



MINISTRY OF FINANCE

Annex: Assessment of EU Taxonomy alignment

December 2021



Table 1**Subsidies for renewable energy (PV systems and other small WE systems)****Appropriation Account**

29.25.12.15

Expenditure Category

Renewable energy

EU Taxonomy Economic Activity

4.1 Electricity generation using solar photovoltaic technology

NACE Codes

D35.11

EU Taxonomy Technical Screening Criteria		Alignment with Technical Screening Criteria
Climate change mitigation	The activity generates electricity using solar PV technology.	Subsidy aimed at supporting the production of electricity from small-scale solar photovoltaic (PV) systems to increase the competitiveness against fossil fuel-based energy. Producers of electricity from PV-systems will receive financial support through premiums on top of the market price.
DNSH Criteria		Alignment with DNSH Criteria
Climate change adaptation	See Appendix A in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities</i> .	The energy sector is to a great extent considered equipped for the changing climatic conditions. More extreme weather, e.g. with stronger wind, changing precipitation (hail/ice/snow), may lead to a need to secure facilities against changed weather conditions. However, the consequences are assessed to be limited for PV panels in Denmark. Further, the vulnerable power supply network is largely made up of underground cables.
Sustainable use and protection of water and marine resources	N/A	
Transition to a circular economy	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.	Regarding this expenditure, the Danish authorities do not monitor nor require, whether the activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. There is insufficient information on the use of equipment and components of high durability that are easy to dismantle and refurbish. However, it is likely that the activity will use equipment and components of high recyclability.

Pollution prevention and control	N/A	<p>The WEEE Directive requires that a minimum of 80 per cent of separately collected waste from photovoltaic panels shall be prepared for re-use and recycled. Only 56 per cent of WEEE was separately collected in Denmark in 2019. Currently, PV waste is still very limited in Denmark due to the fact that Denmark is still a relatively new market for PV installations and, thus, end-of-life panels.¹</p>
Protection and restoration of biodiversity and ecosystems.	<p>See Appendix D in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities.</i></p>	<p>Danish Act of Environmental Assessment (EAA) transposes the EIA Directive² and the SEA Directive.³ For projects on either annex 1 or 2 of EAA an EIA or a screening must be completed, before the developer commences the work. The development consent must describe any features of the project and/or measures envisaged either by the developer or as an obligatory result of other assessments to avoid, prevent or reduce and, if possible, offset significant adverse effects on the environment as well as, where appropriate, monitoring measures. The development consent must also describe how these measures are implemented by the developer, and shall determine the procedures regarding the monitoring of significant adverse effects on the environment. The type of parameters to be monitored and the duration of the monitoring shall be proportionate to the nature, location and size of the project and the significance of its effects on the environment.</p> <p>The Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment as amended was transposed by the Act 425/2016 on Environmental Assessment of plans and programs and of projects. The most recent consolidated version is Act 1976/2021. The Ministry of Transport and Building has transposed separate legislation concerning major road-, bridges- and railway projects and the Ministry of Food, Agriculture and Fisheries has transposed separate legislation concerning intensive livestock breeding projects.</p> <p>The EU Birds and Habitats directives are implemented in Denmark and, through the latest update of the Biodiversity strategy, the Natura 2000 is considered to be fully implemented. If activities are located in areas that are especially environmentally vulnerable or contain special natural assets that need protection, a full EIA will normally be required.</p> <p>Not applicable for roof top solar systems.</p>

Source: Ministry of Climate, Energy and Utilities and Ministry of Environment.

