eurima
European Insulation Manufacturers Association

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The EU Circular Economy Act: A supportive regulatory lever breaking down barriers to recycling and driving competitiveness

Executive Summary

The complexity of the construction sector means that isolated regulatory fixes will not be enough to unlock circularity and scale recycling up to the extend needed. For the mineral wool (MW) sector in particular – a sector that plays a strategic role in energy efficiency, decarbonisation and sustainable construction - the absence of a coherent, cross-cutting framework continues to hinder the scale-up of recycling and the development of robust markets for secondary raw material.

A combined and coordinated approach, building on the Construction Products Regulation (CPR) and ensuring alignment across major EU initiatives, is therefore indispensable. This includes the Circular Economy Act (CEA), the Single Market for Waste Strategy, the European Strategy for Housing Construction, and must be supported by a coherent interface between waste, chemicals and construction legislation. Only such an integrated framework can address the persistent economic, technological and regulatory barriers that are limiting the full development of circularity in the MW sector and the wider construction sector.

Aligning EU Frameworks to Unlock Circularity in the Construction Sector

Accounting for more than 10% of the EU's GDP and nearly one-third of industrial employment, the construction industry is not only fundamental to Europe's economy, it is also central to delivering on the Green Deal and the Union's circular economy ambitions under the new Clean Industrial Deal (CID).

At the same time, the construction sector's complexity requires tailored and well-designed policy tools to address remaining barriers and deliver targeted incentives. In this context, it is fundamental that the forthcoming Circular Economy Act (CEA), the Single Market for Waste Strategy and the European Strategy for Housing Construction go hand in hand to deliver an EU circular economy by detecting and removing barriers, harmonising rules, and streamlining procedures for waste management, secondary materials, and cross-border waste shipments. This will require identifying the right pressure-points in the existing regulatory framework to unleash recycling while preserving competitiveness and overall societal and environmental objectives. A coherent, consistent and mutually reinforcing waste-, chemicals-, and construction products regulatory framework has the potential to **transform the construction sector into a strong pillar of Europe's circular economy, drastically reducing waste, conserving natural resources, and creating new European markets for secondary materials**.

While the Construction Products Regulation (CPR) aims to harmonise EU construction product standards and promote circularity, the ambitions to increase secondary material use, are held back by a combination of regulatory, economic and technological barriers across Member States (MS).

A Real Single Market for Waste: The Structural Enabler of Circularity

Eurima has identified key barriers of economic, technological and regulatory nature:

Economic barriers such as the relatively low costs of landfilling across the EU represent a significant obstacle to achieving circularity. Cheap landfill-pricing makes alternative recovery options economically unattractive for businesses, discouraging investments in recycling infrastructure and resulting in secondary raw materials remaining more expensive than virgin materials.

Technological barriers concern issues such as the lack of effective sorting and separate collection schemes which lead to Construction and Demolition (C&D) waste often being contaminated and not suitable for recycling.

Regulatory barriers must be addressed by a uniform implementation of the new CPR to overcome persistent fragmentation and national deviations which today hinder the full potential of the Single Market. A major barrier is linked to the interface between EU Chemicals and Waste policies. A functioning internal market for secondary raw materials should allow for product-specific, problem solving approaches while respecting existing environmental, health, and safety frameworks. Improved alignment and simplification, where needed, among these legislations, and notably REACH, CLP (Classification, Labelling and Packaging) Regulation and the Waste Framework Directive (WFD), could remove administrative and regulatory barriers, while maintaining high European standards.

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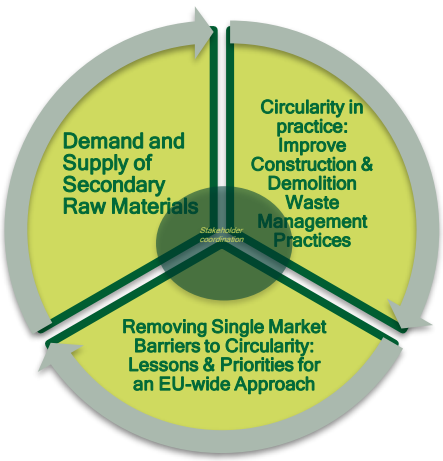
Effectively addressing the economic, technological and regulatory barriers as outlined above must thereby build on the **fundamental consideration that circularity can only succeed when a coherent and consistent EU regulatory framework is aligned with local ecosystems of coordination and cooperation.** From pre-demolition audits to the recycling and reuse of materials, progress depends on building robust, efficient and economically viable value chains that bring all key stakeholders together under shared objectives. Without such coordinated ecosystems even well-designed policies will fall short of unlocking the full potential of circular construction.

