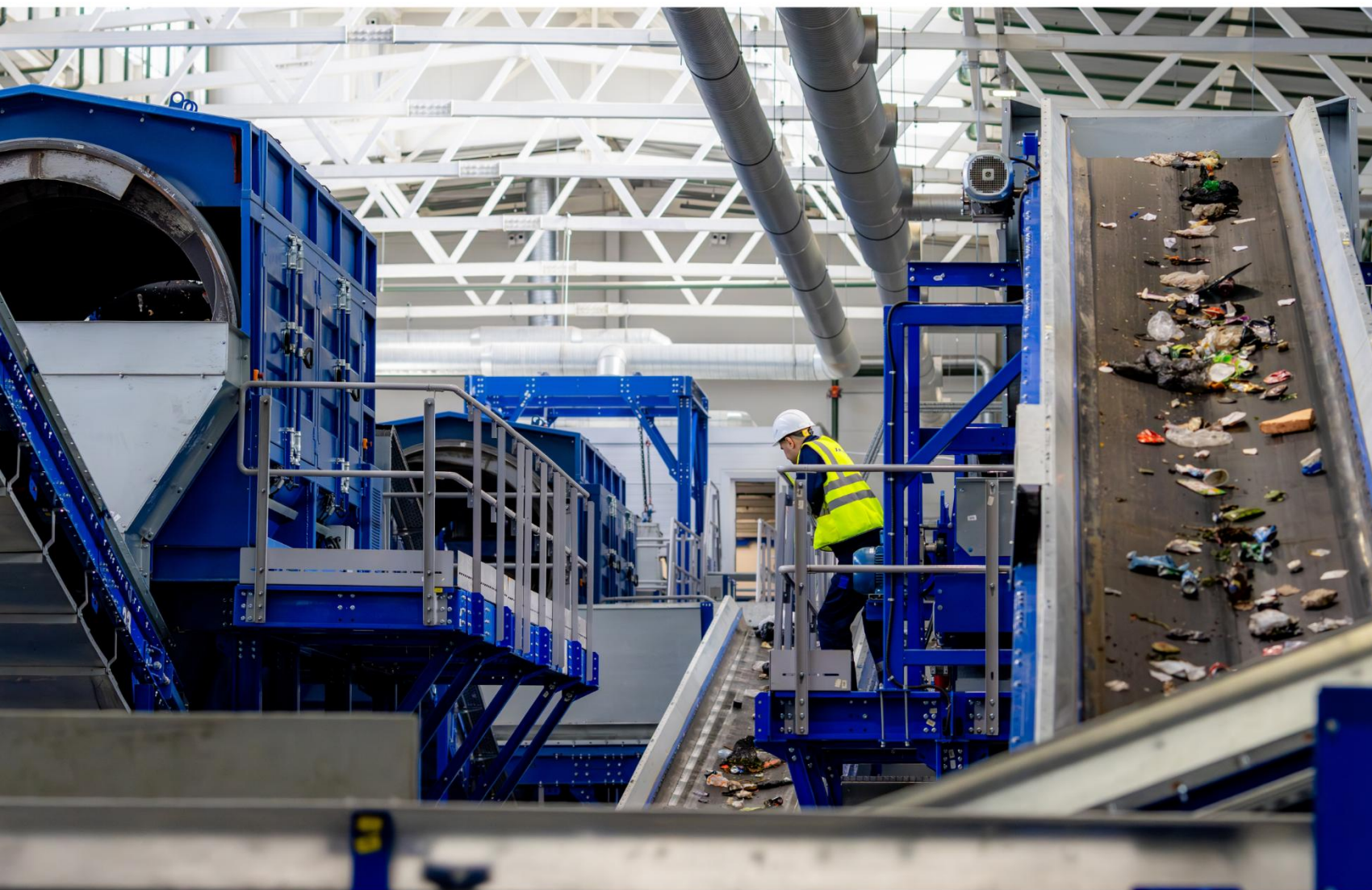


Recycling Europe's guide for a Circular Economy Act that delivers



Do's & Don'ts
for policymakers

Circularity
explained

EU Recyclers’ **DOs** and **DON’Ts** for the Circular Economy Act

31 March 2026

Circularity is no longer a niche environmental ambition. It is fast becoming a defining pillar of Europe’s industrial strategy. Amid mounting geopolitical pressures, volatile supply chains, and climate emergencies, the ability to retain materials, reduce resource dependence, and lower emissions has moved to the core of EU policymaking.

