Circular Economy Act Position Paper

05 November 2025

We welcome the European Commission's initiative to consider the construction sector in its new Circular economy Act to be published in 2026. The construction sector plays a pivotal role in the European Union circular transition, yet it faces unique challenges that require a dedicated policy approach. Buildings and construction products have long lifespans, meaning circularity must be planned from the design stage to the anticipate material recovery decades later. The sector is highly fragmented, involving numerous actors across the whole value chain, including many SMEs. This complexity requires coordinated action, a clear regulatory framework, and substantial investment in training and upskilling thereby ensuring the effective contribution of all stakeholders to these new circular practices. Such an approach will allow us to reap the benefits of circular construction.

As EU policy instruments need to target construction products, buildings and construction ecosystems in a synchronised manner, we draw your attention to the following elements:

EU Single Market

The Construction Products Regulation (CPR) sets the rules for the marketing of construction products and their placing on the EU Single Market. Useful and transparent information to manage construction products' end of life shall be included in harmonised product standards and communicated in Digital Product Passports (DPPs). We lack clear and harmonised definitions of what can be classified as recyclable, reusable and recycled content.

The lack of a clear legal framework for reuse of construction materials creates uncertainty around liability and requirements to place reused products on the market. This gap has not yet been clarified by the 2024 CPR.

The lack of harmonisation across Member States (MS), particularly regarding End-of-Waste (EoW) criteria and waste classification, creates legal uncertainty and administrative burdens. This fragmentation hinders the development of a true Single Market for secondary raw materials and circular products.

Demand for more circular products is limited as building codes do not yet include circular requirements at building level. Today, these are mainly addressed through voluntary labelling schemes, and, to some extent, with some criteria in the EU Taxonomy. It is therefore very important to establish a harmonised framework for circularity:

- Harmonise EoW criteria to enable the free movement of Secondary Raw Materials (SRMs) and reduce administrative burdens. Materials that fulfil such criteria should be banned from landfills.
- Harmonise calculation methodologies for SRMs, recycled content, and by-products, to ensure consistency across the EU.
    - More precise definitions for recycled content in products, under harmonised construction product standards (hENs).
    - Content declaration to be included in the DPPs (to identify recycled content and substances in the products).
- Set clear EU and national reuse and recycling targets, differentiated by product or material fractions, combined with defined roles and responsibilities across the value chain in reaching the targets.
- Clarify legal status for reused products under the CPR, including liability and market access requirements.
- Introduce targeted, realistic recycled content requirements for selected product categories, based on market availability and performance criteria.
- Promote the use of circular and secondary materials through green public procurement and preferential taxation and include circularity criteria in the next revision of the Energy Performance of Buildings Directive (EPBD).

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Economic incentives

Economic incentives for circular construction include reduced material and operational costs, new revenue streams from material reuse and resale, enhanced asset value and longevity, job creation, and access to grants and tax incentives for sustainable practices. Circular approaches also create new markets for materials and increase resource efficiency, making businesses more competitive and resilient.

Raw materials and landfilling often remain the cheaper alternatives than recycled materials or valorisation routes, which distorts the market and discourages circular practices. The demand for circular products is still insufficient due to the absence of robust policy levers, such as mandatory circularity requirements for buildings or products, green public procurement criteria, and fiscal incentives (e.g. lower tax rates for products with recycled content). This limits the business case for investment in circular innovations and infrastructure.

Barriers to optimal Construction and Demolition Waste (CDW) management also include the lack of pre-demolition audits, limited infrastructure for selective sorting and reuse, and insufficient incentives for deconstruction over demolition. These challenges prevent the recovery of high-quality secondary materials. More so, EU targets for CDW valorisation by weight prevents a large portion of valuable CDW to enter the circular economy, whilst in some MS, local ecosystems are not yet in place to support circular value chains, starting at the jobsites. Clarifications on roles and responsibilities in achieving defined targets would be required.

Circular business models often face higher upfront costs and longer return on investment periods. In addition, logistical challenges, such as the lack of regional recycling hubs or reverse logistics systems, impede the efficient collection and processing of secondary materials. It would be laudable to promote deconstruction over demolition (at the end-of-life and during renovations) in guidelines and standards, together with on-site sorting and proper storage for valorisation

Awareness raising

Awareness of circular construction should be raised through education, policy, pilot projects, and collaboration among stakeholders. Key strategies include integrating circular principles into building design and urban planning, using digital tools like DPP, promoting Green Public Procurement (GPP), and developing training programs for industry professionals. Awareness-raising should also include communication of verified performance through CE marking and declarations of performance.

Secondary Raw Materials (SMRs)

SRMs in circular construction encompass both recycled content and by-products. Using SRMs in construction helps reduce reliance on primary non-renewable resources, lowers the amount of waste sent to landfill, can contribute to reduce embodied carbon emissions, and decreases the environmental impact of new building projects. It is important to boost the integration of SRMs in new products where possible. However, this should come with the requirement that the products should be recyclable when they reach their end of life. Not every product can integrate such principles and deliver its required performance, which must remain the ultimately important for construction products. For products that can do, such measures should be facilitated. Integration of SRMs must be guided by product-specific technical feasibility and long-term durability requirements

By-products

By-products are materials that are secondary outputs from one production process that serve as a resource in construction. These are a key part of closing material loops, which reduces waste and the need for virgin resources. By-products should only be used in construction when they demonstrably meet equivalent performance and safety requirements to conventional raw materials.

