is stricter (U-value lower than 0.7 W/m2K) than EU criterion (U-value lower or equal to 1,0 W/m2K); (the lower the U-value, the less heat is lost and the more insulation the material provides)<br>▪ Building automation and control systems: The SA GFT allows for commercial buildings while EU Taxonomy allows for both residential and non-residential buildings;<br>▪ Zoned thermostats and devices for the smart monitoring of the main electricity loads: The SA GFT allows for residential buildings while EU for buildings in general;<br>▪ District heating exchangers and substations; and products for smart monitoring and regulating of heating system, and sensoring equipment: only EU Taxonomy has criteria on this;<br>▪ Installation of Building Management Systems (BMS); and Hot water fittings (e.g. taps, showers): only The SA GFT has criteria on this;<br>▪ Other products either have the same requirements (doors, insulation products, roofing systems, daylight controls, façade and roofing elements, and products for heat metering and thermostatic controls) or have different standards (household appliances, lighting appliances, space heating, cooling and ventilation systems).<br>Overall, the EU Taxonomy is more ambitious and/or more detailed in terms requirements for more types of buildings. |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Manufacture of low carbon and resource efficiency technologies | Manufacture of other low carbon technologies |  SIMILAR | Both taxonomies require substantial GHG emissions reductions compared to the best performing alternative technology/ product/ solution available on the market on basis of domestic/ international standards verified by an independent third party. |
| Manufacture of cement | Manufacture of cement |  SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of Aluminium | Manufacture of aluminium |  SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of Iron, Steel and Ferroalloys | Manufacture of iron and steel |  SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of Hydrogen | Manufacture of hydrogen |  SIMILAR | Both taxonomies have the same thresholds and requirements. |
| Manufacture of other inorganic basic chemicals | Manufacture of soda ash |  SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of other inorganic basic chemicals | Manufacture of carbon black |  SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Manufacture of other inorganic basic chemicals | Manufacture of chlorine | SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of other organic basic chemicals | Manufacture of organic basic chemicals | SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. |
| Manufacture of fertilizers and nitrogen compounds | Manufacture of anhydrous ammonia | SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. |
| Manufacture of fertilizers and nitrogen compounds | Manufacture of nitric acid | SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. |
| Manufacture of plastics in primary form | Manufacture of plastics in primary form | SIMILAR | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. |

Table 5: Industry sector: Comparison of TSC

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Manufacture of low carbon and resource efficiency technologies | Manufacture of renewable energy technologies | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require information on and traceability of substances of concern throughout the lifecycle of the manufactured products. |
| Manufacture of low carbon and resource efficiency technologies | Manufacture of low carbon technologies for transport | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require information on and traceability of substances of concern throughout the lifecycle of the manufactured products. |
| Manufacture of low carbon and resource efficiency technologies | Manufacture of energy efficiency equipment for buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require information on and traceability of substances of concern throughout the lifecycle of the manufactured products. |
| Manufacture of low carbon and resource efficiency technologies | Manufacture of other low carbon technologies | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require information on and traceability of substances of concern throughout the lifecycle of the manufactured products. |
| Manufacture of cement | Manufacture of cement | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have the same requirements. |
| Manufacture of Aluminium | Manufacture of aluminium | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have the same requirements. |
| Manufacture of Iron, Steel and Ferroalloys | Manufacture of iron and steel | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have the same requirements. |

Table 6: Industry sector: Comparison of DNSH

## C. Energy

**Summary of TSC assessment:** for approximately 60% of the matched economic activities (12 out of 21), the criteria of both taxonomies are similar, while for a large share of activities (7 out of 21) criteria of the SA GFT are more ambitious and/or more detailed than those in the EU Taxonomy as they include declining thresholds towards zero emissions. There are two economic activities in which criteria of the SA GFT are less ambitious and/or less detailed than that in the EU Taxonomy, mostly due to the fact that the SA GFT does not have specific quantitative requirements while the EU Taxonomy does (requirements on chemical energy storage and energy efficiency).

**Summary of DNSH assessment:** For all of the 12 activities that have DNSH to circularity, the criteria of both taxonomies are similar. For DNSH to sustainable use of water and marine resources, two out of three activities of the SA GFT have less ambitious and/or less detailed criteria. For DNSH to pollution prevention, around half of the 18 activities of the SA GFT have more ambitious and/or more detailed criteria on the grounds that the EU Taxonomy does not include criteria for some activities of this DNSH while the SA GFT does.

The EU has included specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy through a Complementary Delegated Act that was published on 15 July 2022 and will apply from 1 January 2023. The criteria for the specific gas and nuclear activities defined are in line with EU climate and environmental objectives and will help accelerating the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future.

The SA GFT, to date, in contrast, does not include any nuclear or gas-related energy activities.[26]

Table 7 and 8 below give a comparison of the two taxonomies in the Energy sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using solar photovoltaic technology | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using concentrated solar power (CSP) technology | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from wind power | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from ocean energy technologies | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Cogeneration of heat/cool and power from solar energy | SIMILAR | Both taxonomies have the same requirement and criteria. |

[26] Commission Delegated Regulation (EU) 2022/1214

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Production of heat/cool from solar thermal heating | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Hydropower | Electricity generation from hydropower | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| Production of electricity, heating and cooling from Geothermal | Electricity generation from geothermal energy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Production of electricity, heating and cooling from Geothermal | Cogeneration of heat/cool and power from geothermal energy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Production of electricity, heating and cooling from Geothermal | Production of heat/cool from geothermal energy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Production of electricity, heating and cooling from Bioenergy | Electricity generation from bioenergy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Production of electricity, heating and cooling from Bioenergy | Cogeneration of heat/cool and power from bioenergy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Production of electricity, heating and cooling from Bioenergy | Production of heat/cool from bioenergy | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. |
| Transmission and distribution of Electricity | Transmission and distribution of electricity | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has a declining threshold for direct connection, or expansion of existing direct connection towards zero emissions while the EU Taxonomy does not. |
| Storage of Electricity | Storage of electricity | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT The SA GFT does not have requirements in case the activity includes chemical energy storage while EU Taxonomy does |
| Storage of Thermal Energy | Storage of thermal energy | **SIMILAR** | Both have the same criteria |
| Storage of Hydrogen | Storage of hydrogen | **SIMILAR** | Both have the same criteria |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Transmission and distribution networks for renewable and low-carbon gases | Transmission and distribution networks for renewable and low-carbon gases | SIMILAR | Both have the same criteria |
| District Heating/Cooling Distribution | District heating/cooling distribution | SIMILAR | Both have the same criteria on the use of energy and heat in the heating/cooling distribution system |
| Installation and operation of Electric Heat Pumps | Installation and operation of electric heat pumps | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not have energy efficiency requirements for this activity while the EU Taxonomy requires energy efficiency measures. |
| Production of Heating/Cooling using Waste Heat | Production of heat/cool using waste heat | SIMILAR | Both taxonomies have the same requirement and criteria. |

Table 7: Energy sector: Comparison of TSC

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Production of electricity, heating and cooling from Hydropower | Electricity generation from hydropower | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable use of water and marine resources**: The SA GFT taxonomy does not require monitoring the effectiveness of mitigation measures. |
| Transmission and distribution of Electricity | Transmission and distribution of electricity | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to sustainable use of water and marine resources**: The EU Taxonomy does not have DNSH on water for this activity. |
| Storage of Electricity | Storage of electricity | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable use of water and marine resources**: The SA GFT does not have requirements for pumped hydropower storage connected to a river body while the EU Taxonomy does. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using solar photovoltaic technology | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using concentrated solar power (CSP) technology | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from wind power |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from ocean energy technologies |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Cogeneration of heat/cool and power from solar energy |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Production of heat/cool from solar thermal heating |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Transmission and distribution of Electricity | Transmission and distribution of electricity |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Storage of Electricity | Storage of electricity |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Storage of Thermal Energy | Storage of thermal energy |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Storage of Hydrogen | Storage of hydrogen |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Installation and operation of Electric Heat Pumps | Installation and operation of electric heat pumps |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of Heating/Cooling using Waste Heat | Production of heat/cool using waste heat |  **SIMILAR** | **DNSH to sustainable resource use and circularity**: Both have the same criteria. |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using solar photovoltaic technology |  **MORE AMBITIOUS AND/ OR MORE DETAILED** | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation using concentrated solar power (CSP) technology |  **MORE AMBITIOUS AND/ OR MORE DETAILED** | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from wind power | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Electricity generation from ocean energy technologies | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Cogeneration of heat/cool and power from solar energy | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |
| Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | Production of heat/cool from solar thermal heating | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** EU Taxonomy does not have DNSH on pollution prevention for this activity |
| Production of electricity, heating and cooling from Geothermal | Electricity generation from geothermal energy | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** The SA GFT has additional requirements on use of chemicals and emissions to water while EU Taxonomy requires air emissions reduction only |
| Production of electricity, heating and cooling from Geothermal | Cogeneration of heat/cool and power from geothermal energy | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** The SA GFT has additional requirements on use of chemicals and emissions to water while EU Taxonomy requires air emissions reduction only |
| Production of electricity, heating and cooling from Geothermal | Production of heat/cool from geothermal energy | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention:** The SA GFT has additional requirements on use of chemicals and emissions to water while EU Taxonomy requires air emissions reduction only |
| Production of electricity, heating and cooling from Bioenergy | Electricity generation from bioenergy | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have requirements on emissions to air and water, and requirements for fertilising materials |
| Production of electricity, heating and cooling from Bioenergy | Cogeneration of heat/cool and power from bioenergy | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have requirements on emissions to air and water, and requirements for fertilising materials |
| Production of electricity, heating and cooling from Bioenergy | Production of heat/cool from bioenergy | SIMILAR | **DNSH to pollution prevention:** Both taxonomies have requirements on emissions to air and water, and requirements for fertilising materials |
| Transmission and distribution of Electricity | Transmission and distribution of electricity | SIMILAR | **DNSH to pollution prevention:** Both have the same criteria |
| Storage of Hydrogen | Storage of hydrogen | SIMILAR | **DNSH to pollution prevention:** Both have the same requirements on waste management |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Transmission and distribution networks for renewable and low-carbon gases | Transmission and distribution networks for renewable and low-carbon gases | SIMILAR | **DNSH to pollution prevention:** Both have the same criteria |
| District Heating/Cooling Distribution | District heating/cooling distribution | SIMILAR | **DNSH to pollution prevention:** Both have the same criteria |
| Installation and operation of Electric Heat Pumps | Installation and operation of electric heat pumps | SIMILAR | **DNSH to pollution prevention:** Both have the same criteria |
| Production of Heating/Cooling using Waste Heat | Production of heat/cool using waste heat | SIMILAR | **DNSH to pollution prevention:** The SA GFT requires adherence to a recognised environmental management system (ISO 14001 or equivalent) while EU Taxonomy requires top class of the energy label laid down in Regulation (EU) 2017/1369 |

Table 8: Energy sector: Comparison of DNSH

## D. Water and waste

**Summary of TSC assessment:** Four out of ten matched economic activities have the same criteria and requirements in both taxonomies while the criteria for four activities are less ambitious and/or less detailed. This is mostly because, in contrast to the EU taxonomy, the SA GFT does not require a monitoring plan, a leak detection system, and an assessment of the direct GHG emissions.

**Summary of DNSH assessment:** For all of the six activities that have DNSH to pollution criteria and one activity that requires DNSH to circularity, the criteria of both taxonomies are similar. Most of the ten matched activities follow the generic DNSH to climate change adaptation, sustainable use and protection of water and marine resources, and ecosystem protection and restoration.

Table 9 and 10 provide a comparison of the two taxonomies in the Water and waste sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Water collection, storage, distribution treatment and supply | Construction, extension and operation of water collection, treatment and supply systems | SIMILAR | Both taxonomies have the same options and requirements for net average energy consumption and the leakage level. |
| Centralized wastewater treatment | Construction, extension and operation of waste water collection and treatment | LESS AMBITIOUS AND/OR LESS DETAILED | The SA GFT does not set a threshold for this activity while the EU does in terms of net energy consumption of the wastewater treatment plan. According to the SA GFT construction or extension of centralized wastewater, systems including collection (sewer network) and treatment is eligible as long as the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems (such as pit latrines, septic tanks, anaerobic lagoons etc.) which is not the case in the EU taxonomy. The SA GFT does not require to perform an assessment of the direct GHG emissions while the EU does. |
| Separate collection and transport of non-hazardous waste in source segregated fractions | Collection and transport of non-hazardous waste in source segregated fractions | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Anaerobic digestion of sewage sludge | Anaerobic digestion of sewage sludge | SIMILAR | Both taxonomies have the same requirement and criteria. |
| Anaerobic digestion of bio-waste | Anaerobic digestion of bio-waste | LESS AMBITIOUS AND/OR LESS DETAILED | The SA GFT allows that in dedicated bio-waste treatment plants, co-digestion is eligible with a minor share (up to 30% of the input feedstock) while the proportion in the EU Taxonomy is only 10%. Other criteria are similar. |
| Composting of bio-waste | Composting of bio-waste | MORE AMBITIOUS AND/OR MORE DETAILED | The SA GFT only allows compost of bio-waste in case anaerobic digestion is not a technically and economically viable alternative while the EU Taxonomy does not mention composting as an alternative to anaerobic digestion of bio-waste. |
| Material recovery from non-hazardous waste | Material recovery from non-hazardous waste | SIMILAR | Both taxonomies have the same requirement and criteria. |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Landfill gas capture and utilization | Landfill gas capture and utilisation | MORE AMBITIOUS AND/OR MORE DETAILED | The SA GFT requires that by 2025 the feasibility of the principle, in particular with regard to the intended incentive to close landfills, should be assessed. The EU Taxonomy does not mention the review of the incentive to close landfills. Other criteria are the same. |
| Transport of $CO_2$ | Transport of $CO_2$ | LESS AMBITIOUS AND/OR LESS DETAILED | The SA GFT does not require leak detection systems and a monitoring plan while the EU Taxonomy does. |
| Permanent Sequestration of Captured $CO_2$ | Underground permanent geological storage of $CO_2$ | LESS AMBITIOUS AND/OR LESS DETAILED | The SA GFT does not require an assessment of the potential storage complex and surrounding area, appropriate leakage detection systems, and a monitoring plan while the EU Taxonomy does. |

Table 9: Water and waste sector: Comparison of TSC

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Centralized wastewater treatment | Construction, extension and operation of waste water collection and treatment | SIMILAR | **DNSH to pollution prevention**: Both taxonomies have requirements on emissions to water, measures to avoid and mitigate combined sewer overflow, and sewage sludge. |
| Anaerobic digestion of sewage sludge | Anaerobic digestion of sewage sludge | SIMILAR | **DNSH to pollution prevention**: Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. |
| Anaerobic digestion of bio-waste | Anaerobic digestion of bio-waste | SIMILAR | **DNSH to pollution prevention**: Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. |
| Composting of bio-waste | Composting of bio-waste | SIMILAR | **DNSH to pollution prevention**: Both have the same requirements on emissions to water and air, system preventing leachate, and the produced compost. |
| Landfill gas capture and utilization | Landfill gas capture and utilisation | SIMILAR | **DNSH to pollution prevention**: Both have the same criteria |
| Permanent Sequestration of Captured CO2 | Underground permanent geological storage of CO2 | SIMILAR | **DNSH to pollution prevention**: Both have requirements in place for DNSH on pollution prevention for this activity although the requirements are from different laws and standards. |
| Permanent Sequestration of Captured CO2 | Underground permanent geological storage of CO2 | MORE AMBITIOUS AND/OR MORE DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT has criteria on this while the EU Taxonomy does not. |
| Separate collection and transport of non-hazardous waste in source segregated fractions | Collection and transport of non-hazardous waste in source segregated fractions | SIMILAR | **DNSH to sustainable resource use and circularity**: Both require not mixing different source segregated waste fractions in waste storage and transfer facilities. |

Table 10: Water and waste sector: Comparison of DNSH

## E. Transportation

**Summary of TSC assessment**: For approximately two thirds of matched economic activities (7 out of 12) in this sector, both taxonomies have the same criteria and requirements. The criteria for five economic activities can be considered less ambitious and/or less detailed. In contrast to the EU taxonomy, the SA GFT does not include thresholds for certain vehicle types. Furthermore,

**Summary of DNSH assessment:** For 11 activities having criteria for DNSH to pollution prevention, 8 are similar, 2 more ambitious and/or more detailed and 1 less ambitious and/or less detailed than the EU Taxonomy.

Table 11 and 12 below give a comparison of the two taxonomies in the Transportation sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Commuter road, passenger rail and freight rail transport | Passenger interurban rail transport | SIMILAR | Both taxonomies have the same criteria and requirements. |
| Commuter road, passenger rail and freight rail transport | Freight rail transport | SIMILAR | Both taxonomies have the same criteria and requirements. |
| Commuter road, passenger rail and freight rail transport | Urban and suburban transport, road passenger transport | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not mention requirements for urban and suburban transport although the description of activity includes this type of transport while the EU does. |
| Passenger cars, road commercial vehicles and road freight transport | Transport by motorbikes, passenger cars and light commercial vehicles | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not have a threshold on emissions for passenger cars and road commercial vehicles while the EU does. |
| Passenger cars, road commercial vehicles and road freight transport | Freight transport services by road | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT allows dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels while the EU does not. |
| Inland passenger and freight water transport | Inland passenger water transport | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT allows for dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels below certain g CO2 e /pkm. The EU taxonomy requires vessels to have zero direct (tailpipe) CO2 emissions. Until end 2025, it allows for hybrid and dual fuel vessels that derive at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power. |
| Inland passenger and freight water transport | Inland freight water transport | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT allows for dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels below certain g CO2 e /pkm. The EU taxonomy requires vessels to have zero direct (tailpipe) CO2 emissions. Until end 2025, it allows for hybrid and dual fuel vessels that derive at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power. |

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Infrastructure for low carbon transport | Infrastructure for personal mobility, cycle logistics | SIMILAR | Both have the same criteria |
| Infrastructure for low carbon transport | Infrastructure for rail transport | SIMILAR | Both have the same criteria |
| Infrastructure for low carbon transport | Infrastructure enabling low-carbon road transport and public transport | SIMILAR | Both have the same criteria |
| Infrastructure for low carbon transport | Infrastructure enabling low carbon water transport | SIMILAR | Both have the same criteria |
| Infrastructure for low carbon transport | Low carbon airport infrastructure | SIMILAR | Both have the same criteria |

Table 11: Transportation sector: Comparison of TSC

| SA GFT's activity | EU Taxonomy's activity | COMPARISON CATEGORY | Comparison |
|---|---|---|---|
| Commuter road, passenger rail and freight rail transport | Passenger interurban rail transport | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same requirements |
| Commuter road, passenger rail and freight rail transport | Freight rail transport | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same requirements |
| Passenger cars, road commercial vehicles and road freight transport | Transport by motorbikes, passenger cars and light commercial vehicles | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same requirements on recyclability, and measures to manage waste |
| Passenger cars, road commercial vehicles and road freight transport | Freight transport services by road | SIMILAR | **DNSH to sustainable resource use and circularity**: Both have the same requirements on recyclability, and measures to manage waste |
| Inland passenger and freight water transport | Inland passenger water transport | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require recycling of hazardous materials on board of ships, neither does it include a DNSH on circular economy for battery-operated vessels. |
| Inland passenger and freight water transport | Inland freight water transport | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT does not require recycling of hazardous materials on board of ships, neither does it include a DNSH on circular economy for battery-operated vessels |

| SA GFT's activity | EU Taxonomy's activity | COMPARISON CATEGORY | Comparison |
|---|---|---|---|
| Infrastructure for low carbon transport | Infrastructure for personal mobility, cycle logistics | SIMILAR | **DNSH to sustainable resource use and circularity**: Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation |
| Infrastructure for low carbon transport | Infrastructure for rail transport | SIMILAR | **DNSH to sustainable resource use and circularity**: Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation |
| Infrastructure for low carbon transport | Infrastructure enabling low-carbon road transport and public transport | SIMILAR | **DNSH to sustainable resource use and circularity**: Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation |
| Infrastructure for low carbon transport | Infrastructure enabling low carbon water transport | SIMILAR | **DNSH to sustainable resource use and circularity**: Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation |
| Infrastructure for low carbon transport | Low carbon airport infrastructure | SIMILAR | **DNSH to sustainable resource use and circularity**: Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation |
| Commuter road, passenger rail and freight rail transport | Passenger interurban rail transport | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention**: The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. The EU Taxonomy has emissions limits only. |
| Commuter road, passenger rail and freight rail transport | Freight rail transport | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to pollution prevention**: The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. The EU Taxonomy has emissions limits only. |
| Passenger cars, road commercial vehicles and road freight transport | Transport by motorbikes, passenger cars and light commercial vehicles | SIMILAR | **DNSH to pollution prevention**: Both have requirements on emissions thresholds, vibrations thresholds (energy efficiency), and noise limits. |
| Passenger cars, road commercial vehicles and road freight transport | Freight transport services by road | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to pollution prevention**: The SA GFT does not have DNSH on pollution prevention for heavy-duty vehicles |
| Inland passenger and freight water transport | Inland passenger water transport | SIMILAR | **DNSH to pollution prevention**: Both have requirements on emissions thresholds |
| Inland passenger and freight water transport | Inland freight water transport | SIMILAR | **DNSH to pollution prevention**: Both have requirements on emissions thresholds |
| Infrastructure for low carbon transport | Infrastructure for personal mobility, cycle logistics | SIMILAR | **DNSH to pollution prevention**: Both have requirements on noise, dust and pollutant emissions |
| Infrastructure for low carbon transport | Infrastructure for rail transport | SIMILAR | **DNSH to pollution prevention**: Both have requirements on noise, dust and pollutant emissions |

| SA GFT's activity | EU Taxonomy's activity | COMPARISON CATEGORY | Comparison |
|---|---|---|---|
| Infrastructure for low carbon transport | Infrastructure enabling low-carbon road transport and public transport | SIMILAR | **DNSH to pollution prevention**: Both have requirements on noise, dust and pollutant emissions |
| Infrastructure for low carbon transport | Infrastructure enabling low carbon water transport | SIMILAR | **DNSH to pollution prevention**: Both have requirements on noise, dust and pollutant emissions |
| Infrastructure for low carbon transport | Low carbon airport infrastructure | SIMILAR | **DNSH to pollution prevention**: Both have requirements on noise, dust and pollutant emissions |

Table 12: Transportation sector: Comparison of DNSH

## F. Construction

**Summary of TSC assessment**: The criteria for one third of the matched economic activities are less ambitious and/or less detailed in the SA GFT, for the construction of new buildings or renovation of existing ones, for example, the SA GFT allows levels of energy performance above net zero. The EU, in comparison, only allows for net zero energy performance of buildings to be considered taxonomy-compliant. According to the SA GFT, energy performance may be self-reported while the EU requires an official energy performance certificate.

**Summary of DNSH assessment**: The criteria for two activities with DNSH to circularity are less ambitious and/or less detailed. For DNSH to sustainable use of water and marine resources, all activities of the SA GFT have similar criteria. For DNSH to pollution prevention, three out of the 18 activities of the SA GFT have less ambitious and/or less detailed criteria.

Table 13 and 14 below give a comparison of the two taxonomies in the Construction sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Construction of new buildings | Construction of new buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while EU Taxonomy requires Energy Performance Certificate (EPC) |
| Building renovation and major refurbishment | Renovation of existing buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while EU Taxonomy requires an Energy Performance Certificate (EPC) |
| Individual measures and professional services | Installation, maintenance and repair of energy efficiency equipment | SIMILAR | Both have the same criteria |
| Individual measures and professional services | Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | SIMILAR | Both have the same criteria |
| Individual measures and professional services | Installation, maintenance and repair of renewable energy technologies | SIMILAR | Both have the same criteria |
| Acquisition and ownership | Acquisition and ownership of buildings | SIMILAR | Both taxonomies have the same requirements for buildings built before 31 December 2020. The SA GFT has yet to devise requirements for buildings built after 31 December 2020, which is an area for development. |

Table 13: Construction sector: Comparison of TSC

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|
| Construction of new buildings | Construction of new buildings | SIMILAR | **DNSH use of water and marine resources**: Both have the same criteria on technical specificities of water use and construction site impacts. |
| Building renovation and major refurbishment | Renovation of existing buildings | SIMILAR | **DNSH use of water and marine resources**: Both have the same criteria on technical specificities of water use and construction site impacts. |
| Construction of new buildings | Construction of new buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site to be prepared for re-use while in EU Taxonomy, this figure is at least 70%. Other criteria are the same. |
| Building renovation and major refurbishment | Renovation of existing buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site must be prepared for re-use while in EU Taxonomy, this figure is at least 70%. Other criteria are the same. |
| Construction of new buildings | Construction of new buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to pollution prevention**: The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. |
| Building renovation and major refurbishment | Renovation of existing buildings | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to pollution prevention**: The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. |
| Individual measures and professional services | Installation, maintenance and repair of energy efficiency equipment | SIMILAR | **DNSH to pollution prevention**: Both have the same criteria |
| Individual measures and professional services | Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | SIMILAR | **DNSH to pollution prevention**: Both have the same criteria |
| Individual measures and professional services | Installation, maintenance and repair of renewable energy technologies | SIMILAR | **DNSH to pollution prevention**: Both have the same criteria |
| Acquisition and ownership | Acquisition and ownership of buildings | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to ecosystem protection and restoration:** The EU Taxonomy does not have DNSH requirement for this activity while the SA GFT does. |

Table 14: Construction sector: Comparison of DNSH

## G. ICT

**Summary of TSC assessment**: There are two matched activities in this sector for which the criteria defined by the SA GFT are less ambitious and/or less detailed than those of the EU Taxonomy. .

**Summary of DNSH assessment**: Similarly, the DNSH criteria in the SA GFT defined for sustainable resource use and circularity are less ambitious and/or less detailed than in the EU taxonomy. On the other hand, the SA GFT requires 'Data processing, hosting and related activities' to comply with generic DNSH to ecosystem protection and restoration to be considered sustainable.

Table 15 and 16 below give a comparison of the two taxonomies in the ICT sector for TSC and activities with specific DNSH criteria. Details on activities with generic DNSH are in the Appendix – Comparison tables by activity.

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | Comparison |
|---|---|---|---|
| Data processing, hosting and related activities | Data processing, hosting and related activities | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not restrict the global warming potential (GWP) of refrigerants while the EU Taxonomy has a limit of 675. |
| Data-driven solutions for GHG emission reductions | Data-driven solutions for GHG emissions reductions | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not have a threshold on this activity while the EU Taxonomy requires the verification of quantified life-cycle GHG emission reductions by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived. |

Table 15: ICT sector: Comparison of TSC

| SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | Comparison |
|---|---|---|---|
| Data processing, hosting and related activities | Data processing, hosting and related activities | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The EU Taxonomy has more requirements for servers and data storage products, restricted substances, and requires a waste management plan. |
| Data-driven solutions for GHG emission reductions | Data-driven solutions for GHG emissions reductions | LESS AMBITIOUS AND/ OR LESS DETAILED | **DNSH to sustainable resource use and circularity**: The EU Taxonomy has DNSH on circular economy for this activity while the SA GFT does not. |
| Data processing, hosting and related activities | Data processing, hosting and related activities | MORE AMBITIOUS AND/ OR MORE DETAILED | **DNSH to ecosystem protection and restoration**: The EU Taxonomy does not have DNSH on biodiversity for this activity while the SA GFT does. |

Table 16: ICT sector: Comparison of DNSH

# Assessment of Technical Screening Criteria and DNSH for Climate Change Adaptation

## Coverage of economic sectors

The EU Taxonomy includes 95 economic activities covering 13 economic sectors that qualify as substantially contributing to climate change adaptation. The South Africa Green Finance Taxonomy (SA GFT), in contrast, defines criteria for 44 economic activities covering eight economic sectors. The difference in the total number of activities and sectors is due to the consolidation as well as exclusion of the some of the EU Taxonomy's activities in the SA GFT. Table 17 summarises the number of economic activities by sector in both taxonomies.

| Sector | Number of economic activities | Sector | Number of economic activities |
|---|---|---|---|
| Forestry | 4 | Agriculture, forestry, and fisheries | 1 |
| Manufacturing | 17 | Industry | 9 |
| Energy | 25 | Energy | 12 |
| Water supply, sewerage, waste management and remediation | 12 | Water and waste | 12 |
| Transport | 17 | Transportation | 4 |
| Construction and real estate | 7 | Construction | 4 |
| Information and communication | 3 | ICT | 1 |
| Environmental protection and restoration activities | 1 | Enabling activities, system resilience & innovation | 1 |
| Professional, scientific and technical activities | 2 | | |
| Financial and insurance activities | 2 | | |
| Education | 1 | | |
| Human health and social work activities | 1 | | |
| Arts, entertainment and recreation | 3 | | |

Table 17: The number of economic activities by sector (Climate Change Adaptation)

The SA GFT does not cover two economic sectors included in the EU taxonomy:

- Professional scientific and technical activities, Education, Human health and social work activities; and
- Arts, entertainment and recreation are not covered by the SA GFT.