In this regard, the Clean Industrial Deal (CID) sets an ambitious target of increasing the circular material use rate (CMUR) from 11.8% today to 24% by 2030. In order to translate Europe’s circularity ambitions into functioning markets, the Circular Economy Act (CEA) represents a pivotal opportunity to boost demand for recycled materials and remove obstacles to the free movement of recycled materials within the Single Market.

In this document, **Recycling Europe outlines its “DOs and DON’Ts” for the upcoming CEA**, presenting **key policy recommendations that can stimulate demand** for high-quality recycled materials, expand recycling capacity, and **identify measures that could, conversely, undermine the competitiveness** of the recycling industry by restricting the recycled materials market or increasing administrative burdens.

Recycling Europe remains committed to engaging with policymakers and stakeholders to ensure that legislation effectively supports a circular economy, promotes investment in recycling infrastructure, and maximizes the use of high-quality recycled materials across all sectors.

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1. Boosting circularity and demand for “made in Europe” recycled materials

If the EU is supposed to double the circular material use rate within the next five years, it is essential to implement concrete mechanisms that reward the use of circular and recycled materials. In recent years, EU waste policy has primarily focused on setting collection and recycling targets, reflecting a “waste management approach”. However, experience has shown that to achieve higher collection and recycling rates, it is critical to shift focus towards measures that **stimulate demand for recycled materials** and to increase the circularity of value chains, particularly when there is a market failure and the waste stream in question has a negative value (this occurs when the recycled materials recovered from the waste stream do not cover the costs of collection and treatment). Below are some key do’s and don’ts for a CEA that effectively boosts the use of circular materials.



Stimulate market demand through recycled content targets

Mandatory recycled content targets for products placed on the EU market have proven to be an effective instrument for stimulating demand for recycled materials within the EU and for scaling up recycling capacity. To maximize their impact on circularity, such targets should prioritize **post-consumer waste recycled within the Union**, thereby strengthening the EU’s internal circular economy performance. Closed-loop targets can be particularly beneficial for certain specific products, but what remains essential is the need to strengthen overall recycling rates across all material streams.

Whenever they are introduced, corresponding **mirror clauses** should be established. These clauses should ensure that:

- materials processed outside the Union comply with equivalent environmental, social, and quality standards.
- exporting countries adhere to equivalent waste management rules and recycled content obligations, thereby safeguarding a level playing field.



Set mandatory Green Public Procurement (GPP) criteria

The implementation of **mandatory measures to increase circularity in public procurement rules** is crucial for stimulating the demand for recycled materials and contributing to the EU’s decarbonization objectives. For instance, EU legislation should require that whenever the public sector acquires products through public procurement, these must have, where technically and economically feasible, a minimum share of recycled materials. The CEA should complement and be consistent with the upcoming Public Procurement

revision and the forthcoming delegated acts of the Ecodesign for Sustainable Products Regulation (ESPR) and Construction Product Regulation (CPR). EU-made recycled materials should be prioritized.



Promote European-made recycled materials

Recycling Europe calls policymakers to promote and prioritize **the use of recycled materials, such as “made in Europe”¹**, and that this is supported by strong traceability requirements to avoid unfair competition with third countries. If the EU is serious about achieving higher recycling rates, then, measures to increase the demand for recycled materials from post-consumer waste collected and recycled in the EU must be in place. Complementing the “made in Europe” procurement proposal under the Industrial Acceleration Act, the CEA should also promote recycled materials sourced within Europe through dedicated quotas, targeted incentives, or the development of sustainability criteria.



