

**Analysis conducted by DZ BANK on behalf of  
the Federal Ministry of Finance**

# **Update of the Green Federal Securities Issuance Programme**

**Assessment of the Taxonomy-  
alignment of selected Budget Items  
based on the 2025 Federal Budget**

May 2026

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# 1 Introduction

This ex-post assessment (hereinafter also referred to as the ‘assessment’ or ‘Taxonomy assessment’) analyses selected budget items of the transport sector from the 2025 federal budget (Bundeshaushalt 2025). In particular, the assessment looks at the extent to which the underlying projects and volumes can generally be assumed to be aligned with the EU-Taxonomy for Sustainable Economic Activities (hereinafter also referred to as “Taxonomy” or “EU-Taxonomy”).

Basis for this assessment is the so-called budget item profiles (“Titelsteckbriefe”), which were created for each individual budget item and filled out by the respective departments of the federal ministries on a best effort basis. The budget items analysed for this Taxonomy assessment are exclusively attributable to the Federal Ministry of Transport (Bundesministerium für Verkehr – “BMV”) and were completed by the responsible departments. These provide information not only on (eligible) expenditures or reporting metrics, but also on the nature of the respective projects when it comes to the EU-Taxonomy:

This information is used to identify the relevant economic activity (or activities) of the EU-Taxonomy into which the projects or project categories can be classified (“Taxonomy-eligibility”). This finding serves as a basis for analysing whether the criteria for a Substantial Contribution (hereinafter “SC-criteria”) to an Environmental Objective (as defined in the EU Taxonomy) can be met. This would establish partial Taxonomy-alignment in the first step.

In order to identify a potential full Taxonomy-alignment, this assessment also provides findings for the fulfilment of the remaining criteria, where available (in accordance with the Taxonomy Regulation ([EU 2020/852](#))):

- i) do no significant harm to the other five Environmental Objectives (“Do No Significant Harm criteria”; hereinafter also “DNSH-criteria”),
- ii) compliance with the “Minimum Safeguards” (also referred to as “MS”).

For a full Taxonomy-alignment, the respective economic activity has to fulfil these three conditions (see Figure 1):

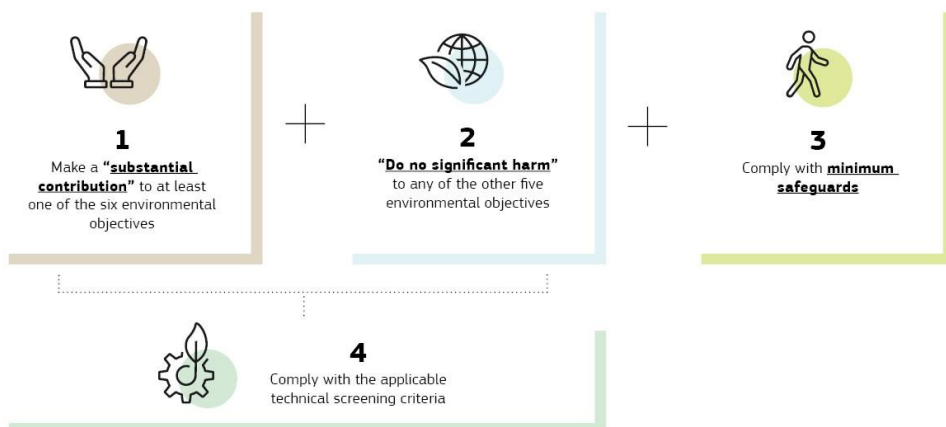


Figure 1: Elements of a Taxonomy-Alignment (Source [EU Commission 2026](#))

The underlying methodology of this assessment for providing evidence is partially based on a general approach: in particular, the recurring DNSH-criteria and the universally applicable MS are not addressed at the project level but based on European and national legislation and obligations. These analyses are sometimes supported by legislation or conventions at state level. If certain criteria are not met or if relevant information is unavailable, this is stated transparently in this Taxonomy-assessment. The objective of this evaluation is not to achieve the highest possible level of Taxonomy-alignment, but rather to ensure maximum transparency regarding the analysed budget items.

## 2 Fulfilling the Minimum Safeguards

The fulfilment of the Minimum Safeguards, which is necessary for (at least a partial) Taxonomy-alignment, applies equally to all economic activities. Specifically, the EU-Taxonomy refers to the following international initiatives and conventions, as stated in Article 18 ('Minimum Safeguards') of the EU Taxonomy Regulation:

*„(1) The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.*

*(2) When implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of ‘do no significant harm’ referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.”*

### 2.1 OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

As a founding member, the Federal Republic of Germany signed the [Convention of the OECD](#) and has been a member state ever since. Membership in the OECD is linked to the implementation of the principles and guidelines issued within this organisation, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

### 2.2 UN Guiding Principles on Business and Human Rights

A similar principle applies to the consideration of the [UN Guiding Principles on Business and Human Rights](#). According to the [website](#) of the Federal Ministry for Economic Cooperation and Development (BMZ): *‘Companies have a significant influence on the implementation of human rights worldwide. To emphasise corporate responsibility, the UN Human Rights Council adopted the UN Guiding Principles on Business and Human Rights in 2011. They have three pillars:*