The Role of the Mineral Wool (MW) Industry in Sustainable Competitiveness: An industry with a long-standing commitment to recycling, innovation, and sustainable production

The MW industry is a strategic pillar of Europe's energy transition and a critical enabler of sustainable competitiveness. As buildings account for 40% of Europe's energy consumption, improving their energy performance is essential to reducing emissions, lowering energy use, and easing pressure on increasingly electrified grids. In this context, the MW industry plays a particularly vital role in enhancing Energy Efficiency, supporting EU climate targets, and shielding both citizens and industry from rising energy costs.

At the same time, MW production relies on high-temperature processes that are undergoing profound change. Manufacturers of MW are continuously investing in a comprehensive approach to environmental protection, decarbonising their manufacturing activities, shifting towards electrification and recovering and recycling secondary raw materials. Every tonne of MW produced today enables significant energy savings in buildings and increasingly integrates greener, low-carbon and more circular production practices that are steadily reducing raw material requirements and carbon emissions. Since 1990 the industry has reduced the carbon intensity of the manufacturing process by around 40%[1]. To fully unlock the full potential of our industry, construction and renovation cycles must become truly circular.

The following pages summarise the key action areas where existing barriers could be addressed at EU level. **The three main axes centred around the essential principle of stakeholder coordination:**



[1] Mineral wool insulation and the road to a climate neutral Europe (2021)

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1 | Demand and Supply of Secondary Raw Materials: Creating Market Pull for more Circular MW Products

Measures and instruments, harmonised definitions as well as common quality standards that boost EU recycling capacity for all materials are important to create a predictable market pull and stimulate investment. In order to develop economic incentives that stimulate private sector demand for secondary materials, a lead market for circular construction products, such as MW, is needed. It is of utmost importance to maintain a **level playing field** that facilitates and supports circularity for the whole construction sector and all construction products vital for Europe's sustainable transformation pathway and competitiveness agenda.

Key recommendations at a glance:

1.1. Ensure increased transparency on products' content

To enable effective reuse and recycling of construction products after long service life spans, it is essential to have full transparency on the substances and materials they contain. This requires detailed content declarations in a harmonised EU format, integrated into Digital Product Passports (DPPs), ensuring safe and efficient recovery at end-of-life[2]. A robust EU framework would not only standardise these disclosures but also link them to building logbooks and pre-demolition audits, creating a seamless data flow across the value chain.

Along with targets on reused, recycled, and by-product content, a clear and harmonised definition of what qualifies as reuse, recycled, and by-product content and a transparent methodology for its calculation, is highly recommended. Well-defined calculation methods for reuse, recycled, and by-product content of the different products shall be introduced in their revised harmonised standards. In this context, it is essential to ensure that the ambitions of the CPR are supported by clear and unambiguous regulation regarding circularity, starting from horizontal standards such as EN 15804.

1.2. Introduce Green Public Procurement (GPP) criteria that prioritise products with reduced carbon footprint, higher recycled content and recyclability, based on clear definitions and harmonised European standards.

GPP criteria need to take circularity requirements into account. For this, minimum thresholds for reused, recycled and by-product content should be set in products to stimulate demand for secondary raw materials and make recycling more economically viable. These thresholds could leverage GPP for buildings and accelerate the creation of a business case for circularity. Fundamental for this development is, however, the provision of harmonised definitions for modularity, recyclability, recycling, reuse, and by-product which, in the current situation, hamper progress.

1.3. Assess sustainability and circularity holistically, using comprehensive Life Cycle Assessment (LCA) methodologies to ensure a fair comparison between all material types based on actual environmental performance.

While we welcome the Commission's efforts to address the construction sector in a coordinated manner, we note a lack of attention to the essential harmonisation and enforcement of comprehensive LCA methodologies, covering stages A1 to C4, in EU legislation. Failing to adopt a full life cycle

[2] Inspiration can be drawn from established models like Health Product Declarations (HPDs) developed by Health Product Declaration Collaborative (HPDC) in the United States, adapted to European standards.

