

Brussels, 24th September 2021

EBF Position on the EU Platform's Preliminary Recommendations for Technical Screening Criteria for the EU Taxonomy

General Comments and Key Messages

Introduction

The EBF welcomes the work being done by the EU Platform on Sustainable Finance to define the Technical Screening Criteria for the remaining environmental objectives of the Green Taxonomy.

The purpose of the Green Taxonomy and other Taxonomy-related initiatives, such as the draft reports on the Social Taxonomy and Extended Taxonomy, is to give more guidance for the uptake of sustainable finance, including through targeting greenwashing. This is an effort that the EBF strongly supports. Nonetheless, while banks have the duty to understand and comply with the regulations that are applicable to them, the length, depth, and complexity of the Taxonomy Regulation creates significant challenges.

Due to 'Know Your Customer' (KYC) legislation, banks are familiar with collecting client data for anti-corruption, anti-money laundering and anti-terrorism purposes. However, client data that will now be required to collect under the Taxonomy Regulation is far more extensive and therefore challenging for banks to manage. For example, some banks are active in many of the listed NACE code activities, making it very challenging for them to check taxonomy compliance for each.

Considering the above, we suggest that the European Commission make the TSC for the remaining environmental objectives more compact and more manageable – driven by the principles of practicality and usability.

Considering the multiplicity of different Taxonomy-related draft reports, technical compliance requirements and further forthcoming TSC (i.e., DA for CCM and CCA, draft reports on an extended Taxonomy incl. Harmful and NSI and Social Taxonomy), we would welcome that the Platform give a holistic picture of how they will fit together, and understand how a given company's given activity can be analysed across the lines of all these different taxonomies. We are moving towards a situation in which each dimension of the overall ESG framework will have several thresholds – for "Substantial Contribution" (SC), "Do No Significant Harm" (DNSH) and Minimum Social Safeguards (MSS) – the Platform proposal should focus on the practicalities of how this system will ultimately work, to ensure the conceptual and data framework is robust.

Key Messages

- **Usability:** Adequate attention should be given to usability and proper calibration in order to avoid an overly complex and/or costly reporting burden as well as not

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disadvantaging EU players or certain EU sectors. The TSC are very detailed and far from the day-to-day business of banks, so that it becomes nearly impossible to ensure proper compliance in a timely manner. Due to the length of the Taxonomy Regulation and related Delegated Acts, it becomes increasingly difficult to apply them and comply with the different disclosures requirements. Banks would need to verify compliance against the rules attached to several NACE codes /economic activities, for which clear instructions should be produced. The usability of the TSC is not given, due to the extensive list of criteria and confusion about NACE Codes contributing to different objectives. More confusion is created by the different methodologies for the environmental targets, that will make an implementation of the TSC in banking processes unrealistic.

The extensive set of criteria and mixed methodologies impede automated solutions to upscale sustainable finance solutions. Overall, the NACE code approach is difficult to apply, considering the systematic transformation perspective required for, for example, substantial contribution to the Circular Economy. Following this approach, it is very difficult to evaluate a company or a deal that proactively is involved/covers many different sectors, with the aim to create innovative products and business models. Finally for many activities with a substantial contribution to objectives other than Circular Economy, the DNSH impact on Circular Economy is not applicable.