¹ <https://mim.dk/media/223007/handlingsplan-for-cirkulaer-oekonomi.pdf>

² EU Directive 2011/92/EU as amended by the EU Directive 2014/52/EU

³ EU Directive 2001/42/EU

Table 2
Subsidies for renewable energy (Household wind systems)

Appropriation Account

29.25.12.25

Expenditure Category

Renewable energy

EU Taxonomy Economic Activity

4.3 Electricity generation from wind power

NACE Codes

D35.11

EU Taxonomy Technical Screening Criteria		Alignment with Technical Screening Criteria
Climate change mitigation	The activity generates electricity from wind power	<p>Subsidy aimed at supporting the production and development of electricity from small scale on-shore wind turbines.</p> <p>Producers of electricity from wind turbines receive financial support through premiums on top of the market price to increase the competitiveness against fossil fuel-based energy.</p>
DNSH Criteria		Alignment with DNSH Criteria
Climate change adaptation	See Appendix A in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities.</i>	<p>The energy sector is to a great extent considered to be well equipped for the changing climatic conditions. More extreme weather with stronger wind may lead to a need to secure facilities against changing weather conditions. However, the consequences are assessed to be limited, as the wind turbines are secured against high wind speeds. In case of storm and high wind speeds, the wind turbines will shut down, whereby electricity production ceases. Further, the vulnerable power supply network is largely made up of underground cables.</p> <p>The safety of windmills is regulated in Executive Order no. 1773 of 30 November 2020 on technical certification and servicing of wind turbines. The Executive Order is pursuant to section 33, section 58b(1), section 60 and section 73(1) of the Act on promotion of renewable energy, cf. Consolidating Act no. 1791 of 2 September 2021. The Executive Order has been notified in draft form in accordance with European Parliament and Council Directive 98/34/EC (the Information procedure directive), as amended in Directive 98/48/EC. The purpose of the Executive Order is to ensure wind turbines that are constructed on land, in territorial water, and in the exclusive economic zone, and which are used for the production of electrical energy, do not carry a risk to the safety</p>

		and health of persons and livestock, as well as the security of property, when wind turbines are installed, maintained, or used. The Executive Order is amended periodically to ensure the continued safety of wind turbines.
Sustainable use and protection of water and marine resources	In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, ⁴ requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 ⁵ in relation to the relevant criteria and methodological standards for that descriptor.	This expenditure only includes construction of onshore wind systems. Hence, this criterion is not relevant for this specific expenditure.
Transition to a circular economy	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.	Regarding this expenditure, the Danish authorities do not monitor nor require, whether the activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish. There are very limited recycling and refurbishing options for the composite materials that make up a large part of the wind turbine blades. The rest of the wind turbine has a high recyclability and is easy to dismantle. The blades are either incinerated, co-incinerated in a cement kiln, or more likely buried in landfills. The European wind turbine industry is committed to end the landfilling of wind turbine blades and to reuse, recycle, or incinerate all the blades from 2030. The industry is currently developing and commercializing technologies to make wind turbine blades recyclable in the future.
Pollution prevention and control	N/A	
Protection and restoration of biodiversity and ecosystems.	See Appendix D in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities.</i>	The EU EIA-directive (Directive 2014/52/EU) is implemented in Denmark. The directive requires an EIA for wind farms. See PV systems for information EU EIA. Not applicable for single turbines with a height less than 25 meters.

Source: Ministry of Climate, Energy and Utilities and Ministry of Environment.

⁴ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19)

⁵ Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43)

Table 3
Disbursements for PSO-subsidies (offshore and onshore wind)

