
**Environmental performance
evaluation — Green debt
instruments —**

**Part 3:
Taxonomy**

*Évaluation de la performance environnementale — Titres de créance
verts —*

Partie 3: Taxinomie



This document is a preview generated by EUS



COPYRIGHT PROTECTED DOCUMENT

© ISO 2022

All rights reserved. Unless otherwise specified, or required in the context of its implementation, no part of this publication may be reproduced or utilized otherwise in any form or by any means, electronic or mechanical, including photocopying, or posting on the internet or an intranet, without prior written permission. Permission can be requested from either ISO at the address below or ISO's member body in the country of the requester.

ISO copyright office
CP 401 • Ch. de Blandonnet 8
CH-1214 Vernier, Geneva
Phone: +41 22 749 01 11
Email: copyright@iso.org
Website: www.iso.org

Published in Switzerland

Contents

Page

Foreword	iv
Introduction	v
1 Scope	1
2 Normative references	1
3 Terms, definitions and abbreviated terms	1
3.1 Terms and definitions	1
3.1.1 Terms related to economy and finance	2
3.1.2 Terms related to the environment	2
3.1.3 Terms related to environmental impacts	3
3.1.4 Terms related to environmental management	4
3.2 Abbreviated terms	5
4 Principles	6
4.1 Precautionary principle	6
4.2 Evidence-based science	6
4.3 Biodiversity protection	6
4.4 Life cycle perspective	6
5 Taxonomy	6
5.1 General	6
5.2 Use of the taxonomy	6
5.3 Environmental and social evaluation	7
5.4 Classification of activities within sectors and subsectors	8
5.4.1 Agriculture, forestry and fishing	8
5.4.2 Manufacturing	17
5.4.3 Renewable energy and energy efficiency	36
5.4.4 Water supply, sewerage, waste management and remediation	59
5.4.5 Transport and storage	72
5.4.6 Information and communication technology (ICT)	86
5.4.7 Construction	88
Annex A (informative) Guidance for climate change adaptation by sector	94
Annex B (informative) Examples of thresholds and exclusions	113
Annex C (informative) Guidance on the recognition of other suitable taxonomies	126
Bibliography	127

Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 207, *Environmental management*, Subcommittee SC 4, *Environmental performance evaluation*.

A list of all parts in the ISO 14030 series can be found on the ISO website.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

This document provides a taxonomy of eligible projects, assets and supporting expenditures for use by issuers and originators of green debt instruments. Projects, assets and supporting expenditures included in this document are assumed to be eligible as long as any specific thresholds or criteria are met and any applicable exclusions are respected. The taxonomy addresses sector criteria, rationale for eligibility, potential environmental benefits and environmental performance indicators.

NOTE In this document, the wording “projects, assets and supporting expenditures” used together or individually has the same meanings and covers all projects, assets and supporting expenditures financed by a bond, a loan or other debt instrument.

The objective of the taxonomy is to identify projects, assets and supporting expenditures that contribute to one or more environmental objectives, while doing no significant harm (DNSH) to other environmental objectives. Issuers, borrowers or lenders are informed by:

- a) the taxonomy of eligible projects, assets and supporting expenditures that are anticipated to contribute to climate change mitigation, including guidance on DNSH assessments (see [Clause 5](#));
- b) guidance on climate change adaption by economic sector (see [Annex A](#));
- c) examples of thresholds and exclusions that may be applied to specific economic sectors (see [Annex B](#));
- d) guidance on other suitable taxonomies (see [Annex C](#)).

Users of this document can apply threshold values and exclusions identified in the taxonomy in [Annex B](#) or the taxonomy selected by the user (see ISO 14030-1:2021, 5.1, and ISO 14030-2:2021, 5.1). If a different taxonomy is used, threshold values are explained and justified.

Subclause [5.4](#) provides sector examples for the taxonomy nominated projects, assets and supporting expenditures.

This document encourages the mitigation and adaptation pathway forward to contribute to a low-carbon and resilient society. Economic activities can themselves contribute to environmental objectives or can enable other activities to contribute to environmental objectives.