- **Data availability:** The availability of data is one of our biggest concerns, especially about the 4 other environmental objectives (i.e. biodiversity-related data). As SMEs will likely be impacted by the Taxonomy, in accordance with the final scope of the CSRD proposal, they will face major challenges to produce, collect and report such data. The availability of data to comply with the TSC of the objectives 1-2 is already difficult to obtain from corporate clients, especially SMEs. This leads to difficulties in classifying activities as sustainable and financing with the appropriate “sustainable finance” instruments. We would therefore advocate for a more pragmatic approach for the design of the TSC for objectives 3-6. A consistent approach for all four EU environmental targets should be used in order to create a robust framework for data management.
- **Timing of the Taxonomy:** it is critical to have a realistic implementation timeline, whereby corporates would report ahead of financial institutions. For disclosures concerning these TSC, as granted in the DA on Article 8 of Taxonomy Regulation on climate, banks need a year gap in order to be able to collect, consolidate and validate their clients’ disclosures – we would thus call for taxonomy-aligned activities of non-financials to be disclosed in 2024, with reporting by banks expected in 2025. Provided that the Taxonomy should be the point of reference for other regulatory developments, in terms of targets and content, it is important to carefully consider the timing of real enforcement. As described above, the financial sector needs a huge amount of data to apply the Taxonomy and that data is not available so far. We envisage that the EU Sustainability Reporting Standards will become effective before banks need to use the Taxonomy. In addition, we would like to advocate to extend the publishing of the technical screening criteria for the four environmental objectives to 2023, to allow for incorporation of lessons learned from applying the climate mitigation and climate adaptation technical screening criteria. This is considering that mandatory reporting under the EU Taxonomy Regulation will apply as of January 2022 for climate change mitigation and adaptation and as of January 2023 for the four other environmental objectives (although we would advocate for a phased timeline, with FI reporting requirements

starting in 2025). As such, more time would be needed to fully incorporate lessons learned, including in terms of usability, gained from the first delegated act.

- **Additional support for banks and the real economy:** The different topics/six environmental objectives in focus of the report are very issue-specific. The European Commission should provide credit institutions with support, including on which data basis can credit institutions already work with (guidelines, KPIs, sector work done in other networks/context. As data is not yet conclusively available for many of the areas / sectors queried, the Commission needs to provide this additional support for implementation. The idea of a "Taxonomy Certificate" could be a reasonable way to support the uptake of the Taxonomy: a certificate that details all the required data and information to banks, and where it is evident how it has been audited. This could also prevent companies that don't fall under the NFRD/CSRD regulation from being confronted with different processes for the provision of taxonomy-related information to different stakeholders who eventually all make their own assessment. There is a need for clear guidance to companies in the real economy on how to present the alignment (or eligibility) evidence in practice to banks in connection with financing. Banks will generally have sectoral expertise, but may not possess the time nor the capability to handle and collect all technical more environmentally-gearred evidence, unless such is presented in a clear and structured format. Also, companies in the real economy could be instructed to report in that context on proxies they have used, to be reflected in the Certificate.
- **Harmonizing differing levels of granularity and clarity:** there are different levels of details provided for different economic activities, which should be harmonized. In addition, the final report should provide clarity on what is meant by the omission of certain DNSH indicators, especially when these are noted as "not in scope" (i.e. DNSH for climate mitigation or DNSH objectives 3,4,5,6).
- **Necessity for maintaining a dynamic framework, accommodating transitional activities:** This report uses the same approach as the one for the first two climate objectives: static, binary, very ambitious targets based on best performance. It will therefore cause similar problems. What we need is a transition taxonomy to accompany bank clients on a transition path, based on robust and verified transition plans.
- **Alignment with other regulatory developments:** The Taxonomy Regulation is intertwined with many other regulatory developments such as the proposed EU GBS, benchmark rules, SFDR, and NFRD/proposed CSRD. As Taxonomy disclosures are more or less dependent and otherwise linked on these different regulations, consideration should be given to the interrelationship between the different regulatory requirements and their order of implementation.

In terms of specific examples reflecting the operational difficulties of the issues mentioned above, the EBF would like to bring attention to the following questions:

- How can the NACE code be assessed, when allocated to 2 different objectives, as in the Platform proposal? In the case of buildings, for instance, L68 Acquisition and ownership of buildings is allocated to the biodiversity objective, whereas it is also allocated to climate change mitigation. In these instances, which TSC (for which environmental objective) should corporates and banks assess? Similarly, C10 and C11 (Manufacture of food products and beverage) are allocated to circular economy and biodiversity. Is the choice at the discretion of the corporate ?