Appropriation Account

29.25.14.20.33

Expenditure Category

Renewable energy

EU Taxonomy Economic Activity

4.3 Electricity generation from wind power

NACE Codes

D35.11

EU Taxonomy Technical Screening Criteria		Alignment with Technical Screening Criteria
Climate change mitigation	The activity generates electricity from wind power	<p>Subsidy aimed at supporting the production of electricity from wind power to increase the competitiveness against fossil fuel-based energy.</p> <p>Subsidy is granted to producers of electricity using wind power from onshore and offshore wind farms.</p>
DNSH Criteria		Alignment with DNSH Criteria
Climate change adaptation	See Appendix A in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities.</i>	<p>The energy sector is to a great extent considered to be well equipped for the changing climatic conditions. More extreme weather with stronger wind may lead to a need to secure facilities against changing weather conditions. However, the consequences are assessed to be limited, as the wind turbines are secured against high wind speeds. Further, the vulnerable power supply network is largely made up of underground cables. In case of storm and high wind speeds, the wind turbines will shut down, whereby electricity production ceases.</p> <p>The safety of windmills is regulated in Executive Order no. 1773 of 30 November 2020 on technical certification and servicing of wind turbines. The Executive Order is pursuant to section 33, section 58b(1), section 60 and section 73(1) of the Act on promotion of renewable energy, cf. Consolidating Act no. 1791 of 2 September 2020. The Executive Order has been notified in draft form in accordance with European Parliament and Council Directive 98/34/EC (the Information procedure directive), as amended in Directive 98/48/EC. The purpose of the Executive Order is to ensure wind turbines that are constructed on land, in territorial water, and in the exclusive economic zone, and which are used for the production of electrical energy, do not carry a risk to the safety</p>

		and health of persons and livestock, as well as the security of property, when wind turbines are installed, maintained, or used. The Executive Order is amended periodically to ensure the continued safety of wind turbines.
Sustainable use and protection of water and marine resources	In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council ⁶ , requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 ⁷ in relation to the relevant criteria and methodological standards for that descriptor.	<p>The EU EIA-directive (Directive 2014/52/EU) is implemented in Denmark. The directive requires an EIA for wind farms. See PV systems criteria on Protection and restoration of biodiversity and ecosystems for information on EU EIA.</p> <p>During the tendering process of a wind farm in Denmark, an exhaustive Environmental Impact Assessment (EIA) of the designated area, export cable route, and grid connection is completed by the Danish Transmission System Operator (TSO), Energinet, and fully consented before the bidding date.⁸</p>
Transition to a circular economy	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.	<p>Regarding this expenditure, the Danish authorities do not monitor nor require, whether the activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p> <p>There are very limited recycling and refurbishing options for the composite materials that make up a large part of the wind turbine blades. The rest of the wind turbine has a high recyclability and is easy to dismantle. The blades are either incinerated, co-incinerated in a cement kiln, or more likely buried in landfills.</p> <p>The European wind turbine industry is committed to end the landfilling of wind turbine blades and to reuse, recycle, or incinerate all the blades from 2030. The industry is currently developing and commercializing technologies to make wind turbine blades recyclable in the future.</p>
Pollution prevention and control	N/A	

⁶ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19)

⁷ Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43)

⁸ https://ens.dk/sites/ens.dk/files/Globalcooperation/Short_materials/environmental_impacts_of_offshore_wind_farms.pdf

Protection and restoration of biodiversity and ecosystems.

See Appendix D in *The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities*.⁹

In offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that Directive, and as set out in Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for those descriptors.

The EU EIA-directive (Directive 2014/52/EU) is implemented in Denmark. The directive requires an EIA for wind farms. See PV systems for further information on EU EIA.

During the tendering process of a wind farm in Denmark, an exhaustive Environmental Impact Assessment (EIA) of the designated area, export cable route, and grid connection is completed by the Danish Transmission System Operator (TSO), Energinet, and fully consented before the bidding date.¹⁰

Source: Ministry of Climate, Energy and Utilities and Ministry of Environment.

⁹ Practical guidance for the implementation of this criterion is contained in the European Commission notice C(2020) 7730 final "Guidance document on wind energy developments and EU nature legislation": (https://ec.europa.eu/environment/nature/natura2000/management/docs/wind_farms_en.pdf)

¹⁰ https://ens.dk/sites/ens.dk/files/Globalcooperation/Short_materials/environmental_impacts_of_offshore_wind_farms.pdf

Table 4**Rail infrastructure operation, maintenance and renovation & rail infrastructure investment projects.****Appropriation Accounts**

28.63.08, 28.63.05.10.22, 28.63.05.10.51, 28.63.05.20.51, and 28.63.04

Expenditure Category

Clean transportation

EU Taxonomy Economic Activity

6.14 Infrastructure for rail transport

NACE Codes

F42.12, F42.13, M71.12, M71.20, H49.10, H49.2.0, N77.3.9, H52.21, and F43.21

EU Taxonomy Technical Screening Criteria**Alignment with Technical Screening Criteria****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 Council¹¹) 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;