- *Every nation is obligated to establish the political and legal frameworks for businesses and investments to ensure the protection of human rights and labour standards.*
- *Companies should establish procedures to avoid, mitigate, or remedy potential adverse impacts of their business activities on human rights [...].*
- *Persons whose human rights have been violated by companies must receive effective remedy.’*

To implement the UN Guiding Principles, the German Federal Government adopted the National Action Plan for Business and Human Rights (‘Nationaler Aktionsplan Wirtschaft und Menschenrechte’ – ‘NAP’) back in 2016. The Supply Chain Due Diligence Act (‘Lieferkettensorgfaltspflichtengesetz’ – ‘LkSG’) at the national level (since 2023) and the Corporate Sustainability Due Diligence Directive (CSDDD) at EU level (since 2024) create binding requirements for companies above a certain size to implement human rights and environmental due diligence obligations in their supply chains. These obligations are subject to governmental review and are partly sanctionable. The NAP clearly defines the scope and expectations for the implementation of the Guiding Principles, without linking a

(governmental) review mechanism to this expectation (NAP, p.7): *'The German Federal Government expects all companies to introduce the process of corporate due diligence with regard to the respect for human rights, as described below, in a manner appropriate to their size, sector, and position in the supply and value chain.'*

### **2.3 Core Labour Standards of the International Labour Organisation (ILO)**

For the sake of assuring decent work (in addition to international human rights treaties), the EU-Taxonomy stipulates as a further element of the MS the fulfilment of the *"Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO, [...]"*. In 2022, the [International Labour Organisation](#) added an additional fifth fundamental principle to these fundamental principles and rights: a safe and healthy working environment is now also included. In total, ten conventions of the ILO now legally enshrine these five principles.

As a member of the ILO, Germany renewed its commitment to the organisation's fundamental structures and standards in 2019 by supporting the [ILO Centenary Declaration for the Future of Work](#). The ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) independently reviews at regular intervals whether the Federal Republic of Germany [complies](#) with the ten Core Labour Standards. The implementation of legally binding international requirements into national law, as well as its application, also plays a crucial role in this process. Cooperation *with the social partners* is also important in this regard.

### **2.4 International Bill on Human Rights**

In addition, the Taxonomy Regulation also requires compliance with the International Bill of Human Rights. This International Bill of Human Rights consists of the following [declaration and covenants](#):

- Universal Declaration of Human Rights
- International Covenant on Economic, Social and Cultural Rights
- International Covenant on Civil and Political Rights
- Optional Protocol to the International Covenant on Civil and Political Rights
- Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty

As stated on the website of the [United Nations Association of Germany](#): *'The Universal Declaration of Human Rights applies without exception and perpetually to all people – regardless of skin colour, gender, language, religion, political or other opinion, national or social origin, property, birth or other status.'* Although the Universal Declaration of Human Rights is not explicitly legally binding, its core elements are enshrined in [Article 1 of the Basic Law](#). Furthermore, in 1968, the Federal Government also ratified the above-mentioned two Covenants (including the respective Optional Protocols), which therefore became legally binding.

The implementation of the UN human rights treaties ratified by the Federal Republic of Germany is reviewed at regular intervals by the competent, independent treaty bodies. Their recommendations play an important role in assessing the extent to which these rights are actually implemented within the country's borders.

### 3 Recurring DNSH-Criteria

Another requirement for a Taxonomy-alignment is the avoidance of significant harm (DNSH) to other Environmental Objectives. Although these elements (may) differ from one economic activity to another, a recurring pattern is found throughout the EU-Taxonomy: references are often made to specific 'Appendices' or to specific thresholds that must be met (e.g., the processing of 70% of non-hazardous construction and demolition waste generated on the construction site for "reuse, recycling and other material recovery" – as part of the DNSH-criteria for the environmental objective 'Transition to a Circular Economy'). In the following paragraphs, these identified "recurring" DNSH-criteria are analysed and compared against the respective applicable legislation in order to derive a basis for demonstrating compliance at the most comprehensive level possible.

#### 3.1 Appendix A: Generic Criteria for DNSH to Climate Change Adaptation

To meet this criterion, physical climate risks (if any) must be identified using a robust 'climate risk and vulnerability assessment' based on individual steps (for more information, see [here](#), p. 140 'Appendix A'). The laws and regulations applicable in the Federal Republic of Germany specifically address the requirements listed in this appendix that apply to the projects examined here, provided they fall within the relevant scope. The following laws applicable within the Federal Republic of Germany are particularly relevant in this context:

##### 3.1.1 The Federal Climate Adaptation Act (Klimaanpassungsgesetz – [KAnG](#))

The aim of this law is to protect life and health, society, the economy and infrastructure, as well as nature and ecosystems, by preventing the negative effects of climate change, in particular the threat of damage, or (where this cannot be avoided) reducing them as far as possible. The Federal Government was required to present a preventive climate adaptation strategy by 30 September 2025. This was already done at the [end of 2024](#), well ahead of the actual deadline. Another core element of the KAnG is that the Federal Government must prepare a climate risk analysis based on the latest scientific findings and update it every eight years. The climate risk analysis is intended to serve as a systematic basis for climate adaptation, in particular for deriving necessary actions and as a basis for the Federal Government's action planning, and to consider medium and long-term climate scenarios for Germany. The aim of the climate risk analysis is to identify the areas of action, climate impacts and regions of Germany that are particularly at risk from climate change. Even though the individual elements of the KAnG have not yet been implemented, it serves as one basis for the fulfilment of the DNSH-criterion.