- In the simple case where a NACE code is allocated to one single objective, are the DNSH of the other five objectives consistent with the TSC of these objectives ? How do the DNSH for the remaining objectives fit together with the DNSH for climate objectives? It would be highly appreciated if the Platform could complete the excel file ' EU Taxonomy Compass' with all 6 objectives, with all the NACE codes in line, and in column the thresholds of SC (many SC contain several different criteria – "Construction of new buildings" has 7), DNSH and MSS for each objective. A complete Taxonomy Compass excel file would help the Platform, the European Commission, the corporates and the banks to (i) check the consistency of the thresholds across the objectives, to (ii) anticipate whether the volume of data that corporates and banks should collect is manageable, and, if necessary, to (iii) simplify the criteria focusing on the most important ones.
- The activities covered in the new TSC are a 'first batch' considered to have priority (due to impact and possibility of improvement); the large part of the NACE codes are not the same as those for climate (eg. animal or crop production, digital solutions or disaster risk management in the climate change). But some are already covered by climate.

Feedback on the TSC for the Other Four Environmental Objectives

Introduction

While some TSC set specific targets as part of the criteria, others reflect a more holistic approach by defining criteria more generally, such as environmental management systems. This makes some criteria much more arbitrary than others. Additionally, some of these criteria require third party review, increasing the cost of financing/investing in such activities which could potentially lead to a decreased access to finance for those activities. We suggest to use one consistent approach for the technical screening criteria in regard to the third party review, to be clearly reflected as part of our previous proposal for a “Taxonomy Certificate”.

I. Substantial contribution & DNSH to protection and restoration of biodiversity and ecosystems

Biodiversity measurement practices and corresponding data frameworks are still being developed, requiring a long-term, dynamic approach in the standards and requirements linked to this topic. We encourage the Platform to **leverage on international public or private initiatives, and more specifically on the TNFD current work on biodiversity**, which is closely correlated with the water, circular economy and pollution objectives . The availability of high-quality data from the real economy is crucial, as financial institutions will be reliant on this information.

Additionally, as the level of granularity between different technical screening criteria differs greatly, we advocate to review the TSC in regard to level of granularity and to stick to one approach. An example are the rather specific thresholds for the crop production activity on the one hand, and on the other hand, the more general criteria for the conservation of habitats and ecosystems activity where the TSC is based on general plans such as a business plan and conservation management plan.

Moreover, some of the biodiversity criteria are much too complex compared to other criteria, complicating comprehension – such as , for example, the TSC for biodiversity for the activity of animal production.

Currently, often only one part of a larger value chain is considered in the Taxonomy. It would be valuable, in the future, to look at other aspects in the same value chain so that financing can help unlock more transformation.

Some of the TSC for biodiversity rely on audited environmental management systems. We would ,however, argue, that in order to allow less arbitrary standards, to use only very specific standards and not include environmental management systems in the TSC.

Lastly, there are only 8 activities that relate to the substantial contribution to protection and restoration of biodiversity and ecosystems. This is very limited ,as many activities can contribute to restoration of biodiversity. We would advocate for elaborating the number of activities that substantially contribute to the protection and restoration of biodiversity.

II. Substantial contribution to transition to a circular economy

Same line of thinking (assessment based on 'circular design' / 'circular use' / 'circular recovery' / 'circular support') compared to 'EU Categorization System for CE' which banks currently use to assess circular activities, that's positive.

As previously mentioned, the different level of detail / granularity in the different economic activities described is problematic: some should be simplified, others made more precise. For example, textiles (2.21) has dedicated 20 pages with very specific criteria to which the activity should comply to, which makes the framework overly complicated, including for reporting purposes.

On the other side of the spectrum, Section 5.1 on the Construction of new buildings and major renovations of buildings for the transition to a circular economy ((NACE Code F41) define SC requirements which might be quite impactful, but where the requirements are high level, such as:

- The asset contains at least 30% (by weight) of recycled content, re-used content, re-manufactured content and/or by-products
 - provided that this is in accordance with technical standards and;
 - provided that the CO2 emissions generated through the production process and the transportation of the recycled or re-used material are not higher than the CO2 emissions generated through the production process and the transportation of virgin material.