Implement Green VAT initiative

In addition to the Commission’s initiative to address the issue of embedded value added tax (VAT) in second-hand products, Recycling Europe **calls for a lower VAT for recycled materials and products made of recycled material**, which can have a major impact on stimulating recycling. The Commission should add recycled materials and products to the list of products that can have a reduced VAT and make recommendations to Member States on lowering their VAT. In addition, **recyclers in the EU should benefit from reduced VAT for their services** to increase their competitiveness. This would ensure a level playing field for circular products by eliminating VAT embedded in the value of recycled goods used as input. Recycling Europe also calls for **reduced VAT rate on second-hand products** and repair services to boost market demand for used textiles, stimulating the whole value chain.



Set quality requirements without ensuring demand for high-quality materials

Firstly, high quality recycled materials can be achieved **if recyclability is improved** (i.e. high quality of the inputs into the recycling process). In addition, recyclers’ investment in innovative technologies to enhance quality will only materialize **if there is sufficient demand for such material**. Therefore, quality requirements should be aligned with market needs and tailored to the specific requirements of end users. Thus, they should not be fixed in EU legislation as commercial and technical specifications can change to reflect production needs.

¹ EU27, UK and EFTA



Mix bio-based materials and recycled content

Recycling Europe believes that before setting targets for bio-based plastics, there must be strong **scientific evidence** about their environmental benefits. Moreover, **bio-based materials should never count towards recycled content targets**, as this would conflate two distinct objectives: sustainability (reducing the use of virgin fossil-based materials) with circularity (end-of-life management). However, when bio-based materials are produced, their manufacturing should prioritize eco-design principles and carbon footprint to ensure optimal recyclability and thereby support circularity.

2. Trade and single market for recycled materials

To develop a strong single market for recycled materials and unlock circular value chains, it is essential to **remove trade barriers between Member States** and to ensure consistent interpretation of the legal status of recycled materials by competent authorities. This is important to retain more resources within the EU and further strengthen circularity, positioning Europe as a global leader in the circular economy.

EU recycling is already a success story. For example, recycling rates for certain materials are remarkably high, such as paper and cardboard packaging (80% recycling rate), as well as end-of-life vehicles (90% recovery rate). However, one of the consequences of this success is the growing need to export certain recycled materials, when EU demand is not strong enough. Thus, a consistent EU policy framework covering exports, imports, and domestic demand is essential to **guarantee access to international markets for recycled materials and** safeguard the competitiveness of EU industry. Additionally, establishing **minimum EU requirements** to address **shortcomings in Extended Producer Responsibility (EPR) schemes** can help ensure greater consistency, effectiveness, and transparency across Member States.



Develop EU-wide End-of-Waste criteria

Speeding up the adoption of EU-wide End-of-Waste (EoW) criteria is a prerequisite to create a well-functioning EU market for recycled raw materials, provide legal certainty for all stakeholders and boost domestic demand.

The current procedure to develop such criteria is extremely resource-intensive for both the Commission and stakeholders. To become more resource efficient, the CEA should recognize EoW criteria based on technical reports already provided by the industry (and not only based on the JRC's recommendations).

This is particularly relevant when the **value chain agrees on common criteria**, as is the case for rubber from end-of-life tyres², which facilitates the adoption at EU level.

Moreover, the Commission could learn from the experience of **Member States who have already established national EoW criteria** for certain waste streams. This is particularly relevant for criteria based on quality standards recognized at EU level, such as the European standard EN643 for paper and cardboard, already used as basis for EoW criteria in several EU Member States

In the absence of harmonised criteria, **mutual recognition** of national EoW criteria, in line with article 6 of the WFD, should be ensured.