##### 3.1.2 Federal Building Code (Baugesetzbuch – [BauGB](#))

The latest version of the BauGB (Federal Building Code) contains comprehensive regulations on how to deal with climate change adaptation. The mandatory consideration of climate change adaptation, for instance, within the framework of urban land-use planning (Bauleitplanung), makes it one of the lines of argument for fulfilling this DNSH-criterion:

*'§ 1a Supplementary provisions on climate protection*

*(1) The following environmental protection provisions shall apply when drawing up urban development plans. [...]*

(5) *Climate protection requirements shall be taken into account both through measures that counteract climate change and through measures that serve to adapt to climate change.*'

### 3.1.3 The Environmental Impact Assessment Act (Gesetz über die Umweltverträglichkeitsprüfung – [UVPG](#))

Individual requirements which take into account the consequences of the ongoing climate change can also be found in the UVPG. For example, one element of the environmental impact assessment-report is defined under c) Possible causes of environmental impacts: *hh) the vulnerability of the project to the consequences of climate change (e.g. due to increased flood risk at the site) ("hh) die Anfälligkeit des Vorhabens gegenüber den Folgen des Klimawandels (zum Beispiel durch erhöhte Hochwassergefahr am Standort)"*). Particularly in the case of larger projects where an environmental impact assessment is mandatory, the UVPG can also be consulted **to support the argumentation for fulfilling** this DNSH criterion.

### 3.1.4 [Climate Impact and Risk Assessment 2021 for Germany](#)

As part of the national adaptation strategy, a climate impact and risk analysis is carried out every six years to identify and assess the risks associated with current climate change. This analysis provides scientifically substantiated information, such as climate projections, which are explicitly listed in Appendix A (for example, Appendix A states "*Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5*"). A glance into the Climate Impact and Risk Assessment for Germany shows that the RCP8.5 is one methodological baseline (p.25) "*The KWRA 2021 uses the 15th percentile of the RCP8.5 as the lower limit of possible changes and the 85th percentile of RCP8.5 as the upper limit.*"

### 3.1.5 Climate change adaptation laws and strategies of the federal states

Due to the federal structure of Germany, some federal states can also enact their own laws, which (in this case) also include climate protection and adaptation to climate change that is already taking place. This legal and/or strategic framework (which is valid at the state level) would apply (in addition to the laws/strategies at the federal level) to all projects in the respective federal state. The following is an exemplary overview of strategies and laws at state level:

- Baden-Württemberg: The state adopted a *Strategy for Adapting to the Consequences of Climate Change in Baden-Württemberg* ("*Strategie zur Anpassung an die Folgen des Klimawandels in Baden-Württemberg*") back in 2015. The *Baden-Württemberg Climate Protection and Climate Change Adaptation Act* ("*Klimaschutz- und Klimawandelanpassungsgesetz Baden-Württemberg – [KlimaG BW](#)*") was passed in 2023 and amended in August 2025, thereby implementing, among other things, §12 of the KAnG and thus obligating municipalities to draw up climate adaptation concepts.
- Bavaria: Already in May 2009, the Bavarian state government drafted the *Bavarian Climate Adaptation Strategy* (Bayerische Klima-Anpassungsstrategie – [BayKLAS](#)). The strategy was updated and further developed in 2016.
- Brandenburg: With the state government's decision on 16 November 2021 to develop a climate adaptation strategy, adaptation to the consequences of climate change has been established as

the second pillar of climate policy in Brandenburg. On 4 July 2023, the strategy for adapting to the consequences of climate change ([Strategie zur Anpassung an die Folgen des Klimawandels](#)) was approved by the cabinet. The state of Brandenburg is thus systematically and across departments preparing for the unavoidable consequences of climate change.

