POSITION PAPER

Circular Economy Act

German Construction Chemicals Industry Association (Deutsche Bauchemie) feedback on Circular Economy Act public consultation

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The construction sector predominantly operates based on a linear "take-make-waste" paradigm, with the built environment accounting for 50% of global material use[1] while construction and demolition waste (CDW) in the European Union accounts for almost 40% of the total waste generated, a rate expected to double by 2025[2]. Although re-use and recycling options exist, CDW recovery rates remain exceptionally low[3] with only approximately 10% of materials re-entering the value chain after demolition. These figures underscore the need for an EU-wide transition of the construction industry towards a more circularity-centric model that integrates circularity principles at every stage of the value chain prioritizing the efficient use of materials and rethinks industry practices.

The upcoming Circular Economy Act (CEA) aims to put resource efficiency and waste reduction at the centre of sustainable production and consumption across the EU to address the high dependency on imported (critical) raw materials, stagnating circularity rates and single market barriers for recycled materials and recovered waste. To succeed, however, it is essential to recognise the substantial economic, regulatory, and technological obstacles that must be overcome by any legislative framework designed to accelerate the circular transition of the construction sector. Such a framework must safeguard the industry´s competitiveness, economic viability, and strategic autonomy.

In this context, the renovation and repair of existing structures using advanced construction chemical products plays a vital role in advancing a circular and sustainable built environment. These technologies significantly extend the service life of buildings and infrastructure, thereby avoiding unnecessary demolition, and facilitate material reuse. This not only reduces CDW but also preserves embodied energy and lowers carbon emissions strategically contributing to the circular economy—what need not be torn down, should not be rebuilt. Moreover, construction chemicals support the integration of recycled content, industrial by-products, and secondary raw materials. A few illustrative examples of such solutions include, but are not limited to:

- Concrete protection and repair products that extend the service life of existing structures while reducing the need for demolition and, thus, minimizing construction waste
- Waterproofing systems, which enhance durability and reduce maintenance cycles, contributing to resource efficiency
- High-performance admixtures which allow the incorporation of secondary or recycled materials by compensating for possible quality fluctuations, ensuring consistent performance and durability of concrete and other building products

- Advanced adhesive and sealant systems, which enable debonding technologies allowing the reuse of building components

Against this backdrop, the German Construction Chemicals Industry Association (Deutsche Bauchemie) recognizes the CEA as a major landmark initiative that – once implemented - has the potential to reshape the trajectory of Europe´s economy. In support of the CEA, we would like to recommend a number of policy measures focusing on the construction sector:

1. Single market for waste and secondary raw materials

In addition to EU´s dependency on imported raw materials, manufacturers are confronted with the depletion of primary (virgin) resources. At the same time secondary material supply remains an often more expensive or limited alternative, due to inadequate waste-to-resource logistics and lack of necessary standardized certification possibilities that could swiftly enhance circular material flow.

- Therefore, the development of **EU-wide harmonized quality criteria** will secure consistent access to and marketability of secondary materials ensuring transparency towards downstream users and consumers and foster an equitable single market landscape. **It is important, however, to point out, that until such proper and robust harmonised quality specifications have been established and a reliable supply chain can be ensured, any mandatory requirements for the use of recycled, secondary or bio-based materials (e.g. minimum recycled content targets in construction chemicals and products) should be waivered.**
- An essential role in maintaining consistent supply of high-quality secondary materials plays waste reprocessing infrastructure at scale. **Investing in recycling facilities within the EU that collect, sort and transform waste into valuable resources that can re-enter the value chain** is vital to enhance the competitiveness of EU-made secondary materials against cheaper imported ones, which often come hand-in-hand with quality fluctuations and lack of origin traceability.
- Introducing **simplified mutually recognized EU-wide End-of-Waste (EoW) and by-product criteria** (i.e. input materials, treatment processes and techniques, product quality, quality assurance, etc.) **for demolition waste streams and laying down cross-border trade and shipment provisions for end-of-waste products and for waste intended for recycling** will further enable the substitution of virgin feedstock through waste-based raw materials, thereby rectify existing hurdles preventing waste that has ceased to be waste from being re-introduced in the value chain and further bridging present secondary material supply gaps.

2. Manufacturing processes with renewable and/or recycled (i.e. alternative) feedstocks

The industry requires reliable regulations to make investments in recycling facilities and infrastructure. In the meantime, **to achieve a swift transition to circular chemical production models with existing infrastructure, especially in resource-intensive industrial sectors, it is essential to eliminate regulatory hinderances that impede chemical recycling technologies from fulfilling their role as an important pilar of a functional circular economy.** Against this backdrop, the **horizontal recognition of chemical recycling technologies, such as mass balance chain-of-custody (CoC) methods**, would be a step of paramount importance in the right direction that would ensure a level playing field for all sectors of the European chemical industry while advancing and facilitating the circular transition.

