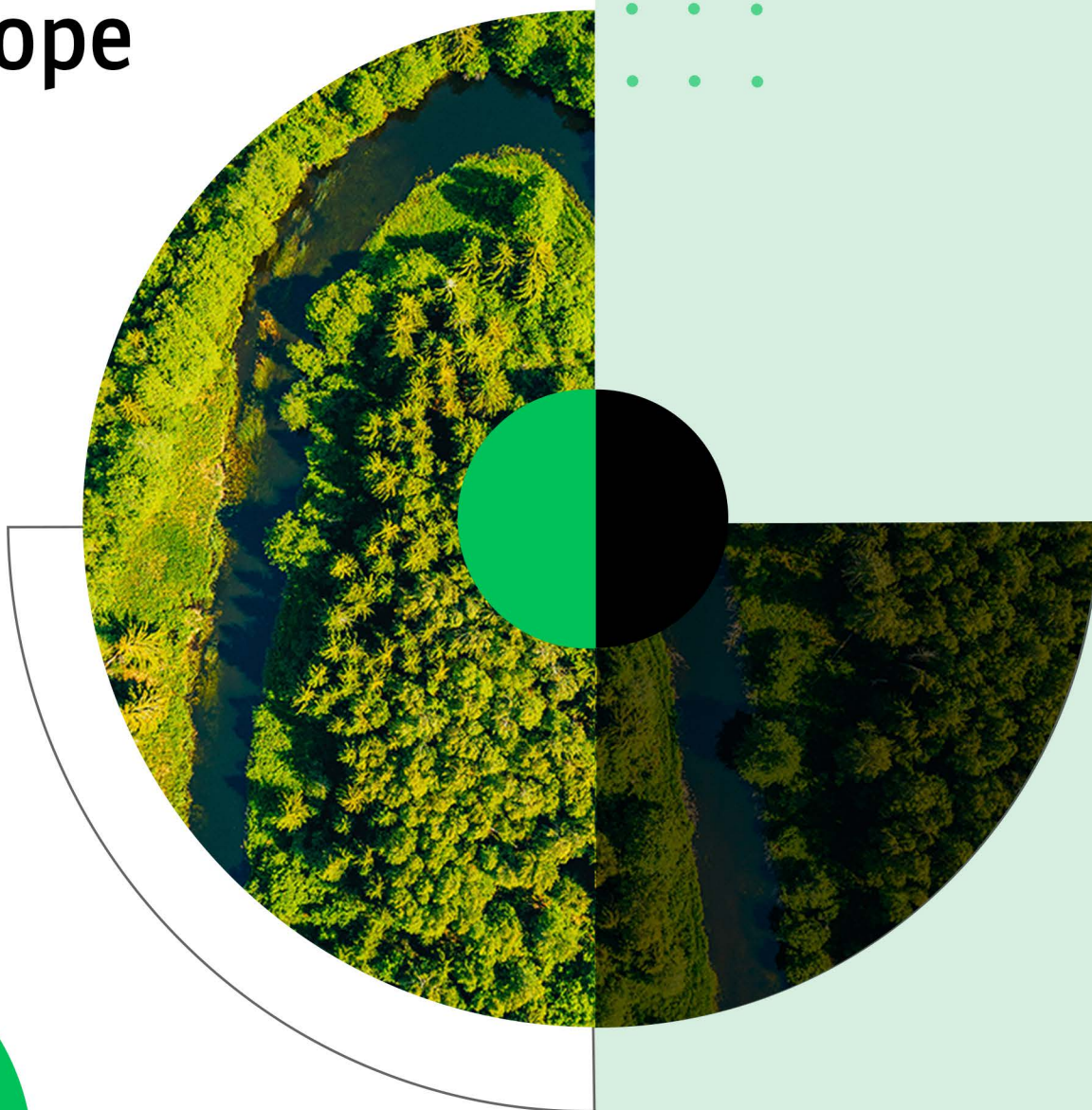


Accelerating **B2B circular economy** in Europe



ABOUT THIS REPORT

This whitepaper is the result of a collective effort led by Do Well Do Good, in collaboration with a cross-industry panel of more than 40+ circular economy leaders.

The whitepaper provides six concrete recommendations for national and European public authorities on how to accelerate B2B circular economy, based on in-depth interviews with internal members, external experts and internal research. While the main focus is on B2B, insights and recommendations also touch upon the B2C sector by extension, highlighting the interconnected nature of business and consumer practices in fostering a circular economy.

ABOUT DO WELL

DO GOOD

Do Well Do Good is a purpose-led strategy consulting firm, specialised in circular economy, energy transition, sustainable mobility, and green construction.

Its mission is to support leaders and future leaders in finding the right balance between performance and positive impact through education and strategic consulting initiatives.