- Bremen: An *Adaptation Strategy to the Consequences of Climate Change in the State of Bremen* (Anpassungsstrategie an die Folgen des Klimawandels im Land Bremen) was already adopted in 2018. The update in the form of the *Climate Adaptation Strategy Bremen.Bremerhaven* ([Klimaanpassungsstrategie Bremen.Bremerhaven](#)) was published in July 2025. Bremen also has the “Bremen Climate Protection and Energy Act (BremKEG)” of 24 March 2015 (Brem.GBl. 2015, p.124), last amended in September 2025, which entered into force on 30 June 2025. In it, §13 obligates municipalities to describe action strategies for climate protection and adaptation to the consequences of climate change in urban development concepts.
- Hamburg: In February 2025, the Hamburg Senate adopted the comprehensive *Strategy for Adapting Hamburg to the Consequences of Climate Change* ([Strategie zur Anpassung Hamburgs an die Folgen des Klimawandels](#)). With this strategy, the Free and Hanseatic City of Hamburg is setting the course for the development of a climate-resilient city.
- Niedersachsen (Lower Saxony): has amended its [Climate Act with effect from 1 January 2026](#), thereby obligating certain municipalities to draw up climate adaptation concepts in accordance with § 12 of the KAnG.
- Nordrhein-Westfalen (North Rhine-Westphalia): The first *Climate Adaptation Act* ([Klimaanpassungsgesetz](#)) in Germany was passed by the state parliament of NRW in July 2021. It provides the legal framework for the climate adaptation process in North Rhine-Westphalia. In 2024, the state government published the *Climate Adaptation Strategy NRW* ([Klimaanpassungsstrategie NRW](#)) which describes 110 important measures that are currently being implemented.
- Sachsen-Anhalt (Saxony-Anhalt): The first strategy towards climate change adaptation was approved by the cabinet back in 2010. Following an initial update in 2013 and two implementation reports in 2019 and [2025](#), it was further updated. With a view to implementing the Federal Climate Adaptation Act (KAnG) of 20 December 2023 into state law, work is currently ongoing to draft a state climate adaptation act.
- Schleswig-Holstein: Schleswig-Holstein amended its Energy Transition and Climate Protection Act ([Energiewende- und Klimaschutzgesetz Schleswig-Holstein](#)) for the second time in March 2025, thereby implementing, among other things, § 12 of the KAnG, which obligates the federal states to require municipalities to draw up climate adaptation concepts."

Other federal states are also working on developing or updating strategies and laws towards Climate Change Adaptation. The exemplary list shown above supports the verification of the requirements of Appendix A at a comprehensive level, with reference to federal and state law.

### 3.2 Appendix B: Generic Criteria for DNSH to Sustainable Use & Protection of Water & Marine Resources

Similar to the DNSH criterion on Climate Change Adaptation, the EU Taxonomy refers to Appendix B with regard to the DNSH criterion 'Water' for most economic activities. This Delegated Act ([here](#): p. 142) states: *“Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders. [...]”*. The following legal frameworks show how this DNSH criterion is addressed.

#### 3.2.1 Water Framework Directive (WFD) (Wasserrahmenrichtlinie ([WRRL](#)))

The core element of this Appendix is Directive 2000/60/EC *establishing a framework for Community action in the field of water policy*. The WFD brings together the numerous individual directives of European law. In German legislation, the WFD is embedded in the Water Resources Act (Wasserhaushaltsgesetz – [WHG](#)), the Ordinance on the Protection of Surface Waters (Verordnung zum Schutz der Oberflächengewässer – [OGewV](#)) and the Groundwater Ordinance (Grundwasserverordnung – [GrwV](#)).

#### 3.2.2 The Environmental Impact Assessment Act (Gesetz über die Umweltverträglichkeitsprüfung – [UVPG](#))

Furthermore, Appendix B states: *„Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed“*. Consequently, the UVPG mentioned in the previous chapter also applies here, in particular the relevant passages referring to protection of aquatic habitats. The importance of water-related elements is emphasised in the UVPG by the classification of 'water' as a 'protected resource' (or 'protected asset') within the meaning of the law under §2(1).

#### 3.2.3 Federal Immission Control Act Bundes-Immissionsschutzgesetz ([BImSchG](#))

Another legislative element to be highlighted is the Federal Immission Control Act (BImSchG). The text of the law also lists 'water' as one element that may be affected by immissions, for example in Section §3: *‘Immissions within the meaning of this Act are air pollution, noise, vibrations, light, heat, radiation and similar environmental impacts affecting humans, [...] water, [...]’* The requirements to be taken into account also contribute to the consideration of this DNSH-criterion: *‘The purpose of this Act is [...] to protect water [...] from harmful environmental impacts and to prevent the occurrence of harmful environmental impacts.’*

### 3.3 Appendix D: Generic Criteria for DNSH to Protection & Restoration of Biodiversity & Ecosystems

Essentially, this DNSH criterion involves conducting an Environmental Impact Assessment (EIA) (or other similar assessment) in order to protect the biodiversity and ecosystems surrounding the project (if deemed necessary by a responsible authority), as mentioned [here](#) on p. 144: “*An EIA or screening<sup>1</sup> has been completed in accordance with Directive 2011/92/EU. Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.*”. The following is a list of key legal points for addressing the requirements set out in this Appendix.

#### 3.3.1 The Environmental Impact Assessment Act (Gesetz über die Umweltverträglichkeitsprüfung – [UVPG](#))

Appendix D also refers to the European Directive on the assessment of the effects of certain public and private projects on the environment (2011/92/EU), which was transposed into German law by the UVPG. The text of the law defines precisely whether and when an environmental impact assessment is required. It also contains specifications on the individual steps of the procedure and how such an assessment should be structured (methodology, etc.). Therefore, the UVPG is considered sufficient to fulfil this DNSH criterion.

