



Corporate Knights Sustainable Economy Taxonomy -- EU Taxonomy Concordance

June 2024

The Corporate Knights [Sustainable Economy Taxonomy \(CKSET\)](#) is highly aligned with the [European Union Taxonomy for Sustainable Activities \(EUTSA\)](#). As detailed in the attached concordances.

There is alignment or qualified alignment for 95% of the EU eligible activities in the EU Mitigation taxonomy, 90% in the EU Adaptation and Circular Economy taxonomies, 100% alignment in the EU Water taxonomy, 67% in the EU Pollution Prevention and a 50% alignment for the EU Biodiversity taxonomy. This concordance has been developed to enable both Corporate Knights staff and companies reporting under the EU taxonomy to incorporate EU qualified revenue and investments in the appropriate tiers of the Corporate Knights reporting system.

Corporate Knights Sustainable Economy Intelligence

Corporate Knights' [Sustainable Economy Intelligence](#) provides business leaders and investors with the information they need to align their business strategies and portfolios with the opportunities in sustainable production that are increasingly driving global economic growth. By quantifying corporate revenues and expenditures that align with the sustainability transition, our data and analytical products provide our clients with the highly granular, internally consistent, and comprehensive information they need to make the choices that will keep them on the leading edge of the global trend toward a sustainable economy.

At the heart of our value proposition is the [Corporate Knights Sustainable Economy Taxonomy \(CKSET\)](#). Now in its eighth edition, this concise, fully transparent and accessible set of criteria covers every sector of the economy and can be applied anywhere in the world to identify the products and services that align with sustainability. (Quite different from conventional ESG, the focus of our Sustainable Economy Intelligence is on how companies make their money and how they spend their capital.) Our research staff pores over reports from and about thousands of the world's largest and most impactful companies, and systematically and even-handedly quantifies the percentage of each company's revenue and capital expenditures (including R&D and acquisitions) that align with CKSET.

Through our online data portal and direct communication, we also engage with hundreds of experts and data providers from global companies, to ensure our data is complete and accurate. There are over 2,000 companies for which we have conducted annual reviews from 2019 forward, making our

Sustainable Economy Intelligence a world leading platform for analysis of trends and patterns in sustainable business.

The CKSET-EU taxonomy concordance

In 2020, the European Union first published the climate mitigation section of its [taxonomy for sustainable activities](#), and since then has continued to add sections and expand its scope. While restricted in its geographical coverage to the European Union, and much narrower in its sectoral coverage than the Corporate Knights’s Sustainable Economy Intelligence, where the two frameworks do overlap there is a high degree of alignment of sustainability definitions and criteria.¹

A growing number of companies operating in Europe are reporting revenue and investments that conform to the EU taxonomy, and we have developed a concordance to specify the alignment of the EU taxonomy with the CKSET and to thereby facilitate the use of data developed for EU taxonomy reporting purposes to also be incorporated in Corporate Knights’s Sustainable Economy Intelligence database. The full concordance table (with the Mitigation, Adaptation, Water, Circular Economy, Pollution Prevention, and Biodiversity taxonomies) is available via the [Sustainable Economy Intelligence resources](#) section of our website.

How to Read the Concordance

The concordance between the EU taxonomies and the Corporate Knights Sustainable Economy Taxonomy is available on the Corporate Knights website. The following describes the contents of each of the five columns in the concordance table.

Column 1 -- EU Activity No.

The concordance for the EU taxonomy is organized according to the defined activities used by the EU taxonomy, with one row in the concordance table for each EU-defined activity. The first column of the concordance contains the number used for the activity in the EU taxonomy system.

Column 2 -- Activity

This is the short description of the activity, as provided in the EU taxonomy.

Column 3 -- Relevant CKSET Tier

CKSET is a two-tiered set of sustainability definitions, as illustrated in Table A. This column indicates under which tiers of CKSET the EU defined activity is situated. For example, the EU taxonomy “Activity 3.10 – Manufacture of hydrogen” is situated under “Tier 1 – Renewable Energy, Tier 2 – Green hydrogen”. That is the location in CKSET where one will find the criteria that Corporate Knights applies in evaluating the sustainability of hydrogen produce.

¹ Corporate Knights is monitoring the development and application of dozens of national and regional taxonomies, most of which are derivative of the EU taxonomy, and most of which focus mainly on climate mitigation rather broadly on sustainability. To date (June 2024), very few of them are operational and there is very little company data being reported under these emerging taxonomies. As companies begin to report under these taxonomies in their respective countries and regions, we will incorporate that data in our database to the extent it aligns with CKSET, and we will publish concordances for them as needed.