Within the taxonomy, eligible investment categories and subcategories are either:

- economic activities that can be decarbonized or that support decarbonization; or
- projects, assets and supporting expenditures that can enable improved environmental performance in another economic activity and are performed to avert a substantial negative impact on the environment.

The taxonomy facilitates decision-making on what economic activities are sustainable, with the aim of helping investors to identify sustainable investment opportunities. It is intended that the green taxonomy presented in this document will serve as a holistic tool that captures all relevant environmental objectives. Although most requirements relate to climate mitigation or climate adaptation, this document addresses other environmental aspects, issues and objectives relevant to each included sector.

This document recognizes that all sectors must become more climate resilient to achieve adaptation objectives and avoid maladaptation. As a result, the adaptation approach is a set of guiding principles and qualitative screening criteria which can be applied in any sector. However, to be included in the taxonomy, an economic activity must also avoid significant harm to the six other environmental objectives (see [5.3](#)).

This document recognizes that all sectors must become more climate resilient. As a result, the do no significant harm (DNSH) section of each table in the taxonomy includes a set of considerations for addressing issues related to the eligible project and asset categories.

To provide guidance for projects, assets and supporting expenditures that are being financed with the specific purpose of promoting adaptation, this document includes guidance for adaptation by sector in [Annex A](#).

This document defines sector categories or subcategories and describes the rationale for their inclusion in the taxonomy. It provides examples of thresholds and exclusions in [Annex B](#).

Different types of finance support projects, assets and supporting expenditures that contribute to environmental or sustainable development objectives. In this taxonomy, debt instruments may either finance the acquisition, manufacture, development, distribution, operation and maintenance or refinance the listed projects, assets and supporting expenditures. The taxonomy provides a framework for classifying all potential projects, assets or supporting expenditures against a comprehensive set of environmental objectives. In addition, all eligible projects, assets and supporting expenditures have to consider the state of the local environment.

The objective of the taxonomy is to identify activities with positive environmental benefits.

It may be used as a separate resource or by users of ISO 14030-1 and ISO 14030-2 who can:

- select this document as their taxonomy and refer to its tables when establishing environmental performance indicators;
- adopt thresholds and exclusions detailed in [Annex B](#).

This document requires issuers to evaluate and avoid harm to related environmental aspects.

The taxonomy focuses on activities within sectors. For this reason, environmental aspects are evaluated at the level of projects and assets. If buildings or materials are needed to finance the projects and assets, the evaluation is made at the level of the different potential environmental aspects, taking into account the life cycle perspective, including all upstream and downstream resource flows.

The taxonomy's objective is to identify eligible projects, assets and supporting expenditures. Users of this document, or of another appropriate taxonomy, will obtain greater confidence that interested parties will consider financed projects, assets and supporting expenditures to be green.

To substitute high carbon intensity processes, some technologies can be implemented. The best available option should be taken in light of various circumstances of countries and regions.

Users of this document can adopt:

- thresholds and exclusions from [Annex B](#);
- local, regional or international regulations;
- provisions found in other taxonomies.

[Figure 1](#) outlines the relationship between the four parts of the ISO 14030 series.