#### 3.3.2 Federal Nature Conservation Act (Bundesnaturschutzgesetz – [BNatSchG](#))

Furthermore, Appendix D also considers special requirements for biodiversity-sensitive areas such as the Natura 2000 network or UNESCO World Heritage sites. In the Federal Nature Conservation Act, the EU nature conservation instruments are transposed into national law, such as the Birds Directive ([Directive 2009/147/EC](#)) and the Fauna-Flora-Habitat Directive ([Directive 92/43/EEC](#)).

#### 3.3.3 Federal Immission Control Act Bundes-Immissionsschutzgesetz ([BImSchG](#))

In particular, §5 *Obligations of operators of installations requiring approval* lists requirements to ensure, for example, that ‘*harmful environmental impacts and other hazards, significant disadvantages and significant nuisances for the general public and the neighbourhood cannot be caused*’. Furthermore, the BImSchG also refers to the above-mentioned UVPG (e.g. in §10 (10)).

#### 3.3.4 Federal Building Code (Baugesetzbuch – [BauGB](#))

The protection of biodiversity, and thus the consideration of biodiversity-sensitive areas, is implemented in the BauGB by incorporating environmental and nature conservation matters into urban land-use planning; for example, the impacts on biological diversity (§1 (6) No. 7 a BauGB) and the conservation objectives and protective purpose of Natura 2000 sites within the meaning of the Federal Nature Conservation Act (§1 (6) No. 7 b BauGB) must be taken into account in the balancing of interests. Furthermore, the BauGB also excludes the application of certain regulations in, for example,

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<sup>1</sup> The procedure through which the competent authority determines whether projects listed in Annex II to Directive 2011/92/EU is to be made subject to an environmental impact assessment (as referred to in Article 4(2) of that Directive).

biodiversity-sensitive areas such as Natura 2000 sites, see § 249c *for the designation of acceleration areas for onshore wind energy*.

### **3.4 Summary**

The Federal Republic of Germany has a solid legislative framework for meeting the generic DNSH criteria of the EU Taxonomy. This is achieved through the direct adoption of European laws as well as through national regulations at federal and state level.<sup>2</sup>

#### Climate Change Adaptation (Appendix A)

These include the (sometimes regular) analysis and assessment of physical climate risks, which is precisely where European and national climate change adaptation strategies come into play. Climate Change Adaptation is firmly anchored in urban land-use planning and EIAs. This allows the vulnerability of projects to climate impacts to be evaluated so that appropriate (preventive) measures can be implemented. The federal structure of the Federal Republic of Germany also enables the federal states to develop their own supplementary measures and strategies for climate change adaptation (some might be even stricter than the already ambitious plans at federal level).

#### Sustainable Use and Protection of Water and Marine Resources (Appendix B)

The Sustainable Protection and Use of Water Resources are ensured by a comprehensive set of regulations in Germany. These regulations combine European water directives and transpose them into German law. The focus is on preserving water quality, preventing water shortages and ensuring that water bodies remain in good condition. EIAs play a key role here, as they evaluate the effects of projects on water bodies and explicitly consider water to be a resource worthy of protection.

#### Protection and Restoration of Biodiversity and Ecosystems (Appendix D)

To protect biodiversity and ecosystems, many projects are subject to an EIA. These assessments evaluate the environmental impact of a project and require remedial and compensatory measures – especially in sensitive areas such as the Natura 2000 protected areas which are often listed in the EU Taxonomy. National nature conservation laws implement European regulations and directives for the protection of species and habitats and integrate biodiversity protection into various sectors, such as urban land-use planning.

Based on this analysis, it becomes clear that Germany has established a strong and comprehensive legislative framework through a complex structure of its own laws and the implementation of European directives. This indicates compliance with the generic DNSH criteria of the EU-Taxonomy.

### **3.5 DNSH Criterion to Circular Economy (generic / recurring)**

The recurring requirement here refers to non-hazardous construction and demolition waste generated on the construction site, specifically: *“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*

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<sup>2</sup> Appendix C of the Delegated Acts is not relevant for this analysis, as the manufacturing of components is not included here.

*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. 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.”*