Column 4 – CK Taxonomy Alignment with EU

This column specifies the extent to which the EU criteria for the activity are aligned with CKSET, and there are several possible entries:

- Aligned:** This indicates that if the activity meets the EU screening criteria specified in the EU taxonomy that it also is accepted as sustainable in the Corporate Knights system.
- Aligned(e):** Under the EU taxonomy reporting system, revenue and investment for any of the identified activities is “eligible” for being qualified as sustainable but must meet screening and other criteria before being certified as aligned with the EU taxonomy. In some cases, an activity will be accepted by Corporate Knights as sustainable without having to also conform to the additional (often European specific) screening criteria used in the EU taxonomy. These activities are marked “Aligned(e)” in this column. For example, “Activity 4.3 -- Electricity generation from wind power” is marked “Aligned(e)” because wind power generation is counted as sustainable in the CK system, without regard to other conditions applied in the EU taxonomy.
- Aligned*:** This indicates that CKSET is generally aligned with the EU screening criteria for this activity but there are either some exceptions or qualifications to the alignment, or that Corporate Knights requires some additional information beyond that necessary to report under the EU.
- Not aligned:** EU-defined activities that are not included in the CK Sustainable Taxonomy.

Column 5 – Exceptions, qualification of alignment, or additional information requirements of CKSET

When the entry in Column 4 is asterisked -- Aligned* or Aligned*(e) – this column provides a brief explanation of the qualification to the alignment or the additional information required by Corporate Knights. A fuller explanation of the Corporate Knights sustainability criteria for the activity will be found in CKSET itself, at the Tier 1 – Tier 2 location specified in Column 3. For example, “Activity 4.13 – Manufacture of biogas and biofuels for use in transport and of bioliquids” is marked “Aligned*”. CK criteria specify that biofuels must be made from feedstock that is sourced from waste streams, with the details specified in CKSET under “Tier 1 – Renewable energy, Tier 2 – Sustainable biofuels”

Table A. Structure of Corporate Knights Sustainable Economy Taxonomy Version 8.0 (2024 Revision)

Tier 1	Buildings	Renewable Energy	Vehicles	Primary Production	Green Products	Water, waste & eco-restoration	Telecom, IT, & Media	Essential Medicine	Finance and Insurance	Business Services
Tier 2	Design and Construction	Solar Photovoltaics	ZEV – Zero-Emission Vehicles	Sustainable Agriculture	Cleaning Products, Paints	Water Supply and Distribution	Sustainable Broadband, Wireless and Wireline Services	Essential Medicines	Loans and Mortgages	Buildings
Tier 2	Own or Manage	Wind Power	Charging or Refuelling Infrastructure	Sustainable Cement	Fabrics and Apparel	Water-Efficient Technologies	Internet Infrastructure, Cloud-Based Services and Equipment	Medical Equipment	Institutional and Client Investments	Renewable Energy
Tier 2	HVAC Equipment	Hydropower	Sustainable Vehicle Supply Chain	Sustainable Steel	Organic Food, Protein and Dairy Alternatives	Water Treatment and Quality Monitoring	Software	Health Services	Bond Underwriting and Advisory Services	Vehicles
Tier 2	Building Materials	Other Renewable Electricity	Active Transportation Infrastructure	Sustainable Aluminum	Biodegradable and Cradle-to-Cradle Products	Wastewater Treatment	Media	Other	Environmental Insurance Services	Primary Production
Tier 2	Climate Adaptation and Resilience	Sustainable Biofuels	Climate Adaptation and Resilience	Sustainable Forest Products	Products Made from Recycled Materials	Organic Waste Treatment	Sustainable Telepresence Services		Other	Green Products
Tier 2	Other	Green Hydrogen	Other	Sustainable Mining	Eco-Certified Products	Material Collection, Recovery and Recycling Technology	Green Logistics			Water, Waste and Eco-restoration
Tier 2		Other Non-Electric Renewables		Sustainable Inorganic Chemicals	Product as a Service	Pollution Reduction and Prevention	Climate Adaptation and Resilience			Telecom, IT & Media
Tier 2		Energy Storage and Batteries		Sustainable Organic Base Chemicals	Low-Carbon Products and Technologies	Ecosystem Restoration or Sustainable up	Other			Essential Medicine
Tier 2		Transmission of Sustainable Energy		Sustainable Plastics	Semiconductors and Chips	Carbon Capture and Storage				Finance and Insurance
Tier 2		Smart Grid Technology		Climate Adaptation and Resilience	Packaging	Climate Adaptation and Resilience				Other
Tier 2		Climate Adaptation and Resilience		Other	Climate Adaptation and Resilience	Other				