On the other hand, it accumulates additional criteria, such as:

- At least 90 % (by weight) of the non-hazardous construction waste generated on the construction site is prepared for re-use or recycling
- A life cycle assessment has been performed
- Construction designs and techniques need to support circularity
- National or international best practice design guidance on material efficiency must be used
- Components, materials in the construction must not contain asbestos

Digital tools that support extending service life and future adaptation must be used. And of course, in addition, there is a need to comply with the DNSH

- The DNSH of water (4 criteria)
- the DNSH of pollution
- the DNSH of biodiversity (3 criteria)
- the MSS

In the end, the activity is aligned if it meets 16 criteria.

The Focus is on 11 economic activities (please see Annex II), so it's not an all-encompassing approach to all sectors relevant for the circular economy:

- Sharing / PaaS models for cars/e-bikes/e-scooters are not covered.

- It seems that the EU Green Deal / New Circular Economy Action plan focus area “vehicles and batteries” is under represented.
- In the current EUT, manufacturing of batteries has its own section, now it’s scattered present under other activities (e.g. 2.15 Manufacture of motor vehicles... mentioning of batteries in DNSH transition to CE).

Do No Significant Harm (DNSH) criteria for the circular economy objective:

- Defined with a broader scope than the 11 economic activities.
- Not all DNSH criteria are defined in the draft version, such as 2.16 manufacture of other transport equipment.
- Example: Packaging is an important theme in EU Green Deal / New Circular Economy Action Plan.
 - However, packaging seems to be addressed by the users of packaging
 - such as the manufactures of Food & Beverages (2.19, p299) or textile / subscription models operated as e-commerce (2.21 section C, p360) .
 - In this line of thinking, action is required by the ones who use the packaging to pack their products (such as F&B companies).
 - And subsequently, not all packaging activities are covered
 - However, the manufacturing of plastic packaging do has its own section (2.5 Manufacture of plastic packing goods) in which the manufacturers are addressed. This makes it difficult to oversee all the packaging requirements.
- Next to focus on prioritizing renewable/recycled materials over virgin materials and end of life activities, also focus on ‘use phase’: repair, lifetime extension, extensive use through sharing / PaaS models. That’s positive.
 - PaaS models are mentioned in 2.21 Manufacture, repair, refurbishment and resale of wearing apparel, section C (p359) and in 14.1 Provision of electrical and electronic equipment through circular business models (p986)
 - However, in 2.21 there are no requirement/thresholds mentioned, in 14.1 there are (and quite ambitious):
 - The activity provides services that substantially increase the product’s lifespan in practice by 100% compared to the EU average products’ reference service lifetime as defined by EN 50693. OR The activity provides services that substantially increase product’s use intensity at least 100% more intensive practice by 100% compared to the EU average for that product’s use intensity.

Annex I

Usability & Data requirements - with a focus on construction of new buildings and major renovations of buildings for the transition to a circular economy

A large part of the balance sheet of banks consists of buildings. The usability of the technical screening criteria and DNSH criteria for buildings is therefore very important to banks. In this response we focus on this

- Banks have very limited access to information on the environmental quality of the buildings they finance
- The current criteria in section 5.1 (Construction of new buildings and major renovations of buildings for the transition to a circular economy) are extremely granular. There are seven Technical Screening Criteria and four DNSH criteria to be met simultaneously. Think of the percentage of recycling of waste at the construction site, the percentage of recycled materials, the water flush volumes in toilets or the hazardous substances used like formaldehyde. This is at least twelve data points per building.
- Mortgage clients that buy residential buildings in general do not know a lot about their home. They will know simple things like an energy label “climate change mitigation”, but they will normally not have detailed information that is needed for the screening.
- Borrowers that invest in commercial buildings are usually be SME companies, private real estate investors, or large real estate companies. Depending on sophistication of these companies, many of them will not have access to this type of detailed sustainability information either. Commercial real estate clients of banks already have problems to just provide the energy label, and if they do then it is often a label (like LEED, BREEAM, HQE) that does not match with the EUT criteria for climate change and circular economy.
- It will be extremely costly if possible at all to identify “circular economy” buildings according to this new draft delegated act in a mainstream lending process, especially the DNSH criteria. The volumes will be so low that this category will be not investible.
- Even when a bank would manually identify such circular buildings then selected loans may not withstand a “taxonomy” audit, unless it is there is a clear protocol on which evidence (which building related documents, such as a materials passport) must be collected from borrowers and then provided to the auditors

