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Saubermacher
für eine lebenswerte Umwelt

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PRESS RELEASE

Sustainable construction promotes the circular economy and quality of life

The ruling by the European Court of Justice (ECJ) on the end of waste for excavated soil caused quite a sensation. The focus is quality control, which is recognised as preparation for reuse, and the formal criteria for the end of waste, which would stand in the way of a truly circular economy in Austria. In addition, the Corporate Sustainability Reporting Directive (CSRD), which came into effect on 1 January 2023, requires companies to ensure extensive transparency and to publish detailed ESG information. Do these developments help to speed up sustainable construction that is in harmony with nature? As part of its Zero Waste vision, Saubermacher and wastebox.biz, a specialised platform for construction site waste disposal, invited guests to the Saubermacher Academy Special in Vienna in mid-March. Insights and views were offered by top speeches and high-profile panel discussions.

The construction industry is of great relevance to the environment. The Austrian construction industry produces a large volume of greenhouse gas emissions, consumes a lot of raw materials, masses of energy and, as the Federal Waste Management Plan outlines, produces more than 11.4 million tonnes of mineral construction and demolition waste[1] and around 41 million tonnes of excavated material each year, making it the largest generator of waste in Austria. Soil excavation has increased by around 24 per cent and construction and excavation waste by around 14 per cent since 2015. The trend looks set to continue.

While more than 80 per cent of mineral construction and demolition waste is currently recycled, around two thirds of excavated material still finds its way into landfill. The road transport required to move this waste to landfill is huge on account of the large volumes, while excavated soil actually has considerable potential as a substitute raw material.

[1] The figure excludes wood, packaging, plastic, metal and mixed residential waste, artificial mineral fibres, asbestos and other hazardous waste

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With a material footprint of around 33 tonnes per capita in 2017 (290 million tonnes overall), resource consumption in Austria is high when compared to the EU average of 23 tonnes per capita per annum). Accounting for around 14 per cent, the construction sector is the largest generator of waste here too.[2] 'It's pretty obvious. How we deal with excavated material is relevant to climate protection,' explained Alois Fürnkranz, Managing Director of Saubermacher Baurecycling & Entsorgung GmbH and VOEB Working Group Head for Sustainable Construction.

ECJ ruling promotes sustainability. In November 2022, the ECJ caused surprise with its ruling in the Porr Bau GmbH case; C-238/21 (details https://curia.europa.eu/juris/document/document.jsf?text=&docid=268031&pageIndex=0&doclang=DE&mode=req&dir=&occ=first&part=1). Important findings in the case:

- There was no intention to discard.
- Excavated soil is considered a secondary product that is produced during the production process (that production process being construction).
- Quality control is viewed as a process for preparing for reuse.
- The end of waste will be accomplished without satisfying the formal criteria in the Federal Waste Management Plan (quality is determinative).

'The ruling points to new legal options for the interpretation of waste law,' explained David Suchanek of Niederhuber & Partner Rechtsanwälte GmbH.

Section Head Christian Holzer views end-of-waste regulations as a tool to promote the circular economy. A corresponding regulation incorporating clear quality criteria is due to be finalised by the end of the year. Small volumes are also taken into account. 'In addition, specific technical criteria will be needed in any event,' emphasised Thomas Kasper, President of the Austrian Construction Material Recycling Association. Only then can 'new recycled products' actually be used as a substitute for natural resources.

Stefan Jung, Project Manager at STC Development GmbH sees multiple benefits in a clearly defined end of waste for excavated soil, especially on large construction sites with multiple batches. 'Knowledge of construction sites that need excavated soil is essential. By following the LEAN production method, an exchange of information in real time can create benefits that are good for both climate protection and the economy,' emphasised Jung on the need to network open or ongoing projects for developers. What's missing, however, are the platforms.