3. Integration of Circularity Practices in Environmental Claims and LCA Methodologies under the Construction Products Regulation (EU) 2024/3110

To promote transparency, consumer awareness on circular economy practices, and to stimulate market competitiveness by encouraging construction products manufacturers to innovate and improve their product circularity, **an indispensable prerequisite is that they be reflected in environmental claims associated with construction products.**

These circularity-related practices should, however, not be reported in yet another supplementary documentation, which would risk increasing administrative burden, verification costs, and processing times, but directly incorporated through standardization activities into the relevant Life Cycle Assessment (LCA) methods required within the scope of the DoPC for harmonized construction products under the CPR-2024. Also, for products in the voluntary scope, circularity information could be integrated in Environmental Product Declarations (EPDs), ensuring consistency and accessibility **without creating peripheral reporting structures or regulatory overlap**.

Furthermore, **endorsing existing LCA methodologies that already incorporate circularity principles** can accelerate the transition toward circular construction practices supporting regulatory efficiency, reducing bureaucratic complexity, and aligning with the goals of the Circular Economy Action Plan and the Ecodesign for Sustainable Products Regulation (ESPR).

4. Economic aspects

- Regulation of Extended Producer Responsibility (EPR) systems at EU level can be a reasonable and effective measure for numerous product categories to increase manufacturer accountability for the entire lifecycle of their products - including end-of-life management - and to promote eco-design. **However, one must bear in mind that construction products vary widely in type, use, performance, and lifespan, making it difficult to define clear boundaries and responsibilities and adding further complexity to the implementation of such schemes in the construction sector.**

  Therefore, with regards to the construction chemicals sector, increasing administrative burden by expanding the scope of EPR schemes within an already tense regulatory landscape and during a time where simplification is key would not only be contradictory to the targets of the European Chemicals Industry Action Plan, but would especially challenge SMEs with potentially negligible influence on product design. Aside from that, any anticipated cost increases due to ERP fees may be passed down the supply chain imposing financial strain on downstream and end-users while undermining other EU initiatives, such as the European Affordable Housing Plan.

- Instead, **inventory creation, quality assessment and re-use possibilities of building components in the pre-demolition phase combined with thorough post-demolition documentation of sorted waste in digital inventories to ensure effective sorting by material type will divert building materials that can be recycled properly from landfills and facilitate their traceability and re-use to increase recycling rates, supporting the targets of the Waste Framework Directive while reducing disposal costs for both manufacturers and communities. The introduction of Digital Product Passports (DPPs) will undoubtedly be instrumental in achieving these targets.**

- Furthermore, **purposefully promoting the use of secondary materials through public procurement incentives**, i.e. favoring products and tender bids from producers who include recovered materials in their product portfolio, can be **a strategic instrument to support circular product design and material recovery while aligning with the targets of the revised Energy Performance of Buildings Directive (EPBD) for mandatory calculation and disclosure of the whole life-cycle Global Warming Potential** (LC-GWP) of new buildings starting 2028.

5. Educational initiatives

There is no doubt that in order to manage the complexity of circular construction, knowledge development within public institutions must be strengthened and shared. Disseminating successful circular pilot projects will promote this exchange and enhance visibility and a broader acceptance by end-users.

It is crucial that national and EU policymakers, manufacturers and consumers sharing the same principles join forces to advance the circular transition and facilitate its scaling. As this transition unfolds, construction **chemical products indisputably stand as an indispensable core facilitator**. However, the goals of the CEA cannot be achieved by solely focusing on circular product design without considering resource availability, technology capabilities and downstream user willingness to invest in products designed for reuse. Therefore, the leading catalyst in positioning circularity as a driver of competitiveness and innovation across the EU is **a clear and supportive legislative framework along the entire value chain accompanied by economic incentives and underpinned by a viable business case for waste management.**

[1] WBCSD Circular Transition Indicators (CTI) for Buildings – Sector Guidance
https://www.wbcsd.org/resources/circular-transition-indicators-cti-sector-guidance-buildings/

[2] https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Waste_statistics

[3] European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Oberender, A., Fruergaard Astrup, T., Frydkjær Witte, S., Camboni, M. et al., *EU construction & demolition waste management protocol including guidelines for pre-demolition and pre-renovation audits of construction works – Updated edition 2024*, Publications Office of the European Union, 2024
https://data.europa.eu/doi/10.2873/77980

Deutsche Bauchemie e.V.
German Construction Chemicals Industry Association

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The German Construction Chemicals Industry Association (Deutsche Bauchemie) has been representing the interests of its member companies and the German subsidiaries of foreign corporations to the professional public, politics, authorities, science, and media for 77 years. The industrial association is a sector association within the German Chemical Industry Association (VCI). In 2024, the approximately 140 member companies generated a turnover of 4.6 billion euros in Germany with around 32,000 employees.