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approach when assessing emissions from products and buildings risks overlooking the benefits of improvements made in all stages of a product and building's life cycle, and does not provide impartial comparison between different material types based on actual environmental performance.

This has tangible consequences, both for the environment and for European economic growth. From a market perspective, a level playing field is fundamental to a competitive single market. A partial approach undermines incentives to invest in circularity, reuse, recycling, and operational efficiency, which may slow progress and risks shifting greenhouse gas emissions to future generations rather than addressing them comprehensively across the building life cycle.

In addition, confusion[3] in the market will increase costs and cause project delays across the construction sector. This will weaken affordability for citizens, run counter to the objectives of the Energy Performance of Buildings Directive (EPBD) and European Strategy for Housing Construction, and delay the delivery of affordable housing. Ultimately, it will slow the transition to a decarbonised building stock.

2 | Circularity in practice: Improve Construction & Demolition Waste Management Practices

The recovery of C&D waste generated during renovation or demolition/deconstruction projects is today a challenge for the whole construction industry. Yet, it is at the basis to enable a strong, European market for secondary raw materials.

Delivering on this vision requires more than regulatory adjustments or technological advances – it calls for a shared commitment and a change in mindset across society and industry. Ensuring that all actors are equipped with the knowledge, tools, and incentives to act will be key to turning circular ambitions into tangible outcomes. In this context, Eurima members strongly support EU and national initiatives aimed at raising public awareness and fostering a change in mindset towards a more circular economy. Regulation and industry efforts alone are not sufficient – achieving true circularity requires societal understanding, behavioural change, and new skills across all levels

Key recommendations at a Glance:

2.1. Promote progressively increasing costs for the landfilling of recyclable products, complemented by robust implementation of landfill restrictions and strong support for recycling capacity, market development, and traceability tools.

Despite a high recycling potential, MW and other construction materials still continue to be landfilled across the EU in too large volumes. This is due to various reasons, including the lack of availability of incentives for more circular solutions, the lack of visibility along the supply chain, the weakness of local eco-systems for the management of C&D waste, and the limited support towards alternative pathways. Eurima welcomes future proposals and policy measures of the European Commission that support the development of strong cross-border industrial eco-systems and supply chains, including those that encourage more circular solutions and progressively reduce reliance on landfilling.

In principle, recycling should not be more expensive than producing products only from virgin raw materials or non-recyclable products that can only be disposed in a landfill at negligible cost.

[3] A clear example of this confusion can already be seen in the revised EPBD secondary legislation and the misalignment between the rules guiding the setting of Global Warming Potential (GWP) limit values at MS level and those governing the calculation and reporting of GWP in Energy Performance Certificates. Differences in the life cycle stages required in each case could result in one GWP value being used for building permits, and a very different one appearing on the Energy Performance Certificate of the same building.

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Mechanisms that ensure recyclable products do not go to landfilling without sufficient scrutiny or alternatives, are needed.

2.2. Promote a standardised approach to waste collection and separation, supported by digital pre-demolition and pre-renovation audits, to improve recovery of construction products and enable resource-efficient deconstruction.

The lack of sorting and separate collection schemes mean that C&D waste is often contaminated and cannot easily be recovered and recycled. This bottleneck must be addressed through a standardised way of collecting and sorting that includes information about the different waste streams, encouraging the use of recyclable materials. In this context, we support the ambitions to foster the use of digital pre-demolition audits to ensure an effective implementation. Such tools hold great potential to identifying valuable waste streams early, enable deconstruction and sorting in function of the available waste streams, and improving separation of future secondary raw materials at source – transitioning towards a deconstruction that enables resource value retention. To realise this traceability potential, pre-demolition audits need to be implemented in a way that ensures they are not a simple "tick-the-box exercise". This means ensuring the quality of the data collection, as well as their effective use by all actors of the value chain, from the deconstruction site to the reuse/recycling of the recovered products.

2.3. Support measures that facilitate the establishment of trans-regional circularity hubs, in particular legal and digital enablers that can unlock economies of scale in collection, sorting, and recycling.