CONTEXT

Europe stands at a pivotal strategic crossroads, faced with converging pressures that shape the future of its industrial and economic model. **Geopolitical instability** exacerbated by the war in Ukraine has revealed the European Union's heavy dependence on external energy supplies and critical raw materials. This vulnerability threatens not only the resilience of European value chains but also the stability of millions of industrial jobs. At the same time, the accelerating **climate crisis** requires urgent and radical reductions in greenhouse gas emissions. Together, these dual imperatives **resource sovereignty and decarbonisation** require sustained efforts from European, national and local decision-makers to secure economic resilience, industrial competitiveness and long-term strategic autonomy.

Transitioning to circular products and services is central to meeting these intertwined challenges. By keeping materials and products in use longer, reducing waste, and embedding eco-design, circularity strengthens both supply chain resilience and environmental sustainability. It also provides businesses with long-term benefits such as improved customer retention, brand differentiation, and regulatory preparedness elements that are increasingly decisive in a context of volatile markets and growing stakeholder expectations.

Across Europe, leading companies are already turning circularity into a tangible business case reducing total cost of ownership, creating new revenue streams, and reinforcing the EU's broader strategy to enhance competitiveness and strategic autonomy.

Economically, circular practices already generate significant value. In 2021, the EU's circular economy contributed nearly **€299 billion in value added** a 27% increase since 2015 while supporting over 4.3 million jobs and attracting **€121.6 billion in private investment** (around 0.8% of EU GDP) . Beyond these figures, circularity underpins Europe's industrial sovereignty by reducing dependence on imported raw materials, fostering innovation, and creating high-quality employment opportunities.

Building on the **European Green Deal and the Circular Economy Action Plan**, recent initiatives are beginning to reshape the regulatory landscape. Measures targeting carbon reduction, such as the Carbon Border Adjustment Mechanism and the Emissions Trading System, are now complemented by efforts such as the Circular Economy Act, including the Ecodesign for Sustainable Products Regulation, the Packaging and Packaging Waste Regulation and the Batteries Regulation to accelerate circularity. They represent notable progress, yet their scope is still limited and their implementation largely nascent.

This report aims to accompany these ongoing and forthcoming dynamics by clarifying their implications for the B2B sector and by proposing **six concrete recommendations** to bridge the gap between political ambition and effective industrial practice.

EXECUTIVE SUMMARY

This paper proposes **six coordinated measures** to accelerate B2B circularity in Europe. While these recommendations might seem straightforward, the reality is that few organizations have yet succeeded in applying them consistently. Building a robust baseline remains a necessary first step to enable meaningful progress in this emerging domain.

First, it calls for an **EU-wide, harmonised glossary and hierarchy** of circular strategies. Today, definitions of the 10 “R strategies” are fragmented across EU initiatives, ISO 59004:2024, and academic frameworks, creating regulatory uncertainty and undermining comparability of claims. A single reference - embedded in law when relevant and integrated into eco-labels, Green Public Procurement (GPP), and the ESPR Digital Product Passport (DPP), would improve auditability and enforcement.

Second, it calls for a **coordinated “Circular Awareness Programme”** at EU level to close awareness and capability gaps among consumers, SMEs, and public buyers. Inspired by the governance and funding model of Erasmus+, and supported by the effective implementation of the Green Claims Directive and the Packaging and Packaging Waste Regulation (PPWR), the programme would fund continuous training, sector-specific modules, cross-border exchanges, and practical, harmonised information to make circular standards accessible and trusted.

Third, it proposes a **progressive circular VAT scheme** aligned with the EU Taxonomy for

sustainable activities. This would introduce reduced VAT rates for circular products and services, tested through pilot projects and supported by safeguards such as clear eligibility criteria, DPP-based labelling, and monitoring of price pass-through to consumers. Where necessary, amendments to Directive 2006/112/EC would allow Member States to apply reduced VAT rates to additional repair services and to the resale of reconditioned goods.

Fourth, to address cost and skills barriers in labour-intensive activities (repair, refurbishment, remanufacturing, sorting), it recommends **targeted support for circular jobs** via a pilot that combines selective social-contribution relief with strong training, clear eligibility (using the common glossary), certification and audits, and a 3–5-year evaluation.

Fifth, to strengthen sovereignty, it urges **limits on exports of critical materials and products** and stronger domestic loops: material-specific limitations aligned with the Critical Raw Materials Act (CRMA), reform on the Basel Convention for strategic streams, binding targets for collection, recycling and re-use, and complementary measures under the Waste Shipment Regulation.

Sixth, it positions **public procurement as a demand lever**: moving toward mandatory Green Public Procurement (GPP), raising buyer awareness of legal obligations, and providing standardised criteria and tools. Systematic monitoring and integration into procurement routines would scale demand for circular goods and stimulate supply-chain innovation and regional jobs.