Digitisation for data efficiency. The CSRD, comprising the European Sustainability Reporting Standard (ESRS) and EU Taxonomy, puts sustainability reporting at the same level as financial reporting. The Directive will come into effect next year for listed companies, and in

[2] Use of resources in Austria 2020, volume 3, page 8

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the year after that for non-listed larger companies[3]. The volumes of data and information that need to be reported are vast and in view of the audit and publication obligations, the form of delivery and speed are determinative. Otherwise, the timely status report will become a suicide mission. 'Data collection is increasing in importance and digital business models are needed to be able to deliver precisely this database in a quality that is legally supported,' explained Steffen Robbi, Managing Director of Digital findet Stadt. In the construction industry in particular, establishing an intelligent data management system that can link information throughout the lifecycle has an important role to play.

'Waste is a design flaw'[4]. Andreas Opelt, COO at Saubermacher, clarified the need for product design for ecologically and economically sound recycling. 'If you can't separate it, you can't recycle it!' explained the Saubermacher board member. Nevertheless, we still lack a consistent, nationwide eco-design for buildings. The current Federal Waste Management Plan also points to the increasing use of composite materials and increase in variety of materials and sets out corresponding dismantling and recycling guidelines for the construction (material) horrors of the 1960s to 1990s period[5]. 'Hazardous materials, like asbestos, artificial mineral fibres, polystyrene extruded foam, tar paper, etc. come with high costs increases during demolition work. The results of building analyses must be taken into consideration in the purchase price when buying and selling property,' recommended Fürnkranz.

Thinking in cycles. Saint Gobain, an international construction and material producer with subsidiaries in Austria, has long committed itself to sustainability. The company is already required to report on its ESG activities and has a clearly defined Carbon Net Zero target for 2050. To get to that target, the company has a detailed roadmap leading to 2030 and a rough roadmap for the period to 2050. Bonus schemes for management staff are also closely linked to sustainability targets. The CO_2 footprint of the products produced by Saint Gobain multiples over the product lifecycle, but can be reduced if secondary raw materials are used. 'The competence that is needed to treat and process raw materials is not always in house and collaboration with partners along the value chain – as we have in the paper and plaster industries – adds value for us,' explains Peter Giffinger, CEO of Saint Gobain Austria.

There has been a market rethink under way for several years now. Caroline Palfy, Managing Director of Handler Holding, has also noticed the increase in interest in eco-production. She believes that Austria needs to introduce more standards and to raise awareness, especially amongst building owners. 'I am a fan of not integrating too much technology into homes. All of that technology needs electricity, and energy is now a valuable resource,' explained the

[3] Valid for businesses where two of the following three criteria are applicable: > 250 employees, balance sheet total >20 million Euros and turnover >40 million Euros.
[4] Quote from Annette Hillebrandt, German architect and Professor in Building Construction, Design and Materials Science at the University of Wuppertal.
[5] For example, see page 259 of the Federal Waste Management Plan 2023

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sustainable construction pioneer. Electrical and electronic components in buildings also hinder demolition, dismantling and recycling.

Saubermacher board member Andreas Opelt sees waste management as an important component in the circular economy – with more than 70 million tonnes of material turnover per annum, the waste management industry can almost certainly cover a portion of the country's resource demand (around 96 million tonnes of material consumption comprises non-metallic minerals).[6] 'Industry and producers are increasingly turning to the expertise of disposal companies to help them find new solutions for recycling,' explained Opelt on the increasing demand for consulting and cooperation. Still, recycled raw materials still have certain disadvantages in some areas – think limit values, a complex grading process, transport by rail, etc.

In summary: moving in the right direction. Speakers, panel members and guests are united by one thing: to use the circular economy to preserve natural resources without harming the environment. A carefully considered regulation on the end of waste for excavated soil, and beyond, that is consistent with the circular economy is a key factor for sustainable construction in Austria. The same also applies to compulsory use quotas for recycled materials. Plus, the new ESG reporting standards will also make the effects of our economy and consumption (more or less) transparent in the future.

[6] Federal Waste Management Plan 2023, page 370

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