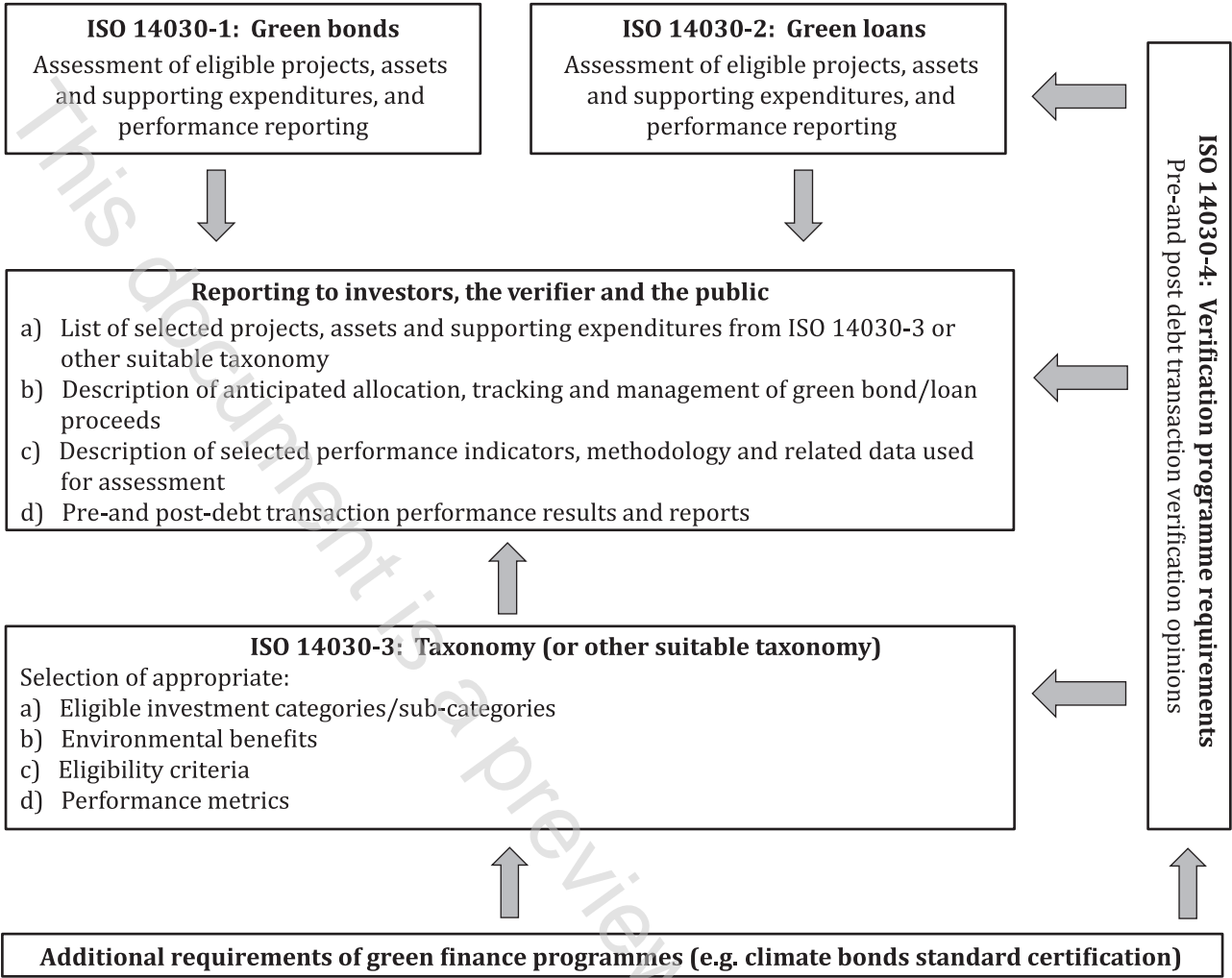


Figure 1 — Relationship between the parts of the ISO 14030 series

Environmental performance evaluation — Green debt instruments —

Part 3: Taxonomy

1 Scope

This document defines a taxonomy of eligible investment categories for designation as green debt instruments, including bonds and loans.

This document categorizes economic sectors and establishes criteria for determining the eligibility of projects, assets and supporting expenditures. It provides guidance on adaptation by sector in [Annex A](#). It provides examples of thresholds and exclusions in [Annex B](#).

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 13065, *Sustainability criteria for bioenergy*

ISO 14030-1:2021, *Environmental performance evaluation — Green debt instruments — Part 1: Process for green bonds*

ISO 14030-2:2021, *Environmental performance evaluation — Green debt instruments — Part 2: Process for green loans*

ISO 14064-2, *Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements*

ISO 14067, *Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification*

International Finance Corporation (IFC) Performance Standard 6, *Biodiversity Conservation and Sustainable Management of Living Natural Resources*

3 Terms, definitions and abbreviated terms

3.1 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 14030-1, ISO 14030-2 and the following apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <https://www.electropedia.org/>