Our 6 Recommendations

Establish a harmonised and complete
EU glossary for circular economy

Launch a coordinated EU-wide campaign
to raise awareness

Progressively develop a circular VAT scheme
at EU-level

Support job creation in circular sectors through targeted
social contributions relief and trainings

Limit the trade of critical materials outside
the EU to secure EU resource loops

Ensure public procurement leads by example
in terms of circularity

01

02

03

04

05

06



ESTABLISH A HARMONISED AND COMPLETE GLOSSARY FOR CIRCULAR ECONOMY

01

CONTEXT

Over the past decade, multiple efforts have emerged at both European and international levels to define circular economy concepts and strategies. Yet these remain fragmented, incomplete and sometimes often inconsistent.

This lack of harmonisation is a major barrier to coherent policy implementation, effective incentives and reliable corporate reporting. Even fundamental terms such as “re-use,” “repair” or “remanufacture” are still interpreted differently across Member States.

Academic research illustrates the scale of the problem: **a 2023 study by J. Kirchherr**² identified no fewer than **221 distinct definitions of “circular economy”** across the literature.

For businesses, consumers and public authorities, this creates confusion, regulatory uncertainty and an uneven playing field, ultimately discouraging innovation and investment.

Without a coherent and complete framework, circularity claims remain difficult to measure, audit or compare across Europe.

CURRENT LANDSCAPE

The EU and international bodies have launched several initiatives to define circular economy terminology, including:

- The **EU Circular Economy Action Plan (2020)**, which outlines general objectives without codified definitions
- The new **ISO 59004 : 2024** standard on circular economy vocabulary and implementation
- The **Ecodesign for Sustainable Products Regulation (ESPR, 2024)**, which introduces the Digital Product Passport (DPP), provides definitions of circular economy terms but remains incomplete (e.g., omits “repurpose”) and relies solely on the EU waste hierarchy, which does not reflect the full spectrum of circular approaches.
- Academic frameworks such as **Potting et al. (2017)**, which propose a multi-R strategy hierarchy (Refuse, Reduce, Re-use, Repair, Refurbish, Remanufacture, Recycle, Recover, etc.).

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Circular economy lingo is a real mess - some people talk about 17 different R's. We need to focus on a few clear, shared definition. Less is more.

- Martina Prox , Sustainability Director,
iPoint

Despite these advances, no consolidated reference today fully bridges sectoral regulations, legal instruments and fiscal or incentive tools to offer a coherent operational basis.

RECOMMENDATION

To address this gap and enable consistent, high-impact circular policies across the EU, we recommend the following:

- **Consolidate a single EU reference framework** building on ISO standards, EU initiatives and academic research, resolving inconsistencies and filling gaps.
- **Codify a clear hierarchy of strategies in law when relevant**, prioritising upstream processes (e.g., refuse, rethink, reduce or re-use) over downstream ones (e.g., recycling or recovery), building on the EU Waste Framework Directive (2008/98/EC).
- **Integrate the glossary and hierarchy into EU instruments**, including eco-labelling schemes, Green Public Procurement and the Digital Product Passport under ESPR.
- **Require standardised terminology in corporate reporting** under frameworks such as the CSRD or GRI to ensure comparability and auditability.
- **Support Member States' uptake** with implementation guidelines, model policies and training materials for coherent national adoption.
- **Establish a dynamic update mechanism** to revise terminology and hierarchies in line with technological progress and emerging circular practices.



We need clear, shared terminology to align the sector — and common KPIs to assess the impact, scalability, and real implementation of strategies.

– Guillaume Babule, Key accounts Project Manager, Fairly Made

KEY CIRCULAR PROCESSES AND THEIR MENTION IN EU AND ISO TEXTS

● Included in EU waste hierarchy

● included in ISO texts

REFUSE	●	01	Make product redundant by abandoning its function or by offering the same function with a radically different product	
RETHINK	●	02	Make product use more intensive (e.g., through sharing products or by putting multi-functional products on the market)	
REDUCE	●	03	Increase efficiency in product manufacture or use by consuming fewer natural resources and materials	
RE-USE	● ●	04	Use a product or its component parts after their initial use, for the same purpose for which they were originally designed	
REPAIR	●	05	Restore a product to a condition needed for the product to function according to its intended purpose	
REFURBISH	●	06	Restore an item, during its expected service life, to a useful condition for the same purpose with at least similar quality and performance characteristics	
REMANUFACTURE	●	07	Return an item to a like-new condition from both a quality and performance perspective using an industrial process	
REPURPOSE	●	08	Adapt a product or its component parts for use in a different function than it was originally intended for, without making major modif. to its physical, chemical or mechanical structure	
RECYCLE	● ●	09	Obtain recovered resources for use in a process or a product, excluding energy recovery	
RECOVER	● ●	10	Generate useful energy through direct and controlled transformation of recovered resources	

LAUNCH A COORDINATED EU-WIDE CAMPAIGN TO RAISE AWARENESS

02

CONTEXT

Achieving a circular economy depends not only on the harmonisation of circular economy definitions and concepts at the EU level, but also on the widespread dissemination of this understanding among both consumers (B2C) and professional purchasers (B2B).

