

A business call for an ambitious Circular Economy Act

As the European Commission continues to shape the Circular Economy Act, we would like to share a clear signal from the Dutch business community on the conditions needed to accelerate the circular transition.

Last month, 100 CEO's and business leaders in the Netherlands endorsed the Entrepreneurs' Agreement 2030. The agreement is built around shared responsibility: businesses commit to strengthening a competitive and sustainable economy, while policymakers create the conditions that allow companies to invest in and scale the economy of the future.

Within the agreement, dozens of companies have made concrete commitments on circularity. These include linking business KPIs to national circular-economy objectives, developing take-back, recycling, refurbishment and resale models, improving the use of product and material data, and reducing dependence on primary and fossil resources. Companies making such commitments include Fairphone, Renewi, VELUX, bol and JDE Peet's, illustrating that this agenda is recognized across manufacturing, materials, retail, recycling and consumer markets.

These commitments demonstrate a willingness from businesses to invest and change. To turn them into scale, companies need strong and predictable market conditions. We therefore, together with the companies involved in the Entrepreneurs' Agreement, strongly support an ambitious Circular Economy Act. Based on the priorities agreed in the Entrepreneurs' Agreement, we see three enabling conditions as particularly important.

Create predictable demand for circular products and materials

Investment follows demand. Europe can provide greater certainty for companies investing in secondary, reusable and bio-based materials by creating stronger and more predictable markets for them. Public procurement, product policy and other demand-side instruments play an important role. The Entrepreneurs' Agreement therefore calls for circularity to become a stronger part of procurement policy and for policy to actively create predictable demand for circular products and materials.

Make circular and non-fossil choices economically attractive

Scaling circular businessmodels requires an economic environment in which quality, repair, refurbishment, reuse and circular materials can compete. The agreement calls for financial incentives for circular business models and materials, as well as a shift that makes the use of primary fossil resources less attractive and labour-intensive circular activities more competitive.

The Circular Economy Act offers an important opportunity to strengthen these market incentives at European level and help companies build viable business cases around circularity.

Create regulatory space for circular innovation and scaling

Circular innovation increasingly requires companies to work across existing product, waste and material categories. Regulation should facilitate the testing and scaling of new circular value chains. The Entrepreneurs' Agreement therefore calls for regulatory sandboxes and for faster and

simpler certification, standardisation and authorisation procedures for circular materials and activities.

Together, these three conditions can strengthen Europe's ability to turn circular innovation into competitive businesses: **predictable demand, a viable business case and the regulatory space to scale.**

The Circular Economy Act represents an important opportunity to translate existing business commitments into stronger European market conditions and to strengthen Europe's competitiveness, resilience and resource security.

We would welcome the opportunity to continue our dialogue to discuss these priorities together.