Improve EPR schemes with minimum harmonized criteria at EU level

EPR schemes have been a useful tool to finance environmental sound management of the products end-of-life. However, their current design needs to be adapted to a double challenge: (1) enhancing the transition to circularity, and (2) consolidating the competitiveness of the European economy and industry. The CEA must address EPR schemes shortcomings and ensure effective implementation. It should create a clear, consistent, and competitive framework for EPR schemes, adapting national contexts. Rapid and fragmented expansion across Europe has raised risks of market distortion, opacity, and reduced competition. EPR should only be introduced where there is proven market failure, with focus on outcomes, feasibility, and existing actors.

EPR harmonization is essential, to ease compliance, and avoid free riding, to ensure a level playing field for all, avoid unnecessary administrative burden, and ensure consistent data collection across the EU.

Recycling Europe recommends the **following minimum criteria for EU-wide EPR schemes**:

- **ROLE/PURPOSE: Financial EPR schemes** (i.e. funding waste management) should be prioritised, as they preserve competition and incentivise better services and performance. Operational EPR schemes (i.e. direct management of waste) risk distorting markets, concentrating power and thus should be avoided. Producer Responsibility Organizations (PROs) should always operate on a **non-profit basis**, as their primary purpose must be to maximise environmental objectives rather than generate profit.
- **GOVERNANCE**: Recyclers and reuse operators should be **represented in the governing/executive bodies of PROs** (see example of the Belgian ELV PRO FEBELAUTO or the recent agreement reached for the end-of-life vehicles Regulation) to ensure EPR schemes contribute to delivering an industrial approach of resource circularity.

² End of life tyre rubber: assessment end-of-waste criteria. EuRIC & ETRMA Report. Available [here](#)

- **FEES:** Full cost-coverage for waste treatment and full **transparency** on how fees are determined and how they are spent, should be required. Moreover, **mandatory eco-modulation of EPR fees** should be introduced at EU level based on product recyclability and recycled content, and European preference. This can incentivise the use of eco-design and prioritize the use of circular materials over the use of materials from primary extraction.
- **REPORTING & MONITORING:** Same reporting obligations on all PROs, via a dedicated platform ensuring the confidentiality of sensitive data submitted, and a requirement on monitoring the implementation of EPR schemes, in all Member States. Similar to public procurement, contracts must ensure equality, free competition, and transparency.



Intra EU-rules on cross-border waste shipments

Intra-EU waste shipments must be facilitated. In this context, it is essential to preserve the possibility of **green-listed shipments of non-hazardous WEEE** within the EU. Both Regulation (EC) No 1013/2006 and Regulation (EU) 2024/1157 provide for this until 31 December 2026, by way of derogation from the Basel Convention.

Although the new EU Waste Shipment Regulation introduces harmonized rules, differing interpretations and implementation by Member States continue to fragment the single market. In some cases, waste shipments are blocked at internal EU borders when national customs authorities apply divergent definitions of what constitute waste, hazardous waste, products and by-products. In this regard, the CEA should facilitate intra-EU shipments and set harmonized EU-level End-of-Waste (EoW) criteria.

Finally, the multiplication of notification procedures, along with lack of resources at national level to handle the notification procedures, represents a significant logistical and economic burden for stakeholders.



More granularity in trade codes for recycled materials

For some specific materials, the development of more granular CN codes can enhance monitoring and traceability for circular value chains. These should be decided case by case.

The establishment of separate international customs codes for **virgin and recycled plastics** related to their shipment is crucial to better monitor global trade flows and detect potential dumping practices.

More CN codes for **recycled aluminium** could help to increase proper data collection and monitoring. However, these modifications should be minimal and simplified, in order to be easily identified by control authorities.

Finally, Recycling Europe supports amending the entry B3030 under the Basel Convention for textiles to include items that are disposed together with used clothing.



Ban the exports of recycled materials

Access to international markets is vital for the competitiveness of the EU recycling industry – as for any other industry. Export restrictions on recycled materials would critically **hamper EU recyclers competitiveness and discourage collection and recycling efforts**, leading to the closure of several recycling facilities, job losses, and reduced investments in innovation and new recycling capacities. A competitive supply of EU manufacturing industry with valuable recycled resources will only be possible through a globally competitive EU recycling industry.