Further market and regulatory assessments are needed before the potential inclusion of those sectors in the SA GFT. This is because those activities need further evaluation with regards to the impact of the regulatory environment and market demand in the context of South Africa.

| Sector (in the SA GFT) | | The number of matched activities | |
|---|---|---|---|
| | | EU Taxonomy | SA GFT |
| | Agriculture, forestry, and fisheries | 4 | 1 |
| | Industry | 15 | 9 |
| | Energy | 21 | 12 |
| | Water and waste | 10 | 10 |
| | Transportation | 12 | 4 |
| | Construction | 6 | 4 |
| | ICT | 1 | 1 |
| | Enabling activities, system resilience & innovation | 1 | 1 |

Table 18: The number of matched activities by sector (Climate Change Adaptation)

We have been able to match 42 out of 44 economic activities of the SA GFT with 70 out of 95 economic activities from the EU Taxonomy (Table 18).

## Summary

A large share of activities defined in the SA GFT that substantially contribute to climate change adaptation, i.e. 99% follow criteria that are similar or more ambitious and/or more detailed than those defined in the EU taxonomy. This is the case for 86% of activities in terms of DNSH criteria.

Both taxonomies follow similar criteria apart from the insurance activity. For the insurance activity, the SA GFT does not define specific criteria but only lists examples of how insurance contributes to mitigating physical risk. On the other hand, the EU Taxonomy defines specific criteria for this activity.

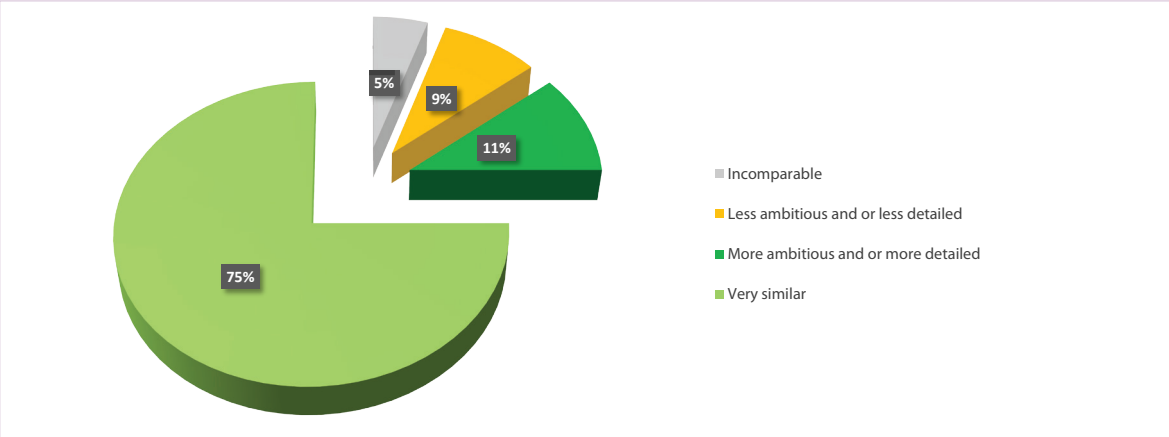



Figure 4: : Proportion of four categories for DNSH comparison of all matched activities contributing to climate change adaptation

The generic DNSH criteria to sustainable use of water and marine resources; sustainable resource use and circularity; pollution prevention; and ecosystem protection and restoration are the same across both climate change mitigation and adaptation objectives in the two taxonomies. Therefore, the analysis of these four DNSH criteria from the climate change mitigation section (see page 23) is valid for the climate change adaption section as well (see page 44). Only DNSH criteria to climate change mitigation differ. Thus, the results of the assessment will be outlined below for each activity respectively.

# In-depth assessment

## A. Technical screening criteria for activities implementing adaptation solutions

Both taxonomies require adaptation solutions to

(i) reduce material physical risks to that activity;

(ii) be consistent with local, sectoral, regional or national adaptation plans and strategies; and

(iii) be monitored and measured against defined benchmarks.

Therefore, the criteria of the two taxonomies are similar. The SA GFT requires climate risk assessments to be consistent with the expected lifetime of the activity. The EU Taxonomy clusters activities into two groups with (i) lifetime of less than 10 years and (ii) lifetime of more than 10 years. It has defined different requirements of climate risk assessment for the two groups respectively.

## B. Technical screening criteria for enabling activities

For enabling activities, the SA GFT closely follows the EU Taxonomy. Both aim to promote, research, and develop solutions dedicated to enabling one or more activities to meet the defined technical screening criteria as well as to remove information, financial, technological and capacity barriers to adaptation solutions.

There is one minor divergence in the scope. The EU Taxonomy includes the activity of 'Engineering activities and related technical consultancy dedicated to adaptation to climate change' that focuses on provision of consultancy helping one or more economic activities to meet the defined technical screening criteria while the SA GFT does not have this activity (as mentioned in the Overview section). As a result, the SA GFT has a narrower scope for enabling activities. Other than that, the technical screening criteria for enabling activities of the SA GFT are similar to those of the EU Taxonomy.

## C. Technical screening criteria for Financial and insurance activities

There is one matched activity for this set of technical screening criteria, which is 'Non-life insurance': underwriting of climate-related perils. The activity of 'Reinsurance' is under further evaluation for a potential future inclusion in the SA GFT. The EU Taxonomy, in contrast, defines five overarching requirements for 'Non-life insurance':

(i) Leadership in modelling and pricing of climate risks;
(ii) Product design;
(iii) Innovative insurance coverage solutions;
(iv) Data sharing; and
(v) High level of service in post-disaster situation.

The SA GFT refers to the generic technical screening as analysed above and does not specify requirements for this activity (see section a) and b)). The SA GFT only lists examples of how non-life insurance can contribute to reducing physical climate risk, e.g. through insurance against climate-related hazard to reduce physical climate-related risks. Therefore, the criteria of the SA GFT can be considered less ambitious and/or less detailed than that of the EU Taxonomy.

## D. DNSH to climate change mitigation

For approximately 60% of 56 matched economic activities that require a DNSH to climate change mitigation, the criteria and requirements of both taxonomies are the same. However, for those where the SA GFT often shows greater ambition, the EU taxonomy requires greater detail in terms of documentation and refers to specific EU and international standards. The SA GFT has more ambitious and/or more detailed criteria for 13 matched economic activities mostly due to the fact that the EU taxonomy does not include DNSH to climate change mitigation for those activities, e.g. in the industry sector. The remaining eight activities of the SA GFT have less ambitious and/or less detailed criteria than those of the EU Taxonomy, for example, due to allowing for a higher share of greenhouse gas emissions in the energy sector. Table 19 compares specific DNSH criteria for different economic activities.

| SECTOR | SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|---|
| | Forestry and Land Rehabilitation | Afforestation | SIMILAR | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. |
| | Forestry and Land Rehabilitation | Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event | SIMILAR | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. |
| | Forestry and Land Rehabilitation | Forest management | SIMILAR | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. |
| | Forestry and Land Rehabilitation | Conservation forestry | SIMILAR | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. |
| | Manufacture of low carbon and resource efficiency technologies | Manufacture of renewable energy technologies | MORE AMBITIOUS AND/OR MORE DETAILED | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| | Manufacture of low carbon and resource efficiency technologies | Manufacture of low carbon technologies for transport | MORE AMBITIOUS AND/OR MORE DETAILED | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| | Manufacture of low carbon and resource efficiency technologies | Manufacture of energy efficiency equipment for buildings | MORE AMBITIOUS AND/OR MORE DETAILED | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| | Manufacture of low carbon and resource efficiency technologies | Manufacture of other low carbon technologies | MORE AMBITIOUS AND/OR MORE DETAILED | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| | Manufacture of cement | Manufacture of cement | SIMILAR | Both taxonomies have the same criteria. |
| | Manufacture of aluminum | Manufacture of aluminum | SIMILAR | Both taxonomies have the same criteria on GHG emissions and electricity consumption. |
| | Manufacture of Iron, Steel and Ferroalloys | Manufacture of iron and steel | SIMILAR | Both taxonomies have the same criteria on GHG emissions. |
| | Manufacture of Hydrogen | Manufacture of hydrogen | SIMILAR | Both taxonomies have the same criteria life cycle GHG emissions savings. |

| SECTOR | SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|---|
| | Manufacture of other inorganic basic chemicals | Manufacture of carbon black | SIMILAR | Both taxonomies have the same criteria on GHG emissions and electricity consumption for electrolysis and chlorine treatment. |
| | Manufacture of other inorganic basic chemicals | Manufacture of soda ash | SIMILAR | Both taxonomies have the same criteria on GHG emissions and electricity consumption for electrolysis and chlorine treatment. |
| | Manufacture of other inorganic basic chemicals | Manufacture of chlorine | SIMILAR | Both taxonomies have the same criteria on GHG emissions and electricity consumption for electrolysis and chlorine treatment. |
| | Manufacture of other organic basic chemicals | Manufacture of organic basic chemicals | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not have requirements regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. |
| | Manufacture of fertilizers and nitrogen compounds | Manufacture of anhydrous ammonia | MORE AMBITIOUS AND/OR MORE DETAILED | The SA GFT does not allow the recovery of ammonia from water and only focuses on the reduction of GHG emissions while the EU Taxonomy allows the recovery of ammonia or GHG emissions reduction. |
| | Manufacture of fertilizers and nitrogen compounds | Manufacture of nitric acid | SIMILAR | Both taxonomies have the same criteria. |
| | Manufacture of plastics in primary form | Manufacture of plastics in primary form | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT does not have requirements regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. |
| | Production of electricity, heating and cooling from Hydropower | Electricity generation from hydropower | SIMILAR | Both have the same criteria. |
| | Production of electricity, heating and cooling from Geothermal | Electricity generation from geothermal energy | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT has a higher GHG emissions threshold of 475gCO2e/kWh while the EU Taxonomy's threshold is 270gCO2e/kWh. |
| | Production of electricity, heating and cooling from Geothermal | Cogeneration of heat/cool and power from geothermal energy | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT has a higher GHG emissions threshold of 475gCO2e/kWh while the EU Taxonomy's threshold is 270gCO2e/kWh. |
| | Production of electricity, heating and cooling from Geothermal | Production of heat/cool from geothermal energy | LESS AMBITIOUS AND/ OR LESS DETAILED | The SA GFT has a higher GHG emissions threshold of 475gCO2e/kWh while the EU Taxonomy's threshold is 270gCO2e/kWh. |
| | Production of electricity, heating and cooling from Bioenergy | Electricity generation from bioenergy | SIMILAR | Although two taxonomies refer to different rules and regulations, the level of ambition is similar in that both require the activity to contribute to emission savings and sustainability. |
| | Production of electricity, heating and cooling from Bioenergy | Cogeneration of heat/cool and power from bioenergy | SIMILAR | Although two taxonomies refer to different rules and regulations, the level of ambition is similar in that both require the activity to contribute to emission savings and sustainability. |
| | Production of electricity, heating and cooling from Bioenergy | Production of heat/ cool from bioenergy | SIMILAR | Although two taxonomies refer to different rules and regulations, the level of ambition is similar in that both require the activity to contribute to emission savings and sustainability. |

| SECTOR | SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|---|
| | Transmission and distribution of Electricity | Transmission and distribution of electricity | LESS AMBITIOUS AND/ OR LESS DETAILED | The EU Taxonomy does not allow direct connection to a power production plant where the direct greenhouse gas emissions exceed 270 gCO2e/kWh while the SA GFT allows that direct connections to generation units shall be below the average emission intensity of all electricity generation facilities in the region. |
| | Transmission and distribution networks for renewable and low-carbon gases | Transmission and distribution networks for renewable and low-carbon gases | SIMILAR | Both have the same criteria. |
| | District Heating/ Cooling Distribution | District heating/ cooling distribution | MORE AMBITIOUS AND/OR MORE DETAILED | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. |
| | Centralized wastewater treatment | Construction, extension and operation of waste water collection and treatment | LESS AMBITIOUS AND/ OR LESS DETAILED | The EU Taxonomy has DNSH criteria for this activity while the SA GFT does not. |
| | Anaerobic digestion of sewage sludge | Anaerobic digestion of sewage sludge | SIMILAR | Both have the same criteria. |
| | Anaerobic digestion of bio-waste | Anaerobic digestion of bio-waste | SIMILAR | Both have the same criteria. |
| | Landfill gas capture and utilization | Landfill gas capture and utilisation | SIMILAR | Both have the same criteria. |
| | Permanent Sequestration of Captured CO2 | Underground permanent geological storage of CO2 | SIMILAR | Both have the same criteria. |
| | Commuter road, passenger rail and freight rail transport | Freight rail transport | SIMILAR | Both have the same criteria. |
| | Commuter road, passenger rail and freight rail transport | Urban and suburban transport, road passenger transport | SIMILAR | Both have the same criteria. |
| | Passenger cars, road commercial vehicles and road freight transport | Transport by motorbikes, passenger cars and light commercial vehicles | LESS AMBITIOUS AND/ OR LESS DETAILED | The EU Taxonomy has a declining threshold for emissions for vehicles M1 while the SA GFT does not. |
| | Passenger cars, road commercial vehicles and road freight transport | Freight transport services by road | SIMILAR | Both have the same criteria. |
| | Inland passenger and freight water transport | Inland passenger water transport | MORE AMBITIOUS AND/OR MORE DETAILED | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. |

| SECTOR | SA GFT'S ACTIVITY | EU TAXONOMY'S ACTIVITY | COMPARISON CATEGORY | COMPARISON |
|---|---|---|---|---|
| | Inland passenger and freight water transport | Inland freight water transport | **MORE AMBITIOUS AND/OR MORE DETAILED** | The SA GFT has additional requirement on GHG emissions. |
| | Infrastructure for low carbon transport | Infrastructure for rail transport | **SIMILAR** | Both have the same criteria. |
| | Infrastructure for low carbon transport | Infrastructure enabling road transport and public transport | **SIMILAR** | Both have the same criteria. |
| | Infrastructure for low carbon transport | Infrastructure for water transport | **SIMILAR** | Both have the same criteria. |
| | Infrastructure for low carbon transport | Airport infrastructure | **SIMILAR** | Both have the same criteria. |
| | Construction of new buildings | Construction of new buildings | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels; energy demand and energy performance. |
| | Building renovation | Renovation of existing buildings | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. |
| | Individual measures and professional services | Installation, maintenance and repair of energy efficiency equipment | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. |
| | Individual measures and professional services | Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. |
| | Individual measures and professional services | Installation, maintenance and repair of renewable energy technologies | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. |
| | Data processing, hosting and related activities | Data processing, hosting and related activities | **LESS AMBITIOUS AND/OR LESS DETAILED** | The EU Taxonomy has clear requirements regarding Conduct on Data Centre Energy Efficiency while the SA GFT mentions in general the life cycle of data centers. |
| | Non-life insurance | Non-life insurance: underwriting of climate-related perils | **MORE AMBITIOUS AND/OR MORE DETAILED** | The EU Taxonomy requires the exclusion of insurance to extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes. In the SA GFT, the primary insurance product provider is required to validate that the activity and/or asset being insured is compliant with the relevant DNSH thresholds for the activity under cover. |

Table 19: Comparison of DNSH to climate change mitigation

# Conclusion

**This high-level comparison of the key elements of the two taxonomies supports the fact that the EU Taxonomy has served as the foundation of the South Africa Green Finance Taxonomy.**

Both taxonomies serve as a science-based classification system establishing the criteria for economic activities to be considered environmentally sustainable. They are based on the same overarching conditions: 1) Substantial contribution to one of the six same environmental objectives, 2) Do No Significant Harm and 3) aligning to Minimum Safeguards (MS) and (4) compliance with technical screening criteria.

To date, the key difference lies in its application. In contrast to the EU that requires corporates and financial market participants to mandatory disclose relevant information in accordance with the EU taxonomy, South Africa has not introduced mandatory taxonomy-related disclosure requirements, but has published disclosure guidance. This is however subject to future developments and changes.

**The study reveals that divergences between the SA GFT and the EU Taxonomy result mainly from reflecting national legislations and the local economic context.** For instance, the report finds that the SA GFT aligns its MS criteria with its elaborate national legislation, such as on labour rights and data protection, while the EU Taxonomy refers to international laws and standards. Furthermore, some technical screening and DNSH criteria differ in terms of level of detail or ambition reflecting national legislation, local sector specific technologies and economic priorities.

**Overall, the SA GFT is similar to the EU Taxonomy in terms of SC, DNSH, and MS criteria for both climate change objectives.** The criteria established for substantially contributing to the climate objectives for 78% of all matched economic activities are similar in quantitative and qualitative terms. Divergences stem mostly from the level of detail but also from the ambition as reflected in lower emission thresholds.

**The SC criteria for climate change mitigation show some variation between the two taxonomies.** Higher ambitions of the SA GFT have been mostly identified for economic activities in the energy sector, lower ambitions for economic activities in transportation and construction sectors.

While the SA GFT does not include fossil fuel-related activities and activities related to electricity generation from natural gas and nuclear the EU taxonomy defines criteria for certain fossil gas and nuclear energy activities that contribute to climate change mitigation under the Taxonomy Regulation.

**For SC to climate change adaptation, the similarity is close to 100% across the different economic sectors.** The SA GFT closely follows the criteria set out in the EU taxonomy for both activities implementing adaptation solutions and enabling activities.

**The DNSH criteria exhibit some variations in terms of emission thresholds, levels of detail as well as covered aspects across both taxonomies while the generic DNSH are largely similar**. The EU Taxonomy has established more ambitious and more detailed requirements only for the generic DNSH to climate change adaptation criteria. For instance, it requires entities to undertake a vulnerability assessment for their respective projects and to disclose the credibility of the assessment and the associated adaptation plan. Divergences for specific DNSH occur also partly due to different DNSH covered for the same activities.

**This study provides a first assessment of the similarities and differences between the two taxonomies**. The findings do not represent either a "common" or a "single" taxonomy, nor do they represent a view of the equivalence between the two initiatives. Present and future comparison assessments between the EU and other taxonomies around the world will contribute to enhancing interoperability and will be instrumental towards the development of coherent sustainable frameworks and towards better integrated sustainable finance markets across the world.

# APPENDIX

# Appendix 1: Comparison tables by activity

The following tables provide a summary of the assessment for SC and DNSH criteria for each economic activity. Please note that for climate change adaptation the economic activities only differ in terms of DNSH to climate change mitigation. Hence, the SC comparison for adaptation has not been included in the summary tables, except for non-life insurance.

## Agriculture, forestry, and fisheries

| | | |
|---|---|---|
| **SA activity** | Forestry and Land Rehabilitation | |
| **EU activity** | Afforestation<br>Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event<br>Forest management<br>Conservation forestry | |
| **SC comparison for climate change mitigation** | **INCOMPARABLE** | |
| **Summary** | The SA GFT follows the application of the Climate Bonds Initiative's Forestry and Land Conservation & Restoration Criteria and of the South African Sustainable Forest Development Policy. It is beyond the scope of this study to compare the SA GFT's criteria in the Forestry sector with that of the EU. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. |
| **DNSH CC adaptation** | ***GENERIC**<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | SA:<br>Minimise the use of pesticides<br>▪ Adapt the use of fertilizers to what is needed to prevent leeching of nutrients to waters.<br>▪ Lists of active ingredients that are to be avoided do not include the Minamata Convention on Mercury<br>▪ Restrict the use of chemicals: use of chemicals must adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993.<br>EU:<br>▪ The use of pesticides is reduced<br>▪ The activity minimises the use of fertilisers and does not use manure. The activity complies with Regulation (EU) 2019/1009 of the European Parliament and of the Council or national rules on fertilisers or soil improvers for agricultural use.<br>▪ Lists of active ingredients that are to be avoided do not include the Stockholm Convention on Persistent Organic Pollutants.<br>▪ Does not mention restriction of chemicals. |
| **DNSH to ecosystem protection and restoration** | **SIMILAR** | Both require sustained long-term conservation status and actions to be in line with conservation objectives. |

# INDUSTRY

| | | |
|---|---|---|
| **SA activity** | Manufacture of low carbon and resource efficiency technologies | |
| **EU activity** | Manufacture of renewable energy technologies<br>Manufacture of other low carbon technologies | |
| **SC comparison** | **SIMILAR** | |
| **Summary** | Both have the same criteria | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not include the requirement on information on and traceability of substances of concern throughout the lifecycle of the manufactured products while the EU Taxonomy has this requirement. |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | |
|---|---|
| **SA activity** | Manufacture of low carbon and resource efficiency technologies |
| **EU activity** | Manufacture of low carbon technologies for transport |
| **SC comparison** | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **Summary** | **SA**<br>Declining threshold for all water transport: until 31 December 2025, all hybrid vessels using at least 50% of zero direct (tailpipe) CO2 emission fuel mass or plug-in power for their normal operation;<br>**EU**<br>Declining thresholds for water transport vary within the category. Some are the same as those in SA taxonomy, and some have lower thresholds allowing for more qualified vehicles.<br>• inland passenger water transport vessels: until 31 December 2025, a hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>• inland freight water transport vessels: 50 % lower than the average reference value for emissions of CO2 defined for heavy duty vehicles (vehicle subgroup 5-LH)<br>• sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities:<br>▪ until 31 December 2025, all hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>▪ until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO2 emissions 50 % lower than the average reference CO2 emissions value defined for heavy duty vehicles (vehicle subgroup 5-LH);<br>▪ until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources;<br>• sea and coastal passenger water transport vessels:<br>▪ o until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation;<br>▪ o until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources. |

| | | |
|---|---|---|
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not include the requirement on information on and traceability of substances of concern throughout the lifecycle of the manufactured products while the EU Taxonomy has this requirement. |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of low carbon and resource efficiency technologies | |
| **EU activity** | Manufacture of energy efficiency equipment for buildings | |
| **SC comparison** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | • Windows: SA criterion is stricter (U-value lower than 0.7 W/m2K) than EU criterion (U-value lower or equal to 1,0 W/m2K); (the lower the U-value, the less heat is lost and the more insulation the material provides)<br>• Building automation and control systems: SA taxonomy requires the system for commercial buildings while EU Taxonomy requires the system for both residential and non-residential buildings;<br>• Zoned thermostats and devices for the smart monitoring of the main electricity loads: SA taxonomy requires for residential buildings while EU for buildings in general;<br>• District heating exchangers and substations; and products for smart monitoring and regulating of heating system, and sensoring equipment: only EU Taxonomy has criteria on this;<br>• Installation of Building Management Systems (BMS); and Hot water fittings (e.g. taps, showers): only SA taxonomy has criteria on this;<br>• Other products either have the same requirements (doors, insulation products, roofing systems, daylight controls, façade and roofing elements, and products for heat metering and thermostatic controls) or have different standards (household appliances, lighting appliances, space heating, cooling and ventilation systems).<br>• Overall, the EU Taxonomy is more ambitious and/or more detailed in terms requirements for more types of buildings. | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not include the requirement on information on and traceability of substances of concern throughout the lifecycle of the manufactured products while the EU Taxonomy has this requirement. |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of cement | |
| **EU activity** | Manufacture of cement | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies have requirements on emissions to water and air and the use of hazardous wastes. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of Aluminium | |
| **EU activity** | Manufacture of Aluminium | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria on GHG emissions and electricity consumption. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies focus on the application of Best Available Technology/Technique (BAT). |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of Iron, Steel and Ferroalloys | |
| **EU activity** | Manufacture of iron and steel | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria on GHG emissions. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies focus on the application of Best Available Technology/Technique (BAT). |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of Hydrogen | |
| **EU activity** | Manufacture of hydrogen | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same thresholds and requirements. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria life cycle GHG emissions savings. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of other inorganic basic chemicals | |
| **EU activity** | Manufacture of soda ash<br>Manufacture of carbon black<br>Manufacture of chlorine | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria on GHG emissions and electricity consumption for electrolysis and chlorine treatment. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of other organic basic chemicals | |
| **EU activity** | Manufacture of organic basic chemicals | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not have requirement regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | ***GENERIC**<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of fertilizers and nitrogen compounds | |
| **EU activity** | Manufacture of anhydrous ammonia | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT does not allow the recovery of ammonia from water and only focuses on the reduction of GHG emissions while the EU Taxonomy allows the recovery of ammonia or GHG emissions reduction. |
| **DNSH CC adaptation** | **GENERIC* **LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC* **SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **GENERIC* **CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC* **SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of fertilizers and nitrogen compounds | |
| **EU activity** | Manufacture of nitric acid | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria. |
| **DNSH CC adaptation** | **GENERIC* **LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC* **SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **GENERIC* **CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC* **SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Manufacture of plastics in primary form | |
| **EU activity** | Manufacture of plastics in primary form | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as similar to that of the EU Taxonomy. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not have requirement regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **GENERIC*<br>**CANNOT DIRECTLY COMPARE** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

# ENERGY

| | | |
|---|---|---|
| **SA activity** | Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | |
| **EU activity** | Electricity generation using solar photovoltaic technology<br>Electricity generation using concentrated solar power (CSP) technology<br>Electricity generation from wind power<br>Electricity generation from ocean energy technologies<br>Cogeneration of heat/cool and power from solar energy<br>Production of heat/cool from solar thermal heating | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria |
| **DNSH to pollution prevention** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH on pollution prevention for this activity. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Production of electricity, heating and cooling from Hydropower | |
| **EU activity** | Electricity generation from hydropower | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not require monitoring the effectiveness of mitigation measures while the EU Taxonomy requires this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Production of electricity, heating and cooling from Geothermal | |
| **EU activity** | Electricity generation from geothermal energy<br>Cogeneration of heat/cool and power from geothermal energy<br>Production of heat/cool from geothermal energy | |
| **SC comparison for climate change mitigation** | **MORE AMBITIOUS AND/OR MORE DETAILED** | |
| **Summary** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT has higher GHG emissions threshold of 475gCO2e/kWh while the EU Taxonomy's threshold is 270gCO2e/kWh. |
| **DNSH CC adaptation** | *GENERIC<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has additional requirements on use of chemicals and emissions to water while the EU Taxonomy requires air emissions reduction only. |
| **DNSH to ecosystem protection and restoration** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Production of electricity, heating and cooling from Bioenergy | |
| **EU activity** | Electricity generation from bioenergy<br>Cogeneration of heat/cool and power from bioenergy<br>Production of heat/cool from bioenergy | |
| **SC comparison for climate change mitigation** | **MORE AMBITIOUS AND/OR MORE DETAILED** | |
| **Summary** | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. | |
| **DNSH CC mitigation** | **SIMILAR** | Although two taxonomies refer to different rules and regulations, the level of ambition is similar in that both require the activity to contribute to emissions target and sustainability. |
| **DNSH CC adaptation** | *GENERIC<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies have requirements on emissions to air and water, and requirements for fertilising materials. |
| **DNSH to ecosystem protection and restoration** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Transmission and distribution of Electricity | |
| **EU activity** | Transmission and distribution of Electricity | |
| **SC comparison for climate change mitigation** | **MORE AMBITIOUS AND/OR MORE DETAILED** | |
| **Summary** | The SA GFT has a declining threshold towards zero emissions for direct connection, or expansion of existing direct connection while the EU Taxonomy does not. Other criteria are the same. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The EU Taxonomy does not allow direct connection to a power production plant where the direct greenhouse gas emissions exceed 270 gCO2e/kWh while the SA GFT allows that direct connections to generation units shall be below the average emission intensity of all electricity generation facilities in the region. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH on water for this activity while the SA GFT has. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Storage of Electricity | |
| **EU activity** | Storage of Electricity | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not have requirements in case the activity includes chemical energy storage while the EU Taxonomy does. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not have requirements for pumped hydropower storage connected to a river body while the EU Taxonomy does. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Storage of Thermal Energy | |
| **EU activity** | Storage of Thermal Energy | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Storage of Hydrogen | |
| **EU activity** | Storage of Hydrogen | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Transmission and distribution networks for renewable and low-carbon gases | |
| **EU activity** | Transmission and distribution networks for renewable and low-carbon gases | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria. | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same criteria. |
| **DNSH CC adaptation** | *GENERIC<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | District Heating/Cooling Distribution | |
| **EU activity** | District heating/cooling distribution | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria on the use of energy and heat in the heating/cooling distribution system. | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. |
| **DNSH CC adaptation** | *GENERIC<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | *GENERIC<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Installation and operation of Electric Heat Pumps | |
| **EU activity** | Installation and operation of electric heat pumps | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not have energy efficiency requirements for this activity while the EU Taxonomy requires energy efficiency measures. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Production of Heating/Cooling using Waste Heat | |
| **EU activity** | Production of heat/cool using waste heat | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same criteria. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

