



GreenNEWS #3

Circular economy: a key to a sustainable future

The circular economy isn't just a trend; it's a strategic approach for sustainable growth through responsible resource management. Moving beyond the conventional "take-make-dispose" model, which strains resources and generates waste, the circular model emphasizes continuous reuse, taking cues from nature's cycles, where every resource finds a purpose.

Why focus on the circular economy?

Circular economy practices meet urgent environmental and economic needs by making systems more efficient, adaptable, and less reliant on new resources. Here's how it benefits both businesses and consumers:

1. **Economic resilience** – Circular practices stabilize operations by reducing reliance on unpredictable raw materials. By emphasizing recycling and reuse, companies can gain greater control over resources, avoiding supply chain risks and lowering costs. This approach helps businesses adapt more easily to regulations on resource use.
2. **Building customer loyalty** – Today's consumers value brands committed to environmental responsibility. By offering options like repair services, recycling programs, or take-backs, companies resonate with consumer values, reducing waste while strengthening customer relationships. Embracing circular principles can become a key differentiator, building loyalty in a market that values sustainability.
3. **Lowering environmental impact** – Circular models significantly reduce waste and emissions by transforming resources into a continuous cycle. Rather than discarding byproducts, companies can repurpose them, aligning operations with environmental goals. Practices like composting, recycling, and repurposing minimize waste, helping create a healthier planet.
4. **Encouraging new business models** – Circular principles open doors to resource-efficient business models, like leasing, sharing, and repair services. These models allow companies to provide products without consuming new resources, appealing to eco-conscious consumers.

and reducing costs. For instance, leasing durable products that can be refurbished extends product lifecycles and cuts down on frequent replacements.

5. **Taking inspiration from nature** – At its core, the circular economy treats materials as assets, reintegrating them into production cycles. This mirrors natural ecosystems, where waste serves as a resource for new growth. By adopting this approach, companies support a low-waste economy that eases environmental strain and preserves resources for future generations.

Beware of greenwashing

As sustainable practices grow in importance, transparency is essential. Companies must back environmental claims with genuine action, avoiding greenwashing—the practice of promoting eco-responsibility without concrete steps. Transparency in circular practices not only builds trust but also assures consumers of a company’s authentic commitment to environmental goals.

Circular audits for small and medium enterprises

The circular economy benefits not only large corporations but also small and medium enterprises (SMEs). Circular audits help SMEs find ways to reuse materials, optimize waste management, and reduce their reliance on new resources. These audits reveal opportunities to improve efficiency, reduce costs, and build resilience. For example, a small electronics repair business might refurbish parts instead of discarding them, cutting waste and expenses while contributing to the circular economy.

EU support for circular economy

In Europe, regulatory frameworks are being established to support sustainable production practices from design to end-use. In March 2020, the European Commission adopted the Circular Economy Action Plan (CEAP), aimed at introducing eco-design requirements to make products more durable, easier to repair, and suited for reuse. It also promotes the use of recycled materials in industry and encourages a 'repair rather than discard' philosophy. By implementing circularity at every stage of the product lifecycle, the EU is building a sustainable economy that encourages businesses to innovate in resource-efficient practices.