The EU's new Waste Shipment Regulation (2024) already imposes strict export control measures. Instead of limiting the international market for recycling materials, **the EU should put forward measures to develop a strong internal market for recycled materials.**



Extension of the scope of EPR without a proper impact assessment

In line with the principles of proportionality and subsidiarity, and before setting up new schemes (beyond those already regulated under EU law), a **socio-economic impact assessment of extended producer responsibility** as a policy tool compared to alternative measures should be carried out. When the waste stream in question has an overall positive economic value, EPR schemes are not necessary as their value is an incentive enough to cover the costs of their recycling. Hence, in alignment with open market principles, Recycling Europe believes that EPR schemes should be introduced when there is a need **to address cases of market failure rather than systematically**, as not to overburden waste management and recycling companies. In this context, It is positive that no EU-wide Construction and Demolition EPR scheme is envisaged, as this avoids creating an unnecessary additional layer of regulation.

3. Improving recovery of materials and reducing landfilling

To increase recycling rates, it is essential to improve the quality of input materials through stronger eco-design requirements, as this plays a critical role in reducing residual waste after sorting. Nevertheless, a certain share of sorting rejects will inevitably remain and will need to be disposed of through landfill or incineration, depending on national circumstances. Recyclers should not be penalized for these unavoidable residues.



Improve quality of recycled materials through recyclability

To increase the incorporation of recycled materials in new products and boost recycling, products need to be designed taking into account the end-of-life management. **Mandatory design-for-recycling criteria are key to enhance the quality of inputs to recycling process, and thus, key to deliver high-quality recycled materials.** The CEA should complement the ESPR setting measures to improve eco-design.



Limit the use of substances of concern at design stage

The use of certain substances such as **POPs and substances of concern such as PFAS should be restricted to essential uses and phased out at design stage.** Moreover, considering the presence of hazardous “legacy” substances and the prolonged life of certain products, a risk-based approach should be implemented in EU legislation. This means that **chemicals in waste should be regulated not only based on the hazardous properties but also on the level of risk they pose** (i.e. level of exposure). Otherwise, the economic viability of recyclers is at risk, leading to material losses in the recycling loop and jeopardizing the circular economy.

When setting new thresholds for recycled materials, **a harmonized, independent, scientific and verifiable test method available at industrial scale** should be available both for recyclers and authorities challenging evidence.



Further increase availability of recycled materials by expanding the EU's ship recycling capacity

The number of end-of-life vessels, many of them owned by EU/EFTA shipping companies, is set to increase in the coming years. This presents a **strategic opportunity for the EU to expand its ship recycling capacity and access valuable recycled materials**, particularly recycled steel and other recycled metals. However, the European ship recycling sector currently struggles to be competitive at a global scale, due to an unlevel playing field with third countries, as well as insufficient legislation and weak enforcement.

Recycling Europe therefore calls for ship recycling to be recognized under the CEA. Action on EU level should be taken to strengthen domestic recycling capacity and fully harness the strategic opportunity ship recycling presents for the decarbonization of the European steel sector.

**Introduce a general ban or excessive taxation on the landfilling of sorting and recycling residues**

To scale up the circular economy, economical waste management costs are needed. Although increasing landfill and incineration costs can contribute to enhancing the competitiveness of the recycling sector, it is crucial to **ensure that the residues from sorting and recycling facilities** (i.e. materials that are inherently non-recyclable or non-recoverable) **can benefit from reduced fees or exemptions where needed to keep the sorting and recycling of these materials economical.**

In case of taxation, the entire value chain, both public and private actors, should be subject to the same incineration and landfilling tariffs. This would decrease the financial burden related to the management of non-reusable and non-recyclable materials.