However, according to a **2017 behavioural study** commissioned by the European Commission, the lack of accessible, trustworthy, and actionable information remains the main barrier to consumers engaging in circular economy practices.

Most citizens are unfamiliar with the meaning or hierarchy of the “Rs” (Reduce, Re-use, Recycle, etc.), and struggle to interpret labels or understand the environmental impact of their choices.

At the same time, companies particularly SMEs face difficulties navigating the technical standards and regulatory requirements that frame eco-design and product circularity. Many procurement professionals still view remanufactured re-used or recycled materials as systematically lower quality

than virgin materials. These perceptions discourage the uptake of circular solutions, even when they are technically and economically viable.

CURRENT LANDSCAPE

Across the EU, awareness efforts remain fragmented. Some Member States have run national campaigns and some industries provide training through Extended Producer Responsibility (EPR) schemes. However, coverage is inconsistent and often limited to recycling rather than higher-value strategies such as re-use, repair or eco-design. The lack of a coordinated European framework leaves gaps in both consumer education and professional training.

“

Even after a century of existence, remanufacturing remains underrated — yet reman parts perform «as good as new», reusing end-of-life components instead of new materials and extending product lifespan while preserving maximum value. That's why circular awareness is key to scaling up.

- Mino Yamamoto , Group Circular Economy and R&D Excellence Director, **Valeo**

RECOMMENDATION

To address this, the EU should create a structured programme for circular economy awareness and skills.

The objective is to clarify the hierarchy of circular strategies (e.g. reduce, re-use, recycle), explain how to interpret product labels and certifications, and debunk myths particularly around the quality of re-used or recycled materials to drive behavioural change and accelerate the adoption of circular practices.

Just as Erasmus + has built a European framework for mobility and training in education, a “**Circular Awareness Programme**” could foster a shared culture of circularity across Member States. It would finance continuous training, sector-specific modules and cross-border exchanges to spread best practices and ensure broad uptake.

The programme should focus on three priorities:

- **For businesses all accross the value chain** : accessible training and guidance on all “R” strategies and compliance with emerging regulations, building on the role of EPR schemes in supporting producers.

This also means improving the visibility and usability of existing technical forums (CEN/CENELEC, ESPR stakeholder platforms) so that standards are not confined to experts but become practical tools for companies.

- **For consumers** : clear and consistent information to build trust in environmental claims and labels, while ensuring the effective implementation of the Green Claims Directive and the transparency provisions of the Packaging and Packaging Waste Regulation (PPWR, e.g. recyclability, recycled content). Messages should go beyond general awareness and provide simple, verifiable cues to guide everyday choices.
- **For public authorities** : consistent communication strategies across Member States, ensuring that EU-level definitions and hierarchies are reflected in procurement practices and information campaigns.

This approach would create a coherent and permanent framework for awareness and training, ensuring that both citizens and businesses all across the value chain can actively participate in the transition, supported by reliable information.



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The only way to stop greenwashing is by raising awareness and providing trainings so that stakeholders feel genuinely involved

- Guillaume Turati, Circular Economy Engineer, **ADEME**

”

I've been in circular economy workshops where CSR directors didn't even know the waste hierarchy. And there's still major confusion between re-use and recycling

- Luca Emmanuello , Environment & Circular Economy Engineer, **La Boite X**



PROGRESSIVELY DEVELOP A CIRCULAR VAT SCHEME AT EU-LEVEL

03

CONTEXT

When making purchasing, pricing or production decisions, economic players -whether companies or consumers- do not naturally account for negative environmental externalities. This market failure results in unsustainable consumption patterns and environmental degradation.

Environmental taxation seeks to address this gap by internalising these externalities into market prices, ensuring that the true social and environmental cost of products and services is reflected in what consumers pay. In doing so, it not only incentivises behavioural change but also catalyses innovation in cleaner technologies, products, and services. For example, the 2020 “Repair Bonus” for bicycles funded separately from VAT led to 1.9 million bike repairs in under a year, illustrating the power of targeted incentives.

Several countries have already experimented with fiscal incentives to support circularity. Belgium and the Netherlands apply reduced VAT rates for certain repair services.

In 2022, the Czech Republic proposed at the EU Council to extend reduced VAT to products containing recycled materials, highlighting growing political momentum.

In 2024, France introduced a reduced VAT rate of 5.5% for the repair of shoes, textiles, leather goods and bicycles, leading to significant demand growth in local repair businesses. Early data shows that certain repair sectors experienced up to a 20% increase in demand in the first six months.

