Response from the Swedish Aggregates Industry (SBMI)

Consultation Feedback on the forthcoming Circular Economy Act

The Swedish Aggregates Industry (SBMI) represents producers of construction aggregates that form the foundation of Europe's built environment. Circular handling of excavated soil, rock and recycled aggregates is already central to decarbonisation, resource efficiency and supply resilience across the construction value chain.

Our experience shows that **circularity succeeds when regulation is predictable, risk-based and harmonised across the Single Market**. Circularity fails when unnecessary waste classification, fragmented permitting and excessive administrative burden create barriers rather than enabling reuse.

1. Apply the EU Waste Hierarchy fully and consistently

The Waste Hierarchy remains the correct conceptual foundation for circular economy policy. Its potential is not fully realised today. In many Member States, **materials that can be safely reused are classified as waste by default**, diverting them into costlier, more carbon-intensive linear handling chains.

The issue is **not the hierarchy itself**, but its **inconsistent implementation**.

To strengthen circularity in practice:

- Materials should **not** be classified as waste unless a verifiable environmental or health risk exists.
- The transition from waste to secondary raw material must be **clear, practicable and risk-based**.
- Avoiding unnecessary waste classification is **one of the most effective measures** for accelerating circular construction.

This is particularly relevant for **excavated soil and rock**, which can meet the criteria for **by-product status** when directly used in construction, in line with EU case law.

2. Harmonised EU-wide End-of-Waste (EoW) criteria

Fragmentation in how Member States define "waste" and "secondary materials" creates uncertainty and obstructs cross-border flows. This is especially challenging for construction materials produced and used locally at scale.

We recommend:

- **Harmonised, material-specific EoW criteria** for key construction and demolition streams.
- Requirements grounded in **actual environmental risk**, not theoretical worst-case assumptions.

- Coordinated enforcement approaches across Member States.
- A regulatory environment that supports **certified high-quality secondary raw materials**.

Legal clarity is a prerequisite for investment.

3. Strengthen enforcement against illegal operators – without increasing bureaucracy for compliant firms

Illegal and irresponsible handling undermines environmental integrity and public trust. However, broad administrative reporting requirements often fall hardest on operators that already invest in traceability and quality control.

The CEA should:

- Target enforcement where **risk and non-compliance** are present,
- Use digital traceability systems to **detect deviations**, not impose paperwork for its own sake,
- Ensure enforcement is **consistent across the Single Market**.

4. Circularity must function as a market economy with circular material flows

A circular economy is fundamentally a **market economy** where material value is preserved and reinvested. For circularity to scale, it must be **economically viable and operationally feasible** for companies to operate circular business models. Aggregates producers and contractors who recover, sort, certify and reintroduce materials are already driving the circular transition.

When regulation is complex, unpredictable or introduces disproportionate administrative burden, circular operations become **more expensive, slower and riskier** than linear disposal. This discourages the very behaviour the CEA seeks to promote.

To build functioning circular markets:

- It must be **easy to do the right thing** for compliant operators.
- Circular business models must be **competitive and investable**, not penalised.
- Enforcement must **differentiate between responsible and irresponsible actors**.
- Regulation should reduce **unnecessary procedural burden**, while maintaining environmental protection.

The CEA therefore has a strategic role: **to create conditions where responsible circular operators can succeed**. This aligns with the EU's commitment to regulatory simplification and competitiveness.

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5. Avoid mandatory recycled-content quotas for aggregates

For aggregates, the potential to use recycled and reused materials is **high**, but it depends entirely on **local conditions**. The availability and quality of recycled aggregates varies with the scale and character of construction projects in a region, and with the region's underlying geology. Aggregates are a **regional material**, typically transported no more than 20–50 km.

A uniform recycled-content quota does not reflect these realities.
In some regions and applications, the recycled share can rightly approach **100%**.
In others, there may be **no recycled material available** at that time.

A fixed percentage target therefore risks:

- Setting targets that are **too low** in some regions (providing no environmental benefit),
- And **impossible to meet** in others (forcing unnecessary transport or compromising performance).

Unlike many other materials, the **climate benefit from circular aggregates comes primarily from reducing transport**, not from the recycling process itself.
A quota that forces long-distance transport of recycled materials would **increase emissions** and **undermine circularity**.

→ The market must be allowed to choose the most circular solution based on **regional supply, material quality and project suitability**, supported by clear and predictable rules.

6. Use public procurement to drive high-quality circularity

Public procurement is the strongest lever for stable, long-term demand.
We recommend procurement criteria that:

- Are **performance-based**, using European standards
- Require **verifiable circularity strategies and traceability**,
- Reward **long-term environmental performance**, not lowest initial price.

7. Establish and recognise Regional Circularity Hubs as essential infrastructure

Circular material flows depend on **locations for sorting, processing, storage and quality control**. These **regional circularity hubs** are necessary to:

- Reduce transport demand and emissions,
- Increase reuse and recycling rates,
- Strengthen local supply resilience,
- Support high-value selective demolition and recovery.

The CEA should:

- Recognise such hubs as **essential infrastructure for circularity**,
- Encourage Member States to integrate them into **land-use planning and permitting**,
- Promote investment in reverse logistics and urban mining capacity.

Summary of Key Recommendations

Challenge	**Recommendation**
Over-classification of reusable materials as waste	Implement the Waste Hierarchy consistently; avoid unnecessary waste classification
Fragmented EoW rules hinder markets	Harmonise **material-specific, risk-based** EoW criteria
Illegal operators undermine trust	**Target enforcement**, not blanket administrative burden
Recycled content quotas distort markets & performance	Use **performance-based procurement** instead of quotas
Lack of infrastructure for circular flows	Support **Regional Circularity Hubs** as essential circular economy infrastructure
Circular markets need investment & competitiveness	Make it **easy to do the right thing** for compliant circular operators

SBMI welcomes continued dialogue to ensure the Circular Economy Act strengthens both **resource efficiency** and **European industrial competitiveness**.

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