**Amend the List of Waste**

Introducing changes to the **List of Waste** (Commission Decision 2000/532/EC) carries significant implications: from increased **administrative burden** and necessary adjustments to operational systems, to impacts on permit authorizations. Therefore, any potential new entries should be carefully assessed and evaluated and should emerge from a consensus reached within the industry. Some Member States have already introduced new codes (e.g., Spain for PV panels or the Flemish Region in Belgium). The Commission should first request all competent authorities to share these codes.

4. Boosting e-waste and CRM circularity

WEEE can only be properly treated if it reaches recycling facilities, which is also essential for enhancing the recovery of critical raw materials (CRMs). Therefore, improving collection rates and promoting eco-design are crucial to achieving this.

**Improve Product Design**

Ecodesign is key to improving the recyclability of WEEE and the recovery of CRMs. Design choices such as the use of adhesives, multi-layer plastics or plastics with reinforcing fibers hinder recycling operations. On the other hand, to boost recycling, products should be free from harmful substances, avoid adhesive bonds, and limit the variety of plastics used. Moreover, to **reduce battery-related fires**, batteries should

be designed for easy removal, and single-use products containing batteries, such as disposable vapes and battery-powered greeting cards, should be banned. In addition, **EU-sourced recycled content targets** are a key policy tool for materials where markets remain dysfunctional.



Mitigate the growing risk of battery fires

Due to the growing number of products containing lithium-ion batteries, which are often difficult or impossible to remove prior to treatment, the risk of battery fires in recycling and waste management facilities is increasing, with harmful consequences for recyclers.

Recycling Europe calls for **Producer Responsibility Organisations (PROs) to be required to finance targeted awareness campaigns** on how to properly sort waste containing lithium-ion batteries. In addition, PROs should **contribute to the extra costs associated** with the safe removal of these batteries prior to mechanical processing in recycling plants. In addition, part of the costs arising from major fire incidents should also be covered by PROs, for example through a dedicated fund established within the framework of the EPR scheme.



Improve collection and make producers legally responsible for meeting WEEE collection targets

Ensuring that WEEE is collected at the end of life is a prerequisite to minimize the disposal of WEEE in the form of unsorted municipal waste and allow recyclers to recover the materials in these waste streams. **Producers should be held responsible for reaching collection targets.** Moreover, while this is already the case in some Member States, such a measure must be enforced properly and accompanied by sanctions in the case of non-compliance. Member States should be required to impose sanctions on Producer Responsibility Organizations (PROs) or individual systems in case of non-compliance. In addition, larger awareness campaigns towards end consumers about proper disposal of WEEE should be an integral part of Producer Responsibility Organizations. This would help to increase collection rates and decrease the risks of fires at waste facilities.



Set WEEE treatment standards with financial incentives

Establishing a **minimum set of treatment standards at European level** to ensure a level playing field within and among Member States and to increase the environmental benefits through optimized recycling, is welcomed.

If mandatory standards should be introduced, **the costs associated** to ensure compliance, in particular auditing, shall thus be continuously **covered by EPR schemes** to ensure that treatment operators are not

subject to a disproportionate administrative and financial burden and that there is an even playing field accessible also to SMEs. Finally, it is crucial to ensure the involvement of recyclers in the **development of standards**, to guarantee that they are fit for purpose and support WEEE recycling without leading to potential competition or innovation restrictions because of provisions which may be over-prescriptive or not technology neutral.



Tackle illegal exports

The **number and frequency of inspections on waste shipments** by national authorities should be increased to tackle illegal activities. This should be especially targeted at activities of dubious legality, without overburdening compliant and authorized facilities. Moreover, **enhanced cross-border police cooperation** as well as sufficient resources for the competent authorities responsible for monitoring waste shipments are needed. Finally, the publication of **clear and harmonized guidelines on the classification of WEEE** would support the implementation of best practices across Member States.