Simplifying and harmonising licensing and permitting procedures is crucial, as current national practices can be overly time-intensive, document-heavy, and restrictive, often requiring separate notifications for each job site and thereby limiting efficient aggregation of materials and the development of broader collection networks. A more streamlined and digitalised system would improve transparency, traceability, and efficiency across borders.

Reprocessing and recycling facilities may represent high capital expenditures and are better to be shared at a regional scale, possibly also over the borders of neighbouring countries. The facilitation and affordability of shipments of all C&D recovered MW waste towards these facilities is crucial to enable their recycling across the EU. As industry, our members are committed to put in place a tailored solution that ensures the secondary raw material is recycled into new, high quality products. Through the CEA and the European Strategy for Housing Construction, we see an opportunity to work with the Commission to create a robust and tailored solution for the MW industry.

3 | Removing Single Market Barriers to Circularity: Lessons & Priorities for an EU-wide Approach

To overcome barriers in MW recycling we need a holistic approach. To match growing demand for secondary raw materials with high quality supply that lives up to European quality standards there are several measures that would need to be put in place in parallel. They need to be combined while allowing the specificities of each material to be addressed and key barriers to be identified (see recommendations under point 2).

In this context, however, addressing waste legislation alone is not sufficient. Today, the interface between waste and chemicals legislation, particularly in relation to the CLP regulation, can create (administrative) barriers that hinder recycling and complicate the internal market. Without increased

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alignment, consistency and coherence between these systems, even well-designed waste-management instruments cannot deliver a functioning Single Market for secondary raw materials.

Key recommendations at a Glance:

3.1. To create coherence and consistency across the European Single Market, the European Commission must focus on aligning implementation of chemical legislation with removing regulatory barriers to recycling while maintaining high environmental and health standards and supporting the EU's green and industrial transition.

To build a genuine Single Market for waste and secondary raw materials in the EU, we urge policymakers to address the interface between chemicals and waste legislation. In a Union committed to circularity and global competitiveness, we cannot afford to let bottlenecks persist without constructive examination and a solution-oriented approach.

The MW industry has long-standing experience in recycling collected C&D MW waste and a strong commitment to environmental protection and EU safety standards. This is showcased by means of a strong stewardship and reflected in CLP classification. Recycling is already a reality, the challenge today lies in scaling it up while ensuring affordable, predictable and sound access to recycling pathways.

3.2. Systemic Barriers in EU Waste Legislation: Tailored and solution-oriented approaches

3.2.1. Lacking granularity in European Waste Codes: According to our experience, increased economic incentives, even if considered a strong and necessary driver - alone will not be enough. The MW industry has a longstanding tradition of promoting circular production processes. For over 30 years, industrial symbiosis has been a well-established practice[4]. Building on this experience, it is considered essential to assesses the advantages for more granularity in the existing waste code classification that will bring the needed level of complexity to waste management practices. In some countries, such as Austria this is already reality: In 2022 the national government introduced MW specific, separate waste codes[5].

3.2.2. EC work on End-of-Waste (EoW) criteria: As the EU develops a first set of EoW criteria for C&D waste, it is important that the expertise from all industries within the construction sector is acknowledged and considered. New rules should not advertently hold back innovation in recycling technologies in sectors not included in the current work of the Commission. The work must be grounded on clear, realistic assumptions as it lays the foundation for a meaningful and effective criterion that fosters high-quality recycling across all relevant waste streams. In this framework, simplification efforts on the EoW criteria and the development process, as presented by DG GROW in the European Strategy for Housing Construction, should take into consideration experience from the MW industry. A forward-looking legislative approach should recognise the valuable circular potential and existing technologies and support their scale-up, ensuring that all C&D waste streams contribute to Europe's circular economy. A comprehensive environmental cost-benefit analysis of different recycling

[4] For example, in GW members use cullet from the flat glass industry, which today can represent up to 80% of raw materials in some European plants. Above that, GW manufacturing produces so called *frits*. These pre-melted glassy granules are produced by melting a mixture of raw materials and the rapidly cooling it. They are reintroduced in the melting process and commonly used in the internal process. In SW production, on top of reintroducing pre-and post-consumer wool in the manufacturing of new wool, by-products from other industries - such as blast furnace *slag* and *briquettes* - are routinely upcycled on an industrial scale, reducing both the need for virgin raw materials and overall carbon emissions.