# Water and Waste

| | | |
|---|---|---|
| **SA activity** | Water collection, storage, distribution treatment and supply | |
| **EU activity** | Construction, extension and operation of water collection, treatment and supply systems | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same options and requirements for net average energy consumption and the leakage level. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Centralized wastewater treatment | |
| **EU activity** | Construction, extension and operation of waste water collection and treatment | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not set a threshold for this activity while the EU does in terms of net energy consumption of the waste water treatment plan. According to the SA GFT construction or extension of centralized wastewater systems including collection (sewer network) and treatment is eligible as long as the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems (such as pit latrines, septic tanks, anaerobic lagoons etc.) which is not the case in the EU taxonomy. The SA GFT does not require to perform an assessment of the direct GHG emissions while the EU does. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED.** | The EU Taxonomy has DNSH criteria for this activity while the SA GFT does not. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies have requirements on emissions to water, measures to avoid and mitigate combined sewer overflow, and sewage sludge. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Separate collection and transport of non-hazardous waste in source segregated fractions | |
| **EU activity** | Collection and transport of non-hazardous waste in source segregated fractions | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both require not mixing different source segregated waste fractions in waste storage and transfer facilities. |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Anaerobic digestion of sewage sludge | |
| **EU activity** | Anaerobic digestion of sewage sludge | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Anaerobic digestion of bio-waste | |
| **EU activity** | Anaerobic digestion of bio-waste | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT allows that in dedicated bio-waste treatment plants, co-digestion is eligible with a minor share (up to 30% of the input feedstock) while the proportion in the EU Taxonomy is only 10%. Other criteria are similar. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Composting of bio-waste | |
| **EU activity** | Composting of bio-waste | |
| **SC comparison for climate change mitigation** | **MORE AMBITIOUS AND/OR MORE DETAILED** | |
| **Summary** | The SA GFT taxonomy only allows compost of bio-waste in case anaerobic digestion is not a technically and economically viable alternative while the EU Taxonomy does not mention composting as an alternative to anaerobic digestion of bio-waste. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same requirements on emissions to water and air, system preventing leachate, and the produced compost. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Material recovery from non-hazardous waste | |
| **EU activity** | Material recovery from non-hazardous waste | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirement and criteria. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Landfill gas capture and utilization | |
| **EU activity** | Landfill gas capture and utilisation | |
| **SC comparison for climate change mitigation** | **MORE AMBITIOUS AND/OR MORE DETAILED** | |
| **Summary** | The SA GFT requires that by 2025 the feasibility of the principle, in particular with regard to the intended incentive to close landfills, should be assessed. The EU Taxonomy does not mention the review of the incentive to close landfills. Other criteria are same. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Transport of CO2 | |
| **EU activity** | Transport of CO2 | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not require leak detection systems and a monitoring plan while EU Taxonomy does. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | ***GENERIC**<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

| | | |
|---|---|---|
| **SA activity** | Permanent Sequestration of Captured CO2 | |
| **EU activity** | Underground permanent geological storage of CO2 | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not require an assessment of the potential storage complex and surrounding area, appropriate leakage detection systems, and a monitoring plan while the EU Taxonomy does. Both need to comply with<br>ISO 27914:2017 (225) for geological storage of CO2. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same requirement and criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has criteria on this while the EU Taxonomy does not. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have requirements in place for DNSH on pollution prevention for this activity although the requirements are from different laws and standards. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |

# TRANSPORT

| | | |
|---|---|---|
| **SA activity** | Commuter road, passenger rail and freight rail transport | |
| **EU activity** | Passenger interurban rail transport<br>Freight rail transport | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same criteria and requirements. | |
| **DNSH CC mitigation** | **SIMILAR** | Both taxonomies have the same criteria and requirements. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both taxonomies have the same criteria and requirements. |
| **DNSH to pollution prevention** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. The EU Taxonomy has emissions limits only. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Commuter road, passenger rail and freight rail transport | |
| **EU activity** | Urban and suburban transport, road passenger transport | |
| **SC comparison** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT taxonomy does not mention requirements for urban and suburban transport although the description of activity includes this type of transport. | |
| **DNSH CC mitigation** | **VERY SIMILAR** | Both taxonomies have the same criteria and requirements. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **VERY SIMILAR** | Both taxonomies have the same criteria and requirements. |
| **DNSH to pollution prevention** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. The EU Taxonomy has emissions limits only. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Passenger cars, road commercial vehicles and road freight transport | |
| **EU activity** | Transport by motorbikes, passenger cars and light commercial vehicles | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not have a threshold on emissions for passenger cars and road commercial vehicles while the EU has.<br>The SA GFT allows dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels while the EU does not. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The EU Taxonomy has a declining threshold for emissions for vehicles M1 while the SA GFT does not. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same requirements on recyclability, and measures to manage waste. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have requirements on emissions thresholds, vibrations thresholds (energy efficiency), and noise limits. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Passenger cars, road commercial vehicles and road freight transport | |
| **EU activity** | Freight transport services by road | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT allows dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels while the EU does not. | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both have the same requirements on recyclability, and measures to manage waste. |
| **DNSH to pollution prevention** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not have DNSH on pollution prevention for heavy-duty vehicles. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Inland passenger and freight water transport | |
| **EU activity** | Inland passenger water transport<br>Inland freight water transport | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT allows for dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels below certain g CO2 e /pkm. The EU taxonomy requires vessels to have zero direct (tailpipe) CO2 emissions. Until end 2025, it allows for hybrid and dual fuel vessels that derive at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power. | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. |
| **DNSH CC adaptation** | ***GENERIC**<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **SIMILAR** | Both have requirements on emissions thresholds. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The SA GFT does not require recycling of hazardous materials on board of ships, neither does it include a DNSH on circular economy for battery-operated vessels. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have requirements on emissions thresholds. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Infrastructure for low carbon transport | |
| **EU activity** | Infrastructure for personal mobility, cycle logistics<br>Infrastructure for rail transport<br>Infrastructure enabling low-carbon road transport and public transport<br>Infrastructure enabling low carbon water transport<br>Low carbon airport infrastructure | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria. | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same criteria. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **SIMILAR** | Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation. |
| **DNSH to pollution prevention** | **SIMILAR** | Both have requirements on noise, dust and pollutant emissions. |
| **DNSH to ecosystem protection and restoration** | **SIMILAR** | Both have requirements on invasive plants and wildlife collisions. |

# Construction

| | | |
|---|---|---|
| **SA activity** | Construction of new buildings | |
| **EU activity** | Construction of new buildings | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while the EU Taxonomy requires Energy Performance Certificate (EPC). | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels; energy demand and energy performance. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **SIMILAR** | Both have the same criteria on technical specificities of water use and construction site impacts. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/OR LESS DETAILED** | The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site must be prepared for re-use while in EU Taxonomy, this figure is at least 70%. Other criteria are the same. |
| **DNSH to pollution prevention** | **LESS AMBITIOUS AND/OR LESS DETAILED** | The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. |
| **DNSH to ecosystem protection and restoration** | **GENERIC*<br>**SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. In addition to generic criteria, both taxonomies have the list of areas and lands that do not allow construction of new buildings. |

| | | |
|---|---|---|
| **SA activity** | Building renovation and major refurbishment | |
| **EU activity** | Renovation of existing buildings | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while the EU Taxonomy requires Energy Performance Certificate (EPC). | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels; energy demand and energy performance. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **SIMILAR** | Both have the same criteria on technical specificities of water use and construction site impacts. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/OR LESS DETAILED** | The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site must be prepared for re-use while in EU Taxonomy, this figure is at least 70%. Other criteria are the same. |
| **DNSH to pollution prevention** | **LESS AMBITIOUS AND/OR LESS DETAILED** | The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Individual measures and professional services | |
| **EU activity** | Installation, maintenance and repair of energy efficiency equipment<br>Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings<br>Installation, maintenance and repair of renewable energy technologies | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both have the same criteria. | |
| **DNSH CC mitigation** | **SIMILAR** | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **SIMILAR** | Both have the same criteria. |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

| | | |
|---|---|---|
| **SA activity** | Acquisition and ownership | |
| **EU activity** | Acquisition and ownership of buildings | |
| **SC comparison for climate change mitigation** | **SIMILAR** | |
| **Summary** | Both taxonomies have the same requirements for buildings built before 31 December 2020. The SA GFT has yet to devise requirements for buildings built after 31 December 2020, which is an area for development. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC*<br>**LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH requirements for this activity while the SA GFT does. |

# ICT

| | | |
|---|---|---|
| **SA activity** | Data processing, hosting and related activities | |
| **EU activity** | Data processing, hosting and related activities | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not restrict the global warming potential (GWP) of refrigerants used in the data centre cooling system while the EU Taxonomy has a limit of 675 on this. | |
| **DNSH CC mitigation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The EU Taxonomy has clear requirements regarding Conduct on Data Centre Energy Efficiency while the SA GFT mentions in general the life cycle of data centres. |
| **DNSH CC adaptation** | **GENERIC* **LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **GENERIC* **SIMILAR** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The EU Taxonomy has more requirements in terms of requirements for servers and data storage products, restricted substances, and waste management plan. |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy does not have DNSH on biodiversity for this activity while the SA GFT has. |

| | | |
|---|---|---|
| **SA activity** | Data-driven solutions for GHG emission reductions | |
| **EU activity** | Data-driven solutions for GHG emissions reductions | |
| **SC comparison for climate change mitigation** | **LESS AMBITIOUS AND/OR LESS DETAILED** | |
| **Summary** | The SA GFT does not have a threshold on this activity while the EU Taxonomy requires the verification of quantified life-cycle GHG emission reductions by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived. | |
| **DNSH CC mitigation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH CC adaptation** | **GENERIC* **LESS AMBITIOUS AND/ OR LESS DETAILED** | Please refer to the comparison of the generic DNSH criteria on this. |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | The EU Taxonomy has DNSH on circularity for this activity while the SA GFT does not |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

# Enabling activities, system resilience & innovation

| | | |
|---|---|---|
| **SA activity** | Non-life insurance | |
| **EU activity** | Non-life insurance: underwriting of climate-related perils | |
| **SC comparison for climate change adaptation** | **LESS AMBITIOUS AND/ OR LESS DETAILED** | |
| **Summary** | The SA GFT does not have specific criteria for this activity as the EU Taxonomy does and only lists out examples of how insurance contributes to reducing physical risk. | |
| **DNSH CC mitigation** | **MORE AMBITIOUS AND/ OR MORE DETAILED** | The EU Taxonomy requires that the insured activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes while in the SA GFT, the primary insurance product provider is required to validate that the activity and/or asset being insured is compliant with the relevant DNSH thresholds for the activity under cover. |
| **DNSH CC adaptation** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH use of water and marine resources** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to sustainable resource use and circularity** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to pollution prevention** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |
| **DNSH to ecosystem protection and restoration** | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** | N/A |

# Appendix 2: Comparison tables by activity (with full criteria)

The Technical Screening Criteria in both the EU's Taxonomy, including the EU Climate Delegated Act, and South Africa's Taxonomy are supplemented by detailed footnotes. For the sake of simplicity, those have not been added in this document.

The Annexes referred to in the comparison tables refer to the Annexes in the EU Climate Delegated Act and South Africa's Taxonomy. Please consult the respective documents for the content of the Annexes.

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Forestry and land rehabilitation | • Afforestation<br>• Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event<br>• Forest management<br>• Conservation forestry | | |
| **SC** | Afforestation should increase carbon sinks of above and below ground carbon in comparison to a counterfactual with no conversion to forest.<br>• Forestry activity must be certified by the Forest Stewardship Council<br>• Species selection requires that no introduction of invasive species may occur where such species may disrupt genetic diversity or that are not suitable for current or projected future ecological conditions<br>• Mandatory application of South African Sustainable Forest Development Policy including:<br>  ○ Identify and apply forest management practices that increase existing carbon stocks in alignment with the Environmental Guidelines for Commercial Forestry Plantations in South Africa, however allowing for application of other similar approaches, that recognise local specificities and conditions, while maintaining or improving soil quality, and biodiversity;<br>  ○ Maintain or improve the long-term capacity of the forest and land to deliver multiple services (e.g., ecosystem services, timber production, etc.);<br>  ○ Do not convert high carbon stock land (i.e., primary forest, peatlands, wetlands, and grasslands) which has this status in or after January 2010;<br>  ○ Carry out harvesting activities in compliance with The National Forests Act, 1998 (Act 84 of 1998), and the Forestry Laws Amendment Act, 2005 (Act 35 of 2005);<br>  ○ Regenerate harvested forests.<br>• Establish a verified baseline GHG balance of relevant carbon pools at the beginning of the afforestation/reforestation activity.<br>• Demonstrate application of the Climate Bonds Initiative's Forestry and Land Conservation & Restoration Criteria.<br>• Application of the Climate Bonds Initiative's Forestry and Land Conservation & Restoration Criteria is demonstrated and disclosed at 10-year intervals through a forest management plan (or equivalent) that shall be reviewed by an independent third-party certifier and/or competent authorities.<br>• Verified GHG balance baseline is calculated for above-ground carbon pools, based on growth-yield curves for species per m3/year/ha, carbon convertible. Calculating the GHG balance baseline requires knowledge of the area, the species and number of trees (in case of afforestation and reforestation). Using the growth-yield curves, | 1. Afforestation plan and subsequent forest management plan or equivalent instrument<br><br>1.1. The area on which the activity takes place is covered by an afforestation plan of a duration of at least five years, or the minimum period prescribed in national law, developed prior to the start of the activity and continuously updated, until this area matches the definition of forest as set out in national law or where not available, is in line with the FAO definition of forest. The afforestation plan contains all elements required by the national law relating to environmental impact assessment of afforestation.<br>1.2. Preferably through the afforestation plan, or if information is missing, through any other document, detailed information is provided on the following points: description of the area according to its gazetting in the land registry; site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomass, in order to protect land with high carbon stock; management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to establish and maintain the good condition of forest ecosystems ;consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; assessment of impact on food security; all DNSH criteria relevant to afforestation.<br>1.3. When the area becomes a forest, the afforestation plan is followed by a subsequent forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'. The forest management plan or the equivalent instrument covers a period of 10 years or more and is continuously updated.<br>1.4. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; definition of the area according to its gazetting in the land registry; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to maintain the good condition of forest ecosystems; consideration of societal issues (including preservation of landscape, | The SA GFT, thus, follows application of the Climate Bonds Initiative's Forestry and Land Conservation & Restoration Criteria and of the South African Sustainable Forest Development Policy. It is beyond the scope of this study to compare the SA GFT's criteria in the Forestry sector with that of the EU. | **INCOMPARABLE** |

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|---|---|---|---|---|---|
| | information will be given on the annual increment in m3/year/ha, which can be used for the basis of the GHG balance. The methodology is consistent with the approach in the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC Guidelines), it recommends recalculation of the amount of carbon sequestered; 1 ton of biomass representing approximately 0,5 ton of carbon. Further one ton of carbon equals 44/12 = 3.67 tons of carbon dioxide.<br>• Above ground Carbon stocks shall increase above carbon baseline over a period of not less than 20 years. Changes in carbon stocks should be disclosed based on growth yield curves in 10-year intervals through a forest management plan (or equivalent instrument) that shall be reviewed by an independent third-party certifier and/or competent authorities. | consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; all DNSH criteria relevant to forest management.<br>1.5. The activity follows the best afforestation practices laid down in national law, or, where no such best afforestation practices have been laid down in national law, the activity complies with one of the following criteria: the activity complies with Commission Delegated Regulation (EU) No 807/2014; the activity follows the "Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC".<br>1.6. The activity does not involve the degradation of land with high carbon stock.<br>1.7. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010 of the European Parliament and of the Council.<br>1.8. The afforestation plan and the subsequent forest management plan or equivalent instrument provide for monitoring that ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area.<br><br>2. Climate benefit analysis<br>2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity; long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001.<br>2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity. the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle.<br>2.3. The calculation of climate benefit complies with all of the following criteria: the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, below-ground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. | | |

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| | | the business as-usual practices, including harvesting practices, are ones of the following: the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any; the most recent business-as-usual practices prior to the start of the activity; the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001; the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used; emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances.<br>2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis.<br><br>3. Guarantee of permanence<br>3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: the area is classified in the permanent forest estate as defined by the FAO; the area is classified as a protected area; the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest.<br>3.2. In accordance with national law, the operator of the activity commits that future update to the afforestation plan and the subsequent forest management plan or equivalent instrument, beyond the activity that is financed, will continue to seek the climate benefits as determined in point 2. Besides, the operator of the activity commits to compensate any reduction in the climate benefit determined in point 2 with an equivalent climate benefit resulting from the conduct of an activity that corresponds to one of the forestry activities defined in this Regulation.<br>4. Audit<br>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 of the following: the relevant national competent authorities; an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder and may not be involved in the development or operation of the activity.<br>5. Group assessment<br>The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: at the level of the forest sourcing area as defined in Article 2, point (30), of Directive (EU) 2018/2001; at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.<br><br>1. Forest management plan or equivalent instrument<br>1.1. The activity takes place on area that is subject to a forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as | | |

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| | | referred to in the FAO definition of 'forest area with long-term forest management plan'. The forest management plan or the equivalent instrument covers a period of 10 years or more and is continuously updated.<br>1.2. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; definition of the area according to its gazetting in the land registry; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to maintain the good condition of forest ecosystems; consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; all DNSH criteria relevant to forest management.<br>1.3. The sustainability of the forest management systems, as documented in the plan referred to in point 1.1, is ensured by choosing the most ambitious of the following approaches: the forest management matches the applicable national definition of sustainable forest management; the forest management matches the Forest Europe definition of sustainable forest management, and complies with the Pan-European Operational Level Guidelines for Sustainable Forest Management; the management system 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.<br>1.4. The activity does not involve the degradation of land with high carbon stock.<br>1.5. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010.<br>1.6. The forest management plan or equivalent instrument provides for monitoring which ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area.<br><br>2. Climate benefit analysis<br>2.1. For areas that comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: the climate benefit analysis demonstrates that the net balance of GHG emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity; long-term climate benefits are considered demonstrated by proof of alignment with Article 29(7), point (b), of Directive (EU) 2018/2001.<br>2.2. For areas that do not comply with the requirements at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term in accordance with Article 29(7), point (b), of Directive (EU) 2018/2001 the activity complies with the following criteria: the climate benefit analysis demonstrates that the net balance of GHG | | |

emissions and removals generated by the activity over a period of 30 years after the beginning of the activity is lower than a baseline, corresponding to the balance of GHG emissions and removals over a period of 30 years starting at the beginning of the activity, associated to the business-as-usual practices that would have occurred on the involved area in the absence of the activity. the projected long-term average net GHG balance of the activity is lower than the long-term average GHG balance projected for the baseline, referred to in point 2.2, where long term corresponds to the longer duration between 100 years and the duration of an entire forest cycle.

2.3. The calculation of climate benefit complies with all of the following criteria: the analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The climate benefit analysis is based on transparent, accurate, consistent, complete and comparable information, covers all carbon pools impacted by the activity, including above-ground biomass, below-ground biomass, deadwood, litter and soil, relies on the most conservative assumptions for calculations and includes appropriate considerations about the risks of non-permanence and reversals of carbon sequestration, the risk of saturation and the risk of leakage. the business-as-usual practices, including harvesting practices, are one of the following: (i) the management practices as documented in the latest version of the forest management plan or equivalent instrument before the start of the activity, if any; (ii) the most recent business-as-usual practices prior to the start of the activity; (iii) the practices corresponding to a management system ensuring that carbon stocks and sinks levels in the forest area are maintained or strengthened over the long term as set out in Article 29(7), point (b), of Directive (EU) 2018/2001; the resolution of the analysis is proportionate to the size of the area concerned and values specific to the area concerned are used; emissions and removals that occur due to natural disturbances, such as pests and diseases infestations, forest fires, wind, storm damages, that impact the area and cause underperformance do not result in non-compliance with Regulation (EU) 2020/852, provided that the climate benefit analysis is consistent with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories regarding emissions and removals due to natural disturbances.

2.4. Forest holdings under 13ha are not required to perform a climate benefit analysis.

3. Guarantee of permanence

3.1. In accordance with national law, the forest status of the area in which the activity takes place is guaranteed by one of the following measures: the area is classified in the permanent forest estate as defined by the FAO; the area is classified as a protected area; the area is the subject of any legal or contractual guarantee ensuring that it will remain a forest.

3.2. In accordance with national law, the operator of the activity commits that future update to the forest management plan or equivalent instrument, beyond the activity that is financed, will continue to seek the climate benefits as determined in point 2. Besides, the operator of the activity commits to compensate any reduction in the climate benefit determined in point 2 with an equivalent climate benefit resulting from the conduct of an activity that corresponds to one of the forestry activities defined in this Regulation.

4. Audit

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 of the following: the relevant national competent authorities; an independent third-party certifier, at the request of national authorities or the operator of the

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| | | activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder and may not be involved in the development or operation of the activity.<br><br>5. Group assessment<br>The compliance with the criteria for substantial contribution to climate change mitigation and with DNSH criteria may be checked: at the level of the forest sourcing area as defined in Article 2, point (30), of Directive (EU) 2018/2001; at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits. | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>Forests are an unusual economic sector in which they provide a substantial carbon sink, and that significant harm for forest climate change mitigation include where an (adaptation) activity leads to a significant long-term reduction of the carbon sink. It is therefore important to maintain the forest area and thus forest carbon stocks and sink potential over the long-term. The principles for ensuring mitigation proofed adaptation activities are that adaptation responses should:<br>• Not undermine the long-term ability of the forests to sequester carbon<br>• Not undermine the long-term maintenance of existing forest carbon sinks, both above and below ground<br>• Determines the need for management systems to be in place at forest sourcing area level to ensure that carbon stocks and sinks levels in the forest are maintained or strengthened over the long term. | 1. Afforestation plan and subsequent forest management plan or equivalent instrument<br>1.1. The area on which the activity takes place is covered by an afforestation plan of a duration of at least five years, or the minimum period prescribed in national law, developed prior to the start of the activity, and continuously updated until this area matches the definition of forest as set out in national law or where not available, is in line with the FAO definition of forest. The afforestation plan contains all elements required by the national law relating to environmental impact assessment of afforestation.<br>1.2. Preferably through the afforestation plan, or if information is missing, through any other document, detailed information is provided on the following points: description of the area according to its gazetting in the land registry; site preparation and its impacts on pre-existing carbon stocks, including soils and above-ground biomass, in order to protect land with high carbon stock; management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to establish and maintain the good condition of forest ecosystems; consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; assessment of impact on food security; all DNSH criteria relevant to afforestation.<br>1.3. When the area becomes a forest, the afforestation plan is followed by a subsequent forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'. The forest management plan or the equivalent instrument covers a period of 10 years or more and is continuously updated.<br>1.4. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; definition of the area according to its gazetting in the land | Both taxonomies require maintaining good condition of forest ecosystems and independent audit. However, the SA GFT goes further in requiring carbon stocks and sinks levels in forests to be strengthened over the long term. On the other hand, as with other criteria, the EU Taxonomy's criteria include greater detail in terms of documentation and references to EU and international standards. | **SIMILAR** |

registry; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to maintain the good condition of forest ecosystems; consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks all DNSH criteria relevant to forest management.

1.5. The activity follows the best afforestation practices laid down in national law, or, where no such best afforestation practices have been laid down in national law, the activity complies with one of the following criteria: the activity complies with Delegated Regulation (EU) No 807/2014; the activity follows the "Pan-European Guidelines for Afforestation and Reforestation with a special focus on the provisions of the UNFCCC".

1.6. The activity does not involve the degradation of land with high carbon stock.

1.7. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010.

1.8. The afforestation plan and the subsequent forest management plan or equivalent instrument provides for monitoring that ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area.

2. Audit

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 of the following: the relevant national competent authorities; an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder and may not be involved in the development or operation of the activity.

3. Group assessment

The compliance with the DNSH criteria may be checked: at the level of the forest sourcing area level as defined by Directive (EU) 2018/2001; at the level of a group of forest holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits.

1. Forest management plan or equivalent instrument

1.1. The activity takes place on area that is subject to a forest management plan or an equivalent instrument, as set out in national law or, where national law does not define a forest management plan or equivalent instrument, as referred to in the FAO definition of 'forest area with long-term forest management plan'. The forest management plan or the equivalent instrument covers a period of 10 years or more and is continuously updated.

