

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 13

Substantial contribution to the transition to a circular economy

1 An economic activity shall qualify as contributing substantially to the transition to a circular economy, including waste prevention, re-use and recycling, where that activity:

- a uses natural resources, including sustainably sourced bio-based and other raw materials, in production more efficiently, including by:
 - (i) reducing the use of primary raw materials or increasing the use of by-products and secondary raw materials; or
 - (ii) resource and energy efficiency measures;
- b increases the durability, reparability, upgradability or reusability of products, in particular in designing and manufacturing activities;
- c increases the recyclability of products, including the recyclability of individual materials contained in those products, inter alia, by substitution or reduced use of products and materials that are not recyclable, in particular in designing and manufacturing activities;
- d substantially reduces the content of hazardous substances and substitutes substances of very high concern in materials and products throughout their life cycle,^{F1}... including by replacing such substances with safer alternatives and ensuring traceability;
- e prolongs the use of products, including through reuse, design for longevity, repurposing, disassembly, remanufacturing, upgrades and repair, and sharing products;
- f increases the use of secondary raw materials and their quality, including by high-quality recycling of waste;
- g prevents or reduces waste generation, including the generation of waste from the extraction of minerals and waste from the construction and demolition of buildings;
- h increases preparing for the re-use and recycling of waste;
- i increases the development of the waste management infrastructure needed for prevention, for preparing for re-use and for recycling, while ensuring that the recovered materials are recycled as high-quality secondary raw material input in production, thereby avoiding downcycling;
- j minimises the incineration of waste and avoids the disposal of waste, including landfilling, in accordance with the principles of the waste hierarchy;
- k avoids and reduces litter; or
- l enables any of the activities listed in points (a) to (k) of this paragraph in accordance with Article 16.

2 [^{F2}The Treasury must make regulations] to:

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- a supplement paragraph 1 of this Article by establishing technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to the transition to a circular economy; 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 established pursuant to point (a) of this paragraph causes significant harm to one or more of those objectives.

^{F3}3

[^{F4} The Treasury must establish the technical screening criteria referred to in paragraph 2 of this Article taking into account the requirements of Article 19.]

[^{F5} The Treasury must make the regulations in paragraph 2 above no later than 1 January 2024.]

Textual Amendments

- F1** Words in Art. 13(1)(d) 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(9)(a)**
- F2** Words in Art. 13(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(9)(b)**
- F3** Art. 13(3) 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(9)(c)**
- F4** Art. 13(4) 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(9)(d)**
- F5** Art. 13(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(9)(e)**

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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](#)