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End-of-Waste criteria

EoW criteria define when waste has been sufficiently processed to be considered as a product or SMR, ceasing to be waste. In circular construction, these criteria ensure that recyclates like CDW meet specific quality, safety, and technical standards for their intended use, promoting a level playing field with primary raw material and enabling their use in new products. To meet EoW criteria, the SRM must be commonly used for specific purposes, have an existing market or demand, be lawful to use, and not cause adverse environmental or health impacts.

A harmonised EU-level approach to EoW criteria is essential to ensure uniform market access and legal certainty for manufacturers.

Cross-border shipment of CDW (incl. hazardous waste) shall be simplified when destined for recycling, reducing administrative burdens while maintaining environmental safeguards.

Extended Producers Responsibility

Extended Producer Responsibility (EPR) is a policy that holds producers financially and/or physically accountable for the end-of-life management of their products. EPR can play a valuable role in improving circular construction if it is applied in a targeted and proportionate way. It should address market failures, i.e. situations where voluntary or market-based systems cannot deliver effective collection or recycling. A harmonised EU framework is essential to avoid market fragmentation and ensure a level playing field. It could:

- Include mandatory (digital) pre-demolition/renovation audits.
- Develop sorting and collection facilities across the EU, including logistics.
- Provide defined End of Waste (EoW) and By-product EU classification.
- Reward recyclability, durability, and verified recycled content through eco-modulated fees.
- Recognise and build upon industry-led schemes, avoiding monopolies.
- Guarantee transparency in fee setting and ensure that funds collected are used exclusively for circular-economy objectives, such as recycling infrastructure and innovation, rather than general taxation.

Applied in this way, EPR can become a genuine driver of investment, innovation in circular construction, not merely an administrative or fiscal burden. Such a framework could set out a timetable and targets enabling Member States to implement the most appropriate process for achieving the objectives, based on national market characteristics and the maturity of its infrastructure.

EPR schemes support the development of local ecosystems along the waste value chain, from jobsites down to reprocessing and recycling facilities. They contribute to mutualise costs and increase the economic viability of new circular services.

EU-level guidance for EPR schemes for CDW shall be developed, learning from lessons from existing schemes (in FR and NL), including:

- Guidelines on aligning eco-modulation criteria with existing EU legislation (e.g. CPR, ESPR)
- Long-term visibility on eco-contribution pricing to support investment planning

Support for the development of infrastructure for selective sorting, collection, and reuse/recycling, ensuring adequate coverage across MS. Existing voluntary or sector-led take-back schemes should be recognised as equivalent, provided they meet measurable performance outcomes.

Public Procurement

Public procurement for circular construction is a process where public authorities purchase construction works, services, and products with a focus on circular economy principles, aiming to reduce waste and keep materials in use. This involves using tender criteria that prioritise durability,

high recycled contents, recyclability, reuse, and recycling, considering the entire lifecycle of a building from design to deconstruction, and incorporating sustainability and whole-life cost into the purchasing decisions. Circular public procurement criteria could balance environmental benefits with proven performance, durability, and cost-effectiveness.

Landfilling/incineration

Landfilling and incineration represent the end-of-life phases of a linear economy, which a circular economy seeks to avoid. Landfilling is the final disposal of waste on land, while incineration is the combustion of waste, often for energy recovery, but both are considered less desirable than reuse and recycling according to the waste hierarchy.

Circular construction focuses on preventing waste by reusing and recycling materials, designing for disassembly where the structural integrity is not at risk, and using sustainable products to create a closed-loop system. Banning landfilling for CDW would be an effective measure but only if the recycling and reuse legal framework would deliver quantitative and qualitative SRMs.

Increasing the cost of landfilling and moving towards a ban on the landfilling of recyclable materials are key to create a level playing field for more circular solutions. Any landfill restrictions should only be implemented where high-quality recycling routes are available and economically viable.

Pre-demolition audits

The circular transition is hindered by the absence of reliable, standardised data on materials used in buildings and their potential for reuse or recycling. The limited uptake of digital tools (e.g. digital twins, DPPs, pre-demolition audits…) limits traceability of materials throughout the building lifecycle, making it difficult to plan for future recovery and enable circular flows. Mandate pre-demolition audits and DPPs should facilitate reuse and high-quality recycling. Pre-demolition audits for circular construction are comprehensive surveys of existing buildings to identify and categorise materials for reuse, reclamation, and recycling, diverting waste from landfills and promoting the circular economy by recovering material value, reducing embodied carbon, and minimising new resource consumption. These audits serve as a crucial step in sustainable construction, enabling the identification of components for on-site or off-site reuse in new developments or other projects, thereby lowering waste management costs and supporting sustainable building practices. Pre-demolition audits could be digitally linked to product-level information through DPPs to facilitate material traceability.

A clear and structured EU regulatory framework is essential for the construction sector's circular transition. This approach will allow us to reap the benefits of a fully functional circular construction ecosystem. Construction Products Europe stands ready to share its expertise with EU policymakers to achieve our shared objectives.

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