In April 2025, the French parliament proposed a “circular VAT” mechanism extended to additional circular sectors to incentivise more sustainable consumption.

CURRENT LANDSCAPE

The Value-Added Tax (VAT) is the EU’s primary consumption tax, governed by Council Directive 2006/112/EC, which allows Member States to apply one or two reduced rates (no lower than 5%) to specific goods and services.

RECOMMENDATION

National governments, starting with France which has positioned itself as a frontrunner, should evaluate the feasibility of **reduced VAT rates for circular products and services**, structured along the waste hierarchy.



Because people still equate circular economy with just recycling — thanks to years of old awareness campaigns — it's actually harder than starting from scratch.

- Chrysostomos Adamidis , Researcher,
Circular Economy Alliance

In alignment with the EU Taxonomy for sustainable activities, repair services, refurbished electronics, spare parts and products with certified recycled content should benefit from reduced VAT (for instance, 5.5% instead of 20%) to improve affordability and competitiveness.

Products and services contributing to circularity (e.g. refurbished electronics, spare parts, repair services) should benefit from reduced VAT (e.g., 5.5% instead of 20%) to increase their affordability and competitiveness.

Safeguards are necessary to ensure transparency and effectiveness, including clear eligibility criteria, harmonised labelling (under the Packaging and Packaging Waste Regulation and the Eco-design for Sustainable Products Regulation through the Digital Product Passport), and price monitoring to verify the extent of consumer benefit.

Key steps for implementation include:

- **Scenario analysis** across sectors to assess fiscal costs, administrative feasibility, and environmental benefits comparing foregone tax revenues to potential savings from lower pollution, waste, and raw material dependency. **Targeted pilots** in high-impact sectors (e.g. electronics, textiles,

home appliances) where circular practices offer the most potential for scale and environmental gain.

- **Monitoring and evaluation** to track changes in consumer demand, business practices, and reductions in environmental externalities.
- **Amendment of Directive 2006/112/EC** to authorise Member States to apply reduced VAT rates to additional repair services and to the resale of reconditioned goods.
- **Avoiding misleading promises to consumers:** past experiences show that VAT reductions do not always benefit consumers directly. For example, when France cut VAT for restaurants in 2009, only 17% of the reduction was passed on to consumers, with the remainder absorbed into business margins and wages. In the context of circular products and services, this risk is not necessarily a drawback higher margins can support the profitability of circular business models, which often face cost and investment barriers in early stages. However, clear communication and monitoring are essential to avoid misleading expectations and ensure the measure drives genuine environmental and economic benefits.

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Re-use means jobs — with reduced labour costs, it could be a game changer. The state has the power to drive this: boost employment, relocalize activity, and keep businesses alive.

- Johanna Ferrière, Director, **Cyneo**

“

Of course, if we talk about reduced VAT for circular products, the real question is: how do we define a circular product ?

- Kévin Le Blévennec, Circular Economy expert,
Le Blévennec Consulting

“

VAT incentives could drive circularity more effectively than labour exemptions — they're objective, transparent, and tied to product performance rather than company structures.

- Xavier Meyer , Circular Economy Director,
Saint-Gobain

“

We need to see reduced VAT as a margin booster — an impactful way to make circularity more profitable

- Timothée Mace Dubois, Timothée Macé
Dubois, Co-Founder, **Circular Fashion
Federation**

SUPPORT JOB CREATION IN CIRCULAR SECTORS THROUGH TARGETED SOCIAL CONTRIBUTIONS RELIEF AND TRAININGS

04

CONTEXT

The circular economy relies on labour-intensive activities such as sorting, repair, remanufacturing, and refurbishment tasks that generate high environmental and social value.

These jobs create high environmental and social value, but face structural disadvantages. They are inherently local, often costlier than linear alternatives, and heavily dependent on technical skills that are increasingly scarce in Europe, such as electronics repair, textile reprocessing, and bicycle maintenance.

As a result, circular business models struggle to scale, while linear alternatives continue to dominate benefiting from globalised supply chains and minimal accountability for negative externalities like waste, emissions, and resource depletion.

CURRENT LANDSCAPE

Some isolated examples show growing efforts to address this gap.

In France, employers in the Social and Solidarity Economy (ESS) benefit from partial exemptions from social charges, acknowledging their broader societal contributions. A similar rationale could be applied to circular economy jobs.

In parallel, several European countries, including France (via the Bonus Réparation) or Sweden (through the RUT deduction), offer tax incentives on repair services for items like electronics, appliances, and bicycles. These mechanisms indirectly reduce labour costs by boosting demand for repair services, illustrating how fiscal levers can support circular employment.

Yet despite these scattered initiatives, there is currently no coherent or harmonised European framework to reward and scale circular labour. Businesses in this sector face the same labour cost burdens as their linear counterparts, limiting the scalability, attractiveness, and competitiveness of circular business models.