The EBF recommends, with respect to “construction of new buildings and major renovations of buildings for the transition to a circular economy”:

- to simplify the criteria, and adapt them for “mainstream” use, meaning that only essential criteria must be taken into account (the rest should be non-mandatory).
- Disclose which TSC and DNSH criteria are already implemented in regulations of each of the local EU member states and indicate clearly if the criteria go beyond existing regulation or not.
- Provide a list of documents on circular buildings that must be collected from borrowers and that can be provided to the auditors.

Data requirements

The taxonomy criteria for the four remaining environmental objectives is, perhaps even more than the taxonomy criteria for climate change, at the level of products associated with economic activities. The product level criteria makes the taxonomy impossible to implement in a manual way.

In Europe a 10 digit activity classification system is used¹.

- The first four digits are NACE, this is the industry level.
- The first six digits are CPA² (Classification of Products by Activity), this is the activity level.
- The first eight digits are PRODCOM³ or CN⁴ (combined Nomenclature), depending on use. This is the level of (tradable) goods and services (product level)
- The EU classification system is connected to similar international classification systems via correspondence tables

Table 1: The activity code for passenger cars is 6-digit. Hybrid, plugin and EV passenger cars can only be distinguished via 8-digit PRODCOM codes

NACE 4-digit	Industry level	CPA	Activity level (Product class level)	EU PRODCOM, 8-digit	Goods and services (Product Level)	and level
4-digit		6-digit		8-digit		
C29.10	Motor vehicles	C29.10.24	Passenger cars	C29.10.24.10	Hybrid vehicle	motor
C29.10	Motor vehicles	C29.10.24	Passenger cars	C29.10.24.30	Plugin -hybrid motor vehicle	
C29.10	Motor vehicles	C29.10.24	Passenger cars	C29.10.24.50	Electric Vehicle (100% electric)	motor (100%)

¹ https://ec.europa.eu/eurostat/ramon/index.cfm?TargetUrl=DSP_PUB_WELC

² CPA v2.1:

https://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=CPA_2_1&StrLanguageCode=EN&IntPckKey=&StrLayoutCode=HIERARCHIC

³ PRODCOM:

https://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=PRD_2019&StrLanguageCode=EN&IntPckKey=&StrLayoutCode=HIERARCHIC

⁴ CN 2020:

https://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=CN_2020&StrLanguageCode=EN&IntPckKey=&StrLayoutCode=HIERARCHIC

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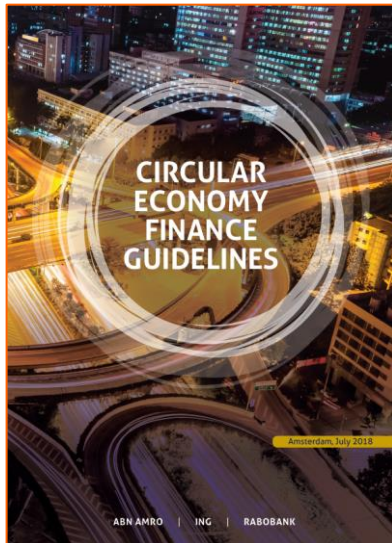
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Increasing clarity on activities contributing to the Circular Economy

2018

Financing Circular Economy starts with recognizing what Circular Economy is. The market lacked guidance on how to uniformly apply circular economy thinking in the process of providing debt and equity finance.

