



WWF Germany : Submission to the Call for Evidence on the EU Circular Economy Act

November 2025

WWF Germany welcomes the **European Commission's political commitment** to developing the **Circular Economy Act (CEA)**.

To fully realise its potential, the CEA must **go beyond the focus on secondary materials**. A genuine Circular Economy requires addressing the full hierarchy of *R-strategies*, including refuse, reduce, reuse, repair and remanufacturing and recycling. If the CEA concentrates primarily on secondary materials, it risks missing the higher-impact levers of sufficiency, smarter manufacturing, product longevity and effective re-use systems that are essential to stay within planetary boundaries and that safeguard raw material sovereignty of the European Union.

WWF Germany urges EU policymakers to ensure that the Circular Economy Act:

1. **Sets binding resource reduction targets:** Commit to absolute material reduction goals, embedded in monitoring and governance. Just as climate neutrality depends on emission caps, circularity requires legally binding targets.
2. **Makes waste prevention and reuse the top priority:** Establish a genuine Single Market for reuse, repair, and rental services, supported by binding targets, harmonised standards and financing of infrastructure.
3. **Reforms Extended Producer Responsibility:** Introduce an EU-wide EPR framework with mandatory producer participation, harmonised eco-modulation criteria, full transparency and accountability. Revenues must prioritise waste prevention, repair, and reuse to align producer incentives with the waste hierarchy.
4. **Uses fiscal policy to reward circularity:** Reform taxes and subsidies to make circular products and services the most affordable option. Introduce reduced VAT or tax credits, phase out environmentally harmful subsidies and CE-financing tools.
5. **Leverages public procurement:** Make circular public procurement mandatory across Member States, with EU-wide criteria for durability, repairability, reuse and recycled content. Procurement should reward full life-cycle performance over lowest upfront cost.
6. **Ensures a socially just Circular Economy:** Engage citizens and make sustainable living the most affordable and accessible option, by linking circularity with mobility, community infrastructure, education and social innovation.
7. **Strengthen secondary raw-material markets:** Set binding, cross-material minimum quotas for recycled content in high-impact sectors and make the Circular Material Use Rate (CMUR) a legally binding metric. Create product-specific end-of-waste regulation.

We outline these levers in more detail on the following pages.



The CEA should be **designed as a true Circular Economy Act, not a Secondary Materials Act**. To fully exploit the potential of the Single Market, the legislation must address the whole spectrum of circular strategies – especially those that slow and reduce resource use – by promoting business model innovation and social value creation. Only then can Europe achieve resilience, competitiveness, social cohesion and climate neutrality.

To ensure the Circular Economy Act delivers on its potential, WWF Germany recommends the inclusion of the following topics into the upcoming Circular Economy Act:

Set Binding Targets For Absolute Resource Reduction

Scientific evidence is clear: material extraction and processing are responsible for over 60% of global greenhouse gas emissions and more than 90% of biodiversity loss and water stress. The International Resource Panel (IRP) stresses that achieving the UN 2030 Agenda and the Kunming-Montreal Global Biodiversity Framework requires absolute decoupling of material use from well-being. High-income regions like the EU already have the material stocks they need; they must now reduce flows and use them more efficiently¹.

WWF Germany calls for the Circular Economy Act to **introduce binding, absolute resource consumption targets at EU level and embed indicators into EU monitoring and governance**. Just as climate neutrality requires emission caps, circularity requires clear goals for reducing the extraction and use of primary raw materials. Without such targets, efficiency gains risk being outweighed by rebound effects.

Prioritise Waste Prevention And Reuse

The CEA should firmly **establish waste prevention and reuse as the top priority of EU circularity policy**. Several studies show that consumption-based measures such re-use, durability, sharing, repair, remanufacturing contribute much more to decarbonisation than recycling measures²³⁴.

The PPWR marked an important first shift towards reuse, but its ambition remains limited. For instance, it sets very low reuse targets for to-go packaging (only 10%, which are effectively non-binding) and introduced material-specific exemptions to reuse, such as those for cardboard and carton in transport packaging. **Packaging and product reuse systems**, supported by digital tracking, **standardised container dimensions and cross-border recognition of deposits** can reduce single-use dependency. EU-wide introduction of **ambitious, cross-material quota for reuse (without exceptions for selected single-use materials)** in take-

¹ United Nations Environment Programme (2024): Global Resources Outlook 2024: Bend the Trend – Pathways to a liveable planet as resource use spikes. International Resource Panel. Nairobi. <https://wedocs.unep.org/20.500.11822/44901>

² Circle Economy & Deloitte. (2025). Circularity Gap Report 2025: A Circular Economy to Live Within the Safe Limits of the Planet. Circularity Gap Reporting Initiative.

³ IPCC. (2022). Chapter 5: Demand, services and social aspects of mitigation. In: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report. Cambridge University Press.