Against the background of these requirements, it should be stressed that the waste hierarchy in Germany always applies and is enshrined in law in the Circular Economy Act (Kreislaufwirtschaftsgesetz – [KrWG](#)) ( especially in §6 *Waste Hierarchy*). According to the KrWG, §14(2) states: *The preparation for reuse, recycling and other material recovery of non-hazardous construction and demolition waste, with the exception of naturally occurring materials marked with waste code 17 05 04 in the annex to the Waste Catalogue Ordinance, shall amount to at least 70% by weight from 1 January 2020 at the latest.* (“*Die Vorbereitung zur Wiederverwendung, das Recycling und die sonstige stoffliche Verwertung von nichtgefährlichen Bau- und Abbruchabfällen mit Ausnahme von in der Natur vorkommenden Materialien, die in der Anlage zur Abfallverzeichnisverordnung mit dem Abfallschlüssel 17 05 04 gekennzeichnet sind, sollen spätestens ab dem 1. Januar 2020 mindestens 70 Gewichtsprozent betragen.*”). Also here, referring to the national legislation (which largely implements the EU Waste Framework Directive) would be justified, as it is legally binding. As additional general evidence of the recyclability rate for construction and demolition waste, the report [Waste Management in Germany 2025](#) can be consulted. It states (pp. 4-5): “*The management infrastructure comprises 14,500 facilities, achieving high rates of recycling for municipal waste (67 percent), production and commercial waste (around 70 percent) and construction and demolition waste (almost 90 percent).*”. This shows that the thresholds set out in the KrWG are by far exceeded in the Federal Republic of Germany.

In summary, it can be stated that for certain DNSH-criteria, particularly in the circular economy (as with construction and demolition waste), the EU Taxonomy sometimes defines specific thresholds without always directly referencing a specific EU regulation or directive. Nevertheless, compliance with these requirements is comprehensively ensured by German legislation. This is achieved by implementing European directives into national law, such as the Circular Economy Act (Kreislaufwirtschaftsgesetz – KrWG), which incorporates the required thresholds.

### **3.6 DNSH Criterion to Pollution Prevention and Control (specific)**

#### **3.6.1 Federal Immission Control Act (Bundes-Immissionsschutzgesetz – [BlmSchG](#))**

Another, often recurring DNSH criterion for preventing and reducing environmental pollution is measures “[...] *to reduce noise, dust and pollutant emissions during construction or maintenance works.*”. Also in this case, the requirements of the BlmSchG can be applied, as they explicitly address

*air pollution, noise, vibrations and similar impacts*. The following paragraphs are particularly to be highlighted in this context:

- § 41-43 contain specific provisions for the construction of public roads, railways, magnetic levitation trains and trams, which aim to reduce environmental impacts such as noise and vibrations.
- Part 6 of the BImSchG (§47 a-f) transposes the [EU Environmental Noise Directive 2002/49/EC](#) into German law. It regulates noise reduction planning, including the preparation of noise maps and noise action plans, in order to prevent, avoid or reduce the harmful effects of environmental noise from major roads, main railway lines and large airports.

## 4 Fulfilment of SC-Criteria along selected budget items

This chapter lists a series of selected budget items (Titelsteckbriefe) from the ‘Transport’ sector. For each budget item or the consolidated budget items, it is explained how the respective SC criteria are verified. For clarification: the verification is carried out (due to the sometimes high granularity of the underlying projects) not at the project level, but at the level of the budget item or project category / categories. All project categories listed below address the environmental objective ‘Climate Change Mitigation’ and are located within the Federal Republic of Germany.

The text passages listed in the following chapters are taken from the German-language version of the Delegated Act on the first two environmental objectives, ‘Climate Change Mitigation’ and ‘Climate Change Adaptation’ ([Commission Delegated Regulation \(EU\) 2021/2139](#) of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives).

### 4.1 Economic Activity: Infrastructure for personal mobility, cycle logistics

One part of the Eligible Green Expenditures from the financial year 2025 can be classified into the Taxonomy-activity ‘6.13. Infrastructure for personal mobility, cycle logistics’. The description of this economic activity is as follows: *“Construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.”*

Furthermore, the underlying projects make a Substantial Contribution to Climate Change Mitigation as they meet the following SC-criterion: *“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.”*

The laws, regulations and (supporting) proxies listed in Chapter 3 above address all DNSH-criteria applicable to this economic activity (Appendices A, B, D; requirements for reuse / recycling, and noise / vibrations). Consequently, for the listed budget items, full Taxonomy-alignment is inferred:

Chapter	Title	Description
6092	891 04	Funding programme for bicycle parking garages at railway stations
1210	882 91	Grants to Länder for the construction of cycle highways
1210	882 92	Financial assistance to the Länder for the Cities and Rural Areas (Stadt und Land) programme for investments in cycling
1210	891 91	Funding of pilot projects in the area of cycling – subsidies to Länder and other public-law entities

1210	891 92	Subsidies for the upgrading and expansion of the German Cycling Network (Radnetz Deutschland)
1201	746 22	Construction of cycle paths including maintenance (federal highways)

#### 4.2 Economic Activity: Infrastructure for rail transport

The second Taxonomy-activity underlying this assessment is '6.14. Infrastructure for rail transport. The infrastructure for transporting goods and people is an essential part of remodelling the transportation sector ("Verkehrswende") and the associated idea of shifting people and goods from road to rail. The budget items listed below contain projects that can be classified into this Taxonomy-activity, based on its description: „Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.". The Substantial Contribution is made by the fact that all projects meet at least one of the criteria in Point 1, and the corresponding rail infrastructure is not exclusively dedicated to the transport or storage of fossil fuels (Point 2)<sup>3</sup>:

„1. The activity complies with one of the following criteria:

(a) 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;

<sup>3</sup> Cf. also the definition of exclusions in the Green Bond Framework of the Federal Republic of Germany (2026): "In addition, expenditures that are materially related to nuclear energy and expenditures for activities directly related to the exploration, extraction, promotion, manufacturing, distribution, refining, transport and storage of fossil fuels are excluded."