Climate change mitigation

The Kingdom of Denmark's railway infrastructure manager, Banedanmark, is working in accordance with the Danish government's goal of a climate-neutral society by 2050 and a green transformation of the transport sector. Specifically, the national Climate Act obliges Denmark to a 70 per cent reduction in CO2 emissions in 2030, compared to 1990. Within this framework, Banedanmark will reduce its own CO2 emissions by 20-30 per cent by 2030, compared to 2019. This reduction will be possible with measures within energy efficiency; materials optimization, selection, and substitution; waste management and recycling. Finally, Banedanmark performs systematic screenings of all procurement with respect to its environmental impact.

On top of these mitigating efforts, Banedanmark is greening its activities by electrifying the entire Danish rail network. By 2030, less than 10 years from now, 100 per cent of the Danish state's railway trackside infrastructure and associated subsystems are planned (and financed) to be either electrified or readied for battery train operation, with electrified line tracks taking up approximately 80 per cent of the state network length and battery-operated line tracks taking up the remaining 20 per cent.

Even today, with a combination of electrified trains and diesel trains in operation, the Danish railway system is far more climate friendly compared with the average Danish fleet of cars and trucks, and the maintenance of the railway is a precondition for avoiding significantly increasing CO2-emissions from road traffic.

¹¹ Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union (OJ L 138, 26.5.2016, p. 44)

(iii) until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network¹² 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;

(b) The infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods.

(c) Infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.

2. The infrastructure is not dedicated to the transport or storage of fossil fuels.

Of all renewal and maintenance costs, approximately 70 per cent are estimated to benefit railway lines that will be electrified before 2030, while 30 per cent of costs are estimated to benefit non-electrified lines that will be operated by battery trains by 2030.

DNSH Criteria	Alignment with DNSH Criteria
<p>Climate change adaptation</p> <p>See Appendix A in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities</i>.</p>	<p>Banedanmark has prepared a climate adaptation strategy¹³ that helps to ensure preparedness for the effects of climate change. The strategy aims to ensure the robustness, functionality, and regularity of the railway, while affecting train operation as little as possible with regards to costs and other consequences. The strategy takes into consideration the following categories:</p> <ol style="list-style-type: none"> 1. Heavy and / or persistent rainfall, rain, and storm surge 2. Temperature fluctuations and extremes 3. Storm and wind
<p>Sustainable use and protection of water and marine resources</p> <p>See Appendix B in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities</i>.</p>	<p>The Danish railway holds approximately 1200 km of water-bearing ditches that attract birds and mammals such as otters and foxes and at the same time help plants, amphibians, and fish to spread to other natural areas. To compensate for the barriers that a new railway creates, fauna passages are established, allowing animals' safe passage across the tracks. On the new 56 km railway line between Copenhagen and Ringsted, 42 dry and 32 wet fauna passages have been constructed.</p>

¹² In accordance with Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1)

¹³ <https://www.bane.dk/Om-Banedanmark/Baeredygtig-bane/Banedanmarks-Baeredygtighedsstrategi>