⁴ WWF Germany (2024) *Circular Economy Model Germany – A comprehensive circular economy for Germany in 2045*. WWF Germany, Berlin. Available at: <https://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/Unternehmen/WWF-model-germany-circular-economy.pdf>



away, retail and logistics sectors would support the transition to a resource-conscious circular economy and help in levelling the playing-field.

Reform Extended Producer Responsibility Systems

The CEA should include a comprehensive reform of Extended Producer Responsibility (EPR), introducing **mandatory producer participation in collective responsibility schemes** and **harmonised eco-modulation criteria** across all Member States.

Persistent under-performance in WEEE collection (EU average ~41% in 2022 vs. a 65% target) shows why a stronger, more uniform compliance and financing architecture is needed⁵.

The reformed EPR framework⁶ should:

- **Ensure universal participation:** Make membership in collective producer responsibility organisations (PROs) mandatory for all producers within scope, including distance sellers.
- **Standardise eco-modulation:** Establish harmonised EU-wide criteria that reward circular product design — durability, repairability and reusability — and move beyond minimum product requirements.
- **Prioritise upstream measures:** Earmark EPR revenues primarily for prevention, reuse, repair and high-quality separate collection before supporting recycling or end-of-pipe solutions.
- **Guarantee transparency and accountability:** Require that all EPR funds are used exclusively for circularity objectives, with independent audits and public reporting.
- **Align legislative frameworks:** Strengthen coherence between EPR and related EU policies, particularly the ESPR, PPWR and the Waste Framework Directive, to ensure a unified approach from product design to waste management.

Use Fiscal Policy To Reward Circularity

Unsustainable consumption patterns are reinforced by **distorted price signals**. Conventional, resource-intensive options often appear cheaper than sustainable ones. WWF urges the CEA to **make use of fiscal instruments and tax differentiation to level the playing field**.

This should include rewarding circular business models and products such as repair services, second-hand goods and plant-based staples through **reduced VAT or tax credits**.

⁵ European Environment Agency (EEA) (2024) *Waste electrical and electronic equipment (WEEE) collection rate indicator*. European Zero Pollution Dashboard. Available at: <https://www.eea.europa.eu/en/european-zero-pollution-dashboards/indicators/waste-electrical-and-electronic-equipment-weee-collection-rate-indicator> (Accessed: 6 October 2025)

⁶ OECD. 2024. *Extended Producer Responsibility: Basic Facts and Key Principles*. OECD Environment Policy Paper No. 41. Paris: OECD. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/04/extended-producer-responsibility_4274765d/67587b0b-en.pdf

⁷ Katrakis, E., Bukowski, H. (eds.), Brocard, L., del Chiaro, J., Darut, A., Eboli, F., Ettinger, J., Quoden, J. & ten Wolde, A. (2025). *EPR schemes: current state and recommendations for improvement* (Economic Incentives Leadership Group, European Circular Economy Stakeholder Platform). Retrieved from https://circulareconomy.europa.eu/platform/sites/default/files/2025-06/EPR%20Scheme%20ECEPSP-4_1.pdf



At the same time **taxes or levies on resource-intensive** products such as primary building materials, fast fashion and meat should be increased or introduced.

Furthermore, **subsidies that incentivise car use and high resource consumption**, such as the company car benefit or commuter allowance, should be **reformed to support a just transition to net-zero emissions across sectors**.

The CEA should **create dedicated EU financing streams** such as Circular Economy Bonds and CE-linked Loans to scale circular business models, especially for SMEs. At least 50% of EU budget expenditures should **align with the EU Taxonomy objective Transition to a circular economy**.

Redirecting fiscal support towards circular business models such as leasing, sharing, repair and refurbishment through **preferential credit schemes and social vouchers** would drive behavioural change and unlock new markets.

Leverage Public Procurement

Public procurement represents one of the most powerful levers for scaling circular and low-carbon solutions. Public authorities in the EU account for around 14% of GDP annually⁸, giving them the potential to act as a **driver of green lead markets**.

The CEA should therefore establish **EU-wide mandatory criteria** for durability, reparability, reuse and recycled content **in public contracts**. These criteria must go beyond recycling quotas and explicitly reward strategies such as product longevity, modular design and reuse. In the food sector, this could mean plant-based defaults and reusable systems in public canteens; in the building sector, prioritising renovation over demolition, secondary materials and modular construction.

To create genuine green lead markets, **the principle of lowest upfront cost must no longer outweigh life cycle and social considerations**. By integrating full cost accounting and sustainability criteria, public authorities can provide **predictability and strong market signals** for companies to invest in strategic circular and climate-friendly technologies.

The EU has already laid important foundations through instruments such as the Ecodesign for Sustainable Products Regulation (ESPR) and the Construction Products Regulation (CPR), which can guide the operationalisation of Green Public Procurement (GPP)⁹.