1.2. Information is provided on the following points that are not already documented in the forest management plan or equivalent system: management goals, including major constraints; general strategies and activities planned to reach the management goals, including expected operations over the whole forest cycle; definition of the forest habitat context, including main existing and intended forest tree species, and their extent and distribution; definition of the area according to its gazetting in the land

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| | | registry; compartments, roads, rights of way and other public access, physical features including waterways, areas under legal and other restrictions; measures deployed to maintain the good condition of forest ecosystems; consideration of societal issues (including preservation of landscape, consultation of stakeholders in accordance with the terms and conditions laid down in national law);assessment of forest related risks, including forest fires, and pests and diseases outbreaks, with the aim of preventing, reducing and controlling the risks and measures deployed to ensure protection and adaptation against residual risks; all DNSH criteria relevant to forest management.<br>1.3. The sustainability of the forest management systems, as documented in the plan referred to in point 1.1, is ensured by choosing the most ambitious of the following approaches: the forest management matches the applicable national definition of sustainable forest management; the forest management matches the Forest Europe definition of sustainable forest management and complies with the Pan-European Operational Level Guidelines for Sustainable Forest Management; the management system 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.<br>1.4. The activity does not involve the degradation of land with high carbon stock.<br>1.5. The management system associated with the activity in place complies with the due diligence obligation and legality requirements laid down in Regulation (EU) No 995/2010.<br>1.6. The forest management plan or equivalent instrument provides for monitoring which ensures the correctness of the information contained in the plan, in particular as regards the data relating to the involved area.<br>2. Audit<br>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 of the following: the relevant national competent authorities; an independent third-party certifier, at the request of national authorities or the operator of the activity. In order to reduce costs, audits may be performed together with any forest certification, climate certification or other audit. The independent third-party certifier may not have any conflict of interest with the owner or the funder and may not be involved in the development or operation of the activity.<br>3. Group assessment<br>The compliance with the DNSH criteria may be checked: at the level of the forest sourcing area as defined by Directive (EU) 2018/2001; at the level of a group of holdings sufficiently homogeneous to evaluate the risk of the sustainability of the forest activity, provided that all those holdings have a durable relationship between them and participate in the activity and the group of those holdings remains the same for all subsequent audits. | | |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | **GENERIC* **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | The activity complies with the criteria set out in Appendix B to this Annex. Detailed information referred to in point 1.2. (k) includes provisions to comply with the criteria set out in Appendix B to this Annex. | Please refer to the generic criteria on this. | ** GENERIC* **SIMILAR** |

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| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | Minimise the use of pesticides and favour alternative approaches or techniques, such as non-chemical alternatives to pesticides, in line with the Agricultural Pests Act (No.36 of 1983) and the Pesticide Management Policy for South Africa. With exception of occasions that this is needed to control pest and diseases outbreaks.<br><br>Adapt the use of fertilizers to what is needed to prevent leeching of nutrients to waters.<br><br>Take well documented and verifiable measures to avoid the use of active ingredients that are listed in the Stockholm Convention, the Rotterdam Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer, or that are listed as classification Ia or Ib in the WHO recommended Classification of Pesticides by Hazard;<br><br>Prevent pollution of water and soil in the forest concerned and undertake clean up measures when it does happen.<br><br>Use of chemicals must adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993. | The use of pesticides is reduced and alternative approaches or techniques, which may include non-chemical alternatives to pesticides, are favoured, in accordance with Directive 2009/128/EC of the European Parliament and of the Council, with exception of occasions where the use of pesticides is needed to control outbreaks of pests and of diseases.<br><br>The activity minimises the use of fertilisers and does not use manure. The activity complies with Regulation (EU) 2019/1009 of the European Parliament and of the Council or national rules on fertilisers or soil improvers for agricultural use.<br><br>Well documented and verifiable measures are taken to avoid the use of active ingredients that are listed in Annex I, part A, of Regulation (EU) 2019/1021 of the European Parliament and of the Council, the Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade, the Minamata Convention on Mercury, the Montreal Protocol on Substances that Deplete the Ozone Layer, and of active ingredients that are listed as classification Ia ('extremely hazardous') or Ib ('highly hazardous') in the WHO Recommended Classification of Pesticides by Hazard. The activity complies with the relevant national law on active ingredients.<br><br>Pollution of water and soil is prevented and cleaning up measures are undertaken when pollution occurs. | SA:<br>• Minimise the use of pesticides<br>• Adapt the use of fertilizers to what is needed to prevent leeching of nutrients to waters.<br>• Lists of active ingredients that are to be avoided do not include the Minamata Convention on Mercury<br>• Restrict the use of chemicals: use of chemicals must adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993.<br>EU:<br>• The use of pesticides is reduced<br>• The activity minimises the use of fertilisers and does not use manure. The activity complies with Regulation (EU) 2019/1009 of the European Parliament and of the Council or national rules on fertilisers or soil improvers for agricultural use.<br>• Lists of active ingredients that are to be avoided do not include the Stockholm Convention on Persistent Organic Pollutants.<br>• Does not mention restriction of chemicals. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | Take measures to ensure sustained or improved long term conservation status at the landscape level.<br><br>In designated conservation areas, actions should be demonstrated to be in line with the conservation objectives for those areas. Biodiversity impact measurement and accounting guidance is provided by the Biological Diversity Protocol.<br><br>The prevention and control of alien invasive species must be managed in accordance with the National Environmental Management Act, 1998 (Act No.107 of 1998) and the National Environmental Management: Biodiversity (Act 10 of 2004) the Conservation of Agricultural Resources Act, 1983 (Act No 43 of 1983) (CARA) and the Forest Stewardship Council. No | In areas designated by the national competent authority for conservation or in habitats that are protected, the activity is in accordance with the conservation objectives for those areas.<br><br>There is no conversion of habitats specifically sensitive to biodiversity loss or with high conservation value, or of areas set aside for the restoration of such habitats in accordance with national law.<br><br>Detailed information referred to in points 1.2(k) (Afforestation plan) and 1.4(i) (Forest management plan or equivalent system) include provisions for maintaining and possibly enhancing biodiversity in accordance with national and local provisions, including the following: ensuring the good conservation status of habitat and species, maintenance of typical habitat species; excluding the use or release of invasive alien species; excluding the use of non-native species unless it can be demonstrated that: (i) the use of the forest reproductive material leads to favourable and appropriate ecosystem conditions (such as | Both require sustained long term conservation status and actions to be in line with conservation objectives. | **SIMILAR** |

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| | conversion of habitats specifically sensitive to biodiversity loss or of high conservation value such as grasslands and any high carbon stock area (e.g. peat lands and wetlands), and areas set aside for the restoration of such habitats in line with national legislation.<br><br>Develop a forest management plan (or equivalent) that includes provisions for maintaining biodiversity.<br><br>Evaluate the ecosystem service provision with the aim to not decrease the amount and quality of ecosystem services provided.<br><br>Forests are monitored and protected to prevent illegal logging, in compliance with national laws.<br><br>Promote close-to-nature forestry or similar concepts depending on the local requirements and limitations.<br><br>Ensuring the maintenance and improvement of physical, chemical and biological quality of the soil.<br><br>Promoting biodiversity-friendly practices that enhance forests' natural processes.<br>Excluding the conversion of high-biodiverse ecosystems into less biodiverse ones.<br><br>Ensuring the diversity of associated habitats and species linked to the forest.<br>Ensuring the diversity of stand structures and maintenance or enhancing of mature stage stands and dead wood.<br><br>Excluding the use or release of invasive alien species.<br><br>Excluding the use of non-native species unless it can be demonstrated that:<br>• the use of the forest reproductive material leads to favourable and appropriate ecosystem conditions (such as climate, soil criteria and vegetation zone, forest fire resilience);<br>• the native species currently present on the site are not anymore adapted to projected climatic and pedo-hydrological conditions. | climate, soil criteria and vegetation zone, forest fire resilience); (ii) the native species currently present on the site are not anymore adapted to projected climatic and pedo-hydrological conditions. ensuring the maintenance and improvement of physical, chemical and biological quality of the soil; promoting biodiversity-friendly practices that enhance forests' natural processes; excluding the conversion of high-biodiverse ecosystems into less biodiverse ones; ensuring the diversity of associated habitats and species linked to the forest; ensuring the diversity of stand structures and maintenance or enhancing of mature stage stands and dead wood. | | |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
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| | Manufacture of low carbon and resource efficiency technologies | • Manufacture of renewable energy technologies<br>• Manufacture of low carbon technologies for transport<br>• Manufacture of energy efficiency equipment for buildings<br>• Manufacture of other low carbon technologies | | |
| **SC** | 1. Manufacture of products, key components and machinery that are essential for eligible renewable energy technologies (Geothermal Power, Hydropower, Concentrated Solar Power (CSP), Solar Photovoltaic (PV), Solar thermal energy for district heat production, Wind energy, Ocean energy, bioenergy technologies that meet the conversion efficiency requirements and green hydrogen and hydrogen electrolysis installation [1])<br>2. Manufacture of low carbon transport vehicles and their respective key components, fleets and vessels meeting the following criteria is eligible:<br><br>Passenger cars, light commercial vehicles, Category $M_1$ and $N_1$:<br>• Until 31 December 2025: vehicles with tailpipe emission intensity of max 50 g CO2/km (WLTP). This also includes zero tailpipe emission vehicles (e.g. electric, hydrogen).<br>• From 1 January 2026 onwards: only vehicles with emission intensity of 0g CO2/km (WLTP).<br><br>For category L vehicles:<br>• Zero tailpipe emission vehicles (incl. hydrogen, fuel cell, electric).<br><br>Heavy Duty Vehicles: N2 and N3 vehicles:<br>• Zero direct emission heavy-duty vehicles that emits less than 1g CO2/kWh (or 1g CO2/km for certain N2 vehicles);<br>• low-emission heavy-duty vehicles with specific direct CO2emissions of less than 50% of the reference CO2 emissions of all vehicles in the same sub-group.<br><br>Rail Fleets:<br>• Zero direct emissions trains<br><br>Urban, suburban and interurban passenger land transport fleets<br>• Zero direct emissions land transport fleets (e.g. light rail transit, metro, tram, trolleybus, bus and rail)<br><br>Water transport<br>• Zero direct emissions waterborne vessels.<br>• until 31 December 2025, are hybrid vessels using at least 50% of zero direct (tailpipe) CO2 emission fuel mass or plug-in power for their normal operation;<br><br>3. Manufacture of the following products (with thresholds where appropriate) for energy efficient equipment for buildings and their key components is eligible:<br><br>• Installation of Building Management Systems (BMS) | The economic activity manufactures renewable energy technologies.<br><br>The economic activity manufactures, repairs, maintains, retrofits, repurposes or upgrades: trains, passenger coaches and wagons that have zero direct (tailpipe) CO2 emissions; trains, passenger coaches and wagons that have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode); urban, suburban and road passenger transport devices, where the direct (tailpipe) CO2 emissions of the vehicles are zero; until 31 December 2025, vehicles designated as categories M2 and M3 that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 of the European Parliament and of the Council and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Commission Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO2 emissions of the vehicles are zero; personal mobility devices with a propulsion that comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity; vehicles of category M1 and N1 classified as light-duty vehicles with: (i) until 31 December 2025: specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631 of the European Parliament and of the Council(81), lower than 50g CO2/km (low- and zero-emission light-duty vehicles); (ii) from 1 January 2026: specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero; vehicles of category L with tailpipe CO2 emissions equal to 0g CO2 e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013 of the European Parliament and of the Council; vehicles of categories N2 and N3, and N1 classified as heavy-duty vehicles, not dedicated to transporting fossil fuels with a technically permissible maximum laden mass not exceeding 7,5 tonnes that are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242 of the European Parliament and of the Council (84); vehicles of categories N2 and N3 not dedicated to transporting fossil fuels with a technically permissible maximum laden mass exceeding 7.5 tonnes that are zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or 'low-emission heavy-duty vehicles' as defined in Article 3, point (12) of that Regulation; inland passenger water transport vessels that: (i) have zero direct (tailpipe) CO2 emissions; (ii) until 31 December 2025, are hybrid and dual fuel vessels using at least 50 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for | Both have the same criteria. | **SIMILAR** |

[1] Hydrogen electrolysis installation will be part of the taxonomy if it shows a considerable level of green electricity consumption and shows a pathway towards an increased share of green electricity over the years to come

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| | • High efficiency windows (U-value better than 0.7 W/m2K)<br>• High efficiency doors (U-value better than 1.2 W/m2K)<br>• Insulation products with low thermal conductivity (lambda lower or equal to 0.045 W/mK), external cladding with U-value at or lower than 0.5 W/m2K and roofing systems with U-value at or lower than 0.3 W/m2K)<br>• Hot water fittings (e.g. taps, showers) that are rated in the top class of the Water Efficiency Labelling and Standards (WELS) scheme.<br>• Household appliances (e.g. washing machines, dishwashers) rated in the top available class according to South African Energy Efficiency Labelling[2]<br>• High efficiency lighting appliances rated in the highest energy efficiency class that is in the energy efficiency label (or higher classes) according to South African Energy Efficiency Labelling<br>• Presence and daylight controls for lighting systems<br>• Highly efficient space heating and domestic hot water systems rated in the highest energy efficiency class significantly populated in the energy efficiency label (or higher classes) according to South African Energy Efficiency Labelling<br>• Highly efficient cooling and ventilation systems rated in the highest energy efficiency class significantly populated in the energy efficiency label or higher classes according to South African Energy Efficiency Labelling<br>• Heat pumps compliant with the criteria for heat pumps given in the energy section of the taxonomy<br>• Façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation<br>• Energy-efficient building automation and control systems for commercial buildings.<br>• Zoned thermostats and devices for the smart monitoring of the main electricity loads for residential buildings, and sensoring equipment, e.g. motion control.<br><br>Products for heat metering and thermostatic controls for individual homes connected to district heating systems and individual flats connected to central heating systems serving a whole building.<br><br>The manufacture of low carbon technologies and their key components that result in substantial GHG emission reductions in other sectors of the economy (including private households) is eligible if they demonstrate substantial higher net GHG emission reductions compared to the best performing alternative technology/ product/ solution available on the market on the basis of a recognised/standardised cradle-to-cradle carbon footprint assessment (e.g. ISO 14067, 14040, Environmental Product Declaration (EPD) or Product Environmental Footprint (PEF)) validated by a third party. | their normal operation; inland freight water transport vessels, not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO2 emission; (ii) until 31 December 2025, have direct (tailpipe) emissions of CO2 per tonne kilometre (gCO2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator, 50 % lower than the average reference value for emissions of CO2 defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; sea and coastal freight water transport vessels, vessels for port operations and auxiliary activities, that are not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO2 emissions; (ii) until 31 December 2025, are hybrid and dual fuel vessels that derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports; (iii) until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels that have direct (tailpipe) CO2 emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI), 50 % lower than the average reference CO2 emissions value defined for heavy duty vehicles (vehicle subgroup 5-LH) in accordance with Article 11 of Regulation (EU) 2019/1242; (iv) until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources; sea and coastal passenger water transport vessels, not dedicated to transporting fossil fuels, that: (i) have zero direct (tailpipe) CO2 emissions; (ii) until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports; (iii) until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources.<br><br>The economic activity manufactures one or more of the following products and their key components: windows with U-value lower or equal to 1,0 W/m2K; doors with U-value lower or equal to 1,2 W/m2K;external wall systems with U-value lower or equal to 0,5 W/m2K;roofing systems with U-value lower or equal to 0,3 W/m2K;insulating products with a lambda value lower or equal to 0,06 W/mK; household appliances falling into the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 of the European Parliament and of the Council and delegated acts adopted under that Regulation; light sources rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; space heating and domestic hot water systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; cooling and ventilation systems rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation; presence and daylight controls for lighting systems; heat pumps compliant with the technical screening criteria set out in Section 4.16 of this Annex; façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation; energy-efficient building | | |

[2] A Guide for Energy Efficiency Labelling

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|---|---|---|---|---|
| | | automation and control systems for residential and non-residential buildings; zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment; products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building, and for central heating systems; district heating exchangers and substations compliant with the district heating/cooling distribution activity set out in Section 4.15 of this Annex ;products for smart monitoring and regulating of heating system, and sensoring equipment.<br><br>The economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market. Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emission savings are verified by an independent third party. | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>GHG Emissions from manufacturing economic activities that are either (1) proven to be aligned with an internationally recognised method for determining low carbon transition pathway or (2) that are at or lower than the average global emissions (based on emission performance standard determined by internationally recognised data) for that economic activity.<br><br>The purpose of this approach is to ensure that there is a strong signal to the manufacturing sector to ambitiously improve energy efficiency and reduce emissions. | | The EU Taxonomy does not have DNSH to climate change mitigation for this activity while the SA GFT has. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic Criteria for DNSH to Sustainable use of Water and Marine Resources. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | The activity assesses availability of and, where feasible, adopts techniques that support:<br>a) reuse and use of secondary raw materials and re-used components in products manufactured;<br>b) design for high durability, recyclability, easy disassembly and adaptability of products manufactured;<br>c) waste management that prioritises recycling over disposal, in the manufacturing process. | The activity assesses the availability of and, where feasible, adopts techniques that support:<br>a) reuse and use of secondary raw materials and re-used components in products manufactured;<br>b) design for high durability, recyclability, easy disassembly and adaptability of products manufactured;<br>c) waste management that prioritises recycling over disposal, in the manufacturing process;<br>d) information on and traceability of substances of concern throughout the lifecycle of the manufactured products. | The SA GFT does not include the requirement on information on and traceability of substances of concern throughout the lifecycle of the manufactured products while the EU Taxonomy has this requirement. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to pollution prevention** | Compliance with the National Environmental Management Air Quality Act (Act 39 of 2004), National Environmental Management Waste Act (Act 59 of 2008), Hazardous Substance Act (Act 15 of 1973), The Carbon Tax Act 2019 and Occupational Health and Safety Act (Act 86 of 1993). | The activity complies with the criteria set out in Appendix C to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic Criteria for DNSH to Ecosystem Protection and Restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of cement | Manufacture of cement | | |
| **SC** | The activity manufactures one of the following:<br>a) grey cement clinker where the specific GHG emissions are lower than 0.722 tCO2e per tonne of grey cement clinker;<br>b) cement or alternative hydraulic binder, from grey clinker, where the specific GHG emissions29 from the clinker and cement or alternative binder production are lower than 0.469 tCO2e per tonne of cement or alternative binder manufactured;<br><br>Where CO2 emitted from the manufacturing process is captured, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in Section 7.4.11 and 7.4.12 of this Annex. | The activity manufactures one of the following:<br>a) grey cement clinker where the specific GHG emissions are lower than 0,722 tCO2e per tonne of grey cement clinker;<br>b) cement from grey clinker or alternative hydraulic binder, where the specific GHG emissions from the clinker and cement or alternative binder production are lower than 0,469 tCO2e per tonne of cement or alternative binder manufactured.<br><br>Where CO2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of this Annex. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>Greenhouse gas emissions from the cement production processes are:<br>a. for grey cement clinker, lower than 0.816 tCO2e per tonne of grey cement clinker;<br><br>b. for cement or alternative hydraulic binder, from grey clinker, lower than 0.530 tCO2e per tonne of cement or alternative binder manufactured. | Greenhouse gas emissions from the cement production processes are: for grey cement clinker, lower than 0,816 tCO2e per tonne of grey cement clinker; for cement from grey clinker or alternative hydraulic binder, lower than 0,530 tCO2e per tonne of cement or alternative binder manufactured. | Both taxonomies have the same criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | Ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management.<br><br>For manufacture of cement employing hazardous wastes as alternative fuels, measures are in place to ensure the safe handling of waste. | The activity complies with the criteria set out in Appendix C to this Annex. Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for the production of cement, lime and magnesium oxide. No significant cross-media effects occur.For manufacture of cement employing hazardous wastes as alternative fuels, measures are in place to ensure the safe handling of waste. | Both taxonomies have requirements on emissions to water and air and the use of hazardous wastes. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of Aluminium | Manufacture of Aluminium | | |
| **SC** | The activity manufactures one of the following:<br>a. primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025:<br>i. the GHG emissions do not exceed 1.484 tCO2 per ton of aluminium manufactured :<br>ii. the average carbon intensity for the indirect GHG emissions does not exceed 100g CO2e/kWh;<br>iii. the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al.<br>b. secondary aluminium. | The activity manufactures one of the following: primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025: (i) the GHG emissions do not exceed 1,484 tCO2e per ton of aluminium manufactured: (ii) the average carbon intensity for the indirect GHG emissions does not exceed 100g CO2e/kWh; (iii) the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al; secondary aluminium. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br>The activity manufactures one of the following:<br>a. primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025:<br>i. the GHG emissions do not exceed 1.604 tCO2 per ton of aluminium manufactured ;<br>ii. the indirect GHG emissions do not exceed 270g CO2e/kWh;<br>iii. the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al;<br>b. secondary aluminium. | The activity manufactures one of the following: primary aluminium where the economic activity complies with two of the following criteria until 2025 and with all of the following criteria after 2025: (i) the GHG emissions do not exceed 1,604 tCO2e per ton of aluminium manufactured; (ii) the indirect GHG emissions do not exceed 270g CO2e/kWh; (iii) the electricity consumption for the manufacturing process does not exceed 15.5 MWh/t Al; secondary aluminium. | Both taxonomies have the same criteria on GHG emissions and electricity consumption. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | Emissions to air (e.g. sulphur dioxide - SO2, nitrogen oxide - NOx, particulate matter, Total Organic Carbon (TOC), dioxins, mercury (Hg), hydrogen chloride (HCL), hydrogen fluoride (HF), Total Fluoride, and (PFCs) polyfluorinated hydrocarbons (PFCs)) are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach and are in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management. No significant cross-media effects occur. | The activity complies with the criteria set out in Appendix C to this Annex. Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for the non-ferrous metals industries. No significant cross-media effects occur. | Both taxonomies focus on the application of Best Available Technology/Technique (BAT). | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of Iron, Steel and Ferroalloys | Manufacture of Iron, Steel and Ferroalloys | | |
| **SC** | The activity manufactures one of the following:<br>a) iron and steel with GHG emissions lower than the following values applied to the different manufacturing process steps:<br>i. hot metal = 1.331 tCO2e/t product;<br>ii. sintered ore = 0.163 tCO2e/t product;<br>iii. coke (excluding lignite coke) = 0.144 tCO2e/t product;<br>iv. iron casting = 0.299 tCO2e/t product;<br>v. electric Arc Furnace (EAF) high alloy steel = 0.266 tCO2e/t product;<br>vi. electric Arc Furnace (EAF) carbon steel = 0.209 tCO2e/t product.<br>b) steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, and where the steel scrap input relative to product output is not lower than:<br>i. 70 % for the production of high alloy steel;<br>ii. 90 % for the production of carbon steel.<br><br>Where CO2 emitted from the manufacturing process is captured, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in Section 7.4.11 and 7.4.12 of this Annex. | The activity manufactures one of the following: iron and steel where GHG emissions, reduced by the amount of emissions assigned to the production of waste gases in accordance with point 10.1.5(a) of Annex VII to Regulation (EU) 2019/331 do not exceed the following values applied to the different manufacturing process steps: (i) hot metal = 1,331(112) tCO2e/t product; (ii) sintered ore = 0,163 tCO2e/t product; (iii) coke (excluding lignite coke) = 0,144 tCO2e/t product; (iv) iron casting = 0,299 tCO2e/t product; (v) electric Arc Furnace (EAF) high alloy steel = 0,266 tCO2e/t product; (vi) electric Arc Furnace (EAF) carbon steel = 0,209 tCO2e/t product; steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, as defined in Commission Delegated Regulation (EU) 2019/331 and where the steel scrap input relative to product output is not lower than: (i) 70 % for the production of high alloy steel; (ii) 90 % for the production of carbon steel.<br><br>Where the CO2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of this Annex. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The activity manufactures one of the following:<br>c) iron and steel with GHG emissions lower than the following values applied to the different manufacturing process steps:<br>i. hot metal = 1.443 tCO2e/t product;<br>ii. sintered ore = 0.242 tCO2e/t product;<br>iii. coke (excluding lignite coke) = 0.237 tCO2e/t product;<br>iv. iron casting = 0.390 tCO2e/t product;<br>v. electric Arc Furnace (EAF) high alloy steel = 0.360 tCO2e/t product;<br>vi. electric Arc Furnace (EAF) carbon steel = 0.276 tCO2e/t product.<br>d) steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel, and where the steel scrap input relative to product is:<br>i. 70 % for the production of high alloy steel;<br>ii. 90 % for the production of carbon steel. | The activity manufactures one of the following: iron and steel where GHG emissions, reduced by the amount of emissions assigned to the production of waste gases in accordance with point 10.1.5(a) of Annex VII to Regulation (EU) 2019/331 do not exceed the following values applied to the different manufacturing process steps: (i) hot metal =1,443 tCO2e/t product; (ii) sintered ore = 0,242 tCO2e/t product; (iii) coke (excluding lignite coke) = 0,237 tCO2e/t product; (iv) iron casting = 0,390 tCO2e/t product; (v) electric arc furnace (EAF) high alloy steel = 0,360(151) tCO2e/t product; (vi) electric arc furnace (EAF) carbon steel = 0,276 tCO2e/t product; steel in electric arc furnaces (EAFs) producing EAF carbon steel or EAF high alloy steel as defined in Commission Delegated Regulation (EU) 2019/331 and where the steel scrap input relative to product output is: (i) at least 70 % for the production of high alloy steel, (ii) at least 90 % for production of carbon steel. | Both taxonomies have the same criteria on GHG emissions. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| | | | | |
|---|---|---|---|---|
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex. Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for iron and steel production. No significant cross-media effects occur. | Both taxonomies focus on the application of Best Available Technology/Technique (BAT). | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of Hydrogen | Manufacture of Hydrogen | | |
| **SC** | The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in 3tCO2eq/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ.<br><br>Life cycle GHG emissions savings are calculated using the methodology referred to in ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emission savings are verified by an independent third party.<br><br>Where the CO2 emitted from the manufacturing process is captured, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in in Section 3.4.11 and 3.4.12. | The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO2e/tH2] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO2e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001.Life-cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party.<br><br>Where the CO2 that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO2 is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex. | Both taxonomies have the same thresholds and requirements. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The activity complies with the life cycle GHG emissions savings requirement of 70 % relative to a fossil fuel comparator of 94g CO2e/MJ<br><br>Life cycle GHG emissions savings are calculated using the methodology referred to in ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emission savings are verified by an independent third party. | The activity complies with the life cycle GHG emissions savings requirement of 70 % relative to a fossil fuel comparator of 94g CO2e/MJ as set out in Article 25(2) of Directive (EU) 2018/2001 of the European Parliament and of the Council and Annex V to that Directive.<br><br>Life cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party. | Both taxonomies have the same criteria life cycle GHG emissions savings. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| | | | | |
|---|---|---|---|---|
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex.<br><br>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the relevant best available techniques (BAT) conclusions, including: the best available techniques (BAT) conclusions for the production of chlor-alkali and the best available techniques (BAT) conclusions for common waste water and waste gas treatment/management systems in the chemical sector; the best available techniques (BAT) conclusions for the refining of mineral oil and gas. No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of other inorganic basic chemicals | • Manufacture of soda ash<br>• Manufacture of carbon black<br>• Manufacture of chlorine | | |
| **SC** | For carbon black<br><br>GHG emissions from the carbon black production processes are lower than 1.141 tCO2e per tonne of product.<br><br>For disodium carbonate<br><br>GHG emissions from the disodium carbonate production processes are lower than 0.789 tCO2e per tonne of product.<br><br>For chlorine<br><br>Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2.45 MWh per tonne of chlorine.<br><br>Average life-cycle GHG emissions of the electricity used for chlorine production is at or lower than 100 g CO2e/kWh.<br><br>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party. | GHG emissions from the soda ash production processes are lower than 0,789 tCO2e per tonne of product.<br><br>GHG emissions from the carbon black production processes are lower than 1,141 tCO2e per tonne of product.<br><br>Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2.45 MWh per tonne of chlorine.<br><br>Average life-cycle GHG emissions of the electricity used for chlorine production is at or lower than 100 g CO2e/kWh. Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For carbon black adaptation projects<br><br>Greenhouse gas emissions from the carbon black production processes are lower than 1.615 tCO2e per tonne of product.<br><br>For disodium carbonate adaptation projects<br><br>Greenhouse gas emissions from the disodium carbonate production processes are lower than 0.866 tCO2e per tonne of product.<br><br>For chlorine adaptation projects<br><br>Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2,45 MWh per tonne of chlorine.<br><br>Average direct greenhouse gas emissions of the electricity used for chlorine production is at or lower than 270 g CO2e/kWh. | Greenhouse gas emissions from the carbon black production processes are lower than 1,615 tCO2e per tonne of product.<br><br>Greenhouse gas emissions from the soda ash production processes are lower than 0,866 tCO2e per tonne of product.<br><br>Electricity consumption for electrolysis and chlorine treatment is equal or lower than 2,45 MWh per tonne of chlorine.<br><br>Average direct greenhouse gas emissions of the electricity used for chlorine production is at or lower than 270 g CO2e/kWh. | Both taxonomies have the same criteria on GHG emissions and electricity consumption for electrolysis and chlorine treatment. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