Transition to a circular economy	<p>At least 70 per cent (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material defined 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.¹⁴ 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.</p>	<p>The Nature Conservation Act (LBK no. 240 of 13/03/2019) preserves certain natural habitats such as (but not limited to) meadows, bogs, and ponds. In the case of the new railway line between Copenhagen and Ringsted, 26 lakes and water holes were affected and replaced in the ratio 1:2, so that now there are 62 lakes and water holes instead.</p> <p>Finally, an EIA is required for long distance railway traffic, according to the EIA-directive (Directive 2014/52/EU).</p> <p>The path to a circular economy is secured through the best available techniques within optimization, selection, and substitution of materials; resale of surplus goods; waste management, handling of hazardous substances and high-quality recycling by selective removal of materials, using available sorting systems.</p> <p>This DNSH-criterion states that at least 70 per cent of the non-hazardous construction and demolition waste must be prepared for reuse, recycling, or other material recovery. Banedanmark, however, recycles more than 99 per cent of its total waste volumes. To be specific, in 2020, 99,5 per cent was recycled, 0,1 per cent was incinerated, and 0,4 per cent ended in landfills. In 2019, 99,7 per cent was recycled, 0,1 per cent incinerated, and 0,2 per cent ended in landfills.</p> <p>Construction and demolition activities related to the Danish railways, adhere to the EU Construction and Demolition Waste Management Protocol & Guidelines.</p> <p>Finally, Banedanmark is currently developing a process to perform systematic screenings of environmental impact of its procurement. These efforts are closely linked to national guidelines, rules, and regulations as well as transposed EU law.</p>
Pollution prevention and control	<p>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 Council¹⁵.</p> <p>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</p>	<p>More than 99 per cent of Banedanmarks total waste volumes is recycled. To be specific, in 2020, 99,5 per cent was recycled, 0,1 per cent was incinerated, and 0,4 per cent ended in landfills. In 2019, 99,7 per cent was recycled, 0,1 per cent incinerated, and 0,2 per cent ended in landfills.</p> <p>Directive 2002/49/EC on noise is implemented in Danish law, while measures to reduce noise, dust, and emissions during construction or maintenance are included in the EIA-process.</p>

¹⁴ EU Construction and Demolition Waste Protocol: https://ec.europa.eu/growth/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en

¹⁵ Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12)

Protection and restoration of biodiversity and ecosystems.

See Appendix D in *The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities*.

Environmental Impact Assessment

Protection and restoration activities along the Danish railway

The Danish railway has 4.500 hectares of nature that provide habitats to more than 250 particularly endangered animals and plants, the so-called red list species.

In a 2021 biodiversity analysis performed by Banedanmark, six different types of natural areas along the railway were selected and prioritized, as they showed special significance for biodiversity if given the appropriate care and effort. Later that same year, a broad coalition of political parties agreed to the "*Infrastructure Agreement 2035*", in which DKK 150 million were allocated to promote biodiversity along railways and roads in the period 2022-2035.

On top of this political and financial commitment, Banedanmark contributes to the protection and restoration of biodiversity and ecosystems by complying with the following regulation.

EIA Directive

The EIA-directive (Directive 2014/52/EU) is implemented in Denmark. The Directive requires an EIA for long distance railway traffic.

Natura 2000 areas

Natura 2000 areas are protected areas subject to the Birds Directive and the Habitats Directive. Activities in these areas are subject to extra strict requirements.

Annex IV of the Habitats Directive

The Habitats Directive obliges EU countries to protect endangered, vulnerable and often rare animal species and their habitats, even if they live outside the special protection areas. These species are listed in Annex IV of the Habitats Directive.

To compensate for the barriers that a new railway creates, fauna passages are established, allowing animals safe passage across the tracks. On the new 56 km railway line between Copenhagen and Ringsted, 42 dry and 32 wet fauna passages have been constructed.

The Nature Conservation Act

The Nature Conservation Act (LBK no. 240 of 13/03/2019) preserves certain natural habitats such as (but not limited to) meadows, bogs, and ponds. In the case of the new 56 km railway line between Copenhagen and Ringsted, 26 lakes and water holes were affected and replaced in the ratio 1:2, so that there now are 62 lakes and water holes instead.

The Forest Act

Almost all Danish forests are forest reserves, and according to the Forest Act, forest reserves must be compensated, if affected. The compensation area must be between 110 and 200 per cent of the area where trees were cut down.¹⁶

Source: Ministry of Transport and Ministry of Environment.