Introduce a new category for photovoltaic panels

A new category for photovoltaic (PV) panels should be established to avoid distortions **within the current Category 4**. This is because key factors, such as the volumes of PV panels placed on the market and their significantly different life spans, are not aligned with those of other types of WEEE currently included in this category. Furthermore, the inclusion of new products, such as wind turbines, under the scope of the WEEE Directive should be carefully assessed, taking into account the potential need to develop a dedicated Extended Producer Responsibility (EPR) scheme.



Set recovery CRM targets without measures to boost demand

The recovery of CRMs from WEEE remains a challenge because of the very small quantities within individual appliances, resulting in insufficient scale for efficient extraction. In addition, recyclers often lack detailed information about the location of CRMs within products. Consequently, recycling CRMs from WEEE is costly and frequently not economically viable.

Extraction requirements should only be focused on components rich in CRMs (with an objective and shared definition of the “rich” notion) and be implemented at the same time as a rise in the EU demand for recycled CRMs.

Furthermore, **demand for recycled CRMs** (such as those found in printed circuit boards or permanent magnets) remains weak in Europe. This is largely due to limited **domestic manufacturing capacity and competition from lower-priced virgin materials**. Therefore, setting recovery targets without introducing measures to stimulate demand will not enhance the circularity of CRMs or WEEE.

**Set a new category for other equipment**

Recycling Europe believes that there is **no need for a new category for other equipment** such as digital and telecommunications equipment, cables, large industrial cables or larger-scale stationary industrial tools, as they are properly treated with current systems (non-WEEE facilities).

**Ban exports waste containing CRMs**

Export restrictions will not automatically lead to the **development of CRM recycling capacity** in Europe if demand is not stimulated beforehand. Currently, two key challenges persist: the economic viability of extracting CRMs from products and recycling them within the EU, and limited demand, as much of the downstream value chain that uses recycled content is located outside the EU, primarily in Asia.

In addition, certain waste streams cannot be processed within the EU due to temporary market conditions or insufficient domestic recycling infrastructure. In such cases, restricting exports could inadvertently penalize the EU recovery sector rather than strengthen it.

**Mandatory removing and sorting or stockpiling of CRM**

Recycling Europe opposes mandatory removal, sorting, or stockpiling of CRMs without an appropriate funding mechanism or a coordinated development of the industrial value chain. Such obligations are economically unsustainable: recyclers would have to bear additional sorting and storage costs without foreseeable revenue streams or external financial support, creating disproportionate financial risks and discouraging investment in CRM recycling.

5. Strengthening Construction and Demolition Waste management



Mandatory pre-demolition and pre-renovation audits

Pre-demolition audits play a key role in selective demolition by providing all the information needed to plan precise, safe, and efficient material separation throughout the demolition process. Recycling Europe supports **selective demolition by implementing mandatory pre-demolition audits**, as outlined in the updated edition of the Construction and Demolition Waste Management Protocol (2024).

Selective demolition, which effectively separates unwanted fractions, leads to higher quality recycled aggregates that can be reused in both structural and civil engineering. The establishment of **sorting systems** for various construction and demolition waste (CDW) streams ensures that hazardous waste is neither diluted nor mixed with other hazardous or non-hazardous materials. This is particularly crucial for materials such as **flat glass**, which can be reused and recycled in closed-loop applications. Effective separation also significantly minimizes waste and maximizes resource recovery by reducing the amount of C&D waste landfilled and incinerated.

Given that selective demolition requires additional time and resources compared to traditional demolition (due to the audit and potential involvement of a third-party expertise), it is advisable to set a **minimum surface size threshold** (of 2,000 m²) for renovation and demolition sites subject to these requirements, excluding de facto individual houses and small buildings.

About Recycling Europe

Recycling Europe is the voice of Europe's recycling industry, including 80 national federations and companies across 24 EU & EFTA countries. From metals and paper to plastics, packaging, textiles, tyres, ships, construction & demolition waste and WEEE, our members transform waste into resources—powering Europe's circular economy, ensuring resource autonomy, and boosting competitiveness and sustainable industrialisation across the continent.