Vattenfall's recommendations for the Circular Economy Act

Policy Paper

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Background: The European Commission is expected to present the Circular Economy Act in Q3 2026, with the aim to accelerate the circular transition and ensure that scarce materials are used and reused efficiently, reduce EU global dependencies and create high-quality jobs. The ambition of the Clean Industrial Deal is to make the EU the world leader on circular economy by 2030.

Vattenfall welcomes the European Commission's focus on circularity as one of the cornerstones in the EU decarbonisation strategy and we share the Commission's view, as outlined in the Clean Industrial Deal, that the absence of a single EU market for waste, secondary raw materials and reusable materials is a barrier to circularity efforts.

At Vattenfall, we are committed to transform to a more circular business. As part of our commitment, we have set ambitious targets, like 100% circular outflow (reuse, refurbishment, repurposing or recycling) of permanent magnets and composite materials from decommissioned windfarms by 2030. In 2024, we already recycled more than 50% of our blade waste. A collection of our case examples, including the reuse of substations, wind turbine blades recycled into skis, and a circular system for heat generation, can be found in our brochure.[1]

If designed in the right way, the Circular Economy Act can help ambitious companies to reach their net-zero targets and strengthen EU competitiveness. To that end, we have the following key recommendations for the upcoming proposal.

Facilitate cross-border transport of components and materials

Today, cross-border waste shipments within the EU are often held in customs for several months due to an inefficient system of notification of transboundary waste shipments. This reduces the possibility to use these materials for circularity purposes. It is essential that notification and permitting requirements associated with materials intended for recovery at EU level are simplified and harmonised. Labelling materials for reuse/recycling differently than waste, ensuring they are not treated as waste, would speed up processes.

Increase standardisation focus on the verification and certification process

The current lack of standardised certification for secondary raw materials affects their marketability. ISO 14021 provides useful guidance and most certification systems are based on this standard, but there is an opportunity for the Circular Economy Act to enhance the marketability of secondary raw materials by improving standardisation, with increased focus on the verification / certification process. This would allow companies to verify the recycled content offered by suppliers and it would also facilitate auditable reporting on circularity.

The importance of regulatory flexibility in a nascent market

Given the limited market of secondary raw materials in the EU today, every incentive is needed to realize that market. However, precisely because market changes and material availability and prices are expected to change over time,

1 https://group.vattenfall.com/globalassets/com/sustainability/circularity-examples-vattenfall.pdf

the Circular Economy Act should remain flexible for companies to anticipate such changes. This is key to ensure positive business cases while at the same time incentivising suppliers to provide re-used and recycled materials.

Take into account the recycling maturity of each material

In general, barriers obstructing economies of scale for the supply and demand of secondary raw materials depend on the material type. Recycled steel and copper can be processed efficiently, while recycling composite materials presents more challenges due to the lack of a consistent supply of waste materials to support a strong business case, such as with wind turbine blades. Primary composites are also less expensive. Demand for secondary raw materials is generally low, except for recycled steel and copper, which remain highly sought after; recycled composite materials face little demand.

Against that background, the Circular Economy Act needs to differentiate between types of secondary raw materials and take into account the unique recycling options and challenges of steel, copper, aluminium, Rare Earth Elements, polymers, etc. Policies should reflect each material's recycling maturity and enable the reuse of components.

Similarly, supporting other R-strategies higher on the R-ladder – such as Rethink, Reduce, Reuse, Repurpose – will contribute to one of the core objectives of the Circular Economy Act, i.e. reducing EU global dependencies. When it comes to minimum EU-made recycled content targets, we recommend a step-wise approach by first creating a market for secondary materials; only when that has been created should requirements on EU-made recycled content be considered. In this regard, demand-driving measures for circular materials and components should be carefully assessed based both on the current geopolitical challenges and cost efficiency aspects.

Vattenfall looks forward to actively contributing to the Circular Economy Act, in close collaboration with the European Commission, Council, and European Parliament.

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