*(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.”*

Similar to the topics cycling and walking, the underlying projects here also meet the DNSH criteria (Appendices A, B, D; requirements for reuse/recycling and noise/vibrations), based on the laws, regulations and proxies highlighted above in Chapter 3. It should also be noted that a distinction is made from ‘public transport’ in the sense of local or short-distance regional transport (referring to Taxonomy- activity ‘6.15. Infrastructure enabling low-carbon road transport and public transport’). Long distance train traffic (or, in a broader sense, supra-regional transport) is the central topic of the following budget items. Any exclusive dedication to fossil fuels is excluded. Consequently, complete Taxonomy-alignment can be assumed:

<b>Chapter</b>	<b>Title</b>	<b>Description (and explanation)</b>
1210	891 51	Construction cost subsidies for investments in the non-federal rail infrastructure:  The projects relate to investments in public, non-federally owned railways. These relate exclusively to infrastructure for long-distance transport. At least one of the SC-criteria is met.
1210	892 41	Grants to private companies for investments in combined transport:  In order to shift more freight transport from road to rail and inland waterways, the federal government is promoting investment in combined transport-transshipment facilities operated by private companies. This budget item exclusively covers projects relating to combined freight transport – the focus here is on the transshipment of goods.
1210	892 42	Investment subsidies to private companies to fund the construction, expansion, reactivation and replacement of sidings and other rail freight facilities:  The projects underlying this budget item focus exclusively on long-distance transport, especially freight transport. Typically, the ‘last mile’ to the respective companies is financed here. At least one of the requirements of the SC criteria is met.

6093	891 13	<p>Construction cost subsidies for maintaining the federal rail infrastructure</p> <p>The railways refer to long-distance transport and interregional transport. Especially based on §8 ('Investments') of the Federal Railway Expansion Act (Bundesschienenwegeausbaugesetz – <a href="#">BSWAG</a>), the SC criteria for economic activity 6.14 of the EU taxonomy are considered to be fulfilled here.</p>
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### 4.3 Economic Activity: Infrastructure enabling low-carbon road transport and public transport

The following budget items focus on local public transport (a consistent distinction from long-distance or supra-regional transport is made). The projects correspond to the description of the Taxonomy activity „6.15. Infrastructure enabling low-carbon road transport and public transport“: *„Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.“*. Furthermore, the Substantial Contribution is addressed by the fact that at least one of the following requirements is met (together with the exclusion of infrastructure intended exclusively for the transport or storage of fossil fuels):

*„1. The activity complies with one or more of the following criteria:*

- 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);*
- 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) the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.“*

An additional DNSH-criterion regarding ‘Protection and Restoration of Biodiversity and Ecosystems’ applies to this economic activity: *“Mitigation measures have been implemented to avoid wildlife collisions.”*. These requirements are also regulated in the Federal Republic of Germany (where applicable) by a series of laws and regulations:

- Federal Nature Conservation Act (Bundesnaturschutzgesetz – [BNatSchG](#)): In particular §44 of the law contains requirements for the protection of animal and plant species. Infrastructure measures must comply with the relevant provisions. An assessment for the protection of species is required during planning and the approval of projects in order to check whether species (relevant to the project) are affected. Furthermore, also §39 (‘General protection of wild animals and plants; authorisation to issue statutory instruments’) addresses these provisions. Potential measures against invasive species (as also required by the EU-Taxonomy) are explicitly addressed by the BNatSchG in §40a ‘Measures against invasive species’.
- Environmental Impact Assessment Act (Gesetz über die Umweltverträglichkeitsprüfung – [UVPG](#)): When it comes to avoiding collisions with wild animals, parts of the UVPG are relevant, such as §2

(‘Protected Resources’): This paragraph explicitly defines ‘*animals, plants and biological diversity*’ as protected resources according to the law. It means that the impact on wild animals must be taken into account in every environmental impact assessment (EIA). In addition, §16 (‘EIA reports’) should also be mentioned here, which regulates the content of the respective EIA reports (which must be provided by the project developer). Among other things, this paragraph specifies the description of the project- and location-characteristics, which are intended to exclude, reduce or compensate for any significant adverse environmental impacts of the project. This point is directly applicable to measures for the prevention of wildlife accidents.

- Furthermore, the ‘Federal Concept for Green Infrastructure’ (Bundeskonzept Grüne Infrastruktur – [BKGI](#)) also applies: although this concept is not legally binding, it serves as a guideline and in the form of technical recommendations. The concept consolidates the expert contributions of nature conservation and landscape management for use in spatially relevant federal policy areas and thus provides important environmental information. In addition, where applicable, this nationwide perspective supports stakeholders at the state, regional and municipal levels in the appropriate classification and assessment of individual areas, elements and functions of green infrastructure.