¹⁶ [Naturen langs med Den nye bane | Banedanmark](#)

Table 5**Taxation of electricity (Exemption for own consumption of electricity from solar energy)****Appropriation Account**38.22.01.20 (tax expenditure)¹⁷**Expenditure Category**

Renewable energy

EU Taxonomy Economic Activity

4.1 Electricity generation using solar photovoltaic technology

NACE Codes

D35.11

EU Taxonomy Technical Screening Criteria**Alignment with Technical Screening Criteria**

Climate change mitigation The activity generates electricity using solar PV technology.

Tax exemption for electricity generation from solar energy for own consumption.

Aims to promote the use and exploitation of renewable energy.

DNSH Criteria**Alignment with DNSH Criteria**Climate change adaptation See Appendix A in *The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities*.

The energy sector is to a great extent considered to be equipped for the changing climatic conditions. More extreme weather, e.g. with stronger wind, changing precipitation (hail/ice/snow), may lead to a need to secure facilities against changed weather conditions. However, the consequences are assessed to be limited for PV panels in Denmark.

The vulnerable power supply network is largely made up of underground cables.

Sustainable use and protection of water and marine resources

N/A

¹⁷ The two expenditures are calculated separately from the budget act and are based on estimates from the Ministry of Taxation.

Transition to a circular economy	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.	<p>Regarding this expenditure, the Danish authorities do not monitor nor require, whether the activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p> <p>There is insufficient information on the use of equipment and components of high durability that are easy to dismantle and refurbish. However, it is likely that the activity will use equipment and components of high recyclability.</p> <p>The WEEE Directive requires that a minimum of 80 per cent of separately collected waste from photovoltaic panels shall be prepared for re-use and recycled. Only 56 per cent of WEEE was separately collected in Denmark in 2019. Currently, PV waste is still very limited in Denmark due to the fact that Denmark is still a relatively new market for PV installations and, thus, end-of-life panels.¹⁸</p>
Pollution prevention and control	N/A	<p>Danish Act of Environmental Assessment (EAA) transposes the EIA Directive¹⁹ and the SEA Directive.²⁰ For projects on either annex 1 or 2 of EAA an EIA or a screening must be completed, before the developer commences the work. The development consent must describe any features of the project and/or measures envisaged either by the developer or as an obligatory result of other assessments to avoid, prevent or reduce and, if possible, offset significant adverse effects on the environment as well as, where appropriate, monitoring measures. The development consent must also describe how these measures are implemented by the developer, and shall determine the procedures regarding the monitoring of significant adverse effects on the environment. The type of parameters to be monitored and the duration of the monitoring shall be proportionate to the nature, location and size of the project and the significance of its effects on the environment.</p> <p>The Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment as amended was transposed by the Act 425/2016 on Environmental Assessment of plans and programs and of projects. The most recent consolidated version is Act 1976/2021. The Ministry of Transport and Building has transposed separate legislation concerning major road-, bridges- and railway projects and the Ministry of Food, Agriculture and Fisheries has transposed separate legislation concerning intensive livestock breeding projects.</p>
Protection and restoration of biodiversity and ecosystems.	See Appendix D in <i>The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities</i> .	

¹⁸ <https://mim.dk/media/223007/handlingsplan-for-cirkulaer-oekonomi.pdf>

¹⁹ EU Directive 2011/92/EU as amended by the EU Directive 2014/52/EU

²⁰ EU Directive 2001/42/EU

The EU Birds and Habitats directives are implemented in Denmark and, through the latest update of the Biodiversity strategy, the Natura 2000 is considered to be fully implemented. If activities are located in areas that are especially environmentally vulnerable or contain special natural assets that need protection, a full EIA will normally be required.

Not applicable for roof top solar systems.

Source: Ministry of Taxation, Ministry of Climate, Energy and Utilities and Ministry of Environment.

Table 6**Registration tax (Reduced registration tax for low-emission and zero-emission vehicles)****Appropriation Account**38.22.03.10 (tax expenditure)²¹**Expenditure Category**

Clean transportation

EU Taxonomy Economic Activity

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

NACE Codes

H49.3

EU Taxonomy Technical Screening Criteria**Alignment with Technical Screening Criteria**

The activity complies with the following criteria:

(a) 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.