Creates A Socially Just Circular Economy

A just circular transition must **lower living costs and expand access** to essential services while reducing material throughput. At EU level, this means coupling the CEA with **mobility, procurement, social-economy and funding tools** so that **sharing, re-use and access-over-ownership** become the easiest and most affordable choices for households.

⁸ European Commission. *Public procurement* [online]. Internal Market, Industry, Entrepreneurship and SMEs. Available at: https://single-market-economy.ec.europa.eu/single-market/public-procurement_en (Accessed: 8 October 2025).

⁹ DNR (2024) *Policy paper on European industrial policy: Long-term competitiveness, planning certainty and social cushioning – Pathways towards climate neutrality of European industry*. Berlin: Deutscher Naturschutzring. Available at: https://www.dnr.de/sites/default/files/2024-07/2407_Forderungspapier-EU-Industrie.pdf [Accessed 8 October 2025]



The CEA should align with the EU Urban Mobility Framework and the Social Climate Fund (SCF) to make **affordable, low-carbon mobility** a social right: earmark SCF resources for **reduced-fare or free public transport for low-income groups**, integrated bike- or car-sharing passes, and barrier-free access in peri-urban areas. The Commission should issue guidance for Member States to include **mobility-as-a-service** and shared fleets as sufficiency measures in national circularity plans.

The CEA should **recognise local circular hubs** (libraries of things, sharing depots, repair- and maker spaces) **as eligible social infrastructure under EU funds** — including the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the European Territorial Cooperation Programmes (Interreg) and the Social Climate Fund (SCF) and invite Member States to include them in their Partnership Agreements¹⁰.

In addition, the CEA could **complement the Right-to-Repair with EU guidelines for “repair & refurbish affordability schemes”**, establishing **EPR-funded vouchers and reduced VAT for refurbished and second-hand goods** and promote EU-wide recognition of accredited repair/refurbish networks. Member States may model schemes on France’s **repair fund** and Austria’s and repair boni, adapted to EU state-aid and consumer rules.

Development of a Market for Secondary Raw Materials

To reduce dependence on primary raw materials, the CEA must foster a well-functioning **internal market for secondary raw materials**.

The **Circular Material Use Rate (CMUR)** should become a **legally binding indicator** under the Circular Economy Act. As a core measure of how effectively materials are kept in use within the economy, the CMUR provides a clear benchmark for tracking progress towards absolute resource reduction. Making it binding, would ensure accountability and coherence across Member States, guiding both policy and investment towards closing material loops.

The Circular Economy Act should set **EU-wide, binding minimum quotas for recycled content** in high-impact product categories. To comply with regulatory requirements, the **use of post-consumer recycled (PCR)** materials must be prioritised. In the case of plastics, **bio-based materials should be explicitly excluded**. Recycled material streams should follow the **principle of cascading use**, giving priority to reuse and recycling within their original sectors before downcycling into lower-value applications.

Product-specific end-of-waste regulations are needed, either in the CEA or based on the model of the Art. 19 EU Fertiliser Products Regulation in specific product legislation. Often, the waste status of a secondary raw material prevents it from being accepted on the market as a substitute for primary raw materials. The abstract end-of-waste regulation in Article 6 of the EU Waste Framework Directive leaves the crucial issue of product standards unresolved and prevents re-entry into product status.

¹⁰ **Hans Sauer Stiftung (2023)** *Roadmap to a Circular Society – ein Co-Design-Prozess zur Gestaltung gesellschaftlicher Diskurs- und Möglichkeitsräume*. Munich: Hans Sauer Stiftung. Available at: https://www.hanssauerstiftung.de/wp-content/uploads/RoadmaptoacircularSociety_Stand09_2023-.pdf (Accessed: 6 October 2025).



To ensure fair competition and a truly circular Single Market, the CEA must **establish equal standards for all actors**. Both domestically produced and imported recyclates should be subject to the same environmental, quality, and social requirements. Recycled materials imported from non-EU countries must meet EU sustainability benchmarks to guarantee a level playing field, while secondary raw materials produced within the EU must remain tradable and economically viable. Clear quality criteria and harmonised standards for secondary raw materials and their reuse are therefore essential.

The Act should also **strengthen market transparency** by introducing mandatory documentation requirements for all recycled materials. This should include information on the origin of materials, applied recycling processes, and compliance with environmental and social standards. Such transparency must apply equally to imports, ensuring **traceability, accountability, and trust** in the market for secondary raw materials.

Furthermore, the CEA should **prioritise environmentally sound recycling**. Mechanical recycling should be legally established as the preferred option wherever technically and economically feasible, as it is generally more energy-efficient and environmentally beneficial than chemical recycling.

Finally, the Act must take a clear stance to **end landfilling of untreated waste**. Member States should be required to apply fiscal penalties for landfilling and incineration and to integrate these activities into the EU Emissions Trading System (ETS), ensuring that waste disposal reflects its true environmental cost and incentivises higher-value circular solutions.

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