In conclusion, it can be said that this DNSH-criterion can be considered as fulfilled for the respective infrastructure projects. Below are the budget items for which full Taxonomy-alignment is assumed:

Chapter	Title	Description (and explanation)
1206	882 02	Financial assistance to the Länder (German federal states) for rail-bound local public transport infrastructure:  Based on a higher energy efficiency and high degree of electrification per passenger kilometre transported, public transport has significantly lower GHG-emissions compared to individual car transportation. An exclusive dedication to fossil fuels is excluded.
1206	891 01	Investment subsidies for public transport projects to Deutsche Bahn AG and companies majority-owned by the federal government:  The underlying projects mostly address electrified local public transport. In exceptional cases, infrastructure elements of ‘interregional nature’ may be included. These few projects would meet all SC-criteria as well (even if they can be conceptually classified under Taxonomy activity ‘6.14 Infrastructure for rail transport’). Consequently, exclusive classification under 6.15 is more appropriate. Here, too, there is no exclusive dedication to fossil fuels.

#### **4.4 Economic Activities: ‘Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)’ + Infrastructure enabling low-carbon road transport and public transport**

Part of remodelling the transportation sector (‘Verkehrswende’) involves promoting infrastructure for e-mobility. This includes refuelling and charging stations in public places (which are accessible to the

general public) as well as inside buildings and on (parking) spaces belonging to buildings. Both types are addressed by projects in the following budget item. Consequently, the division between public and non-public (private) use means that two economic activities from the EU Taxonomy apply: “6.15. Infrastructure enabling low-carbon road transport and public transport” and “7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)”. While for the first economic activity the SC-criterion “*the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations [...]*” applies, substantial contribution to the Environmental Objective 'Climate Change Mitigation' for the latter is addressed by the “*Installation, maintenance or repair of charging stations for electric vehicles.*”. For both economic activities, the DNSH criteria as highlighted above can be considered fulfilled. Accordingly, full Taxonomy-alignment is also assumed for the following budget item:

Chapter	Title	Description (and explanation)
6092	893 02	Grants for the construction of refuelling and charging infrastructure

#### 4.5 Non-investment Measures: No Taxonomy-Eligibility

Although the following budget items relate to cycling, the projects are not investment measures. They are for example measures to increase the attractiveness of cycling in the form of information and communication campaigns, competitions, or similar. It cannot be excluded that individual investment measures are included in the budget items, however, due to the fact that the majority of expenditures are for non-investment measures and are of a highly granular nature, neither Taxonomy-eligibility nor Taxonomy-alignment is assumed (in line with the principle of prudence):

Chapter	Title	Description (and explanation)
1210	632 91	Implementation of the National Cycling Plan (Nationaler Radverkehrsplan) – grants to Länder and other public-law entities
1210	686 91	Implementation of the National Cycling Plan – subsidies to companies under private law

## 5 Conclusion

As shown, budget items from the transport sector hold great potential for Taxonomy-alignment. In particular, projects regarding cycling as well as local and long-distance rail transport indicate a full Taxonomy-alignment. Budget items that contain non-investment projects serve as the final analysed example for an inability to demonstrate Taxonomy-eligibility (where, for example, pure information campaigns are financed regarding cycling). The following is a tabular overview of the 15 analysed budget items in terms of their Taxonomy-eligibility and -alignment:

Chapter	Title	Description	Taxonomy-Eligible	Taxonomy-Aligned
6092	891 04	Funding programme for bicycle parking garages at railway stations	✓	✓
1210	882 91	Grants to Länder for the construction of cycle highways	✓	✓
1210	882 92	Financial assistance to the Länder for the Cities and Rural Areas (Stadt und Land) Programme for investments in cycling	✓	✓
1210	891 91	Funding of pilot projects in the area of cycling – subsidies to Länder and other public-law entities	✓	✓
1210	891 92	Subsidies for the upgrading and expansion of the German Cycling Network (Radnetz Deutschland)	✓	✓
1201	746 22	Construction of cycle paths including maintenance (federal highways)	✓	✓
1210	891 51	Construction cost subsidies for investments in the non-federal rail infrastructure	✓	✓
1210	892 41	Grants to private companies for investments in combined transport	✓	✓
1210	892 42	Investment subsidies to private companies to fund the construction, expansion, reactivation and replacement of sidings and other rail freight facilities	✓	✓
6093	891 13	Construction cost subsidies for maintaining the federal rail infrastructure	✓	✓
1206	882 02	Financial assistance to the Länder (German federal states) for rail-bound local public transport infrastructure	✓	✓

1206	891 01	Investment subsidies for public transport projects to Deutsche Bahn AG and companies, majority-owned by the federal government	✓	✓
6092	893 02	Grants for the construction of refuelling and charging infrastructure	✓	✓
1210	632 91	Implementation of the National Cycling Plan (Nationaler Radverkehrsplan) – grants to Länder and other public-law entities	x	x
1210	686 91	Implementation of the National Cycling Plan – subsidies to companies under private law	x	x

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