(b) 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.

Tax exemption for zero- and low emission vehicles aimed at promoting the purchase of these types of vehicles.

The re-prioritisation of the registration tax for green cars includes:

- (i) zero emission vehicles
- (ii) vehicles with emissions up to 50gCO₂/km.

Climate change mitigation

DNSH Criteria**Alignment with DNSH Criteria**

See Appendix A in *The EU Taxonomy as adopted by the Commission on June 4, 2021 in the Delegated Act for climate change mitigation and climate change adaptation activities*.

Climate change adaptation

²¹ The two expenditures are calculated separately from the budget act and are based on estimates from the Ministry of Taxation.

Sustainable use and protection of water and marine resources

N/A

Transition to a circular economy

Vehicles of categories M1 and N1 are both of the following:

- (a) reusable or recyclable to a minimum of 85 per cent by weight;
- (b) reusable or recoverable to a minimum of 95 per cent by weight.²² 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.

The Ministry of Environment in Denmark does not possess data on the reusability or recyclability of vehicles of categories M1 and N1 specifically. However, due to the weight and slightly lower recyclability of batteries, it is likely that the vehicles of category M1 and N1 will be slightly less recyclable than other vehicles.

The Ministry of Environment in Denmark does not possess data on the reusability or recoverability of vehicles of categories M1 and N1 specifically. However, it is likely that the vehicles of category M1 and N1 will have the same level of recoverability as other vehicles.

In Denmark, it is a requirement that end-of-life vehicles must be handled by approved auto scrapers. Despite this, it is estimated that the illegal market for car scrapping (including illegal exports etc.) accounts for 20-25 per cent of all scraps in Denmark. Measures are however in place to ensure that end-of-life vehicles are handled by approved auto scrapers: A scrapping allowance scheme, where car owners can receive a scrapping allowance, when the scrapped car is handed over to an approved and registered car wrecker

The reduced registration tax for low-emission and zero-emission vehicles might lead to an increased number of vehicles instead of more efficient use of a reduced number of vehicles.

²² As set out in Annex I of Directive 2005/64/EC of the European Parliament and of the Council of 26 October 2005 on the type-approval of motor vehicles with regard to their reusability, recyclability and recoverability and amending Council Directive 70/156/EEC (OJ L 310, 25.11.2005, p. 10)

Pollution prevention and control	<p>Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval²³ set out in accordance with Regulation (EC) No. 715/2007.</p> <p>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.²⁴</p> <p>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).</p> <p>Vehicles comply with Regulation (EU) No 540/2014 of the European Parliament and of the Council.²⁵</p>	<p>Directive 2009/33/EC and Regulation (EU) No 540/2014 are transposed in Danish legislation.</p> <p>Regulation (EC) No. 715/2007 is implemented in Denmark.</p> <p>Regulation (EU) 2020/740 related to tires is implemented in Denmark, and tire suppliers and distributors must comply with the requirements laid out in the regulation, i.a. related to labelling and testing of tires.</p>
Protection and restoration of biodiversity and ecosystems.	N/A	

Source: Ministry of Taxation, Ministry of Environment and Ministry of Transport.

²³ Commission Regulation (EU) 2018/1832 of 5 November 2018 amending Directive 2007/46/EC of the European Parliament and of the Council, Commission Regulation (EC) No 692/2008 and Commission Regulation (EU) 2017/1151 for the purpose of improving the emission type approval tests and procedures for light passenger and commercial vehicles, including those for in-service conformity and real-driving emissions and introducing devices for monitoring the consumption of fuel and electric energy (OJ L 301, 27.11.2018, p. 1)

²⁴ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles (OJ L 120, 15.5.2009, p. 5).

²⁵ Regulation (EU) No 540/2014 of the European Parliament and of the Council of 16 April 2014 on the sound level of motor vehicles and of replacement silencing systems, and amending Directive 2007/46/EC and repealing Directive 70/157/EEC (OJ L 158, 27.5.2014, p. 131)

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