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|---|---|---|---|---|
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex.<br><br>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including: the Best Available Techniques Reference Document (BREF) for the Large Volume Inorganic Chemicals – Solids and Others industry; the best available techniques (BAT) conclusions for common waste water and waste gas treatment/management systems in the chemical sector.<br><br>No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of other organic basic chemicals | Manufacture of organic basic chemicals | | |
| **SC** | GHG emissions from the organic basic chemicals production processes are lower than:<br>a. for HVC: 0.693 tCO2e/t of HVC;<br>b. for aromatics: 0.0072 tCO2e/t of aromatic;<br>c. for vinyl chloride: 0.171 tCO2e/t of vinyl chloride;<br>d. for styrene: 0.419 tCO2e/t of styrene;<br>e. for ethylene oxide/ethylene glycols: 0.314 tCO2e/t of ethylene oxide/glycol;<br>f. for adipic acid: 0.32 tCO2e /t of adipic acid.<br><br>Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.<br><br>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals. | GHG emissions from the organic basic chemicals production processes are lower than: for HVC: 0,693 tCO2e/t of HVC; for aromatics: 0,0072 tCO2e/t of complex weighted throughput; for vinyl chloride: 0,171 tCO2e/t of vinyl chloride; for styrene: 0,419 tCO2e/t of styrene; for ethylene oxide/ethylene glycols: 0,314 tCO2e/t of ethylene oxide/glycol; for adipic acid: 0,32 tCO2e /t of adipic acid.<br><br>Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.<br><br>Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>Agricultural biomass used for the manufacture of organic basic chemicals complies with the criteria laid down in Article 29, paragraphs 2 to 5 of Directive (EU) 2018/2001. Forest biomass used for the manufacture of organic basic chemicals complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>GHG emissions from the organic chemicals production processes are lower than:<br>a. for HVC: 0,851 tCO2e/t of HVC;<br>b. for aromatics: 0,03 tCO2e/t of aromatic;<br>c. for vinyl chloride: 0,268 tCO2e/t of vinyl chloride;<br>d. for styrene: 0,564 tCO2e/t of styrene;<br>e. for ethylene oxide/ethylene glycols: 0,489 tCO2e/t of ethylene oxide/glycol;<br>f. for adipic acid: 0,76 tCO2e/t of adipic acid.<br>g. Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock | GHG emissions from the organic chemicals production processes are lower than, for HVC: [0,851] tCO2e/t of HVC; for aromatics: 0,0300 tCO2e/t of complex weighted throughput; for vinyl chloride: [0,268 tCO2e/t of vinyl chloride; for styrene: 0,564 tCO2e/t of styrene; for ethylene oxide/ethylene glycols: 0,489 tCO2e/t of ethylene oxide/glycol; for adipic acid: 0,76 tCO2e/t of adipic acid.<br><br>Where the organic chemicals in scope are produced wholly or partially from renewable feedstock, the life-cycle GHG emissions of the manufactured chemical, manufactured wholly or partially from renewable feedstock, are lower than the life-cycle GHG emissions of the equivalent chemical manufactured from fossil fuel feedstock.<br><br>Agricultural biomass used for the manufacture of organic basic chemicals in its primary form complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of organic basic chemicals complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. | The SA GFT does not have requirement regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC LESS AMBITIOUS** |

| | | | | |
|---|---|---|---|---|
| | | | | **AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex.<br><br>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in relevant best available techniques (BAT) conclusions, including: the best available techniques (BAT) conclusions for the production of large volumes organic chemicals; the best available techniques (BAT) conclusions for common wastewater and waste gas treatment/management systems in the chemical sector.<br><br>No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of fertilizers and nitrogen compounds | Manufacture of anhydrous ammonia | | |
| **SC** | Ammonia is produced from hydrogen that complies with the technical screening criteria set out in Section 7.2.5 of this Annex.<br><br>GHG emissions from the manufacture of nitric acid are lower than 0,038 tCO2e per tonne of nitric acid. | The activity complies with one of the following criteria: ammonia is produced from hydrogen that complies with the technical screening criteria set out in Section 3.10 of this Annex (Manufacturing of hydrogen); ammonia is recovered from wastewater. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The manufacturing of anhydrous ammonia has greenhouse gas emissions lower than 1,948 tCO2e per tonne of anhydrous ammonia.<br><br>GHG emissions from the manufacture of nitric acid are lower than 0,184 tCO2e per tonne of nitric acid. | The activity complies with one of the following criteria: the manufacturing of anhydrous ammonia has greenhouse gas emissions lower than 1,948 tCO2e per tonne of anhydrous ammonia; ammonia is recovered from wastewater. | The SA GFT does not allow the recovery of ammonia from water and only focuses on the reduction of GHG emissions while the EU Taxonomy allows the recovery of ammonia or GHG emissions reduction. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex.<br><br>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including: the Best Available Techniques Reference Document (BREF) for the manufacture of Large Volume Inorganic Chemicals - Ammonia, Acids and Fertilisers; the best available techniques (BAT) conclusions for common wastewater and waste gas treatment/management systems in the chemical sector.<br><br>No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of fertilizers and nitrogen compounds | Manufacture of nitric acid | | |
| **SC** | Ammonia is produced from hydrogen that complies with the technical screening criteria set out in Section 7.2.5 of this Annex.<br><br>GHG emissions from the manufacture of nitric acid are lower than 0,038 tCO2e per tonne of nitric acid. | GHG emissions from the manufacture of nitric acid are lower than 0,038 tCO2e per tonne of nitric acid. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The manufacturing of anhydrous ammonia has greenhouse gas emissions lower than 1,948 tCO2e per tonne of anhydrous ammonia.<br><br>GHG emissions from the manufacture of nitric acid are lower than 0,184 tCO2e per tonne of nitric acid. | GHG emissions from the manufacture of nitric acid are lower than 0,184 tCO2e per tonne of nitric acid. | Both taxonomies have the same criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex.<br>Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including: (a) the Best Available Techniques Reference Document (BREF) for the manufacture of Large Volume Inorganic Chemicals - Ammonia, Acids and Fertilisers; (b) the best available techniques (BAT) conclusions for common wastewater and waste gas treatment/management systems in the chemical sector.<br><br>No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Manufacture of plastics in primary form | Manufacture of plastics in primary form | | |
| **SC** | The plastic in primary form is one of the following:<br>a. fully manufactured by mechanical recycling of plastic waste;<br>b. fully manufactured by chemical recycling of plastic waste and the life-cycle GHG emissions of the manufactured plastic, excluding any calculated benefit from the production of fuels, are lower than the life-cycle GHG emissions of the equivalent primary plastic manufactured from fossil fuel feedstock.<br><br>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>c. derived wholly or partially from renewable feedstock and its life-cycle GHG emissions are lower than the life-cycle GHG emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock.<br><br>Life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form. | The activity complies with one of the following criteria: the plastic in primary form is fully manufactured by mechanical recycling of plastic waste; where mechanical recycling is not technically feasible or economically viable, the plastic in primary form is fully manufactured by chemical recycling of plastic waste and the life-cycle GHG emissions of the manufactured plastic, excluding any calculated credits from the production of fuels, are lower than the life-cycle GHG emissions of the equivalent plastic in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party; derived wholly or partially from renewable feedstock and its life-cycle GHG emissions are lower than the life-cycle GHG emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. Life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>Agricultural biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. | The SA GFT envisages that "mitigation measures should be incorporated into a single investment plan within a determined time frame (5 or 10 years) that outlines how each of the measures in combination with others will enable the activity to meet the threshold defined below actions". According to the SA GFT's guidance on the recognition of capital expenditure (capex) and revenue, in this case, only the capex is counted as taxonomy compliant. This recognition principle is Similar to that of Article 8 of the Disclosures Delegated Act although the EU Taxonomy does not explicit mention it. Hence, we consider this divergence as minor, and classify the SA GFT's criteria as Similar to that of the EU Taxonomy. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The plastic in primary form is one of the following:<br>a. fully manufactured by mechanical recycling of plastic waste;<br>b. fully manufactured by chemical recycling of plastic waste where the life-cycle greenhouse gas emissions of the manufactured plastic, excluding any calculated benefit from the production of fuels, are lower than the life-cycle greenhouse gas emissions of the equivalent primary plastic manufactured from fossil fuel feedstock.<br><br>Life-cycle greenhouse gas emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>c. derived wholly or partially from renewable feedstock where the life-cycle greenhouse gas emissions of the manufactured plastic in primary form, manufactured wholly or partially from renewable feedstock, is lower than the life-cycle greenhouse gas emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. | The plastic in primary form is one of the following: fully manufactured by mechanical recycling of plastic waste; where mechanical recycling is not possible, fully manufactured by chemical recycling of plastic waste where the life-cycle greenhouse gas emissions of the manufactured plastic, excluding any calculated credits from the production of fuels, are lower than the life-cycle greenhouse gas emissions of the equivalent primary plastic manufactured from fossil fuel feedstock. Life-cycle greenhouse gas emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party; derived wholly or partially from renewable feedstock where the life-cycle greenhouse gas emissions of the manufactured plastic in primary form, manufactured wholly or partially from renewable feedstock, is lower than the life-cycle greenhouse gas emissions of the equivalent plastics in primary form manufactured from fossil fuel feedstock. Life-cycle greenhouse gas emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. | The SA GFT does not have requirement regarding the use of agriculture and forest biomass in manufacturing organic basic chemicals while the EU Taxonomy defines this requirement as per EU Directive. | **LESS AMBITIOUS AND/OR LESS DETAILED** |

| | | | | |
|---|---|---|---|---|
| | Life-cycle greenhouse gas emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018.<br><br>Quantified life-cycle GHG emissions are verified by an independent third party. | Agricultural biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of plastics in its primary form complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. | | |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | The activity complies with the criteria set out in Appendix F: Generic criteria for DNSH to pollution prevention. | The activity complies with the criteria set out in Appendix C to this Annex. Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in relevant best available techniques (BAT) conclusions, including: the Best Available Techniques Reference Document (BREF) for the Production of Polymers; the best available techniques (BAT) conclusions for common waste water and waste gas treatment/management systems in the chemical sector.<br><br>No significant cross-media effects occur. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**CANNOT DIRECTLY COMPARE** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Production of electricity, heating and cooling from Solar PV, Concentrated Solar Power, Wind Power and Ocean Energy | • Electricity generation using solar photovoltaic technology<br>• Electricity generation using concentrated solar power (CSP) technology<br>• Electricity generation from wind power<br>• Electricity generation from ocean energy technologies<br>• Cogeneration of heat/cool and power from solar energy<br>• Production of heat/cool from solar thermal heating | | |
| **SC** | The activity generates electricity using solar PV technology.<br><br>For CSP<br>The activity generates electricity using CSP technology.<br><br>For Wind power<br>The activity generates electricity from wind power.<br><br>For Ocean energy<br>The activity generates electricity from ocean energy. | The activity generates electricity using solar PV technology.<br><br>The activity generates electricity using CSP technology.<br><br>The activity generates electricity from wind power.<br><br>The activity generates electricity from ocean energy.<br><br>The activity consists in the cogeneration of electricity and heat/cool from solar energy. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For Solar PV, CSP, Wind power and Ocean energy mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For Solar PV, CSP, Wind power and Ocean energy<br>The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | For PV, CSP, Wind Power and Ocean Energy<br>• The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. | The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. | Both have the same criteria | **SIMILAR** |
| **DNSH to pollution prevention** | For Solar PV N/A<br>For CSP N/A<br>For Wind power N/A<br><br>For Ocean Energy<br>• Measures in place to minimise toxicity of anti-fouling paint and biocides which implements the International Convention on the Control of Harmful Anti-fouling Systems on Ships<br>• Use of chemicals must adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993. | N/A | The EU Taxonomy does not have DNSH on pollution prevention for this activity. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to ecosystem protection and restoration** | For Solar PV, CSP technology, Wind power and Ocean energy<br><br>The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Production of electricity, heating and cooling from Hydropower | Electricity generation from hydropower | | |
| **SC** | The activity complies with either of the following criteria:<br><br>a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir<br>b) the life-cycle GHG emissions from the generation of electricity from hydropower, including mixed pumped hydropower storage connected to a free-flowing water source are lower than 100gCO2e/kWh.<br><br>The life-cycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>c) the power density of the electricity generation facility is above 5 W/m2. | The activity complies with either of the following criteria: the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m2; the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO2e/kWh.<br><br>The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018, ISO 14064-1:2018 or the G-res tool. Quantified life-cycle GHG emissions are verified by an independent third party. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The direct GHG emissions of the activity are lower than 270gCO2e/kWh. | The direct GHG emissions of the activity are lower than 270gCO2e/kWh. | Both have the same criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC*<br>LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For new projects:<br>Fulfil the requirements of South African water legislation such as the National Water Act (No.36 of 1998), Mountain Catchment Areas Act (No. 63 of 1970) and the Water Services Act (No.108 of 1997) where applicable and ensure that an appropriate cumulative impact assessment or equivalent study has been undertaken that identifies and addresses any significant regional or basin-level environmental and social impacts, in compliance with the National Water Act (No.36 of 1998) preferably at the strategic planning stage. Such a study must consider all of the planned infrastructure developments in the basin, for example as part of a hydropower cascade at the scale of the river catchment, involving all relevant stakeholders. Ensure that the conditions National Water Act (No.36 of 1998) are met based on ground evidence. Those include:<br>• All practical steps are taken to mitigate the impacts;<br>• The project has been recognized of overriding public interest and/or it is proven that the benefits of the project outweigh its impacts; | 1. The activity complies with the provisions of Directive 2000/60/EC, in particular with all the requirements laid down in Article 4 of the Directive.<br>2. For operation of existing hydropower plants, including refurbishment activities to enhance renewable energy or energy storage potential, the activity complies with the following criteria:<br>2.1. In accordance with Directive 2000/60/EC and in particular Articles 4 and 11 of that Directive, all technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water.<br>2.2. Measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies: measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of-the-art fully functional fish passes, measures to stop or minimise operation and discharges during migration or spawning);measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; measures to protect or enhance habitats.<br>2.3. The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.<br>3. For construction of new hydropower plants, the activity complies with the following criteria:<br>3.1. In accordance with Article 4 of Directive 2000/60/EC and in particular paragraph 7 of that Article, prior to construction, an impact assessment of the project is carried out to assess all its potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in | The SA GFT does not require monitoring the effectiveness of mitigation measures while the EU Taxonomy requires this. | **LESS AMBITIOUS AND/OR LESS DETAILED** |

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| | • There are no significantly environmentally better option.<br>• The project does not show significant adverse impact on upstream or downstream water bodies.<br>• This applies to newly built hydropower and extension of existing hydropower.<br><br>Construction of new hydropower should not lead to increase fragmentation of rivers, consequently refurbishment of existing hydropower plant and rehabilitation of existing barriers should be prioritised. Construction of small hydropower (<10MW) should be avoided.<br><br>During operation:<br>• All necessary mitigation measures should be implemented to reach good ecological status or potential, in particular regarding ecological continuity and ecological flow. Priority should be given to nature-based solutions.<br>• IFC's and World Bank Group's environmental and social standards.<br>• General impacts: Operation of the hydro power plant must adhere to the principles of the UNECE Convention on the Protection and Use of Transboundary, Watercourses and International Lakes | particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions. The assessment is based on recent, comprehensive and accurate data, including monitoring data on biological quality elements that are specifically sensitive to hydro-morphological alterations, and on the expected status of the water body as a result of the new activities, as compared to its current one. It assesses in particular the cumulated impacts of this new project with other existing or planned infrastructure in the river basin.<br>3.2. On the basis of that impact assessment, it has been established that the plant is conceived, by design and location and by mitigation measures, so that it complies with one of the following requirements: the plant does not entail any deterioration nor compromises the achievement of good status or potential of the specific water body it relates to; where the plant risks to deteriorate or compromise the achievement of good status/potential of the specific water body it relates to, such deterioration is not significant, and is justified by a detailed cost-benefit assessment demonstrating both of the following: (i) the reasons of overriding public interest or the fact that benefits expected from the planned hydropower plant outweigh the costs from deteriorating the status of water that are accruing to the environment and to society; (ii) the fact that the overriding public interest or the benefits expected from the plant cannot, for reasons of technical feasibility or disproportionate cost, be achieved by alternative means that would lead to a better environmental outcome (such as refurbishing of existing hydropower plants or use of technologies not disrupting river continuity).<br>3.3. All technically feasible and ecologically relevant mitigation measures are implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water. Mitigation measures include, where relevant and depending on the ecosystems naturally present in the affected water bodies: measures to ensure downstream and upstream fish migration (such as fish friendly turbines, fish guidance structures, state-of the-art fully functional fish passes, measures to stop or minimise operation and discharges during migration or spawning);measures to ensure minimum ecological flow (including mitigation of rapid, short-term variations in flow or hydro-peaking operations) and sediment flow; measures to protect or enhance habitats. The effectiveness of those measures is monitored in the context of the authorisation or permit setting out the conditions aimed at achieving good status or potential of the affected water body.<br>3.4. The plant does not permanently compromise the achievement of good status/potential in any of the water bodies in the same river basin district.<br>3.5. In addition to the mitigation measures referred to above, and where relevant, compensatory measures are implemented to ensure that the project does not increase the fragmentation of water bodies in the same river basin district. This is achieved by restoring continuity within the same river basin district to an extent that compensates the disruption of continuity, which the planned hydropower plant may cause. Compensation starts prior to the execution of the project. | | |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Production of electricity, heating and cooling from Geothermal | • Electricity generation from geothermal energy<br>• Cogeneration of heat/cool and power from geothermal energy<br>• Production of heat/cool from geothermal energy | | |
| **SC** | Any electricity, heating and cooling generation technology or cogeneration technology can be included in the taxonomy if it can be demonstrated, using an ISO 14067 or a GHG Protocol Product Lifecycle Standard-compliant Product Carbon Footprint (PCF) assessment, that the life cycle impacts for producing 1 kWh of electricity are below the declining threshold.<br><br>A full PCF or GHG lifecycle assessment shall be applied, using project specific-data where relevant, and shall be subjected to review.<br><br>Declining threshold: Facilities operating at life cycle emissions at or lower than 100g CO2e/kWh, declining to net-0gCO2e/kWh by 2050, are eligible.<br><br>• This threshold will be reduced every periodically 5 years in line with a South Africa's net-zero CO2e in 2050 trajectory climate mitigation target<br>• Assets and activities must meet the threshold at the point in time when taxonomy approval is sought<br><br>For activities which operate beyond 2050, it must be technically feasible to reach net-zero emissions in scope 1 emissions.<br><br>For a given investment or activity to be compatible with this trajectory, its average emissions over its physical lifetime, or 40 years (whichever is shorter), must be lower than the threshold. | Life-cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO2e/kWh. Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>The life-cycle GHG emissions from the combined generation of heat/cool and power from geothermal energy are lower than 100gCO2e per 1 kWh of energy output from the combined generation. Life-cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1: 2018. Quantified life-cycle GHG emissions are verified by an independent third party.<br><br>The life-cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO2e/kWh. Life-cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC mitigation** | For adaptation projects<br><br>If the activity operates at above the threshold for substantial contribution to climate change mitigation, there should be:<br>• no increase in emissions intensity of the activity as a result of the adaptation; and<br>• no activity can have emissions intensity above the average emissions intensity of all electricity generation facilities in the respective region.<br><br>DNSH to mitigation is considered as avoidance of activities which would compromise South Africa's net zero by 2050 climate mitigation target. Activities which operate below the 100g threshold provide a significant contribution, and that activities that operate above the regional average of 475g would cause significant harm . Therefore, while activities below this 475g threshold are not considered to be providing a substantial contribution, they are also not considered to be doing significant harm. | The direct GHG emissions of the activity are lower than 270gCO2e/kWh. | The SA GFT has higher GHG emissions threshold of 475gCO2e/kWh while the EU Taxonomy's threshold is 270gCO2e/kWh. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

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| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • Use of chemicals must adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993.<br>• Discharges to water bodies should comply with individual license conditions for specific operations as governed by the National Water Act (No.36 of 1998), where applicable. Emissions to air: the operations of high-enthalpy geothermal energy systems should ensure that adequate abatement systems are in place to comply with the National Environmental Management Air Quality (Act 39 of 2004) including but not limited to <1 µg/Nm3 Hg.<br>• Thermal anomalies associated with the discharge of waste heat should not exceed 3°K for groundwater environments or 1.5°K for surface water environments, respectively. | For the operation of high-enthalpy geothermal energy systems, adequate abatement systems are in place to reduce emission levels in order not to hamper the achievement of air quality limit values set out in Directive 2004/107/EC of the European Parliament and of the Council and Directive 2008/50/EC of the European Parliament and of the Council. | The SA GFT has additional requirements on use of chemicals and emissions to water while the EU Taxonomy requires air emissions reduction only. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Production of electricity, heating and cooling from Bioenergy | • Electricity generation from bioenergy<br>• Cogeneration of heat/cool and power from bioenergy<br>• Production of heat/cool from bioenergy | | |
| **SC** | Production of electricity, heating and cooling from biofuels shall be assessed in relation to the relative fossil fuel comparator. Facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator increasing to 100% by 2050, are eligible.<br><br>This threshold will be reduced every periodically 5 years in line a South Africa's net-zero CO2e in 2050 trajectory climate mitigation target. Assets and activities must meet the threshold at the point in time when taxonomy approval is sought<br><br>For activities which go beyond 2050, it must be technically feasible to reach net-zero emissions<br><br>For Anaerobic Digestion of Biowaste and Sewage Sludge, refer to activities 7.4.3 and 7.4.5 respectively.<br><br>Any other anaerobic digestion of organic material (not covered under sections 7.4.3 and 7.4.5) is eligible provided that:<br>• methane leakage from relevant facilities (e.g. for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan. - the digestate produced is used as fertiliser/s oil improver<br>• directly or after composting or any other treatment | 1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive.<br>2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.<br>3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.<br>4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.<br>5. For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants.<br>6. For electricity generation installations with a total rated thermal input above 100 MW, the activity complies with one or more of the following criteria: attains electrical efficiency of at least 36 %; applies highly efficient CHP (combined heat and power) technology as referred to in Directive 2012/27/EU of the European Parliament and of the Council; uses carbon capture and storage technology. Where the CO2 that would otherwise be emitted from the electricity generation process is captured for the purpose of underground storage, the CO2 is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex.<br><br>1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive.<br>2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least 80 % in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.<br>3. Where the cogeneration installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.<br>4. Points 1 and 2 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.<br><br>1. Agricultural biomass used in the activity for the production of heat and cool complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |

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| | | 2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG emission saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.<br>3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.<br>4. Points 1 and 2 do not apply to heat generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels. | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>If the activity operates at above the threshold for substantial contribution to climate change mitigation, there should be:<br>• no increase in emissions intensity of the activity as a result of the adaptation; and<br>• no activity can have emissions intensity above the average emissions intensity of all electricity generation facilities in the respective region.<br><br>DNSH to mitigation is considered as avoidance of activities which would compromise South Africa's net zero by 2050 climate mitigation target. Activities which operate below the 100g threshold provide a significant contribution, and that activities that operate above the regional average of 475g would cause significant harm. Therefore, while activities below this 475g threshold are not considered to be providing a substantial contribution, they are also not considered to be doing significant harm. | The activity meets the requirements relating to sustainability, greenhouse gas emission savings and efficiency laid down in Article 29 of Directive 2018/2001. | Although two taxonomies refer to different rules and regulations, the level of ambition is similar in that both require the activity to contribute to emissions target and sustainability. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | Ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management concerning the activity in question or other techniques that provide for an equivalent level of environmental protection.<br><br>Emissions in mg/Nm$^3$ (for biomass in large combustion plants: SO2, NOx, dust, CO, Mercury, HCl, HF; for biomass and for liquid biofuels in medium combustion plants: SO2, NOx, dust, for biogas in medium combustion plants: SO2, NOx)<br>• In case of Anaerobic digestion (AD) plants treating over 100 t/day. Ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality | For installations falling within the scope of Directive 2010/75/EU of the European Parliament and of the Council, emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants. No significant cross-media effects occur.<br><br>For combustion plants with thermal input greater than 1 MW but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.<br><br>For plants in zones or parts of zones not complying with the air quality limit values laid down in Directive 2008/50/EC, measures are implemented to reduce emission levels taking into account the results of the information exchange which are published by the Commission in accordance with Article 6, paragraphs 9 and 10 of Directive (EU) 2015/2193.<br><br>For anaerobic digestion of organic material, where the produced digestate is used as fertiliser or soil improver, either directly or after composting or any other | Both taxonomies have requirements on emissions to air and water, and requirements for fertilising materials. | **SIMILAR** |

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| | Management concerning the activity in question or other techniques that provide for an equivalent level of environmental protection.<br>• In case of AD, emissions to air (e.g. SOx, NOx) after combustion of biogas are controlled, abated (when needed) and within the limits set by national legislation illustrated above.<br>• In case of AD, the resulting digestate meets the requirements for fertilising materials in the Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act no. 36 of 1947) | treatment, it meets the requirements for fertilising materials set out in Component Material Categories (CMC) 4 and 5 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilisers or soil improvers for agricultural use.<br><br>For anaerobic digestion plants treating over 100 tonnes per day, emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set for anaerobic treatment of waste in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for waste treatment. No significant cross-media effects occur. | | |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Transmission and distribution of electricity | Transmission and distribution of electricity | | |
| **SC** | All electricity transmission and distribution infrastructure or equipment in systems which are on a trajectory to full decarbonisation* are eligible, except for infrastructure that is dedicated to creating a direct connection or expanding an existing direct connection between a power production plant that is more CO2 intensive than 100 gCO2e/kWh, measured on a LCE basis, and a substation or network.<br><br>* A System is deemed to be on a trajectory to full decarbonisation if either:<br>• more than 67% of newly connected generation capacity in the System is below the generation threshold value of 100 gCO2e/kWh measured on a PCF basis, over a rolling five-year period; or<br>• The average System grid emissions factor is below the threshold value of 100 gCO2e/kWh measured on a PCF basis, over a rolling five-year average period<br><br>These criteria will be subject to regular review, in line with reviews of generation threshold values and progress to decarbonisation.<br><br>The following T&D grid related activities are eligible, irrespective of whether the system is on a pathway to full decarbonisation:<br>• Direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO2e/kWh declining to 0g CO2e/kWh in 2050, measured on a PCF basis, to a substation or network.<br>• EV charging stations and supporting electric infrastructure for the electrification of transport, subject to taxonomy eligibility under the transport section.<br>• Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation<br>• Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources, this includes:<br>• Sensors and measurement tools (including meteorological sensors for forecasting renewable production)<br>• Communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed)<br>• Equipment to carry information to users for remotely acting on consumption<br>• Equipment to allow for exchange of renewable electricity between users<br>• Interconnectors between transmission systems are eligible, provided that one of the systems is eligible.<br><br>Definitions and Notes:<br>• A system is defined as the transmission or distribution network control area of the network or system operator(s) where the activity takes place. | The activity complies with one of the following criteria:<br>1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems; more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO2e/kWh measured on a life cycle basis is not compliant. Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant.<br>2. The activity is one of the following: construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO2e/kWh measured on a life cycle basis to a substation or network; construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical screening criteria under the transport Section of this Annex; installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No 548/2014 and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1. construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation; installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including: sensors and measurement tools (including meteorological sensors for forecasting renewable production);communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).installation of equipment such as, but not limited to future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944 of the European Parliament and of the Council(180), which meet the requirements of Article 20 of Directive (EU) | The SA GFT has a declining threshold towards zero emissions while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |

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| | • The annual average System grid emissions factor is calculated as the total annual emissions from power generation, divided by the total annual net electricity production in that System.<br>• The rolling five-year (average) period used in determining compliance with the thresholds shall be based on historic data and shall be include the year for which the most recent data is available.<br>• Transmission Systems may include generation capacity connected to subordinated Distribution Systems.<br>• Distribution Systems subordinated to a Transmission System that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation.<br>• To determine eligibility, it is possible to consider a System covering multiple control areas which are interconnected and with significant energy exchanges between them. In such a case, the weighted average emissions factor across all included control areas is used to determine eligibility, and individual subordinated transmission or distribution systems within this System will not be required to demonstrate compliance separately.<br>• It is possible for a System to become ineligible after having previously been eligible. In Systems that become ineligible, no new T&D activities are eligible from that moment onward, until the system is again in compliance with the threshold (except for those activities which are always eligible, see above). Activities in subordinated Systems may still be eligible if these subordinated Systems meet the criteria of this Taxonomy.<br>• A direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or network. | 2019/944, able to carry information to users for remotely acting on consumption, including customer data hubs; construction/installation of equipment to allow for exchange of specifically renewable electricity between users; construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant.<br><br>For the purposes of this Section, the following specifications apply: the rolling five-year period used in determining compliance with the thresholds is based on five consecutive historical years, including the year for which the most recent data are available; a 'system' means the power control area of the transmission or distribution network where the infrastructure or equipment is installed; transmission systems may include generation capacity connected to subordinated distribution systems; distribution systems subordinated to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation; to determine compliance, it is possible to consider a system covering multiple control areas which are interconnected and with significant energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used, and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately; it is possible for a system to become non-compliant after having previously been compliant. In systems that become non-compliant, no new transmission and distribution activities are compliant from that moment onward, until the system complies again with the threshold (except for those activities that are always compliant, see above). Activities in subordinated systems may still be compliant, where those subordinated systems meet the criteria of this Section; a direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or to the network. | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>Direct connections to generation units shall be below the average emission intensity of all electricity generation facilities in the region | The infrastructure is not dedicated to creating a direct connection or expanding an existing direct connection to a power production plant where the direct greenhouse gas emissions exceed 270 gCO2e/kWh. | The EU Taxonomy does not allow direct connection to a power production plant where the direct greenhouse gas emissions exceed 270 gCO2e/kWh while the SA GFT allows that direct connections to generation units shall be below the average emission intensity of all electricity generation facilities in the region.<br><br>Please refer to the comparison of the generic DNSH criteria on this. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | | ***GENERIC* LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | Underground power lines:<br>• Avoid routings with heavy impact on marine and terrestrial ecosystems (proven by an EIA) and adhere to National Environmental Management Act (No.107 of 1998) as amended or IFC General EHS Guidelines for construction site activities follow, whichever is stricter. | N/A | The EU Taxonomy does not have DNSH on water for this activity while the SA GFT has. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to sustainable resource use and circularity** | State ambition to maximise recycling at end of life based on BAT at time of decommissioning (e.g., through contractual agreements with recycling partners, reflection in financial projections or official project documentation). | A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | Both have the same criteria. | **SIMILAR** |

| | | | | |
|---|---|---|---|---|
| **DNSH to pollution prevention** | Overground high voltage lines:<br>• For construction site activities these are to adhere to National Environmental Management Act (No.107 of 1998) as amended and follow the principles of IFC General Environmental, Health, and Safety Guidelines.<br>• Respect applicable norms and regulations to limit impact of electromagnetic radiation on human health.<br><br>Do not use PCBs Polychlorinated Biphenyls. | Overground high voltage lines:<br>a) for construction site activities, activities follow the principles of the IFC General Environmental, Health, and Safety Guidelines.<br>b) activities respect applicable norms and regulations to limit impact of electromagnetic radiation on human health, including for activities carried out in the Union, the Council recommendation on the limitation of exposure of the general public to electromagnetic fields (0 Hz to 300 GHz) and for activities carried out in third countries, the 1998 Guidelines of International Commission on Non-Ionizing Radiation Protection (ICNIRP).<br><br>Activities do not use PCBs polychlorinated biphenyls. | Both have the same criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration.<br><br>Underground power lines:<br>Avoid routings with heavy impact on marine and terrestrial ecosystems (proven by an EIA), UNESCO World Heritage Sites and Critical Biodiversity Areas (CBAs) and follow the principles of IFC General EHS Guidelines for construction site activities. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC*<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Storage of Electricity | Storage of Electricity | | |
| **SC** | Currently all electricity storage activities are eligible under the Taxonomy, subject to regular review. Eligibility criteria for Demand Side Management (load shifting) activities are available under the transmission & distribution of electricity criteria. However, hydropower pumped storage shall comply with the criteria for Section 7.3.2 Production of electricity, heating and cooling from Hydropower. | The activity is the construction and operation of electricity storage including pumped hydropower storage.<br><br>Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of this Annex. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of this Annex, re-electrification of hydrogen is also considered part of the activity. | The SA GFT does not have requirements in case the activity includes chemical energy storage while the EU Taxonomy does. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For closed-loop pumped hydropower storage, environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with relevant stakeholders. | In case of pumped hydropower storage not connected to a river body, the activity complies with the criteria set out in Appendix B to this Annex. In case of pumped hydropower storage connected to a river body, the activity complies with the criteria for DNSH to sustainable use and protection of water and marine resources specified in Section 4.5 (Electricity production from hydropower). | The SA GFT does not have requirements for pumped hydropower storage connected to a river body while the EU Taxonomy does. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to sustainable resource use and circularity** | A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | Both have the same criteria. | **SIMILAR** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Storage of Thermal Energy | Storage of Thermal Energy | | |
| **SC** | Currently all thermal energy storage is eligible under the Taxonomy (including Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES)), subject to regular review. | The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES). | Both have the same criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For Aquifer Thermal Energy Storage, environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with relevant stakeholders. | For Aquifer Thermal Energy Storage, the activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | Both have the same criteria. | **SIMILAR** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Storage of Hydrogen | Storage of Hydrogen | | |
| **SC** | The activity is one of the following:<br>a) construction of hydrogen storage facilities.<br>b) Conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage;<br>c) operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 7.2.5 of this Annex. | The activity is one of the following: construction of hydrogen storage facilities; conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 3.10 of this Annex. | Both have the same criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. | Both have the same criteria. | **SIMILAR** |
| **DNSH to pollution prevention** | Comply with the National Environmental Management Waste Act (Act 59 of 2008) | In the case of storage above five tonnes, the activity complies with Directive 2012/18/EU of the European Parliament and of the Council. | Both have the same criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Transmission and distribution networks for renewable and low-carbon gases | Transmission and distribution networks for renewable and low-carbon gases | | |
| **SC** | 1. The activity consists in one of the following:<br>a) construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases;<br>b) conversion/repurposing of existing natural gas networks to 100 % hydrogen; and<br>c) retrofit of gas transmission and distribution networks, where the main purpose is the integration of hydrogen and other low-carbon gases, including any gas transmission or distribution network activity, which enables the network to increase the blend of hydrogen or other low carbon gasses in the gas system;<br>2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage. | 1. The activity consists in one of the following: construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; conversion/repurposing of existing natural gas networks to 100% hydrogen; retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system;<br>2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage. | Both have the same criteria. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects:<br><br>The repurposing does not increase gas transmission and distribution capacity.<br><br>The repurposing does not extend the lifespan of the networks beyond their pre-retrofit projected lifespan unless the network is dedicated to hydrogen or other low-carbon gases. | The repurposing does not increase gas transmission and distribution capacity. The repurposing does not extend the lifespan of the networks beyond their pre-retrofit projected lifespan, unless the network is dedicated to hydrogen or other low-carbon gases. | Both have the same criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | Fans, compressors, pumps and other equipment used which is covered comply, where relevant, with the top-class requirements of the energy label, and with implementing regulations and represent the best available technology. | Fans, compressors, pumps and other equipment used which is covered by Directive 2009/125/EC of the European Parliament and of the Council comply, where relevant, with the top class requirements of the energy label, and with implementing regulations under that Directive and represent the best available technology. | Both have the same criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | District Heating/Cooling Distribution | District heating/cooling distribution | | |
| **SC** | Construction and operation of pipelines and associated infrastructure for distributing heating and cooling is currently eligible if the system uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat.<br><br>The following activities are always eligible:<br>• Modifications to lower temperature regimes<br>• Advanced pilot systems (control and energy management systems, Internet of Things) | The activity complies with one of the following criteria: for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU; for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network; the activity is the following: (i) modification to lower temperature regimes; (ii) advanced pilot systems (control and energy management systems, Internet of Things). | Both have the same criteria on the use of energy and heat in the heating/cooling distribution system. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>The direct greenhouse gas emissions of the activity are lower or equal to 475 gCO2e/KWh. DNSH to mitigation is considered as avoidance of activities which would compromise South Africa's net zero by 2050 climate mitigation target. | N/A | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | A minimum requirement is the implementation and adherence to a recognised environmental management system (ISO 14001 or equivalent) | Fans, compressors, pumps and other equipment used which is covered by Directive 2009/125/EC comply, where relevant, with the top-class requirements of the energy label, and otherwise comply with implementing regulations under that Directive and represent the best available technology. | Both have the same criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

<table>
<tr><th rowspan="2">Economic activity</th><th>SOUTH AFRICA</th><th>EUROPEAN UNION</th><th rowspan="2">Summary</th><th rowspan="2">Level of ambition</th></tr>
<tr><td>Installation and operation of Electric Heat Pumps</td><td>Installation and operation of electric heat pumps</td></tr>
<tr><td>SC</td><td>Currently, installation and operation of electric heat pumps is eligible, if:<br>• Refrigerant threshold: GWP ≤ 675; and<br>• A minimum requirement is the implementation and adherence to a recognised environmental management system (ISO 14001 or equivalent)</td><td>The activity complies with one of the following criteria: for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU; for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network; the activity is the following: (i) modification to lower temperature regimes; (ii) advanced pilot systems (control and energy management systems, Internet of Things).</td><td>The SA GFT does not have energy efficiency requirements for this activity while the EU Taxonomy requires energy efficiency measures.</td><td>LESS AMBITIOUS AND/OR LESS DETAILED</td></tr>
<tr><td>DNSH CC mitigation</td><td>N/A</td><td>N/A</td><td>N/A</td><td>BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.</td></tr>
<tr><td>DNSH CC adaptation</td><td>For mitigation projects<br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation.</td><td>The activity complies with the criteria set out in Appendix A to this Annex.</td><td>Please refer to the comparison of the generic DNSH criteria on this.</td><td>*GENERIC<br>LESS AMBITIOUS AND/OR LESS DETAILED</td></tr>
<tr><td>DNSH use of water and marine resources</td><td>The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources</td><td>The activity complies with the criteria set out in Appendix B to this Annex.</td><td>Please refer to the comparison of the generic DNSH criteria on this.</td><td>*GENERIC<br>SIMILAR</td></tr>
<tr><td>DNSH to sustainable resource use and circularity</td><td>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.<br>A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.</td><td>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.<br><br>A waste management plan is in place and ensures maximal reuse, remanufacturing or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation.</td><td>Both have the same criteria.</td><td>SIMILAR</td></tr>
<tr><td>DNSH to pollution prevention</td><td>For air-to-air heat pumps with rated capacity of 12kW or below, indoor and outdoor sound power levels are required to adhere to the thresholds set in the below table<br><table><tr><td colspan="2">Rate capacity ≤ 6 kW</td><td colspan="2">6 < Rated capacity ≤12 kW</td></tr><tr><td>Indoor sound power level in dB(A)</td><td>Outdoor sound power level in dB(A)</td><td>Indoor sound power level in dB(A)</td><td>Outdoor sound power level in dB(A)</td></tr><tr><td>60</td><td>65</td><td>65</td><td>70</td></tr></table></td><td>For air-to-air heat pumps with rated capacity of 12kW or below, indoor and outdoor sound power levels are below the threshold set out in Commission Regulation (EU) No 206/2012.</td><td>Both have the same criteria.</td><td>SIMILAR</td></tr>
<tr><td>DNSH to ecosystem protection and restoration</td><td>N/A</td><td>N/A</td><td>N/A</td><td>BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.</td></tr>
</table>

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Production of Heating/Cooling using Waste Heat | Production of heat/cool using waste heat | | |
| **SC** | The activity produces heating/cooling from waste heat. | The activity produces heat/cool from waste heat. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. | The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. | Both have the same criteria. | **SIMILAR** |
| **DNSH to pollution prevention** | A minimum requirement is the implementation and adherence to a recognised environmental management system (ISO 14001 or equivalent) | Pumps and the kind of equipment used, which is covered by Ecodesign, and Energy labelling comply, where relevant, with the top-class requirements of the energy label laid down in Regulation (EU) 2017/1369, and with implementing regulations under Directive 2009/125/EC and represent the best available technology. | Both have the same criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Water collection, storage, distribution treatment and supply | Construction, extension and operation of water collection, treatment and supply systems | | |
| **SC** | The front-to-end water collection, storage, distribution, treatment, and supply system is eligible provided that its performance in terms of energy consumption per cubic meter of final water supply is high or substantially improved.<br><br>Eligibility is demonstrated by adherence to one of two optional thresholds:<br><br>• Option 1: The front-to-end water supply, storage and distribution system has a high degree of energy efficiency characterized by an average energy consumption of the system (including abstraction, treatment, and distribution) of 0.5 kwh per cubic meter billed/unbilled authorized water supply or less.<br>• Option 2: The energy efficiency of the front-to-end water supply storage and distribution system is increased substantially by decreasing the average energy consumption of the system by at least 20% (including abstraction, treatment, and distribution; measured in kwh per cubic meter billed/unbilled authorized water supply);<br>Or<br>• by closing the gap between the actual leakage of the water supply storage and distribution network and a given target value of low leakage by at least 20%.<br><br>The unit of measurement is the Infrastructure Leakage Index (ILI), the target value of low leakage is an ILI of 1.5. | The water supply system complies with one of the following criteria: the net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kWh per cubic meter produced water supply. Net energy consumption may take into account measures decreasing energy consumption, such as source control (pollutant load inputs), and, as appropriate, energy generation (such as hydraulic, solar and wind energy); the leakage level is either calculated using the Infrastructure Leakage Index (ILI). That calculation is to be applied across the extent of water supply (distribution) network where the works are carried out, i.e., at water supply zone level, district metered area(s) (DMAs) or pressure managed area(s) (PMAs). | Both taxonomies have the same options and requirements for net average energy consumption and the leakage level. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Centralized wastewater treatment | Construction, extension and operation of wastewater collection and treatment | | |
| **SC** | Construction or extension of centralized wastewater systems including collection (sewer network) and treatment is eligible, provided that:<br><br>• the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems (such as pit latrines, septic tanks, anaerobic lagoons etc.).<br>No threshold applies. | 1. The net energy consumption of the wastewater treatment plant equals to or is lower than: 35 kWh per population equivalent (p.e.) per annum for treatment plant capacity below 10 000 p.e.; 25 kWh per population equivalent (p.e.) per annum for treatment plant capacity between 10 000 and 100 000 p.e.; 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100 000 p.e.<br><br>Net energy consumption of the operation of the wastewater treatment plant may take into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs), and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy).<br><br>2. For the construction and extension of a wastewater treatment plant or a wastewater treatment plant with a collection system, which are substituting more GHG-intensive treatment systems (such as septic tanks, anaerobic lagoons), an assessment of the direct GHG emissions is performed. The results are disclosed to investors and clients on demand. | The SA GFT does not set a threshold for this activity. Construction or extension of centralized wastewater systems including collection (sewer network) and treatment is eligible as long as the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems (such as pit latrines, septic tanks, anaerobic lagoons etc.). There is no requirement to perform an assessment of the direct GHG emissions. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | N/A | An assessment of the direct GHG emissions from the centralised wastewater system, including collection (sewer network) and treatment, has been performed. The results are disclosed to investors and clients on demand. | The EU Taxonomy has DNSH criteria for this activity while the SA GFT does not. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. Where the wastewater is treated to a level suitable for reuse in agricultural irrigation, the required risk management actions to avoid adverse environmental impacts have been defined and implemented. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • Ensure emissions to water are in alignment with the National Environmental Management Air Quality (Act 39 of 2004)<br>• Implement appropriate measures to avoid and mitigate combined sewer overflow in case of heavy rainfall, such as Nature-based solutions, separate rainwater collection systems, retention tanks and / or treatment of the first flush.<br>• Ensure sewage sludge is managed/used (e.g., anaerobic digestion, land application) according to National Water Act (No.36 of 1998) and the National Environmental Management Act (No.107 of 1998) as amended | Discharges to receiving waters meet the requirements laid down in Council Directive 91/271/EEC or as required by national provisions stating maximum permissible pollutant levels from discharges to receiving waters.<br><br>Appropriate measures have been implemented to avoid and mitigate excessive storm water overflows from the wastewater collection system, which may include nature-based solutions, separate storm water collection systems, retention tanks and treatment of the first flush.<br><br>Sewage sludge is used in accordance with Council Directive 86/278/EEC or as required by national law relating to the spreading of sludge on the soil or any other application of sludge on and in the soil. | Both taxonomies have requirements on emissions to water, measures to avoid and mitigate combined sewer overflow, and sewage sludge. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Separate collection and transport of non-hazardous waste in source segregated fractions | Collection and transport of non-hazardous waste in source segregated fractions | | |
| **SC** | Separate collection and transport of non-hazardous waste is eligible provided that source segregated waste (in single or co-mingled fractions) is separately collected with the aim of preparing for reuse and/or recycling.<br><br>No threshold applies. | All separately collected and transported non-hazardous waste that is segregated at source is intended for preparation for reuse or recycling operations. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex.<br><br>Where the wastewater is treated to a level suitable for reuse in agricultural irrigation, the required risk management actions to avoid adverse environmental impacts have been defined and implemented. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | Avoid mixing different source segregated waste fractions in waste storage and transfer facilities. | Separately collected waste fractions are not mixed in waste storage and transfer facilities with other waste or materials with different properties. | Both require not mixing different source segregated waste fractions in waste storage and transfer facilities. | **SIMILAR** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Anaerobic digestion of sewage sludge | Anaerobic digestion of sewage sludge | | |
| **SC** | 1. A monitoring plan is in place for methane leakage at the facility.<br>2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry. | 1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility.2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | For adaptation projects<br><br>Methane leakages from relevant facilities (e.g., for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan. | A monitoring plan is in place for methane leakage at the facility. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • Emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach and are in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management<br>• Emissions to air (e.g., SOx, NOx) after combustion of biogas are controlled, abated (when needed) and within the limits set by National Environmental Management Air Quality (Act 39 of 2004)<br>• If the resulting digestate is intended for use as fertiliser / soil improver, it must meet the Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act no. 36 of 1947) and its nitrogen content (with tolerance level ±25 %) is communicated to the buyer or the entity in charge of taking off the digestate. | Emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set for anaerobic treatment of waste in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for waste treatment. No significant cross-media effects occur.<br><br>Where the resulting digestate is intended for use as fertiliser or soil improver, its nitrogen content (with tolerance level ±25 %) is communicated to the buyer or the entity in charge of taking off the digestate. | Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Anaerobic digestion of bio-waste | Anaerobic digestion of bio-waste | | |
| **SC** | Anaerobic digestion of bio-waste is eligible provided that (cumulative):<br>a) the bio-waste is source segregated and collected separately;<br>b) methane leakage from relevant facilities (e.g., for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan<br>c) the produced biogas is used directly for the generation of electricity and/or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel (e.g., as bioCNG) or as feedstock in chemical industry (e.g. for production of H2 and NH3);<br>d) the digestate produced is used as fertiliser/soil improver – directly or after composting or any other treatment;<br>e) in dedicated bio-waste treatment plants, bio-waste shall constitute a major share of the input feedstock (at least 70%, measured in weight, as an annual average). Co-digestion is eligible only with a minor share (up to 30% of the input feedstock) of advanced bioenergy feedstock. If energy crop feedstock is used (with a minor share up to 30%) it shall comply with the National Environmental Management Act (No.107 of 1998) as amended, the National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the Gas Act (Act 48 of 2001). | 1. A monitoring and contingency plan is in place in order to minimise methane leakage at the facility.<br>2. The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry.<br>3. The bio-waste that is used for anaerobic digestion is source segregated and collected separately.<br>4. The produced digestate is used as fertiliser or soil improver, either directly or after composting or any other treatment.<br>5. In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock. | The SA GFT allows that in dedicated bio-waste treatment plants, co-digestion is eligible with a minor share (up to 30% of the input feedstock) while the proportion in the EU Taxonomy is only 10%. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | Methane leakages from relevant facilities (e.g., for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan. | A monitoring and contingency plan is in place in order to minimise methane leakage at the facility. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • In the case of Anaerobic digestion (AD) plants treating over 100 t/day. Ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management concerning the activity in question or other techniques that provide for an equivalent level of environmental protection.<br>• Emissions to air (e.g. SOx, NOx) after combustion of biogas are controlled, abated (when needed) and within the limits set by National Environmental Management Air Quality (Act 39 of 2004)<br>• If the resulting digestate is intended for use as fertiliser / soil improver, it must meet the requirements for fertilising materials in the Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act no. 36 of 1947) the national rules on fertilisers/soil improvers for agricultural use. | For anaerobic digestion plants treating over 100 tonnes per day, emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set for anaerobic treatment of waste in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for waste treatment. No significant cross-media effects occur.<br><br>The produced digestate meets the requirements for fertilising materials set out in Component Material Categories (CMC) 4 and 5 for digestate or CMC 3 for compost, as applicable, in Annex II to Regulation (EU) 2019/1009, or national rules on fertilisers or soil improvers for agricultural use.<br><br>The Nitrogen content (with tolerance level ±25%) of the digestate used as fertiliser or soil improver is communicated to the buyer or the entity in charge of taking off the digestate. | Both have the same requirements on emissions to water and air, and nitrogen content where the resulting digestate is intended for use as fertiliser or soil improver. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Composting of bio-waste | Composting of bio-waste | | |
| **SC** | Composting of bio-waste is eligible provided that (cumulative):<br>• the bio-waste is source segregated and collected separately;<br>• anaerobic digestion is not a technically and economically viable alternative;<br>• the compost produced is used as fertiliser/soil improver.<br><br>No threshold applies. | 1. The bio-waste that is composted is source segregated and collected separately.<br>2. The compost produced is used as fertiliser or soil improver and meets the requirements for fertilising materials set out in Component Material Category 3 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilisers or soil improvers for agricultural use. | The SA GFT taxonomy only allows compost of bio-waste in case anaerobic digestion is not a technically and economically viable alternative while the EU Taxonomy does not mention composting as an alternative to anaerobic digestion of bio-waste. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • In case of composting plants treating over 75 t/day. Ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management concerning the activity in question or other techniques that provide for an equivalent level of environmental protection.<br>• The site has a system in place that prevents leachate reaching groundwater.<br>• The resulting compost meets the requirements for fertilising materials in the Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act no. 36 of 1947) | For composting plants treating over 75 tonnes per day, emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out for aerobic treatment of waste in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for waste treatment. No significant cross-media effects occur.<br><br>The site has a system in place that prevents leachate reaching groundwater.<br><br>The compost produced meets the requirements for fertilising materials set out in Component Material Category 3 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilisers or soil improvers for agricultural use. | Both have the same requirements on emissions to water and air, system preventing leachate, and the produced compost. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | Ensure an Environmental Impact Assessment (EIA) has been completed in accordance with the National Environmental Management Act (No.107 of 1998) as amended where relevant and any required mitigation measures for protecting biodiversity/eco-systems, in particular UNESCO World Heritage and Key Biodiversity Areas, have been implemented.<br><br>For sites/operations located in or near to biodiversity-sensitive areas, ensure that an appropriate assessment has been conducted in compliance with the provisions of the National Environmental Management Biodiversity Act (Act 10 of 2004). | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Material recovery from non-hazardous waste | Material recovery from non-hazardous waste | | |
| **SC** | Material recovery from separately collected non-hazardous waste is eligible provided that:<br>• it produces secondary raw materials suitable for substitution of virgin materials in production processes;<br>• at least 50%, in terms of weight, of the processed separately collected non-hazardous waste is converted into secondary raw materials. | The activity converts at least 50 %, in terms of weight, of the processed separately collected non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Landfill gas capture and utilization | Landfill gas capture and utilisation | | |
| **SC** | Collection and utilization of landfill gas is eligible provided that (cumulative):<br>• the landfill has not been opened after [date of entry into force of Taxonomy);<br>• the landfill (or landfill cell) where the system is newly installed (or extended and / or retrofitted) is permanently closed and is not taking further waste;<br>• the produced landfill gas is used directly for the generation of electricity and/or heat, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel (e.g., as bioCNG) or as feedstock in chemical industry (e.g., for production of H2 and NH3);<br>• methane emissions from the landfill and leakages from the landfill gas collection and utilization facilities are controlled by a monitoring plan.<br><br>No threshold applies. | 1. The landfill has not been opened after 8 July 2020.<br>2. The landfill or landfill cell where the gas capture system is newly installed, extended, or retrofitted is permanently closed and is not taking in further biodegradable waste.<br>3. The produced landfill gas is used for the generation of electricity or heat as biogas or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry.<br>4. Methane emissions from the landfill and leakages from the landfill gas collection and utilisation facilities are subject to control and monitoring procedures set out in Annex III to Council Directive 1999/31/EC. | The SA GFT requires that by 2025 the feasibility of the principle, in particular with regard to the intended incentive to close landfills, should be assessed. The EU Taxonomy does not mention the review of the incentive to close landfills. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC mitigation** | For adaptation projects<br><br>Methane leakages from relevant facilities (e.g., for biogas production and storage, energy generation, digestate storage) is controlled by a monitoring plan. | A monitoring plan is in place for methane leakage at the facility. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | • Emissions to air (e.g., SOx, NOx) after combustion of landfill gas are controlled, abated (when needed) and within the limits set by the National Environmental Management Air Quality (Act 39 of 2004) | The permanent closure and remediation as well as the after-care of old landfills, where the landfill gas capture system is installed, are carried out in accordance with the following rules: general requirements set out in Annex I to Directive 1999/31/EC; control and monitoring procedures set out in Annex III to that Directive. | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Transport of CO2 | Transport of CO2 | | |
| **SC** | As direct air capture is energy-intensive, energy usage needs to be based on a low emission energy source. As a result, the overall life cycle emissions for scope 1 and 2 must be no more than 20% of the quantity of CO2 removed to realise an 80% reduction in emissions. | 1. The CO2 transported from the installation where it is captured to the injection point does not lead to CO2 leakages above 0.5 % of the mass of CO2 transported.<br>2. The CO2 is delivered to a permanent CO2 storage site that meets the criteria for underground geological storage of CO2 set out in Section 5.12 of this Annex; or to other transport modalities, which lead to permanent CO2 storage site that meet those criteria.<br>3. Appropriate leak detection systems are applied, and a monitoring plan is in place, with the report verified by an independent third party.<br>4. The activity may include the installation of assets that increase the flexibility and improve the management of an existing network. | The SA GFT does not require leak detection systems and a monitoring plan while EU Taxonomy does. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | Fulfil the requirements of South African water legislation such as the National Water Act (No.36 of 1998), Mountain Catchment Areas Act (No. 63 of 1970) and the Water Services Act (No.108 of 1997) where applicable. Identify and manage risks related to water quality and/or water consumption at the appropriate level. Where water use/conservation management plans are required by South African legislation, these plans are to be developed in consultation with relevant stakeholders. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Permanent Sequestration of Captured CO2 | Underground permanent geological storage of CO2 | | |
| **SC** | Capture of greenhouse gas emissions is currently eligible provided that:<br>• It enables the economic activity to operate under its respective threshold; and<br>• It shows that the captured CO2 will be offloaded to a Taxonomy eligible CO2 transportation operation and permanent sequestration facility.<br><br>This criterion is subject to regular review. | 1. Characterisation and assessment of the potential storage complex and surrounding area, or exploration within the meaning of Article 3, point, of Directive 2009/31/EC of the European Parliament and of the Council is carried out in order to establish whether the geological formation is suitable for use as a CO2 storage site.<br>2. For operation of underground geological CO2 storage sites, including closure and post-closure obligations: appropriate leakage detection systems are implemented to prevent release during operation; a monitoring plan of the injection facilities, the storage complex, and, where appropriate, the surrounding environment is in place, with the regular reports checked by the competent national authority.<br>3. For the exploration and operation of storage sites within the Union, the activity complies with Directive 2009/31/EC. For the exploration and operation of storage sites in third countries, the activity complies with ISO 27914:2017 for geological storage of CO2. | The SA GFT does not require assessment of the potential storage complex and surrounding area, appropriate leakage detection systems, and a monitoring plan while the EU Taxonomy requires. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | For adaptation projects<br><br>Leakage factor of 1% of emissions on the basis that leakage of supposedly stored CO2 is significantly harmful. | | Both taxonomies have the same requirement and criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | • Select solvents based on environmental impact criteria and conducting full chemical risk assessments.<br>• Avoid hazardous waste from the amine solvent.<br>• Limit for nitrosamine concentration is 0.1 ppt. | N/A | The SA GFT has criteria on this while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to pollution prevention** | A minimum requirement is the implementation and adherence to a recognised environmental management system (ISO 14001 or equivalent);<br><br>Follow all the requirements of National Environmental Management Act (No.107 of 1998) as amended and in particular:<br>• Select solvents based on environmental impact criteria and conducting full chemical risk assessments;<br>• Prevent release during operation by implementing permanent leakage detection systems;<br>• Avoid loss of ammonia; and<br>• Minimize the formation of secondary aerosol and the production of tropospheric ozone. | The activity complies with Directive 2009/31/EC. | Both have requirements in place for DNSH on pollution prevention for this activity although the requirements are from different laws and standards. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | The activity complies with the criteria set out in Appendix D to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Commuter road, passenger rail and freight rail transport | • Passenger interurban rail transport<br>• Freight rail transport | | |
| **SC** | For Commuter road<br><br>The direct (tailpipe) CO2 emissions of the vehicles are zero.<br><br>For Passenger rail<br><br>The activity complies with one or both of the following criteria:<br>a) the trains and passenger coaches have zero direct (tailpipe) CO2 emissions;<br>b) the trains and passenger coaches have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br><br>For Freight Rail<br><br>1. The activity complies with one or both of the following criteria:<br>a) the trains and wagons have zero direct tailpipe CO2 emission;<br>b) the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br>2. The trains and wagons are not dedicated to the transport of fossil fuels. | The activity complies with one of the following criteria: the trains and passenger coaches have zero direct (tailpipe) CO2 emissions; the trains and passenger coaches have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br><br>1. The activity complies with one or both of the following criteria: the trains and wagons have zero direct tailpipe CO2 emission; the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br>2. The trains and wagons are not dedicated to the transport of fossil fuels. | Both taxonomies have the same criteria and requirements. | **SIMILAR** |
| **DNSH CC mitigation** | For commuter road adaptation projects<br>The activity does not include purchasing vehicles with CO2 emissions higher than average for the category.<br><br>For passenger rail adaptation projects<br>N/A<br><br>For freight rail adaptation projects<br><br>The trains and wagons are not dedicated to the transport of fossil fuels. | The trains and wagons are not dedicated to the transport of fossil fuels. | Both taxonomies have the same criteria and requirements. | **SIMILAR** |
| **DNSH CC adaptation** | For commuter road, passenger tail and freight rail mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | For commuter road<br><br>Ensure proper waste management both at the use phase (maintenance) and the end-of-life for e.g. reuse and recycle of parts like batteries, in compliance with the National Environmental Management Waste Act (Act 59 of 2008)<br><br>Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet. For battery-operated fleet, those measures include reuse and | Measures are in place to manage waste in accordance with the waste hierarchy, in particular during maintenance. | Both taxonomies have the same criteria and requirements. | **SIMILAR** |