RECOMMENDATION

To support the development of circular economy jobs and enhance their competitiveness, we recommend that national governments across the EU launch a pilot programme that combines **targeted fiscal incentives** with **investment in training and skills development** for circular economy jobs, particularly in low- and middle-skilled industrial occupations. **Circular business models** such as repair, refurbishment, remanufacturing, reuse services, leasing, and product-as-a-service should be clearly defined to avoid ambiguity and ensure consistent eligibility.

The proposed pilot should include the following key elements :

- Focus incentives on clearly defined, labour-intensive circular activities such as sorting, dismantling, repair, remanufacturing, and refurbishment
 - Use the common EU glossary of circularity terms to define eligible activities and job types (building on Circle Economy's methodology), ensuring coherence, cross-sector benchmarking, and preventing misclassification or overreach.
 - Limit the exemption to **activities performed within the EU**, ensuring that the fiscal incentive promotes local job creation, reindustrialisation, and domestic value retention.
 - Establish a "Circular Employment Label" or equivalent **certification mechanism** and conduct regular audits and checks with social security administrations and labour inspection bodies to:
 - Validate participating companies and job roles;
 - Ensure traceability and compliance;
 - Prevent abuse or unjustified exemptions.
 - **Tie exemption eligibility to measurable indicators** such as:
 - Tons of materials re-used, refurbished, or remanufactured;
 - Share of low-skilled or long-term unemployed individuals employed;
 - Demonstrated reduction in waste or material use per output unit.
 - Integrate a strong **skills and training component**, informed by Circle Economy's work on measuring and mapping circular jobs, to address gaps in expertise and ensure long-term sectoral resilience. This should also include efforts to formalize informal repair and recycling work, which remains significant both in Europe and globally.
 - Test the programme over an initial **3–5 year period**, with monitoring of employment, environmental, and fiscal impacts. The results should inform a broader EU reflection on permanent measures to support circular labour.
- Aligning labour taxation with environmental and social policy objectives would make circular business models more competitive, reduce reliance on low-cost linear imports, and help build the skilled, resilient, and inclusive workforce.



“

Lowering social charges is doable — people can be clearly linked to circular activities. It's meaningful, visible, and easy to track.

- David Fitzsimon, Director, **European Remanufacturing Council**

”

Reducing social contributions for circular economy workers (e.g., sorting, dismantling, repair) could create jobs and foster professional integration, especially for the lesser skilled.

- Guillaume Turati,
Circular Economy Engineer, **ADEME**



LIMIT THE TRADE OF CRITICAL MATERIALS OUTSIDE THE EU TO SECURE EU RESOURCE LOOPS

05

CONTEXT

The European Union remains a major net exporter of high-quality secondary raw materials such as steel, aluminium, and copper scrap despite an increasing internal demand to **support the green and digital transitions**. To illustrate this, the **2022 Varin Report** commissioned by the French government emphasized Europe's vulnerability in securing critical raw materials for the energy transition.

The imbalance is particularly visible in the steel sector. While the EU produces over 110 million tons of steel scrap each year, it exports around 15.8% of this material. In the case of **copper**, Europe is heavily reliant on imports to meet its needs—Poland, the EU's largest producer, contributes just 2% of global output. **Aluminium** illustrates a similar trend: since 2019, EU exports of aluminium scrap have doubled, while intake by EU recyclers has grown by only 7%. This divergence has deepened the EU's aluminium trade deficit, now estimated at €11.1 billion, and reflects a broader underutilization of Europe's recycling capacity.

Continuing to export such materials undermines the EU's ability to build closed-loop value chains, increases reliance on external suppliers, and contradicts the objectives of key legislative frameworks such as the Critical Raw Materials Act (CRMA) and the Circular Economy Action Plan. Global shortages and rising strategic importance of these materials especially in light of electrification and industrial

sovereignty goals call for a shift from treating recyclables as “waste” toward viewing them as key industrial assets.

Moreover, concrete cases already highlight the consequences of regulatory uncertainty. In 2022, the materials and chemicals company **Eastman** announced a €1 billion investment in Normandy to build the world's largest chemical recycling plant for polyester waste. While most permits were secured and 70% of feedstock had been sourced, the project has stalled due to the absence of clear EU rules on the import of chemically recycled plastics. Eastman now hesitates to proceed without guarantees that European recyclers will be protected from unfair competition with non-EU producers that are not held to the same environmental standards.

CURRENT LANDSCAPE

Recent regulatory developments at the EU level indicate growing political momentum toward stricter control over waste exports and greater retention of recyclable materials within the European economy. The **revised Waste Shipment Regulation**, set to enter into force by 2026, introduces several key limitations aimed at limiting the export of valuable or poorly managed waste streams to non-OECD countries :

- Exports of **hazardous waste for recovery** to non-OECD countries will be prohibited.
- Exports of **non-hazardous waste for recovery** to non-OECD countries will be subject to new limitations.
- A **temporary ban** on the export of plastic waste to non-OECD countries will apply starting in **November 2026**, lasting for an initial period of 2.5 years.
- By **May 2026**, all intra-EU waste shipment procedures will be managed via a **centralised digital platform (DIWASS – Digital Waste Shipment System)**, enabling better tracking and enforcement across borders.