Therefore, ING drafted together with ABN AMRO and Rabobank, with buy-in and support of the Ellen MacArthur Foundation and the FinancE working group members the Circular Economy Finance Guidelines. Aim of these guidelines is to help **define, recognize and select circular economy initiatives.**



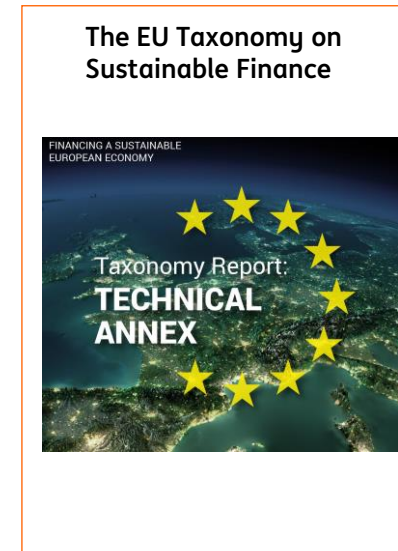
2020

In 2020, the EC Expert Group on CE finance published the categorisation system for the circular economy: A sector-agnostic approach for activities contributing to the circular economy. This **is a more detailed description of what can be considered as circular business.** The CE Finance Expert Group invites the EC and the Sustainable Finance Platform to consider the work as an input to the future work of the Sustainable Finance Platform on developing the EU Taxonomy on Sustainable Finance.



2022 (expected for CE)

The EU Taxonomy on Sustainable Finance **serves financing of environmentally friendly economic activities to ensure market consistency and clarity.** To be included in the taxonomy, a project must contribute substantially to one of the six environmental objectives, meet minimum social safeguards as well as pass the Do No Significant Harm criteria to the other five environmental objectives. CE is one of the environmental objectives. Currently DNSH, end of 2022 more detailed criteria will be embedded.



EU Taxonomy Regulation and Technical Screening Criteria

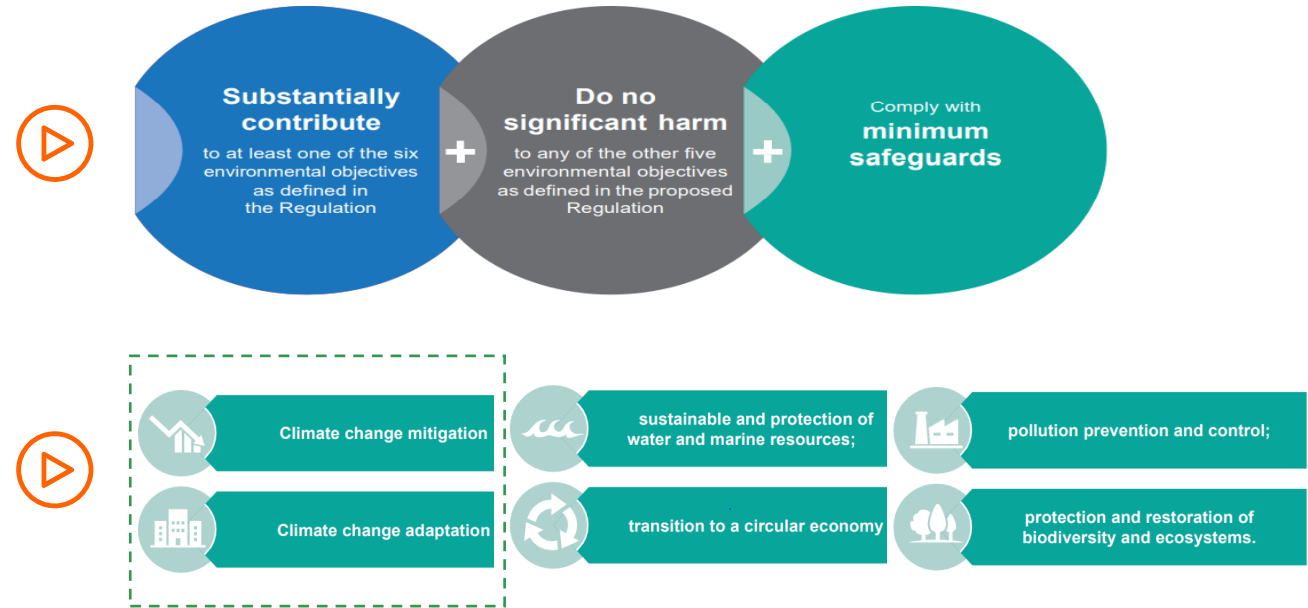
Currently, in the EU Taxonomy Regulation, there's a definition of Circular Economy (art 2) and a description (art 13.1) when an economic activity contributes substantially to the transition to a Circular Economy. It's identified as one of the six environmental objectives to which an activity should comply to qualify as environmentally sustainable.