| | | | | |
|---|---|---|---|---|
| | recycling of batteries and electronics, including critical raw materials therein.<br><br>For passenger rail and freight rail<br><br>Measures are in place to manage waste in accordance with the waste hierarchy, in particular during maintenance. | | | |
| **DNSH to pollution prevention** | For commuter road<br><br>Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet. For battery-operated fleet, those measures include reuse and recycling of batteries and electronics, including critical raw materials therein.<br><br>For passenger rail and freight rail<br><br>Minimise noise and vibrations of rolling stock, thresholds in line with the Environmental Conservation Act (Act 73 or 1989) and the Occupational Health and Safety Act (Act 85 of 1993). | Engines for the propulsion of railway locomotives (RLL) and engines for the propulsion of railcars (RLR) comply with emission limits set out in Annex II to Regulation (EU) 2016/1628 of the European Parliament and of the Council.<br><br>Engines for the propulsion of railway locomotives (RLL) and engines for the propulsion of railcars (RLR) comply with emission limits set out in Annex II to Regulation (EU) 2016/1628. | The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Commuter road, passenger rail and freight rail transport | Urban and suburban transport, road passenger transport | | |
| **SC** | For Commuter Road<br>The direct (tailpipe) CO2 emissions of the vehicles are zero.<br><br>For Passenger rail<br>The activity complies with one or both of the following criteria:<br>a) the trains and passenger coaches have zero direct (tailpipe) CO2 emissions;<br>b) the trains and passenger coaches have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br><br>For Freight Rail<br>1.The activity complies with one or both of the following criteria:<br>a) the trains and wagons have zero direct tailpipe CO2 emission;<br>b) the trains and wagons have zero direct tailpipe CO2 emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).<br>2.The trains and wagons are not dedicated to the transport of fossil fuels. | The activity complies with the one of following criteria:<br><br>(a) the activity provides urban or suburban passenger transport, and its direct (tailpipe) CO2 emissions are zero;<br><br>(b) until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3 that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle), and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle. Where such standard is not available, the direct CO2 emissions of the vehicles are zero. | The SA GFT taxonomy does not mention requirements for urban and suburban transport although the description of activity includes this type of transport. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | For commuter road adaptation projects<br>The activity does not include purchasing vehicles with CO2 emissions higher than average for the category.<br><br>For passenger rail adaptation projects<br>N/A<br><br>For freight rail adaptation projects<br><br>The trains and wagons are not dedicated to the transport of fossil fuels. | The trains and wagons are not dedicated to the transport of fossil fuels. | Both taxonomies have the same criteria and requirements. | **SIMILAR** |
| **DNSH CC adaptation** | For commuter road, passenger tail and freight rail mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC**<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | For commuter road<br><br>Ensure proper waste management both at the use phase (maintenance) and the end-of-life for e.g., reuse and recycle of parts like batteries, in compliance with the National Environmental Management Waste Act (Act 59 of 2008)<br><br>Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet. For battery-operated fleet, those measures include reuse and recycling of batteries and electronics, including critical raw materials therein.<br><br>For passenger rail and freight rail | Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein). | Both taxonomies have the same criteria and requirements. | **SIMILAR** |

| | | | | |
|---|---|---|---|---|
| | Measures are in place to manage waste in accordance with the waste hierarchy, in particular during maintenance. | | | |
| **DNSH to pollution prevention** | For commuter road<br><br>Measures are in place to manage waste, in accordance with the waste hierarchy, both in the use phase (maintenance) and the end-of-life of the fleet. For battery-operated fleet, those measures include reuse and recycling of batteries and electronics, including critical raw materials therein.<br><br>For passenger rail and freight rail<br><br>Minimise noise and vibrations of rolling stock, thresholds in line with the Environmental Conservation Act (Act 73 or 1989) and the Occupational Health and Safety Act (Act 85 of 1993). | For road vehicles of categories M, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 of the European Parliament and of the Council (231) and as can be verified from the European Product Registry for Energy Labelling (EPREL).<br><br>Where applicable, vehicles comply with the requirements of the most recent applicable stage of the Euro VI heavy duty emission type-approval set out in accordance with Regulation (EC) No 595/2009. | The SA GFT, apart from emissions limit, has requirements on noise and vibrations of rolling stock. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Passenger cars, road commercial vehicles and road freight transport | Transport by motorbikes, passenger cars and light commercial vehicles | | |
| **SC** | For heavy-duty vehicles<br>• Zero direct emission heavy-duty vehicles are eligible.<br>• Low-emission heavy-duty vehicles with specific direct CO2 emissions of less than 50% of the reference CO2 emissions of all vehicles in the same sub-group are eligible.<br>• Dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels.<br>• Fleets of vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible. | The activity complies with the following criteria: for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007: (i) until 31 December 2025, specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO2/km (low- and zero-emission light-duty vehicles); (ii) from 1 January 2026, specific emissions of CO2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero; for vehicles of category L, the tailpipe CO2 emissions equal to 0g CO2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013. | The SA GFT does not have a threshold on emissions for passenger cars and road commercial vehicles while the EU has. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | For passenger cars and light commercial vehicle adaption projects, motor vehicles emissions are lower that 95gCO2/km for cylinder capacity not exceeding 3000 $cm^2$<br>For heavy-duty vehicle adaptation projects<br>i. The vehicles are not dedicated to the transport of fossil fuels.<br>ii. The vehicles are with specific direct CO2 emissions equal to or lower than the reference CO2 emissions of all vehicles in the same sub-group. | For vehicles of categories M1 and N1, specific emissions of CO2 defined in Article 3(1), point (h), of Regulation (EU) 2019/631 are not higher than the fleet-wide CO2 emissions targets.<br><br>The fleet-wide CO2 emissions target values to be considered are: until 31 December 2024: (i) for NEDC values, the target values as specified in Article 1, paragraphs 2-3 of Regulation (EU) 2019/631: 95 gCO2/km for vehicles of category M1 and 147 gCO2/km for vehicles of category N1; (ii) for WLTP values, the EU fleet-wide target 2021, as specified in Annex I to Regulation (EU) 2019/631, in Part A, point 6.0 for vehicles of category M1 and in Part B, point 6.0 for vehicles of category N1. Until the respective EU fleet-wide target 2021 is published, those vehicles of category M1 and N1 whose CO2 emissions are only expressed according to WLTP test procedure will be applied a conversion factor of 1.21 and 1.24 respectively in order to account for the transition from NEDC to WLTP, resulting in the corresponding WLTP values of 115 gCO2/km for vehicles of category M1 and 182 gCO2/km for vehicles of category N1; from 1 January 2025, the target values as specified in Article 1, paragraph 4 of Regulation (EU) 2019/631. | The EU Taxonomy has a declining threshold for emissions for vehicles M1 while the SA GFT does not. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | a) Vehicles of categories M1 and N1 are both of the following: reusable or recyclable to a minimum of 85 % by weight;<br>b) reusable or recoverable to a minimum of 95 % by weight.<br><br>Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy and in compliance with the National Environmental Management Waste Act (Act 59 of 2008). | Vehicles of categories M1 and N1 are both of the following: reusable or recyclable to a minimum of 85% by weight; reusable or recoverable to a minimum of 95% by weight. Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy. | Both have the same requirements on recyclability, and measures to manage waste. | **SIMILAR** |

<table>
<tr>
<td>DNSH to pollution prevention</td>
<td>Passenger and commercial vehicles must comply with the emission thresholds for clean light-duty vehicles in the below table
<table>
<tr><th rowspan="2">VEHICLE CATEGORIES</th><th colspan="2">UNTIL 31 DECEMBER 2025</th><th colspan="2">FROM 1 JAN 2026</th></tr>
<tr><th>CO2 g/km</th><th>Real driving Emissions (RDE) as a percentage of emission limits</th><th>CO2 g/km</th><th>Real driving Emissions (RDE) as a percentage of emission limits</th></tr>
<tr><td>M1</td><td>50</td><td>80%</td><td>0</td><td>n.a.</td></tr>
<tr><td>M2</td><td>50</td><td>80%</td><td>0</td><td>n.a.</td></tr>
<tr><td>M3</td><td>50</td><td>80%</td><td>0</td><td>n.a.</td></tr>
</table>
Minimise noise and vibrations thresholds in line with the Environmental Conservation Act (Act 73 or 1989) and the Occupational Health and Safety Act (Act 85 of 1993).</td>
<td>Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007.<br><br>Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council.<br><br>For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).<br><br>Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council.</td>
<td>Both have requirements on emissions thresholds, vibrations thresholds (energy efficiency), and noise limits.</td>
<td>SIMILAR</td>
</tr>
<tr>
<td>DNSH to ecosystem protection and restoration</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.</td>
</tr>
</table>

<table>
<tr><th rowspan="2">Economic activity</th><th>SOUTH AFRICA</th><th>EUROPEAN UNION</th><th rowspan="2">Summary</th><th rowspan="2">Level of ambition</th></tr>
<tr><td>Passenger cars, road commercial vehicles and road freight transport</td><td>Freight transport services by road</td></tr>
<tr><td>SC</td><td>For heavy-duty vehicles<br>• Zero direct emission heavy-duty vehicles are eligible.<br>• Low-emission heavy-duty vehicles with specific direct CO2 emissions of less than 50% of the reference CO2 emissions of all vehicles in the same sub-group are eligible.<br>• Dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels.<br>• Fleets of vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible.</td><td>1. The activity complies with one of the following criteria: vehicles of category N1 have zero direct (tailpipe) CO2 emissions; vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point, of Regulation (EU) 2019/1242;vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following: (i) 'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242; (ii) where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation.<br>2. Vehicles are not dedicated to the transport of fossil fuels.</td><td rowspan="2">The SA GFT allows dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels while the EU does not.</td><td>LESS AMBITIOUS AND/OR LESS DETAILED</td></tr>
<tr><td>DNSH CC mitigation</td><td>For passenger cars and light commercial vehicle adaption projects, motor vehicles emissions are lower that 95gCO2/km for cylinder capacity not exceeding 3000 cm$^2$.<br><br>For heavy-duty vehicle adaptation projects<br>i. The vehicles are not dedicated to the transport of fossil fuels.<br>ii. The vehicles are with specific direct CO2 emissions equal to or lower than the reference CO2 emissions of all vehicles in the same sub-group.</td><td>1. The vehicles are not dedicated to the transport of fossil fuels.<br>2. For vehicles of category N2 and N3 falling under the scope of Regulation (EU) 2019/1242, specific direct CO2 emissions are equal to or lower than the reference CO2 emissions of all vehicles in the same sub-group, as defined in Article 3 of that Regulation.</td><td>Both have the same criteria.</td><td>SIMILAR</td></tr>
<tr><td>DNSH CC adaptation</td><td>For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation.</td><td>The activity complies with the criteria set out in Appendix A to this Annex.</td><td>Please refer to the comparison of the generic DNSH criteria on this.</td><td>*GENERIC LESS AMBITIOUS AND/OR LESS DETAILED</td></tr>
<tr><td>DNSH use of water and marine resources</td><td>N/A</td><td>N/A</td><td>N/A</td><td>BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.</td></tr>
<tr><td>DNSH to sustainable resource use and circularity</td><td>a) Vehicles of categories M1 and N1 are both of the following: reusable or recyclable to a minimum of 85 % by weight;<br>b) reusable or recoverable to a minimum of 95 % by weight.<br><br>Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy and in compliance with the National Environmental Management Waste Act (Act 59 of 2008).</td><td>Vehicles of category N1, N2 and N3 are both of the following: reusable or recyclable to a minimum of 85% by weight; reusable or recoverable to a minimum of 95% by weight.<br><br>Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.</td><td>Both have the same requirements on recyclability, and measures to manage waste.</td><td>SIMILAR</td></tr>
<tr><td>DNSH to pollution prevention</td><td>• Passenger and commercial vehicles must comply with the emission thresholds for clean light-duty vehicles in the below table<br><br>
<table>
<tr><th rowspan="2">VEHICLE CATEGORIES</th><th colspan="2">UNTIL 31 DECEMBER 2025</th><th colspan="2">FROM 1 JAN 2026</th></tr>
<tr><th>CO2 g/km</th><th>Real driving Emissions (RDE) as a percentage of emission limits</th><th>CO2 g/km</th><th>Real driving Emissions (RDE) as a percentage of emission limits</th></tr>
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<tr><td>M3</td><td>50</td><td>80%</td><td>0</td><td>n.a.</td></tr>
</table></td><td>For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).<br><br>Vehicles comply with the requirements of the most recent applicable stage of the Euro VI heavy duty emission type-approval set out in accordance with Regulation (EC) No 595/2009.<br><br>Vehicles comply with Regulation (EU) No 540/2014.</td><td>The SA GFT does not have DNSH on pollution prevention for heavy-duty vehicles.</td><td>LESS AMBITIOUS AND/OR LESS DETAILED</td></tr>
</table>

| | | | | |
|---|---|---|---|---|
| | Minimise noise and vibrations thresholds in line with the Environmental Conservation Act (Act 73 or 1989) and the Occupational Health and Safety Act (Act 85 of 1993). | | | |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Inland passenger and freight water transport | Inland passenger water transport<br>Inland freight water transport | | |
| **SC** | • Zero direct emissions inland waterway vessels are eligible subject to review every 5 years<br>• Dedicated vessels solely using biofuels or renewable liquid and gaseous transport fuels. In addition, for an investment in new vessels, only vessels with efficiency corresponding to direct emissions below 95g CO2 e /pkm (including biogenic CO2) are eligible. Eligibility should be reviewed latest by 2025.<br>• Other Inland waterways vessels are eligible if direct emissions are below 50 gCO2e emissions per passenger kilometre (gCO2e/pkm) (or 92.6 g per passenger nautical mile (gCO2e/pnm)). Eligibility should be reviewed in 2025.<br>• Vessels that are dedicated to the transport of fossil fuels or any blended fossil fuels are not eligible even if meeting the criteria above | The activity complies with one of the following criteria: the vessels have zero direct (tailpipe) CO2 emissions; until 31 December 2025, hybrid and dual fuel vessels derive at least 50% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation.<br><br>1. The activity complies with one or both of the following criteria: the vessels have zero direct (tailpipe) CO2 emission; where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have direct (tailpipe) emissions of CO2 per tonne kilometre (gCO2/tkm), calculated (or estimated in case of new vessels) using the Energy Efficiency Operational Indicator, 50% lower than the average reference value for emissions of CO2 defined for heavy duty vehicles (vehicle subgroup 5- LH) in accordance with Article 11 of Regulation 2019/1242.<br>2. Vessels are not dedicated to the transport of fossil fuels. | The SA GFT allows dedicated vehicles solely using advanced biofuels or renewable liquid and gaseous transport fuels of non-biological origin and as well as low indirect land-use change-risk biofuels while the EU Taxonomy has declining thresholds on emissions. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | For adaptation projects<br><br>Emissions performance threshold of 95g CO2 e /pkm should not be exceeded.<br><br>Fleets dedicated to the transport of fossil fuels are ineligible | | The SA GFT has DNSH criteria for this activity while the EU Taxonomy does not. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Both have requirements on emissions thresholds. | **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | Compliance with national legislation on hazardous waste generation, management and treatment during both the use and the end-of-phase of a vessel. | Measures are in place to manage waste, both in the use phase and in the end-of-life of the vessel, in accordance with the waste hierarchy, including the control and management of hazardous materials on board of ships and ensuring their safe recycling. For battery-operated vessels, those measures include reuse and recycling of batteries and electronics, including critical raw materials therein. | The SA GFT does not require recycling of hazardous materials on board of ships, and DNSH on circular economy for battery-operated vessels. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to pollution prevention** | Compliance with the National Environmental Management Air Quality Act (Act 39 of 2004). | Engines in vessels comply with emission limits set out in Annex II to Regulation (EU) 2016/1628 (including vessels meeting those limits without type-approved solutions such as through after-treatment).<br><br>Vessels comply with the emission limits set out in Annex II to Regulation (EU) 2016/1628 (including vessels meeting those limits without type-approved solutions such as through after-treatment). | Both have requirements on emissions thresholds. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Infrastructure for low carbon transport | • Infrastructure for personal mobility, cycle logistics<br>• Infrastructure for rail transport<br>• Infrastructure enabling low-carbon road transport and public transport<br>• Infrastructure enabling low carbon water transport<br>• Low carbon airport infrastructure | | |
| **SC** | Infrastructure for personal mobility, cycling logistics<br><br>The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices.<br><br>Infrastructure for rail transport<br>1. The activity complies with one of the following criteria:<br>a) the infrastructure is either:<br>i. electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems;<br>ii. new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO2 emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems;<br>b) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods;<br>c) infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.<br><br>Infrastructure enabling low-carbon road transport and public transport<br>1. The activity complies with one of the following criteria:<br>a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);<br>b) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods;<br>c) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.<br><br>Infrastructure enabling low carbon water transport<br>1. The activity complies with one of the following criteria:<br>a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions: electricity charging, hydrogen-based refuelling;<br>b) the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO2 emissions;<br>c) the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods. | The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refuelling installations for personal mobility devices.<br><br>1. The activity complies with one of the following criteria: the infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council) is either: (i) electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; (ii) new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO2 emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797; (iii) until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797; the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.<br><br>1. The activity complies with one or more of the following criteria: the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods ;the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels. | Both have the same criteria. | **SIMILAR** |

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| | 2. The infrastructure is not dedicated to the transport or storage of fossil fuels.<br><br>Low carbon airport infrastructure<br>1. The activity complies with one of the following criteria:<br>a) the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO2 emissions: electricity charging and hydrogen refuelling;<br>b) the infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts;<br>c) the infrastructure is dedicated to the zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels. | 1. The activity complies with one or more of the following criteria: the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO2 emissions: electricity charging, hydrogen-based refuelling; the infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth; the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO2 emissions; the infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.<br><br>1. The activity complies with one or more of the following criteria: the infrastructure is dedicated to the operation of aircraft with zero tailpipe CO2 emissions: electricity charging and hydrogen refuelling; the infrastructure is dedicated to the provision of fixed electrical ground power and preconditioned air to stationary aircrafts; the infrastructure is dedicated to the zero direct emissions performance of the airport's own operations: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations.<br>2. The infrastructure is not dedicated to the transport or storage of fossil fuels. | | |
| **DNSH CC mitigation** | Infrastructure for personal mobility, cycling logistics adaptation projects<br><br>N/A<br><br>Infrastructure for rail transport, Infrastructure enabling low-carbon road transport and public transport, Infrastructure enabling low carbon water transport and Low carbon airport infrastructure adaptation projects adaptation projects<br><br>The infrastructure is not dedicated to transportation or storage of fossil fuels.<br><br>In case of new infrastructure or major renovation, the infrastructure has been climate proofed in accordance with the appropriate climate proofing practice that includes carbon footprinting and clearly defined shadow cost of carbon. Such carbon footprinting covers scope 1-3 emissions and demonstrates that the infrastructure does not lead to additional relative greenhouse gas emissions, calculated on the basis of conservative assumptions, values and procedures. | The infrastructure is not dedicated to transportation or storage of fossil fuels.<br><br>In case of new infrastructure or major renovation, the infrastructure has been climate proofed in accordance with the appropriate climate proofing practice that includes carbon footprinting and clearly defined shadow cost of carbon. Such carbon footprinting covers scope 1-3 emissions and demonstrates that the infrastructure does not lead to additional relative greenhouse gas emissions, calculated on the basis of conservative assumptions, values and procedures. | Both have the same criteria. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | For mitigation and adaptation projects<br><br>The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC SIMILAR** |
| **DNSH to sustainable resource use and circularity** | For mitigation and adaptation projects<br><br>Re-use parts and use recycled material during the renewal, upgrade and construction of infrastructure.<br><br>At least 70% (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, recycling and other material recovery, including backfilling operations using waste to substitute other materials. | At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Commission Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. | Both taxonomies have requirements on non-hazardous construction and demolition waste, and limit waste generation. | **SIMILAR** |

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| | At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy. Operators limit waste generation in processes related to construction and demolition taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. | Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol, taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. | | |
| **DNSH to pollution prevention** | For mitigation and adaptation projects<br>• Minimise noise and vibrations thresholds in line with the Environmental Conservation Act (Act 73 or 1989) and the Occupational Health and Safety Act (Act 85 of 1993).<br>• Minimise noise, dust, emissions pollution during construction / maintenance works. | Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.<br><br>Where appropriate, given the sensitivity of the area affected, in particular in terms of the size of population affected, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers, or other measures and comply with Directive 2002/49/EC of the European Parliament and of the Council. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.<br><br>Where relevant, noise and vibrations from use of infrastructure are mitigated by introducing open trenches, wall barriers or other measures and comply with Directive 2002/49/EC.<br><br>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.<br><br>Measures are taken to reduce noise, vibration, dust and pollutant emissions during construction maintenance works. | Both have requirements on noise, dust and pollutant emissions. | **SIMILAR** |
| **DNSH to ecosystem protection and restoration** | For mitigation and adaptation projects<br><br>The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration.<br><br>For Infrastructure enabling low-carbon road transport and public transport projects<br><br>Invasive plants are appearing very often along transport infrastructure and are sometimes even spread duo to transport infrastructure, which might negatively impact natural ecosystems (e.g. natural fauna). Care should be taken not to spread any invasive plants through proper maintenance.<br><br>Wildlife collisions is a problem and should be considered. Solutions developed for should be applied for the detection and avoidance of potential traps that may cause the unnecessary death of animals. Mitigation options exist and different types of measures can be beneficial for wildlife, such as:<br>• Wildlife warning systems combined with heat sensors can reduce the number of collisions.<br>• Fences along areas with high strike risk.<br>• Viaducts, tunnels, overpasses and bridges, etc.<br>• Warning signals that are triggered by approaching traffic, particularly in areas of high strike risk. | The activity complies with the criteria set out in Appendix D to this Annex. | Both have requirements on invasive plants and wildlife collisions. | **SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Construction of new buildings | Construction of new buildings | | |
| **SC** | Constructions of new buildings for which the ambition is to meet a 'net zero' or 'top-level', definition:<br><br>1. Self-reported performance:<br>1. Energy demand performance resulting from the construction of a building in kWh/m²/annum, is maximised (>40% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building), incorporating maximised energy demand management measures.<br>2. Use of on-site (for site sizing) and off-site renewables are maximised (to 100% renewable energy sourcing in total).<br>3. No fossil-based back-up power is utilised.<br><br>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.<br><br>2. Alternately, the energy performance is certified for:<br>1. IFC EDGE Zero Carbon or<br>2. GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:<br>1. >40% EUI threshold and maximised peak energy demand management measures<br>2. Maximised on-site and off-site renewables<br>3. No fossil-based back-up power<br>3. GBCSA Green Star Level 5 or better New Build with substantive evidence that 40% threshold has been met within the Energy category.<br><br>3. In either case 1 or 2, renewable energy generated on-site must be maximised in the first instance (including incorporation of storage), whereafter the purchase of off-site renewable energy is undertaken to make up 100% renewables supplied to the building. Off-site renewables may be sourced through a variety of approaches, including market instruments provided the contributions from market instruments are fully traceable, independently verified, meet the Greenhouse Gas Protocol Scope 2 Quality Criteria and details disclosed to investors and clients.<br><br>4. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness, thermal integrity and thermal management practices, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients.<br><br>5. For commercial building larger than 2000 m², public building larger than 1000 m² and other building types (considered in aggregate for developments) larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle, efforts to minimise this performance element is detailed, and the performance and efforts are disclosed to investors and clients.<br><br>6. Where credible regulatory and/or voluntary carbon offsets are applied beyond the measures listed above, these must be sourced from the South African national registry or credible international offset | Constructions of new buildings for which:<br>1. The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC).<br>2. For buildings larger than 5000 m2, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.<br>3. For buildings larger than 5000 m2, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand. | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while the EU Taxonomy requires Energy Performance Certificate (EPC). | **LESS AMBITIOUS AND/OR LESS DETAILED** |

registries providing access to verified carbon credits under standards endorsed by the International Carbon Reduction & Offset Alliance (ICROA). Details to be disclosed to investors and clients.

Constructions of new buildings for which the ambition is to meet a 'mid-level', definition:

1. Self-reported performance: Energy demand resulting from the construction of a building in kWh/m$^2$/annum, is a minimum of 40% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building.

   If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.

2. Alternately, the energy performance is certified for:
   1. IFC EDGE Advanced (Level 2), with substantive evidence that the requirements have been met:
      1. Maximised on-site and off-site renewables
      2. No fossil-based back-up power

   or
   2. GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:
      1. >40% EUI threshold and maximised peak energy demand management measures
      2. Maximised on-site and off-site renewables
      3. No fossil-based back-up power

   or
   3. GBCSA Green Star Level 5 or better New Build, with substantive evidence that the requirements have been met:
      1. that 40% threshold has been met within the Energy category
      2. Maximised on-site and off-site renewables
      3. No fossil-based back-up power

   or
   4. Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.

3. In either case 1 or 2, on-site renewable energy generation should be maximised (for site sizing), with details disclosed to investors and clients.

4. Consideration of on-site storage feasibility must be made, and rationale provided for storage sizing selected (including if none). This is to be disclosed to investors and clients.

5. For commercial building larger than 2000 m$^2$, public building larger than 1000 m$^2$ and other building types (considered in aggregate for developments) larger than 5000 m$^2$, upon completion, the building resulting from the construction undergoes testing for airtightness, thermal integrity and thermal management practices, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients.

Constructions of new buildings for which the ambition is to meet a 'entry-level', definition:

1. Self-reported performance: energy demand resulting from the construction of a building in kWh/m2/annum, is a minimum of 20% lower than the Energy Used Intensity (EUI) stipulated in the latest version of SANS 10400-XA for the relevant occupancy class of the building.

   If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.