[5] Austrian Waste Codes developed at national level in Austria.

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approaches would provide valuable guidance to enhance recycling pathways that preserve material value, minimise the environmental impact of waste disposal and the need for virgin material extraction. This aligns with the broader ambition of the CPR and the Eco-design for Sustainable Products Regulation (ESPR).

3.2.3. Local and well-functioning Extended Producer Responsibility (EPR) schemes under a harmonised EU framework: Local EPR schemes can be a valid tool to advance circularity in the context of C&D waste practices. Existing national examples, such as the French EPR model, offer first valuable insights on waste collection, sorting, cleaning, and logistics to further improve efficiency and reduce emissions, alongside the need of specialized tools to ensure traceability of collected materials. However, challenges in national EPR schemes highlight important lessons that need to be addressed first. Issues such as the eco-tax structures that can unfairly disadvantage certain materials, collection frequency, transport cost allocation, and administrative complexity demonstrate the need to keep a local approach to their progressive implementation, possibly under a simple harmonised EU guidance.

3.2.4. Transborder shipments and the green-list of waste: To ensure a well-functioning internal market for recycling and secondary raw materials, it is essential that the European Commission provides legal clarification and, where necessary, complementary guidance to MS on the interpretation of the green-list of waste. This is necessary to ensure a consistent and harmonised interpretation of the current provisions, thereby facilitating intra-EU shipments of materials destined for recycling and supporting the development of a functional internal market for secondary raw materials.

3.3. Digitalisation of the EU integrated Market will only deliver efficiency if all MS apply the same rules and interpretations.

The Commission's upcoming Digital Waste Shipment System (DIWASS), as part of the digitalisation of procedures under the revised Waste Shipment Regulation (April 2024), is a good example of how digitalisation can be used to support harmonisation and add value for the Single Market. While digitalisation will simplify and streamline procedures, it must be underpinned by a shared understanding and uniform application of transborder shipments. Digitalisation must be implemented to secure full traceability of products and C&D waste, from pre-demolition audits through sorting, transport, reprocessing, and final reuse or recycling. As mentioned above, this requires embedding DPPs into building logbooks for new constructions and leveraging digitalised pre-demolition audits as a data foundation. Such tools enable transparent tracking along the entire value chain, improving resource recovery.

3.4. Providing a clear legal framework for the reuse of construction products.

While most MW products are expected to be recycled at end of life, certain market opportunities for reuse exist. Yet, reuse is not sufficiently covered under the CPR, and stakeholders continue to face considerable barriers linked to liability and insurance. In the absence of a clear and supportive legal framework, reuse will remain limited and economically unviable in the construction sector.

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Concluding remarks

The construction sector is central to Europe's pathway towards a competitive and climate neutral future. The MW industry thereby plays a critical part in delivering durable, high-performance and circular solutions. While recycling has already been part of our membership's practices, we see a pivotal moment to tackle persistent barriers to a real European Single Market for secondary raw materials to enable recycling at scale.

The missing link is clear: existing EU tools and initiatives, do not yet match the specific needs of construction value chains, including those of MW. Eurima examined the different instruments - from waste legislation to chemicals rules and Single Market proposals - and found that, as currently designed, they cannot provide the coherent, workable framework required to scale circularity on EU level in practice. Addressing this gap requires tailored, pragmatic solutions, consistent implementation across MS, and a policy framework that recognises the operational realities of our sector.

The mineral wool industry stands ready to contribute its technical expertise and long-standing experience to help shape effective EU solutions. With coordinated action and the right policy design, Europe can turn today's challenges into tomorrow's opportunities and lead globally in sustainable construction and circular value creation.

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About the European Insulation Manufacturers Association (Eurima)

Eurima (TR ID number: 98345631631-22) is the European Insulation Manufacturers Association, representing the interests of all major European mineral wool insulation producers.

Our industry members produce a wide range of mineral wool products for thermal and acoustic insulation, providing fire protection of domestic and commercial buildings and industrial facilities while offering innovative growing media and green-roofing solutions.

We are a science and research-driven organisation, communicating the benefits of mineral wool insulation while assisting our members in fields such as product standardisation and EU-focused issue monitoring and management, helping them to stay informed and contribute to EU affairs relevant to mineral wool insulation products and the industry's licence-to-operate.

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