Detailed Technical Screening Criteria which describes the requirements and thresholds to qualify as sustainable, are only available for Climate Change Mitigation and Climate Change Adaptation, the criteria for CE are expected end of 2021.

A draft version of the CE criteria are published now for public consultation.

To qualify as an environmentally sustainable activity, it must meet the following criteria

Six environmental objectives of the EU



Detailed Technical Screening Criteria:

A [first delegated act on sustainable activities for climate change adaptation and mitigation objectives](#) was approved in principle on 21 April 2021, and formally adopted on 4 June 2021

A second delegated act for the remaining objectives will be published in 2022.

A first draft version of the Technical Screening Criteria for the other four environmental objectives – including CE- is published for public consultation on 3 August 2021 and is open for review till 24 September 2021.

How is CE embedded in the TCS?

By defining high level categories



Circular design & production: design and produce products and materials with the aim of retaining long-term value and reducing waste; promoting dematerialization by making products redundant or replacing with radically different product or service;

Material use | 'design for recycling'

Circular use: life extension and optimized use of products and assets during use phase with the aim of retaining resource value and reducing waste to help improving usage and supporting service;

Lifetime extension | Intensive use

Circular value recovery: capture value from products and materials in the after-use phase;

Waste reduction | secondary raw materials, lowering pressure on virgin materials

Circular support: develop enabling digital tools and applications, education and awareness raising programmes, and advisory services to support circular economy strategies and business models

Enablers | support

Key indicators used to establish priority activities:

7 Key valuechains for CE in EU Green Deal / New Circular Economy Action Plan

Indicators	Plastic	Packaging	Electr & ICT	Vehicles & Batteries	Construction	Textiles	Food
Raw Material Consumption (RMC) impact							
Production impact							
Use phase impact							
Hazardous waste generation impact							
Non-hazardous waste generation impact							
Landfilling impact							
Manufacture of rubber and plastic products	X	X					
Manufacture of computer, electronic and optical products			X				
Manufacture of electrical equipment			X				
Manufacture of textiles						X	
Manufacture of wearing apparel						X	
Construction of buildings					X		
Manufacture of leather and related products						X	
Manufacture of food products		X					X
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials							
Civil engineering					X		
Manufacture of chemicals and chemical products	X						

Examples

	Buildings	Packaging	Textiles	Electronics
Circular Design & production	The asset contains at least 30% (by weight) of recycled content, re-used content, remanufactured content and or by-products	<p>Design for reuse: packaging can accomplish a minimum of 10 trips in rotation in a system for reuse.</p> <p>Design for Recycling: at least 85% of the total packaging by weight consists of material that is fully manufactured by mechanical or chemical recycling of post-consumer material</p>		
Circular Use			<p>repairing, refurbishment, and/or reselling used wearing apparel</p> <p>clothing rental and other product-as-a-service models for wearing apparel</p>	<p>Providing access to and use of electronic equipment. Complies with one of the two following options:</p> <ul style="list-style-type: none"> - subst. increase the product's lifespan in practice by 100% comp. to avg products' ref - idem with product's use intensity
Circular Value Recovery	At least 90% (by weight) of the non-hazardous waste generated on the construction site is prepared for re-use or recycling			
Circular Support	Digital tools that support preserving and extending service life and future adaptation and reuse have been deployed (BIM, Digital Twin, Material Passports)			

In annex more detailed criteria

Annex: EU Taxonomy Regulation, Art 13.1

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, in line with the objectives set out in Union law, 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.