2. Alternately, the energy performance is certified for:
   1. IFC EDGE Certified (Level 1)

   or

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| | 2. GBCSA Green-Star Level 4 or better rating New Build, with substantive evidence the 20% threshold has been met<br>or<br>3. Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.<br><br>3. Alternately, on-site renewable energy generation has been installed (asset finance not to be double counted). | | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>The building must comply with all applicable mandatory South African National Standard 204 regulations regarding energy performance.<br><br>To avoid lock-in and undermining the climate mitigation objective, the construction of new buildings designed for the purpose of extraction, storage, transportation, or manufacture of fossil fuels is not eligible for the Taxonomy.<br><br>Buildings' design must accommodate support for alternative transportation modes appropriate to the intended users of the building. Refer to GBCSA Green Star SA – Existing Building Performance scoring for Alternative Transportation. | The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. The Primary Energy Demand (PED) setting out the energy performance of the building resulting from the construction does not exceed the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation implementing Directive 2010/31/EU. The energy performance is certified using an as built Energy Performance Certificate (EPC). | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels; energy demand and energy performance. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH 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:<br>• EDGE Water Efficiency measures<br>• GBCSA Energy Water Performance Tool (EWP)<br><br>A GBCSA Green Star certification that incorporates a Water Rating result above 'Industry Average' as determined by the current version of the Energy Water Performance Tool, is acceptable for demonstrating this DNSH requirement is met.<br><br>An IFC EDGE Level 1 certification is acceptable for demonstrating this DNSH requirement is met.<br><br>To avoid impact from the construction site, activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E to this Annex: wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; showers have a maximum water flow of 8 litres/min; WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.<br><br>To avoid impact from the construction site, the activity complies with the criteria set out in Appendix B to this Annex. | Both have the same criteria on technical specificities of water use and construction site impacts. | **SIMILAR** |
| **DNSH to 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.<br><br>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.<br><br>Disposal of waste must be compliant with the requirements of the NATIONAL ENVIRONMENTAL MANAGEMENT: WASTE ACT, 2008 (ACT NO. 59 OF 2008) | At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.<br><br>Operators limit waste generation in processes related to construction and demolition, in accordance with the EU | The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site must be prepared for re-use while in EU Taxonomy, this figure is at least | **LESS AMBITIOUS AND/OR LESS DETAILED** |

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|---|---|---|---|---|
| | 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.<br><br>Building design that provides for recycling during operation is required. Refer to GBCSA Green Star SA – Existing Building Performance Scoring Materials Category. | Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.<br><br>Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. | 70%. Other criteria are the same. | |
| **DNSH to pollution prevention** | It is ensured that building components and materials do not contain asbestos, and the use of chemicals adhere to the National Environmental Management Act, 1998 (Act No. 107 of 1998), the Hazardous Substances Act, 1973 (Act No. 15 of 1973) and the Occupational Health and Safety Act No. 85 of 1993.<br><br>Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per $m^3$ of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per $m^3$ 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.<br><br>A GBCSA Green Star certification that provides evidence that VOC and Formaldehyde credits are pursued, is acceptable for demonstrating this DNSH requirement is met. | Building components and materials used in the construction comply with the criteria set out in Appendix C to this Annex.<br><br>Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per $m^3$ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per $m^3$ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:201 or other equivalent standardised test conditions and determination methods.<br><br>Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400.<br><br>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. | The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to 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 National Environmental Management Biodiversity Act (Act 10 of 2004), UNESCO and / or the International Union for Conservation of Nature (IUCN) under the following categories:<br>1. Category Ia: Strict Nature Reserve<br>2. Category Ib: Wilderness Area<br>3. Category II: National Park<br>Buildings that are associated supporting infrastructure to the protected natural area, such as visitor centres, museums or technical facilities are exempted from this criterion.<br>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.<br>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, e.g., FSC/PEFC standards or equivalent.<br><br>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. Refer to GBCSA Green Star SA – Existing Building Performance scoring for Land Use and Ecology Category, and Emissions Category. | The activity complies with the criteria set out in Appendix D to this Annex.<br><br>The new construction is not built on one of the following: arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to the EU LUCAS survey; greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List; land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest. | Please refer to the comparison of the generic DNSH criteria on this. In addition to generic criteria, both taxonomies have the list of areas and lands that do not allow construction of new buildings. | ***GENERIC SIMILAR** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Building renovation and major refurbishment | Renovation of existing buildings | | |
| **SC** | Major renovations for buildings for which the ambition is to meet a 'net zero' or 'top-level', definition:<br><br>1. Self-reported performance:<br>1. Energy demand improvement through energy efficiency and demand management measures resulting from the renovation of a building in kWh/m2/annum, is maximised for the relevant occupancy class of the building.<br>2. The renovation incorporates and maximises (to 100% in total) use of on-site (for site sizing) and off-site renewables.<br>3. The renovation eliminates fossil-based back-up power.<br><br>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.<br><br>2. Alternately, the energy performance is certified for:<br>1. IFC EDGE Zero Carbon<br>or<br>2. GBCSA Net Zero (Carbon Level 1, modelled), with substantive evidence that the requirements have been met:<br>1. Maximising energy efficiency.<br>2. Maximised on-site and off-site renewables.<br>3. No fossil-based back-up power.<br>or<br>3. GBCSA Net Zero or GBCSA Green Star Level 5 or better certification, with substantive evidence that the requirements have been met:<br>1. Maximising energy efficiency.<br>2. Maximised on-site and off-site renewables.<br>3. No fossil-based back-up power.<br>or<br>4. Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.<br><br>3. In either case, the renovation should incorporate renewable energy generation on-site, which must be maximised in the first instance (including incorporation of storage), whereafter the purchase of off-site renewable energy is undertaken to make up 100% renewables supplied to the building. Off-site renewables may be sourced through a variety of approaches, including market instruments provided the contributions from market instruments are fully traceable, independently verified, meet the Greenhouse Gas Protocol Scope 2 Quality Criteria and details disclosed to investors and clients.<br><br>4. For commercial building larger than 2000 m2, public building larger than 1000 m2 and other building types (considered in aggregate for developments) larger than 5000 m2 , upon completion of the renovation, the building undergoes testing for air-tightness, thermal integrity and thermal | The building renovation complies with the applicable requirements for major renovations.<br><br>Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %. | The SA GFT sets out three levels of eligibility (top-level equivalent to net-zero level, middle-level, and entry-level) while EU Taxonomy has one tier only. The SA GFT allows for self-reported performance while the EU Taxonomy requires Energy Performance Certificate (EPC). | **LESS AMBITIOUS AND/OR LESS DETAILED** |

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| | management practices, and results and performance implications are disclosed to investors and clients.<br><br>5. For commercial building larger than 2000 m2, public building larger than 1000 m2 and other building types (considered in aggregate for developments) larger than 5000 m2 , the life cycle Global Warming Potential (GWP) of the building (absolute and change due to the renovation; operational and decommissioning phases) resulting from the renovation has been calculated, efforts to minimise this performance element particular for the renovation materials is detailed, and the performance and efforts are disclosed to investors and clients.<br><br>6. Where credible regulatory and/or voluntary carbon offsets are applied beyond the measures listed above, these must be sourced from the South African national registry or credible international offset registries providing access to verified carbon credits under standards endorsed by the International Carbon Reduction & Offset Alliance (ICROA). Details to be disclosed to investors and clients.<br><br>Major renovations for buildings for which the ambition is to meet a 'mid-level', definition:<br><br>1. Self-reported performance: energy demand resulting from the renovation of a building in kWh/m2/annum, the Energy Used Intensity (EUI) is improved by 40% from building baseline, and peak energy demand measures are introduced towards maximisation of these.<br>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.<br><br>2. Alternately, the energy performance is certified for:<br>1. IFC EDGE Advanced (Level 2)<br>or<br>2. GBCSA Net Zero (Carbon Level 1, modelled) or Green Star Level 5 or better certification, with substantive evidence that 40% threshold from building baseline requirement has been met, as well as improved peak energy demand management measures<br>or<br>3. Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.<br><br>3. In either case 1 or 2, the renovation should incorporate maximised on-site renewable energy generation (for site sizing), with details disclosed to investors and clients.<br><br>4. Consideration of incorporation of on-site storage through the renovation must be made, and rationale provided for storage sizing selected (including if none). This is to be disclosed to investors and clients.<br>5. For buildings larger than 5000 $m^2$, upon completion of the renovation, the building undergoes testing for airtightness, thermal integrity and thermal management practices, and results and performance implications are disclosed to investors and clients. | | | |

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| | Major renovations for buildings for which the ambition is to meet a 'entry-level', definition:<br><br>1. Self-reported performance: energy demand resulting from the renovation of a building in kWh/m²/annum, the Energy Used Intensity (EUI) is improved by 20% from building baseline.<br>If not independently certified as part of a recognised scheme (as below), full performance evidence to be provided with demonstration of internal performance management and reporting controls, signed by a delegated authority, disclosed to investors and clients.<br><br>2. Alternately, the energy performance is certified for:<br>1. IFC EDGE Certified (Level 1)<br>or<br>2. GBCSA Net Zero or GBCSA Green-Star Level 4 or better rating. In either case with substantive evidence the 20% threshold from building baseline requirement has been met<br>or<br>3. Other certification schemes that have been provided official recognition, confirmed and identified through the scheme inclusion in these metrics and thresholds as an alternative approach in future taxonomy updates.<br><br>3. Alternately, on-site renewable energy generation has been installed (asset finance not to be double counted). | | | |
| **DNSH CC mitigation** | For adaptation projects<br><br>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.<br><br>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.<br><br>Buildings' design must accommodate support for alternative transportation modes appropriate to the intended users of the building. Refer to GBCSA Green Star SA – Existing Building Performance scoring for Alternative Transportation. | The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. | Both have the same requirements in terms of not being dedicated to extraction, storage, transport, or manufacture of fossil fuels; energy demand and energy performance. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC*<br>LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH 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<br><br>A GBCSA Green Star certification that incorporates a Water Rating result above 'Industry Average' as determined by the current version of the Energy Water Performance Tool, is acceptable for demonstrating this DNSH requirement is met.<br><br>An IFC EDGE Level 1 certification is acceptable for demonstrating this DNSH requirement is met. | Where installed as part of the renovation works, except for renovation works in residential building units, the specified water use for the following water appliances is attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E to this Annex: wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; showers have a maximum water flow of 8 litres/min; WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; urinals use a maximum of 2 | Both have the same criteria on technical specificities of water use and construction site impacts. | **SIMILAR** |

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| | To avoid impact from the construction site, activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources. | litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. | | |
| **DNSH to sustainable resource use and circularity** | The building should minimise waste from renovation waste going to landfill and maximise reuse and/or recycling of materials.<br><br>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.<br><br>Disposal of waste must be compliant with the requirements of the NATIONAL ENVIRONMENTAL MANAGEMENT: WASTE ACT, 2008 (ACT NO. 59 OF 2008)<br><br>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. | At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.<br><br>Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.<br><br>Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. | The SA GFT requires at least 50% (by weight) of the non-hazardous construction and demolition waste generated on the construction site must be prepared for re-use while in EU Taxonomy, this figure is at least 70%. Other criteria are the same. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to pollution prevention** | It is ensured that building components and materials do not contain asbestos and the use of chemicals adhere to the National Environmental Management Act, 1998 (Act No. 107 of 1998), the Hazardous Substances Act, 1973 (Act No. 15 of 1973) and the Occupational Health and Safety Act No. 85 of 1993 Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per $m^3$ of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per $m^3$ 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 .<br><br>A GBCSA Green Star certification that provides evidence that VOC and Formaldehyde credits are pursued, is acceptable for demonstrating this DNSH requirement is met. | Building components and materials used in the construction complies with the criteria set out in Appendix C to this Annex.<br><br>Building components and materials used in the building renovation that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per $m^3$ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories1A and 1B carcinogenic volatile organic compounds per $m^3$ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:2011 or other equivalent standardised test conditions and determination methods.<br><br>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. | The SA GFT does not require measures to reduce noise, dust and pollutant emissions during construction or maintenance works while EU Taxonomy does. Other criteria are the same. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Individual measures and professional services | • Installation, maintenance and repair of energy efficiency equipment<br>• Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings<br>• Installation, maintenance and repair of renewable energy technologies | | |
| **SC** | There are no defined metrics across the individual measures and professional services. The following individual measures are eligible if compliant with minimum requirements set for individual components and systems in the applicable national regulations.<br><br>a. 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).<br>b. Replacement of existing windows with new energy efficient windows.<br>c. Replacement of existing external doors with new energy efficient doors.<br>d. 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;<br>e. Replacement of inefficient boiler or stove with highly efficient condensing boiler.<br><br>The following individual measures are eligible if specific requirements are met:<br>f. Replacement of old pumps with efficient circulating pumps<br>g. Installation of efficient LED lighting appliances and systems.<br>h. installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix B: Technical specification for water appliances and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the market.<br><br>The following individual measures are eligible:<br>i. Installation of zoned thermostats, smart thermostat systems and sensoring equipment, e.g., motion and day light control.<br>j. Installation of Building Management Systems (BMS) and Energy Management Systems (EMS).<br>k. Installation of charging stations for electric vehicles.<br>l. Installation of smart meters for gas, heat, cool and electricity.<br>m. Installation of façade and roofing elements with a solar shading, solar reflectivity or solar control function, including those that support the growing of vegetation.<br><br>The following individual measures are eligible if installed on-site as building services: | The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation:<br>a) addition of insulation to existing envelope components, such as external walls (including green 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 (including mechanical fixings and adhesive);<br>b) replacement of existing windows with new energy efficient windows;<br>c) replacement of existing external doors with new energy efficient doors;<br>d) installation and replacement of energy efficient light sources;<br>e) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies;<br>f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to this Annex and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.<br><br>The activity consists in one of the following individual measures:<br>a) installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control;<br>b) installation, maintenance and repair of building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS);<br>c) installation, maintenance and repair of smart meters for gas, heat, cool and electricity;<br>d) installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation. | Both have the same criteria. | **SIMILAR** |

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| | n. Installation of solar photovoltaic systems (and the ancillary technical equipment).<br>o. Installation of solar hot water panels (and the ancillary technical equipment).<br>p. Installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heating and cooling.<br>q. Installation of wind turbines (and the ancillary technical equipment).<br>r. Installation of solar transpired collectors (and the ancillary technical equipment).<br>s. Installation of thermal or electric energy storage units (and the ancillary technical equipment).<br>t. Installation of High Efficiency Micro CHP (combined heat and power) plant<br>u. Installation of heat exchanger/recovery systems.<br><br>The following professional services are eligible:<br>v. 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.<br>w. Accredited energy audits and building performance assessments (EDGE auditors).<br>x. Energy Management Services.<br>y. Energy Performance Contracts.<br>z. Energy Services provided by Energy Service Companies (ESCOs) | The activity consists in one of the following individual measures, if installed on-site as technical building systems:<br>a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment;<br>b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment;<br>c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment;<br>d) installation, maintenance and repair of wind turbines and the ancillary technical equipment;<br>e) installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment;<br>f) installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment;<br>g) installation, maintenance and repair of high efficiency micro CHP (combined heat and power) plant;<br>h) installation, maintenance and repair of heat exchanger/recovery systems. | | |
| **DNSH CC mitigation** | The main potential for significant harm to the other environmental objectives associated with individual measures is determined by:<br><br>• Excessive water consumption due to inefficient water appliances.<br>• 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;<br>• 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. | The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. | Both have the same requirements in terms of not being dedicated to extraction, storage, transport or manufacture of fossil fuels. | **SIMILAR** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | It is ensured that building components and materials do not contain asbestos, and the use of chemicals adhere to the National Environmental Management Act, 1998 (Act No.107 of 1998), the Hazardous Substances Act, 1973 (Act No.15 of 1973) and the Occupational Health and Safety Act No.85 of 1993. | Building components and materials comply with the criteria set out in Appendix C to this Annex.<br><br>In case of addition of thermal insulation to an existing building envelope, a building survey is carried out in accordance with national law by a competent specialist with training in asbestos surveying. Any stripping of lagging that contains or is likely to contain asbestos, breaking or | Both have the same criteria. | **SIMILAR** |

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| | 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. | mechanical drilling or screwing or removal of insulation board, tiles and other asbestos containing materials is carried out by appropriately trained personnel, with health monitoring before, during and after the works, in accordance with national law. | | |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Acquisition and ownership | Acquisition and ownership of buildings | | |
| **SC** | • For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A.<br>• At this time, no standard is yet agreed for buildings built after 31 December 2020, which is an area of taxonomy development in future.<br>• In addition to the above requirements, where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment. | 1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.<br>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.<br>3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment. | Both taxonomies have the same requirements for buildings built before 31 December 2020. The SA GFT has yet to devise requirements for buildings built after 31 December 2020, which is an area for development. | **SIMILAR** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC* LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The building must not be built on protected natural areas, such as land designated as Natura 2000, UNESCO World Heritage and Critical Biodiversity Areas (CBAs), or equivalent as defined by UNESCO and / or the International Union for Conservation of Nature (IUCN) under the following categories:<br>• Category Ia: Strict Nature Reserve<br>• Category Ib: Wilderness Area<br>• Category II: National Park<br><br>Buildings that are associated supporting infrastructure to the protected natural area, such as visitor centres, museums or technical facilities are exempted from this criterion. | N/A | The EU Taxonomy does not have DNSH requirement for this activity while the SA GFT does. | **MORE AMBITIOUS AND/OR MORE DETAILED** |

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| | The building 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 European Red List and / or the IUCN Red List.<br><br>At least 80% 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, e.g., FSC/PEFC standards or equivalent. | | | |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Data processing, hosting and related activities | Data processing, hosting and related activities | | |
| **SC** | The data centre implements the practices - including relevant optional ones where reasonable - described in international Best Practice Guidelines for Data Centre Energy Efficiency "such as European Code of Conduct for Data Centre Energy Efficiency (JRC) or in CEN/CENELEC guide documents such as CLC TR50600-99-1 and CLC TR50600-99-2". | 1. The activity has implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC document CLC TR50600-99-1 "Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management". The implementation of those practices is verified by an independent third-party and audited at least every three years.<br>2. Where an expected practice is not considered relevant due to physical, logistical, planning or other constraints, an explanation of why the expected practice is not applicable or practical is provided. Alternative best practices from the European Code of Conduct on Data Centre Energy Efficiency or other equivalent sources may be identified as direct replacements if they result in similar energy savings.<br>3. The global warming potential (GWP) of refrigerants used in the data centre cooling system does not exceed 675. | The SA GFT does not restrict the global warming potential (GWP) of refrigerants used in the data centre cooling system while the EU Taxonomy has a limit of 675 on this. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | The main DNSH risks are related to life-cycle considerations, from manufacturing of equipment to disposal. | The activity has demonstrated best efforts to implement the relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency(624), or in CEN-CENELEC document CLC TR50600-99-1 "Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management" and has implemented all expected practices that have been assigned the maximum value of 5 according to the most recent version of the European Code of Conduct on Data Centre Energy Efficiency. | The EU Taxonomy has clear requirements regarding Conduct on Data Centre Energy Efficiency while the SA GFT mentions in general the life cycle of data centres. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation. | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | The activity complies with the criteria set out in Appendix D: Generic criteria for DNSH to sustainable use of water and marine resources | The activity complies with the criteria set out in Appendix B to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC** **SIMILAR** |
| **DNSH to sustainable resource use and circularity** | When electrical and electronic equipment reaches its end of service, the waste electrical and electronic equipment is collected and managed by an authorised operator and treated according to the waste hierarchy. Ensure alignment with National Environmental Management Waste Act (Act 59 of 2008), in particular, extended producer responsibility obligations. | The equipment used meets the requirements laid down in Directive 2009/125/EC for servers and data storage products.<br><br>The equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council, except where the concentration values by weight in homogeneous materials do not exceed the maximum values listed in that Annex.<br><br>A waste management plan is in place and ensures maximal recycling at end of life of electrical and electronic equipment, including through contractual agreements with recycling partners, reflection in financial projections or official project documentation.<br><br>At its end of life, the equipment undergoes preparation for reuse, recovery or recycling operations, or proper treatment, including the removal of all fluids and a selective treatment in accordance with Annex VII to Directive 2012/19/EU of the European Parliament and of the Council. | The EU Taxonomy has more requirements in terms of requirements for servers and data storage products, restricted substances, and waste management plan. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | The activity complies with the criteria set out in Appendix E: Generic criteria for DNSH to ecosystem protection and restoration. | N/A | The EU Taxonomy does not have DNSH on biodiversity for this activity while the SA GFT has. | **MORE AMBITIOUS AND/OR MORE DETAILED** |

| Economic activity | SOUTH AFRICA | EUROPEAN UNION | Summary | Level of ambition |
|---|---|---|---|---|
| | Data-driven solutions for GHG emission reductions | Data-driven solutions for GHG emissions reductions | | |
| **SC** | N/A | 1. The ICT solutions are predominantly used for the provision of data and analytics enabling GHG emission reductions.<br>2. Where an alternative solution/technology is already available on the market, the ICT solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution/technology.<br><br>Life-cycle GHG emissions and net emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ETSI ES 203 199, ISO 14067:2018 or ISO 14064-2:2019.<br><br>Quantified life-cycle GHG emission reductions are verified by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived. | The SA GFT does not have threshold on this activity while the EU Taxonomy requires quantified life-cycle GHG emission reductions are verified by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived. | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH CC mitigation** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH CC adaptation** | For mitigation projects<br><br>The activity complies with the criteria set out in Appendix A: Generic Criteria for DNSH to Climate Change Adaptation | The activity complies with the criteria set out in Appendix A to this Annex. | Please refer to the comparison of the generic DNSH criteria on this. | ***GENERIC***<br>**LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH use of water and marine resources** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | The equipment used meets the requirements set in accordance with Directive 2009/125/EC for servers and data storage products. The equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU, except where the concentration values by weight in homogeneous materials do not exceed those listed in that Annex.<br><br>A waste management plan is in place and ensures maximal recycling at end of life of electrical and electronic equipment, including through contractual agreements with recycling partners, reflection in financial projections or official project documentation.<br><br>At its end of life, the equipment undergoes preparation for reuse, recovery or recycling operations, or proper treatment, including the removal of all fluids and a selective treatment in accordance with Annex VII to Directive 2012/19/EU. | The EU Taxonomy has DNSH on circularity for this activity while the SA GFT does not | **LESS AMBITIOUS AND/OR LESS DETAILED** |
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

<table>
<tr><th>Economic activity</th><th>SOUTH AFRICA</th><th>EUROPEAN UNION</th><th>Summary</th><th>Level of ambition</th></tr>
<tr><td></td><td>Non-life insurance</td><td>Non-life insurance: underwriting of climate-related perils</td><td></td><td></td></tr>
<tr><td>SC</td><td>Depending on the primary objective of the activity, refer to Section 8 Screening criteria for activities making a substantial contribution to climate change adaptation.<br><br>Users of the Taxonomy should identify and explain which criteria they are responding to.<br><br>Example of contributions<br>The table below provides examples of how non-life insurance can contribute to reduce physical climate risk of EU Taxonomy economic activities.<br><br><table><tr><th>Climate-related hazards</th><th>Associated physical climate risk</th><th>How does the activity contribute to reduce physical climate risks</th></tr><tr><td>Temperature-related<br><br>Wind-related<br><br>Water related<br><br>Solid mass-related</td><td>Damages and disruption to natural and built environment</td><td>Insurance against climate-related hazard contributes to reduce physical climate risk by:<br><br>• offering standard non-life insurance products against climate-related hazards;<br>• offering multi-peril (yield) crop insurance against both annual yield variations in addition to extreme climate-related hazards;<br>• incentivising adaptation behaviour, for example where insurers would offer premium discounts for homeowners who take steps to protect their houses from wildfires/ veldfires;<br>• offering risk engineering expertise to their customers with proactive risk improvement action management programs or by sharing their expertise with new projects;<br>• using insurers' data and knowledge in developing zoning and building code regulations, standards and construction requirements and local adaptation plans. Insurers often have good information on which areas are at high risk and which measures can lower risk. This information is often used in designing zoning, flood defences, building code regulations and prioritising related adaptation investments;<br>developing innovative risk transfer mechanisms as part of broader risk management solutions to help</td></tr></table></td><td>1. Leadership in modelling and pricing of climate risks:<br>1.1. The insurance activity uses state-of-the-art modelling techniques that: properly reflect climate change risks; do not only rely on historical trend; integrate forward-looking scenarios.<br>1.2. The insurer publicly discloses how the climate change risks are considered in the insurance activity.<br>1.3. With the exception of legal restrictions on contractual conditions and insurance premiums, the insurance activity provides incentives for risk reduction by setting out the (pre)-conditions for the insurance coverage of risk and by acting as a price signal of risk. For the purpose of this point, reduced premiums or deductibles, possibly based on supportive information on existing/possible actions, to policyholders who protect an asset or activity against natural catastrophes damages may be considered an incentive for risk reduction.<br>1.4. After a climate risk event, the insurer provides information on the conditions under which coverage under the insurance activity could be renewed or maintained and in particular the benefits of building better in that context.<br>2. Product design:<br>2.1. Insurance products sold under the insurance activity offer risk-based rewards for preventive actions taken by policyholders. For the purpose of this point, where a policyholder has invested in adaptation measures, lower premiums may be considered as a risk-based reward for preventive actions taken by policyholders. By way of derogation from this point, where legal restrictions on contractual conditions and insurance premiums prevent the insurance or reinsurance company from providing risk-based rewards, insurance products may instead provide to customers measures in relation to an asset, an activity, or people that prevent or protect against natural catastrophes. Such measures may be provided as information or advice to customers on climate risks and preventive measures that customers could take.<br>2.2. The distribution strategy for such products covers measures to ensure that policyholders are informed on the relevance of preventive measures that they could take, for the terms and conditions of the insurance coverage, including any impact of such measures on the insurance coverage or the premium level.<br>3. Innovative insurance coverage solutions:<br>3.1. Insurance products sold under the insurance activity offer coverage for the climate-related perils where the demands and needs of policyholders require so.<br>3.2. Depending on the demands and needs of individual customers, products may include specific risk transfer solutions such as protection against business interruption, contingent business interruption, other non-physical damage-related loss factors, cascading effects and</td><td>The SA GFT does not have specific criteria for this activity as the EU Taxonomy does and only lists out examples of how insurance contributes to reducing physical risk.</td><td>LESS AMBITIOUS AND/ OR LESS DETAILED</td></tr>
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| | | | under-insured or uninsured communities to meet the challenges of a changing climate (for example the Caribbean Catastrophe Risk Insurance Facility or the African Risk Capacity);<br>• requiring minimum building standards, or adherence to build-back-better principles, differentiated by risk level, as a standard element of insurance contracts;<br>• developing online tools or early warning methods to allow people to detect risks to property from floods, storms, and other climate related hazards;<br>• helping improve natural catastrophe models for different climate-related hazards. | interdependencies of hazards (secondary perils), cascading impacts of interacting natural and technological hazards, critical infrastructure failures.<br>4. Data sharing:<br>4.1. With due regard to Regulation (EU) 2016/679 of the European Parliament and of the Council, a significant share of loss data related to insurer's activity is made available, free of charge, to one or several public authorities for the purpose of analytical research. Those public authorities declare to use the data for purposes of enhancing adaptation to climate change by the society in a region, country or internationally and the insurer provides the data at a level of granularity sufficient for the use declared by the respective public authorities.<br>4.2. Where the insurer is not yet sharing such data with a public authority for the aforementioned purpose, it has declared the intention to make its data available, free of charge, to interested third parties and has indicated under which conditions such data can be shared. That declaration of intention to share available data is easily accessible, including on the insurer's website, for relevant public authorities.<br>5. High level of service in post-disaster situation:<br>Claims under insurance activity, both ongoing and those from large-scale loss events resulting from climate risks, are processed fairly with respect to customers, in accordance with high handling standards for claims and in timely fashion in line with applicable law and there has been no failure to do so in the context of recent large-scale loss events. Information as regards procedures on additional measures in case of large-scale loss events is publicly available. | | |
| **DNSH CC mitigation** | The specific activity or activities being insured must meet the DNSH criteria for those activities.<br>That is, the non-life insurer (i.e. the primary insurance product provider) is required to validate that the activity and/or asset being insured is compliant with the relevant DNSH thresholds for the activity under cover. | | The activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes. | The EU Taxonomy requires the insured activity does not include insurance of the extraction, storage, transport or manufacture of fossil fuels or insurance of vehicles, property or other assets dedicated to such purposes while in the SA GFT, the primary insurance product provider is required to validate that the activity and/or asset being insured is compliant with the relevant DNSH thresholds for the activity under cover. | **MORE AMBITIOUS AND/OR MORE DETAILED** |
| **DNSH CC adaptation** | N/A | | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH use of water and marine resources** | N/A | | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to sustainable resource use and circularity** | N/A | | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

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|---|---|---|---|---|
| **DNSH to pollution prevention** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |
| **DNSH to ecosystem protection and restoration** | N/A | N/A | N/A | **BOTH TAXONOMIES DO NOT HAVE CRITERIA ON THIS.** |

ISBN: 978-0-621-50663-1

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Funded by
the European Union