

Regulation (EU) 2020/852 of the European Parliament and of the Council of
18 June 2020 on the establishment of a framework to facilitate sustainable
investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance)

CHAPTER II

ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES

Article 10

Substantial contribution to climate change mitigation

1 An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, by:

- a generating, transmitting, storing, distributing or using renewable energy ^{F1}..., including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid;
- b improving energy efficiency, except for power generation activities as referred to in Article 19(3);
- c increasing clean or climate-neutral mobility;
- d switching to the use of sustainably sourced renewable materials;
- e increasing the use of environmentally safe carbon capture and utilisation (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions;
- f strengthening land carbon sinks, including through avoiding deforestation and forest degradation, restoration of forests, sustainable management and restoration of croplands, grasslands and wetlands, afforestation, and regenerative agriculture;
- g establishing energy infrastructure required for enabling the decarbonisation of energy systems;
- h producing clean and efficient fuels from renewable or carbon-neutral sources; or
- i enabling any of the activities listed in points (a) to (h) of this paragraph in accordance with Article 16.

2 For the purposes of paragraph 1, an economic activity for which there is no technologically and economically feasible low-carbon alternative shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5 °C above pre-industrial levels, including by phasing out greenhouse gas emissions, in particular emissions from solid fossil fuels, and where that activity:

- a has greenhouse gas emission levels that correspond to the best performance in the sector or industry;
- b does not hamper the development and deployment of low-carbon alternatives; and

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- c does not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.

For the purpose of this paragraph and the establishment of technical screening criteria pursuant to Article 19, [^{F2}the Treasury] shall assess the potential contribution and feasibility of all relevant existing technologies.

- 3 [^{F3}The Treasury must make regulations] to:
- a supplement paragraphs 1 and 2 of this Article by establishing technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation; and
 - b supplement Article 17 by establishing, for each relevant environmental objective, technical screening criteria for determining whether an economic activity in respect of which technical screening criteria have been established pursuant to point (a) of this paragraph causes significant harm to one or more of those objectives.

^{F4}4

[^{F5}5 The Treasury must establish the technical screening criteria referred to in paragraph 3 of this Article taking into account the requirements of Article 19.]

[^{F6}6 The Treasury must make the regulations in paragraph 3 above no later than 1 January 2023.]

Textual Amendments

- F1** Words in Art. 10(1)(a) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(a)**
- F2** Words in Art. 10(2) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(b)**
- F3** Words in Art. 10(3) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(c)**
- F4** Art. 10(4) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(d)**
- F5** Art. 10(5) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(e)**
- F6** Art. 10(6) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **78(6)(f)**

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Changes and effects yet to be applied to :

- Regulation power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 1](#)
- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)