Yet, the impact of these limitations may be limited in practice, as the majority of EU waste exports already go to OECD countries with non-OECD destinations like India, Morocco, and Pakistan representing only a small share of the total thereby leaving high volumes of strategic secondary materials beyond the scope of EU borders and controls.

Moreover, most non-OECD countries receiving EU waste (including India, Morocco, Pakistan) have already applied for authorization to continue receiving non-hazardous waste under the new regulation, further reducing the immediate effect of the limitations.

In parallel, product-specific regulations are raising expectations around recycling and material recovery. For example, the **2023/1542 Regulation on batteries and waste batteries** sets ambitious recovery targets to be met by 2031: 95% for cobalt, copper, lead, and nickel, and 80% for lithium.

These targets reflect the EU's strategic aim to retain valuable raw materials within its own industrial system.

Together, these regulations reflect a clear shift in the EU's approach to resource management moving from a linear model that treats recyclable materials as disposable waste, toward a more strategic view that values them as economic assets. However, implementation gaps and policy inconsistencies remain, underscoring the need for more coordinated action

to fully retain and reintegrate these materials into EU supply chains.

RECOMMENDATION

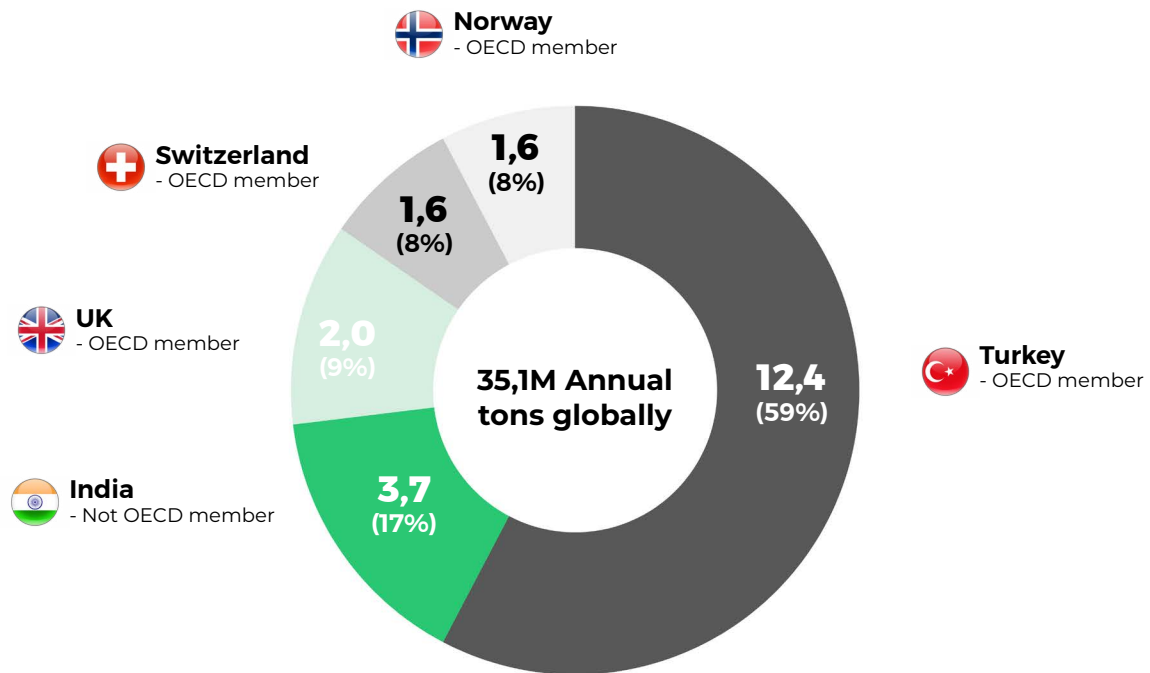
To secure Europe's access to strategic materials and build resilient circular value chains, the EU must take coordinated action to limit exports of used goods and secondary critical materials while support domestic reprocessing capacity.

- A first step is to progressively introduce **material and product-specific export limitations** for high-value secondary raw materials that are essential to the green and digital transitions (e.g., steel, aluminium, copper, lithium, battery black mass, rare metals).
- These limitations should be included in an **updated EU waste export control list**, aligned with the objectives of the **Critical Raw Materials Act (CRMA)** and the **EU Industrial Strategy**. Priority should be given to materials with high strategic value and existing or scalable local processing capacity.
- In parallel, **strategic recyclable streams should be classified as "waste requiring notification" under the Basel Convention**, to improve traceability and ensure oversight of their handling abroad.
- The EU should set binding targets for domestic **collect, recycling and use** of secondary materials, including steel, copper and aluminium, to ensure stable feedstock supply to EU industry. The achievement of these targets should be supported by dedicated public instruments — including subsidies and grant schemes — to assist companies in meeting compliance requirements
- Obligations for **minimum recycled content** should be extended to a wider range of products, beyond batteries and packaging, to create predictable demand and secure markets for secondary raw materials.
- Additional measures under the **Waste Shipment Regulation** may include:

- Progressively extending the export bans on non-hazardous waste to **all non-EU countries**, including OECD members. If not, a **tax on exports to OECD countries** could be introduced to discourage outflows.

- **Bilateral agreements** negotiated with key non-OECD recipients of EU waste, such as India, Egypt, Pakistan, and Morocco to ensure materials are recovered in environmentally sound conditions. Policy design must remain realistic **phased in progressively** and adapted to domestic absorption capacity. Export bans should be avoided in sectors where EU **processing capacity is not yet sufficient**.

Main destinations for waste from the EU



Source : Eurostat (waste data and definitions)



In times of crisis and uncertainty, circular economy principles are not just good for the planet — they're a resilience strategy.

- Emmanuelle Bru,
Head of Circular Economy, **BNP Paribas**



The export of strategic materials
outside the EU **undermines our ability
to recover value and build industrial
resilience within Europe.**

SÉBASTIEN VILLETTE, Business Development Director, **Stellantis**



“

We need to limit exports via trade taxes,
which can then be used to develop treatment
infrastructure within Europe.

- Maxime Beysecker,
Circular Economy & Solidarity divisions,
Greenlobby

”

By preventing black mass from leaving
Europe, we safeguard not only our
sovereignty but also our jobs.

- Rémi Cornubert,
Founder & CEO, **Strat Anticipation**



ENSURE PUBLIC PROCUREMENT LEADS BY EXAMPLE IN TERMS OF CIRCULARITY

06

CONTEXT

Public procurement accounts for an **estimated 10-20% of total market demand in the European Union**.

Most public tenders focus narrowly on the **lowest upfront cost**, without accounting for the broader benefits circular products and services can offer. The advantages of local job creation through re-use and repair and enhanced industrial sovereignty are **rarely recognised** or valued in standard procurement evaluations.

Even when rules exist, they often **lack traction**. For example, France's AGEC law includes a legal obligation to ensure that at least 10% of public purchases are circular. But in practice, this requirement remains strongly unenforced because of a combination of low awareness among procurement officials, a lack of operational tools and criteria, and widespread administrative inertia.

For instance, **38% of public buyers deem that they are not aware of the AGEC schemes**.

“

The AGEC law requires 20% of public procurement to be circular products - but it's not being followed. The vast majority of state buyers aren't even aware it exists.

- Vincent Lequin, Circular Economy Project Officer, **Direction Générale des Entreprises**

CURRENT LANDSCAPE

In France, the national strategy for responsible procurement (**SPASER**) covering 2022–2025 has set a target: by 2025, 20% of public purchases were supposed to consist of circular or re-used goods. While the ambition is notable, enforcement mechanisms remain weak. **There is little systematic monitoring, and few financial or operational incentives** exist to encourage compliance. As a result, the circular potential of public procurement is still underexploited.

At the EU level, the regulatory landscape is beginning to shift. The **Ecodesign for Sustainable Products Regulation (ESPR)** is progressively introducing binding green purchasing targets up to 50% in some sectors while the **Directive on Green Public Procurement** encourages Member States to embed sustainability and circularity into public tenders, though its application remains voluntary.

Together, these measures signal a move toward greater accountability, yet concrete arrangements for implementation, monitoring, and integration into national and local procurement systems are still lacking.

RECOMMENDATION

Priority levers include:

- Making **Green Public Procurement (GPP) mandatory** across all Member States to drive investment in sustainable goods and services. As an example, small mobility fleets illustrate how circular maintenance models can be embedded within public service provision
- Increasing **awareness and understanding** of circular procurement obligations: implementing mandatory **onboarding programmes** for all public buyers to ensure they are fully aware of **legal obligations** such as those set by the **AGEC law** in France.
- Providing buyers with **practical operational support**: equipping public procurement officers with **standardised** and **easy-to-use circularity criteria**, detailed **procurement guides** tailored to circular economy principles, and access to **verified databases** of certified circular products

(for example, products classified under ESPR Class A/B or evaluated through recognised circularity scoring systems).

Embedding these measures systematically into public procurement routines across Europe would **increase demand** for sustainable and circular products, **stimulate innovation** in supply chains, **reduce risks** associated with circular business models, and **support the creation of green jobs** at the regional level.



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